



ROLLS-ROYCE HOLDINGS plc

(incorporated with limited liability in England and Wales under the Companies Act 2006 Registered Number 7524813)

unconditionally and (subject to Condition 1) irrevocably guaranteed by

ROLLS-ROYCE plc

(incorporated with limited liability in England and Wales under the Companies Acts 1948-1967 Registered Number 1003142)

£5,000,000,000

Euro Medium Term Note Programme

This Offering Circular supersedes any previous offering circular relating to the £4,000,000,000 Euro Medium Term Note Programme of Rolls-Royce plc (the "Previous Offering Circular") and relates to the £5,000,000,000 Euro Medium Term Note Programme of Rolls-Royce Holdings plc (the "Programme"). Any Notes (as defined below) issued under the Programme on or after the date hereof are issued subject to the provisions herein. This does not affect any Notes issued prior to the date hereof under the programme described in the Previous Offering Circular. Under the Programme the Issuer may from time to time issue Notes (the "Notes") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The payment of all amounts payable by Rolls-Royce Holdings plc (the "Issuer" or "Rolls-Royce") in respect of the Notes will be unconditionally and (subject to Condition 1) irrevocably guaranteed by Rolls-Royce plc (the "Guarantor").

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £5,000,000,000 (or its equivalent in other currencies calculated as described in the Distribution Agreement (as defined herein)), subject to increase as described herein. The Notes may be issued on a continuing basis to one or more of the Dealers specified under "General Description of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

Application has been made to the London Stock Exchange plc (the "London Stock Exchange") for the Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to trading on the London Stock Exchange's International Securities Market (the "ISM"). The ISM is not a regulated market situated or operating within the United Kingdom (the "UK") for the purposes of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook of the UK Financial Conduct Authority (the "FCA") Handbook (the "PRM") made in accordance with the Public Offers and Admissions to Trading Regulations 2024 (the "POATRs"). References in this Offering Circular to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the ISM.

The ISM is a market designated for qualified investors (as prescribed in Regulation 16 of the POATRs). The London Stock Exchange, as a Recognised Investment Exchange does not make assessments of investor eligibility. Given that under Regulation 16 of POATRs, only qualified investors are permitted to trade on ISM and no qualified investor is permitted to trade on behalf of persons who are not themselves qualified investors, financial intermediaries acting for investors are responsible for ensuring that only investors who are qualified investors as prescribed by Regulation 16 of POATRs are permitted to trade on ISM. Debt Instruments admitted to trading on the ISM are not admitted to the Official List of the FCA. The London Stock Exchange has not approved or verified the contents of this Offering Circular. Neither this Offering Circular, nor the applicable Pricing Supplement comprises a prospectus for the purposes of the PRM.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a pricing supplement document (the "Pricing Supplement") which will be delivered to the London Stock Exchange.

The Issuer has long-term issuer credit ratings of BBB+ by Fitch Ratings Ltd. ("Fitch"), A3 by Moody's Investors Service Limited ("Moody's") and BBB+ by S&P Global Ratings UK Limited ("S&P"). The Programme has been rated BBB+ by Fitch and A3 by Moody's. When an issue of a certain Series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme (if any) and such rating may be specified in the applicable Pricing Supplement. Fitch, Moody's and S&P are established in the UK and registered under Regulation (EC) No 1060/2009 on credit rating agencies, as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA") and the Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (the "CRA Regulation"). Each of Fitch, Moody's and S&P is not established in the European Economic Area (the "EEA") and has not applied for registration under Regulation (EC) No. 1060/2009 (the "EU CRA Regulation"). Any credit rating assigned to Notes to be issued under the Programme by Fitch, Moody's or S&P is expected to be endorsed by Fitch Ratings Ireland Limited, Moody's Deutschland GmbH and S&P Global Ratings Europe Limited, respectively, each of which is established in the European Economic Area (the "EEA") and registered under the EU CRA Regulation.

Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the applicable Pricing Supplement and will not necessarily be the same as the rating specified above. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Arranger and Dealer
BNP PARIBAS

The date of this Offering Circular is 25 March 2026

IMPORTANT INFORMATION

For the purpose of Notes admitted to trading on the ISM, each of the Issuer and the Guarantor accepts responsibility for the information contained in this Offering Circular and the applicable Pricing Supplement for each Tranche of such Notes issued under the Programme and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular and the applicable Pricing Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Offering Circular is to be read in conjunction with all documents which are incorporated in it by reference (see "Documents Incorporated by Reference" below). This Offering Circular shall be read and construed on the basis that those documents are so incorporated and form part of this Offering Circular.

None of the Arranger, the Dealers and the Trustee (each as defined herein) has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer and/or the Guarantor in connection with the Programme. None of the Arranger, the Dealers and the Trustee accept any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer and/or the Guarantor in connection with the Programme or accept any responsibility for the acts or omissions of the Issuer, the Guarantor or any other person (other than itself) in connection with the issue and offering of the Notes.

No person is or has been authorised by the Issuer, the Guarantor, the Arranger, the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Arranger, the Trustee or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Guarantor, the Arranger, the Trustee or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its subsidiaries (the "Group"). Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor, the Arranger, the Trustee or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer and/or the Guarantor is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. None of the Arranger, the Dealers and the Trustee undertake to review the financial condition or affairs of the Issuer, the Guarantor or the Group during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

The Notes and the Guarantee (as defined under "Terms and Conditions of the Notes") have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and Notes in bearer form are subject to U.S. tax law requirements (including TEFRA). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "Selling Restrictions" below).

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor, the Arranger, the Trustee and the Dealers do not represent that this

Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Arranger, the Trustee or the Dealers which is intended to permit a public offering of any Notes outside the EEA or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the EEA, the United Kingdom, Japan, Singapore, Hong Kong and Switzerland, see "Selling Restrictions".

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the relevant Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantor and their affiliates.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "EU MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

The Pricing Supplement in respect of any Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor

subject to Directive 2014/65/EU (as amended, "EU MiFID II") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

IMPORTANT – EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "EU MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 ("Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "EU Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is either one (or both) of the following (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation"), which applies up to and including 5 April 2026, or disclosure document required by the FCA Product Disclosure Sourcebook ("DISC"), which will apply from and including 6 April 2026, for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation or DISC and the Customer Composite Investments (Designated Activities) Regulations 2024, as applicable.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE "SFA")

The Pricing Supplement in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA"). If applicable, the Issuer will make a determination and provide the appropriate written notification to "relevant persons" in relation to each issue about the classification of the Notes being offered for the purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

NOTICE TO CANADIAN INVESTORS

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

ALTERNATIVE PERFORMANCE MEASURES

Certain alternative performance measures ("APMs") are included or referred to in this Offering Circular (including in the documents incorporated by reference). APMs are non-IFRS measures used by the Group within its financial publications to supplement disclosures prepared in accordance with other applicable regulations such as IFRS. The Issuer considers that these measures provide useful information to enhance the understanding of financial performance. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to other regulatory measures. An explanation of each such metric's components and calculation method can be found at:

- (a) pages 208 – 211 (inclusive) of the Annual Report 2025 of the Issuer for the year ended 31 December 2025 and pages 137 to 140 (inclusive) of the Annual Report 2025 of the Guarantor for the year ended 31 December 2025 (both incorporated by reference); and
- (b) pages 215 to 219 (inclusive) of the Annual Report 2024 of the Issuer for the year ended 31 December 2024 and pages 161 to 164 (inclusive) of the Annual Report 2024 of the Guarantor for the year ended 31 December 2024 (both incorporated by reference).

PRESENTATION OF INFORMATION

All references in this Offering Circular to "U.S. dollars", "US\$", "U.S.\$", "USD" and "\$" refer to United States dollars, all references to "Sterling", "£" and "GBP" refer to pounds sterling and all references to "euro", "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

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STABILISATION

In connection with the issue of any Tranche of Notes, any Dealer or Dealers acting as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description is qualified in its entirety by the remainder of this Offering Circular.

Issuer:	Rolls-Royce Holdings plc
Issuer Legal Entity Identifier (LEI):	213800EC7997ZBLZJH69
Guarantor:	Rolls-Royce plc
Guarantor Legal Entity Identifier (LEI):	X57JK1U580XATGR67572
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. There are also certain factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "Risk Factors".
Description:	Euro Medium Term Note Programme
Size:	Up to £5,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Notes. The Issuer may increase the size of the Programme amount in accordance with the terms of the Distribution Agreement.
Arranger:	BNP PARIBAS
Dealer:	BNP PARIBAS
	The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches. References in this Offering Circular to "Permanent Dealers" are to BNP PARIBAS and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Trustee:	BNY Mellon Corporate Trustee Services Limited
Principal Paying Agent:	The Bank of New York Mellon, London Branch
Registrar:	The Bank of New York Mellon SA/NV, Dublin Branch
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the "FSMA") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See "Selling Restrictions".

Issue Price:

Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes:

The Notes will be issued in bearer form or registered form as described in "Form of the Notes".

Fixed Rate Notes:

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution. See "*Maturities – Notes having a maturity of less than one year*" above.

Denomination of Notes:

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that (i) the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body), the laws or regulations of each country or jurisdiction in or from which the Notes may be purchased, offered, sold or delivered or any laws or regulations applicable to the relevant Specified Currency (See "*Maturities — Notes having a maturity of less than one year*" above), (ii) the minimum denomination of each Note offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the EU Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency as at the Issue Date of such Notes) and (iii) the minimum denomination of each Note offered to the public in the United Kingdom will be £50,000 (or, if the Notes are denominated in a currency other than Sterling, the equivalent amount in such currency as at the Issue Date of such Notes) unless the Note otherwise falls within an exception from the prohibition on offers to the public (as set out in Schedule 1 of the POATRs).

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of taxes imposed by the United Kingdom or any authority thereof or therein having power to tax, unless such deduction is required by law. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:

The terms of the Notes will contain a negative pledge provision as further described in Condition 2.

Cross Default:

The terms of the Notes will contain a cross default provision as further described in Condition 9. The threshold is £150,000,000 (or its equivalent in other currencies) or, if greater, 2 per cent. of Consolidated Net Worth (as defined in Condition 9).

Status of the Notes:

The Notes and the Coupons will constitute direct, unconditional and (subject to the provisions of Condition 2) unsecured obligations of the Issuer and will rank (subject as aforesaid and to certain statutory exceptions) *pari passu* and rateably without any preference or priority among themselves and equally with all other present and future unsecured (subject as aforesaid and to certain statutory exceptions) and unsubordinated obligations of the Issuer from time to time outstanding.

Guarantee:

The Notes will be unconditionally and (subject to Condition 1) irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under such guarantee will constitute (subject to Condition 1(B)) direct, unconditional and (subject to the provisions of Condition 2) unsecured obligations of the Guarantor and will rank (subject as aforesaid and to certain statutory exceptions) equally with all other present and future unsecured (subject as aforesaid and to certain statutory exceptions) and unsubordinated obligations of the Guarantor from time to time outstanding.

Rating:

Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the applicable Pricing Supplement and will not necessarily be the same as the rating of the Programme.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but which is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA but which is certified under the EU CRA Regulation.

Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but which is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK but which is certified under the UK CRA Regulation.

Listing and Admission to Trading:

Application has been made to the London Stock Exchange for the Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the ISM.

Governing Law:

English.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA, the United Kingdom, Japan, Singapore, Hong Kong and Switzerland and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "Selling Restrictions."

The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

The Notes will be issued in compliance with U.S. Treas. Reg. section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treas. Reg. section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "D Rules") unless (i) the applicable Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. section 1.163-5(c)(2)(i)(C) (or any successor U.S. Treas. Reg. section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "C Rules") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax

Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), which circumstances will be referred to in the applicable Pricing Supplement as a transaction to which TEFRA is not applicable. For the avoidance of doubt, these TEFRA selling restrictions apply to Notes in bearer form.

RISK FACTORS

Each of the Issuer and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are risks which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such risks occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on information currently available to them or which they may not currently be able to anticipate.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meaning in this section.

Factors that may have a material impact on the Group's results of operations, financial condition or future prospects and affect (i) the Issuer's ability to fulfil its obligations under Notes issued under the Programme and (ii) the Guarantor's ability to fulfil its obligations under the Guarantee are noted below, with the most material risk factors appearing first in each category:

Risks related to the Group's business activities and industry

1. Failure to meet safety standards could have a material adverse effect on the Group

In relation to the Group's people and processes, a failure to create a workplace environment that minimises the risk of harm to its employees, contractors, suppliers, and any individuals engaged with the Group's activities, as well as the broader environment, would adversely affect the Group's reputation and long-term sustainability. This also extends beyond the immediate impact on those directly employed by the Group to encompass anyone interacting with its operations, products, or services, and a failure to meet the expectations of customers regarding the provision of safe products, which also comply fully with all relevant regulations could materially affect the Group's business performance, operational results, financial health, and future prospects.

If an incident or accident arises due to, or is perceived as being caused or contributed to by, shortcomings on the part of the Group or its employees or contractors - such as through negligence or insufficient health and safety measures - this may result in significant negative publicity, disruption of services to customers, liability for substantial damages (not all of which may be covered by insurance), fines, potential loss or suspension of necessary licenses or authorisations. Additionally, failure to comply with environmental, health, and safety regulations may lead to claims for damages, sanctions, and potential harm to the Group's image and reputation. In such circumstances, the Group may become involved in judicial proceedings.

2. Non-compliance with regulations and changes in the legal and regulatory environment could increase the Group's costs or limit its business activities

Non-compliance with legislation and other regulatory requirements in the heavily regulated sectors in which the Group operates, such as export controls, data privacy, the use of controlled chemicals and substances, anti-bribery and corruption measures, human rights standards, and tax and customs laws poses a risk to the Group. Failure to adhere to these requirements may hinder the Group's ability to conduct business in certain jurisdictions and could result in a range of negative consequences. These consequences include reputational harm, financial penalties, debarment from government contracts for a specified period, and/or suspension of export privileges (including access to export credit financing).

In addition, the passing of, or changes in, applicable laws or regulations, or evolving interpretations thereof (including any applicable laws or regulations becoming more stringent in the future) may also result in increased compliance costs, capital expenditures and other financial obligations which may impede the

production or distribution of the Group's products and/or services and materially and adversely affect the Group's business, operating results, financial condition or prospects.

3. Failure to develop an effective strategy could weaken the Group's competitiveness and financial performance

Failure to develop an optimal strategy and continuously evolve it, investing in key areas for performance improvement and growth (taking into account risk versus reward considerations), making difficult decisions for competitive advantage and the right portfolio and partnership choices, could result in the Group underperforming against its competitors and significantly reduce the Group's ability to build a high-performing, competitive, resilient and growing business.

4. Failure to execute the strategy by incorporating it into operational and financial plans, and meeting customer expectations, could adversely affect the Group's business and results

A failure by the Group to deliver on short to medium-term financial plans, including efficient and effective delivery of quality products, services and programmes, and/or falling significantly short of customer expectations may adversely impact the Group's reputation and overall business performance. Indeed, due to intense market competition, contractual terms typically mandate a high standard of service delivery within strict execution timelines. Should the Group fail to meet quality or timing requirements for any reason, customers may enforce penalties and other contractual provisions that could negatively impact the Group financially. Additionally, unexpected increases in contract performance costs may reduce profitability. For instance, during periods marked by protectionist policies, inflation, excessive demand, supply shortages, or disruptions (including commodities and electronic components), the timeframes and expenses required for the Group's companies to fulfil contractual obligations may escalate.

5. Business interruption, internal or external, could impair the Group's ability to deliver products and services

Disruption to the Group's operations could be caused by a range of events, including, for example, extreme weather or natural hazards (such as earthquakes or floods, which could increase in severity or frequency given the impact of climate change), political events, financial insolvency of a critical supplier, scarcity of materials, loss of data, fire and pandemic or other infectious disease.

The impact of climate change exposes the Group to an increased frequency of acute and chronic weather events, such as storms and floods, as well as droughts, rising temperatures and fires, which can endanger industrial sites. As a result, the Group may need to adjust and expand the operational limits of its products to ensure they can perform reliably under these changing and harsher environmental conditions.

The Group acquires industrial products, services, materials, components, equipment, and subsystems from its suppliers and their subcontractors. As a result, the Group's ability to fulfil contractual obligations on schedule and to an acceptable standard relies, among other things, on the timely and proper execution of those suppliers' and sub-suppliers' commitments. Various factors outside the control of these suppliers and sub-suppliers may affect their performance, and consequently the Group's reliance on external parties for certain business operations can create challenges in upholding quality standards and meeting delivery deadlines.

A failure to prevent a major disruption of the Group's operations which hinders its ability to deliver products and services promptly (or fail to deliver them entirely) or if contract performance is impaired (including due to delays or breaches by suppliers or sub-suppliers) could result in increased costs or penalties, damage its prospects of winning future orders, and negatively impact the Group's financial health and operational results.

6. Energy transition

If net zero is not achieved by the Group by 2050, the Group's ability to win future business, deliver operating results, attract and retain talent, secure access to funding, realise growth opportunities, and avoid potential government intervention to limit emissions may all be adversely affected, which could have a material impact on its prospects.

Even if manageable, the effect of climate change will be quite profound for all businesses, and the various measures taken globally will themselves have a significant impact on economies and the choices people

make. This could lead to changes to general economic conditions, increased costs, adverse currency impacts and increased regulatory burdens and any combination of these adverse changes could also adversely affect the Group's business, results of operations, financial condition and prospects.

7. The Group may be adversely affected by disruption to information systems including via cyber attacks

Large organisations, such as the Group and its suppliers, are increasingly becoming targets for cyber-attacks particularly in light of the increasing sophistication and technological advancement of the threat actor groups. A failure to protect the integrity, confidentiality and availability of data, both physical and digital, systems, services or products from attempts to cause the Group and/or the Group's customers harm could hinder data-driven decision-making, disrupt internal business operations and services for customers, or result in a data breach or non-compliance with regulatory requirements, all of which could damage the Group's reputation, reduce resilience, and cause financial loss.

In addition, significant capital investments and other expenditures could be required to remedy cybersecurity problems and prevent future breaches, including costs associated with additional security technologies, personnel and experts. These costs, which could be material, could adversely impact the Group's results of operation in the period in which they are incurred.

8. The Group's operations and financial results may be adversely affected by market and financial shocks

A failure to minimise the Group's exposure to market and financial risks, some of which are of a macroeconomic nature (e.g. economic growth rates, inflation, foreign currency, oil price, interest rates) and some of which are more specific to Rolls-Royce (e.g. cyclical aviation industry, reduction in air travel or defence spending, disruption to other customer operations, liquidity, and credit risks), could adversely affect demand for the products and services provided by the Group. Significant extraneous market events could also materially damage the Group's competitiveness and/or creditworthiness and its ability to access funding. This would affect operational results or the outcomes of financial transactions which could have a material adverse effect on the Group's business, results of operations, financial condition and future prospects.

9. Political developments could adversely affect the Group's strategy, operations and compliance

If the Group does not respond strategically and tactically to geopolitical developments and events, such as adverse changes in key political relationships, trade protectionism and conflicts, deteriorating tax or regulatory regimes, and armed conflict, this could create an unfavourable business climate which could impact the Group's strategy, execution, resilience, safety, and/or compliance. Furthermore, there remains ongoing uncertainty in the wider macroeconomic environment, mainly as a result of geopolitical tensions, including the Russian/Ukrainian war and ongoing Middle East instability (including the escalating conflict between Iran, Israel and the US) and the civil unrest, terrorism, elections, government restrictions, tariffs, which may cause major disruption to the Group's business through global supply chain challenges and which could potentially heighten the Group's risk profile and negatively impact the Group's business, operating results, financial condition or prospects.

Geopolitical and trade uncertainty and tensions have resulted in price increases of goods and services globally that may affect the Group which has exposure, either directly or indirectly, to the availability and cost of certain materials. Sanctions, trade wars between certain countries or blocs of countries, or other governmental actions, including retaliatory measures, related to tariffs or international trade agreements could have a material adverse effect on demand for the Groups' services, products, its costs, customers, suppliers and/or the EU, UK, US or world economy or certain sectors thereof and, in turn the Group's business and financial results.

10. Failure to attract, retain and develop key talent could hinder delivery of the Group's strategy and impair performance

The success of the Group's operations is dependent on, among other things, the ability to attract and retain highly qualified professional people. However, failure to attract, retain and develop the critical talent, skills and capabilities required to deliver the Group's strategic priorities could threaten its ability to be a high-performing, competitive, resilient and growing business. In addition, any sudden unanticipated loss of teams of expertise (in particular, suitably qualified and experienced engineers, technicians, and other specialist

skills groups) may require substantial expense and could, in the short term, have an adverse effect on the Group's business, results of operations and prospects.

11. Failure to develop and deploy competitive technology and innovation could reduce the Group's competitiveness and market position

A failure to ensure products and services are based on competitive technology, including the leveraging of substantial engineering and scientific challenges and adopting digital tools and/or new ways of working, could hinder the Group's ability to accelerate product design and deliver a competitive offer that ensures superior performance that enhances the customer experience, drives the transition to lower carbon, improves productivity and reduces costs. Indeed, the Group operates in competitive markets and the Group's competitors may have more extensive or more specialised technology support capabilities than the Group in some areas. If the Group is unable to continue to compete successfully against current or future competitors it may experience declines in revenues and market share which could have an adverse effect on the Group's business, results of operations, financial condition and prospects.

In particular, artificial intelligence ("AI") technologies and data utilisation are rapidly advancing, significantly influencing business operations. Furthermore, emerging risks relating to AI and other technologies such as quantum, move at pace with the risk that the Group fails to fully leverage these to create enhanced commercial opportunities and efficiencies, potentially diminishing its competitive position. The regulatory environment, technological progress, and public awareness are evolving swiftly, resulting in outcomes that are difficult to anticipate. Generative AI may transform the way the Group operates. Therefore, it is imperative for the Group to invest in relevant technological expertise and capabilities while adhering to responsible technology principles to sustain stakeholder trust.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

1. Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Notes may also be redeemed prior to their stated maturity at the option of the Issuer for tax reasons in the circumstances described in Condition 6(b).

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Notes may be subject to redemption upon the occurrence of a Special Redemption Event.

The use of proceeds of certain Notes issued under the Programme may be used to finance the acquisition of an Acquisition Target specified in the applicable Pricing Supplement. Condition 6(e) includes a redemption feature which, if selected as applicable in the Pricing Supplement for a Series of Notes, will allow such Notes to be redeemed by the Issuer (on either an optional or mandatory basis, as specified in the applicable Pricing Supplement) upon the occurrence of a Special Redemption Event (namely that the Issuer or any of its Subsidiaries: (i) has not completed and closed the acquisition of the Acquisition Target by the Special Redemption Longstop Date in accordance with its terms (including where any conditions to completion specified in the applicable Pricing Supplement have not been satisfied (or if capable of waiver, waived) by

the Special Redemption Longstop Date specified in the applicable Pricing Supplement); or (ii) prior to the Special Redemption Longstop Date, has announced that it no longer intends to pursue the acquisition of the Acquisition Target, as further described in Condition 6(e) and the applicable Pricing Supplement).

If the Notes are redeemed following the occurrence of a Special Redemption Event, Noteholders may not obtain their expected return on such Notes and may not be able to reinvest the proceeds of such redemption in an investment that results in a comparable return.

If a Special Redemption Event does not occur, Noteholders will not have any right to require the redemption of their Notes, nor will any such right arise if, between the issue date of the Notes and the acquisition of the Acquisition Target, the Group or the Acquisition Target experiences any changes in its business or financial condition or if the terms of the acquisition of the Acquisition Target change. Whether or not the special redemption provision is ultimately triggered, it may adversely affect trading prices, in particular during the Special Redemption Period for the Notes that include a Special Redemption Event Option, where the market value of those Notes generally will not rise substantially above the price at which they can be redeemed.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this will affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to general changes in interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Regulation of benchmarks may lead to future reforms or discontinuation

The Euro Interbank Offered Rate ("EURIBOR") and other interest rates or other types of rates and indices which are deemed to be benchmarks have been subject to significant regulatory scrutiny and legislative intervention in recent years. This relates not only to creation and administration of benchmarks, but, also, to the use of a benchmark rate. In the EU, for example, Regulation (EU) No. 2016/1011, as amended (the "EU Benchmarks Regulation") applies to the provision of, contribution of input data to, and the use of, a benchmark within the EU, subject to certain transitional provisions. Similarly, Regulation (EU) No. 2016/1011 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "UK Benchmarks Regulation") applies to the provision of, contribution of input data to, and the use of, a benchmark within the UK, subject to certain transitional provisions.

Legislation such as the EU Benchmarks Regulation or the UK Benchmarks Regulation, if applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index – for example, if the methodology or other terms of the benchmark are changed in the future in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation or other similar legislation, or if a critical benchmark is discontinued or is determined to be by a regulator to be "no longer representative". Such factors could (amongst other things) have the effect of reducing or increasing the rate or level or may affect the volatility of the published rate or level of the benchmark. They may also have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger

changes in the rules or methodologies used in certain "benchmarks", or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with the Euro Short Term Rate ("€STR") or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Terms and Conditions of the Notes (as further described in Condition 4(b)(v)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

Interest rate "fallback" arrangements may lead to Notes performing differently or the effective application of a "fixed rate"

If a relevant benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event occurs, the Terms and Conditions of the Notes provide for certain fallback arrangements. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective.

Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. It is also possible that such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Moreover, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time. Additionally, in certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used, which may result in the effective application of a fixed rate for Floating Rate Notes.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

2. Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The Guarantor may cease to guarantee the Notes

The Guarantee is subject to the terms and limitations set out in the Trust Deed and the Terms and Conditions of the Notes. The Guarantee may be automatically released in certain circumstances if specified conditions are satisfied and notice is given to the Trustee (see Condition 1). Consequently, the Guarantor may cease to be a guarantor in respect of the Notes. If this happens, Noteholders will have recourse to the Issuer only, for payments in respect of the Notes.

Risks relating to structural subordination of the Notes

The Issuer is the holding company of the Group and the Guarantor is also a holding company, and as such their respective operations are principally conducted through their respective subsidiaries. Accordingly, the Issuer and the Guarantor are, and will be, dependent on their respective subsidiaries' operations to service

their respective payment obligations in respect of the Notes and the Guarantee (as applicable). The Guarantor is one of the Issuer's Subsidiaries, but the Notes will be structurally subordinated in respect of the claims of all holders of debt securities and other creditors, including trade creditors, of the Issuer's other Subsidiaries. In the event of an insolvency, liquidation, reorganisation, dissolution or winding up of the business of any subsidiary of the Issuer (other than the Guarantor), creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to the Issuer.

The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, (i) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, (ii) determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such or (iii) agree to the substitution of another company as principal debtor under any Notes in place of the Issuer or another company as guarantor under any Notes in place of the Guarantor, in each case in the circumstances described in Condition 3 of the Terms and Conditions of the Notes. In addition, the Terms and Conditions of the Notes also provide that the Trustee shall, without the consent of Noteholders, agree to the substitution of another company as guarantor under any Notes in place of the Guarantor in the circumstances described in Condition 3 of the Terms and Conditions of the Notes and subject to the conditions set out in the Trust Deed (including there being no rating downgrade in respect of the Notes as a result of any such substitution).

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The Terms and Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, holders of the Notes will have to rely on their procedures for transfer, payment and communication with the Issuer and/or the Guarantor

Notes issued under the Programme may be represented by one or more Temporary Global Notes, Permanent Global Notes, or Registered Global Notes (together the "Global Notes"), which will be deposited with either a common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, holders of the Notes will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, holders of the Notes will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their participants.

While the Notes are represented by one or more Global Notes the Issuer and the Guarantor will discharge their payment obligations under the Notes by making payments to the common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

3. Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or it may be illiquid and this would adversely affect the value at which an investor could sell its Notes.

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

If an investor holds Notes which are not denominated in the investor's home currency, such investor will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Guarantor to make

payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Group or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Guarantor or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. Each rating should be evaluated independently of any other rating.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular are incorporated in, and form part of, this Offering Circular (excluding all information incorporated by reference in any such documents either expressly or implicitly and excluding the Excluded Information (as defined below)):

- (a) the Annual Report 2025 of the Issuer for the financial year ended 31 December 2025 (including the audit report issued in respect thereof) which can be viewed online at: <https://www.rolls-royce.com/~media/Files/R/Rolls-Royce/documents/annual-report/2026/2025-annual-report.pdf>, and the Annual Report 2024 of the Issuer for the financial year ended 31 December 2024 (including the audit report issued in respect thereof) which can be viewed online at <https://www.rolls-royce.com/~media/Files/R/Rolls-Royce/documents/annual-report/2025/2024-annual-report.pdf>;
- (b) the Annual Report 2025 of the Guarantor for the financial year ended 31 December 2025 (including the audit report issued in respect thereof) which can be viewed online at: <https://www.rolls-royce.com/~media/Files/R/Rolls-Royce/documents/annual-report/2026/rr-plc-annual-report-2025.pdf>, and the Annual Report 2024 of the Guarantor for the financial year ended 31 December 2024 (including the audit report issued in respect thereof) (see "Description of the Issuer and Guarantor") which can be viewed online at: <https://www.rolls-royce.com/~media/Files/R/Rolls-Royce/documents/annual-report/2024/rr-plc-annual-report-2024.pdf>; and
- (c) any future audited and interim consolidated financial statements of the Issuer or the Guarantor (including any audit reports issued in respect thereof) published after the date of this Offering Circular and prior to the expiry of this Offering Circular shall be incorporated in, and form part of, this Offering Circular as and when it is published (or, where relevant, filed) during the period of validity of this Offering Circular.

The Issuer and the Guarantor will announce the publication of any document referred to in paragraph (c) above via a regulatory information service and will make such document available on the Issuer's website at <https://www.rolls-royce.com>.

Any statement contained in this Offering Circular or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any subsequently published document which is incorporated by reference herein (including by way of a supplement prepared in accordance with the ISM Rulebook) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, form part of this Offering Circular.

For the purposes of this Offering Circular, the Excluded Information shall comprise:

- 1) the sentences in the Chair's statement which begin "We are pleased that the strength of our performance this year in executing our strategy has allowed us to provide 2026 guidance of £4.0bn to £4.2bn underlying operating profit..." and end with "We have also upgraded our mid-term targets to £4.9bn to £5.2bn underlying operating profit, 18% to 20% operating margin, £5.0bn to £5.3bn free cash flow, and 23% to 26% return on capital based on a 2028 timeframe." on page 4 of the Annual Report 2025 of the Issuer;
- 2) the paragraph in the Chair's statement entitled "Looking Forward" on page 5 of the Annual Report 2025 of the Issuer;
- 3) the sentences in the Chief Executive's review which begin "Given the strength of our balance sheet and cash generation..." and end with "This guidance sees us delivering our previous mid-term operating profit target two years earlier than planned." on page 6 of the Annual Report 2025 of the Issuer;
- 4) the paragraph in the Chief Executive's review entitled "Portfolio choices and partnerships" on page 7 of the Annual Report 2025 of the Issuer;
- 5) the sentences in the Chief Executive's review which begin "Our momentum in Civil Aerospace continued in 2025 with growth in orders across our widebody portfolio." and end with "The Trent

XWB family and the Trent 7000 remain popular choices, offering airlines versatile solutions.” on page 7 of the Annual Report 2025 of the Issuer;

- 6) the entirety of the section in the Chief Executive’s review entitled “Looking ahead” on pages 8 and 9 of the Annual Report 2025 of the Issuer;
- 7) the sentences in the Strategy section which begin with “The strong progress made in 2025 gives us confidence in the delivery of our strategy.” and end with “This performance shift is also crucial to creating more opportunities for our people to be part of an energising, rewarding and world-leading company.” on page 11 of the Annual Report 2025 of the Issuer;
- 8) the entirety of the section in the Key Performance Indicators section entitled “Scope 1 + 2 greenhouse gas emissions” on page 18 of the Annual Report 2025 of the Issuer and page 4 of the Annual Report 2025 of the Guarantor;
- 9) the sentences in the Financial Review section which begin “We are continuing to invest in future growth for decades to come.” and end with “Key investments included: UltraFan in Civil Aerospace, which will position us for future success on both widebody and narrowbody platforms; the next-generation engine in Power Systems, which will be the most compact and powerful engine in its category in the market; and in Defence, continued investment across our many multi-decade platforms.” on page 19 of the Annual Report 2025 of the Issuer and on page 5 of the Annual Report 2025 of the Guarantor;
- 10) the sentences in the Financial Review section which begin “The final dividend for 2025 of 5.0p per share, will be paid subject to shareholder approval at our Annual General Meeting to be held on 30 April 2026.” and end with “It takes the total dividend for 2025 to 9.5p, which represents a 32% payout ratio of underlying profit after tax.” on page 20 of the Annual Report 2025 of the Issuer;
- 11) the sentences in the Financial Review section which begin “Our strong progress and confidence in our future plans enabled us to announce a £7.0bn to £9.0bn share buyback across 2026 to 2028, with £2.5bn to be returned in 2026.” and end with “We have so much more potential, and I am excited about the journey ahead.” on page 20 of the Annual Report 2025 of the Issuer;
- 12) the sentences in the Financial Review section which begin “The final dividend will be paid subject to shareholder approval at our Annual General Meeting on 30 April 2026.” and end with the charts entitled “Group Mid-term Targets” on pages 20 and 21 of the Annual Report 2025 of the Issuer;
- 13) the sentence in the Financial Review section which reads “As our transformation programme continues, I look forward to making further progress in these four key priorities in 2026.” on page 6 of the Annual Report 2025 of the Guarantor;
- 14) the sentence in the Civil Aerospace section which reads “In addition, the phase two HPT blade was certified for the Trent 1000 XE and Trent 7000 engines in December and will be incorporated into production engines and existing engines commencing in 2026.” on page 26 of the Annual Report 2025 of the Issuer and on page 10 of the Annual Report 2025 of the Guarantor;
- 15) the sentences in the Civil Aerospace section which begin “During 2025, we continued to make progress in expanding our MRO capacity across the network.” and end with “Ensuring the maximum efficiency of our current fleet is a vital first step, as many of these engines will remain in service for decades to come.” on page 10 of the Annual Report 2025 of the Guarantor;
- 16) the sentences in the Civil Aerospace section which begin “During 2025, we continued to make progress in expanding our MRO capacity across the network.” and end with “We also expect improving OE profitability, alongside further growth in business aviation.” on page 26 of the Annual Report 2025 of the Issuer;
- 17) the sentences in the Defence section which begin “Our Defence market remains resilient and our customers continue to invest in capability in our core markets.” and end with “We are well positioned to capture a significant portion of these emerging opportunities as well as benefit from the growing combat market, including autonomous platforms.” on page 27 of the Annual Report 2025 of the Issuer and page 11 of the Annual Report 2025 of the Guarantor;

- 18) the sentences in the Defence section which begin “Furthermore, Italy, Germany and Spain have placed orders this year for EJ200 engines.” and end with “Coupled with the recent commitment from the Republic of Türkiye, this now provides visibility of our EJ200 original equipment production into the 2030s.” on page 28 of the Annual Report 2025 of the Issuer and page 11 of the Annual Report 2025 of the Guarantor;
- 19) the sentences in the Defence section which begin “At the heart of this next-generation platform are Rolls-Royce engines, the latest evolution of a powerplant trusted by the U.S. military for decades.” and end with “Each MV-75 FLRAA will be equipped with two advanced Rolls-Royce AE 1107F engines, featuring world-class power density, cyber-compliant controls and survivability technology.” on page 28 of the Annual Report 2025 of the Issuer and page 11 of the Annual Report 2025 of the Guarantor;
- 20) the paragraph in the Defence section entitled “Outlook” on page 28 of the Annual Report 2025 of the Issuer;
- 21) the sentences in the Power Systems section which begin “We have seen growing demand for our back-up power solutions for data centres, driven by global trends in cloud computing, data processing and AI.” and end with “There has been strong interest in this product from our customers.” on page 30 of the Annual Report 2025 of the Issuer and page 12 of the Annual Report 2025 of the Guarantor;
- 22) the sentences in the Power Systems section which begin “In December, we received a major order to supply more than 300 *mtu* engines to power Leopard 2 tanks.” and end with “The development project is progressing to plan and we are planning to make the first deliveries in 2026.” on page 30 of the Annual Report 2025 of the Issuer and page 12 of the Annual Report 2025 of the Guarantor;
- 23) the sentences in the Power Systems section which begin “We continue to execute our integrated ‘Bridge to Propeller’ strategy, combining propulsion, POD drives and *mtu* NautIQ bridge systems into fully integrated yacht solutions from a single source.” and end with “The development of our next-generation Series 4000 engine is progressing to plan, with product launch on track for 2028.” on page 30 of the Annual Report 2025 of the Issuer and page 12 of the Annual Report 2025 of the Guarantor;
- 24) the paragraph in the Power Systems section entitled “Outlook” on page 30 of the Annual Report 2025 of the Issuer;
- 25) the sentences in the People and Culture section which begin “To equip our people with the tools they need to do their jobs, over the next five years, we will invest in digital capability to strengthen how our people work, collaborate and perform across engineering, manufacturing, services, and company systems.” and end with “AI workplace readiness is also underway, building confidence in data-driven decision-making and accelerating responsiveness across the business.” on page 32 of the Annual Report 2025 of the Issuer;
- 26) the sentences in the People and Culture section which begin “To sustain a high-performance culture over the long term, we have continued to strengthen the depth, quality and readiness of our talent and capability.” and end with “This enabled a targeted uplift in business-critical capability through both external hires and accelerated internal upskilling.” on pages 32 and 33 of the Annual Report 2025 of the Issuer;
- 27) the sentences in the People and Culture section which begin “Looking ahead, we will continue to build future-critical skills through partnerships and academies.” and end with “Pushing themselves out of their comfort zone and remaining open to new learning and work experiences across different divisions and functions will contribute to the organisation becoming fully connected as One Rolls-Royce.” on page 33 of the Annual Report 2025 of the Issuer;
- 28) the paragraph in the People and Culture section entitled “Looking forward” on page 34 of the Annual Report 2025 of the Issuer;
- 29) the sentences in the People and Culture section which begin “The proposed safety index for 2026 includes three existing measures; senior leadership safety walks, HSE alert response and non-

conformance close-out, and three new measures; completion of leadership training, closure of process safety risk assessment actions and closure of actions from investigations.” and end with “Had we been operating these measures in 2025, we would have scored 78%, hence this moves us to a more robust scorecard and sets a challenging requirement.” on page 35 of the Annual Report 2025 of the Issuer;

- 30) the paragraph in the Sustainability section entitled “Ambition” on page 39 of the Annual Report 2025 of the Issuer;
- 31) the sentences in the Sustainability section which begin “As part of our ongoing activities to better understand our total greenhouse gas (GHG) footprint we plan to complete a review of all our other Scope 3 emissions in 2026 to enable us to update our baseline position from 2019.” and end with “However, we see it as good practice to keep our assumptions under constant review and update them on a periodic basis.” on page 40 of the Annual Report 2025 of the Issuer;
- 32) the entirety of the section in the Sustainability section entitled “Transition plan” on page 41 of the Annual Report 2025 of the Issuer;
- 33) the paragraph in the Sustainability section entitled “Plan” on page 42 of the Annual Report 2025 of the Issuer;
- 34) the sentence in the Sustainability section which reads “Modernisation of further test benches is planned for 2026.” on page 42 of the Annual Report 2025 of the Issuer;
- 35) the paragraph in the Sustainability section entitled “Targets” on page 43 of the Annual Report 2025 of the Issuer;
- 36) the paragraph in the Sustainability section entitled “Plan” on page 43 of the Annual Report 2025 of the Issuer;
- 37) the paragraph in the Sustainability section entitled “Plan” on page 44 of the Annual Report 2025 of the Issuer;
- 38) the entirety of the section in the Sustainability section entitled “Climate Risk Scenario Analysis” on page 47 of the Annual Report 2025 of the Issuer;
- 39) the sentences in the Principal Risks section which begin “To prepare for the declaration in the Annual Report 2026, we have...” and end with “We will continue to monitor progress on additional improvement actions, such as the development of new controls or strengthening our assurance coverage for a specific risk throughout 2026 as part of our existing executive, Board and/or Board Committee risk agenda items.” on page 50 of the Annual Report 2025 of the Issuer;
- 40) the sentences in the Principal Risks section which begin “Our focus for 2026 will include continued review of our sustainability strategy, the management of Scope 1 + 2 decarbonisation, a review of responsible consumption targets and product portfolio alignment.” and end with “See pages 38 to 47 of the RRH Annual Report for more on sustainability and related key risks.” on page 54 of the Annual Report 2025 of the Issuer and on page 18 of the Annual Report 2025 of the Guarantor;
- 41) the sentence in the Principal Risks section which reads “The likelihood of emerging risks now materialising due to political developments globally, such as intensifying trade conflict and rising protectionism is higher than before (see page 13 of the RRH Annual Report).” on page 55 of the Annual Report 2025 of the Issuer and on page 19 of the Annual Report 2025 of the Guarantor;
- 42) the entirety of the section entitled “Going concerns and viability statements” on pages 57 and 58 of the Annual Report 2025 of the Issuer;
- 43) the entirety of the section in the Strategic Report entitled “Going concern statement” on page 21 of the Annual Report 2025 of the Guarantor;
- 44) the paragraph in the Chair’s Introduction to the Governance Report entitled “Looking forward” on page 63 of the Annual Report 2025 of the Issuer;

- 45) the following words in the Corporate Governance section of the Directors' Report "there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next five years." on page 79 of the Annual Report 2025 of the Issuer and on page 27 of the Annual Report 2025 of the Guarantor;
- 46) the paragraph in the Chair's statement entitled "Looking Forward" on page 5 of the Annual Report 2024 of the Issuer;
- 47) the sentences in the Chief Executive's review which begin "The guidance we published for 2025 marks another important milestone on our transformation journey." and end with "These upgraded mid-term targets are a milestone rather than a destination and we see strong growth, earnings expansion and cash flow potential well beyond this timeframe which I will address later in this report." on page 6 of the Annual Report 2024 of the Issuer and page 4 of the Annual Report 2024 of the Guarantor;
- 48) the sentences in the Chief Executive's review which begin "In Civil Aerospace, one of our most important strategic initiatives is time on wing." and end with "The next phase of improvements is underway and on track to be delivered by the end of 2027." on page 7 of the Annual Report 2024 of the Issuer and 5 of the Annual Report 2024 of the Guarantor;
- 49) the paragraph in the Chief Executive's review entitled "Efficiency and simplification" on page 8 of the Annual Report of the Issuer and page 6 of the Annual Report 2024 of the Guarantor;
- 50) the sentence in the Chief Executive's review which states "In Civil Aerospace, sustainable aviation fuels present a near-term opportunity to decarbonise flight" on page 8 of the Annual Report of the Issuer and page 6 of the Annual Report 2024 of the Guarantor;
- 51) the paragraph in the Chief Executive's review entitled "Looking ahead to the mid-term" on page 9 of the Annual Report 2024 of the Issuer and pages 6 and 7 of the Annual Report 2024 of the Guarantor;
- 52) the paragraph in the Chief Executive's review entitled "Beyond the mid-term" on page 9 of the Annual Report 2024 of the Issuer and page 7 of the Annual Report 2024 of the Guarantor;
- 53) the sentences in the Strategy section which begin "Our focus is now to translate our technical and market success into strong financial results." and end with "This performance shift is also crucial to creating more opportunities for our people to be part of an energising, rewarding and world-leading company." on page 11 of the Annual Report 2024 of the Issuer and page 9 of the Annual Report 2024 of the Guarantor;
- 54) the sentences in the Strategy section which begin "We are well placed to benefit from these long-term macro trends and are strategically aligning our capabilities to ensure we capture the opportunities presented by these shifting economic dynamics" and end with "Furthermore, the surging demand for reliable power solutions, especially to support the increasing computing power requirements, means we are well placed to serve the growing data centre market both today with our back-up power solutions and in the future through nuclear solutions like small modular reactors and advanced modular reactors." on page 13 of the Annual Report 2024 of the Issuer and page 11 of the Annual Report 2024 of the Guarantor;
- 55) the sentences in the Financial Review section which begin "We now expect to deliver benefits of over £500m in 2025, above our CMD target of £0.4bn-£0.5bn." and end with "All of which supported our total cash costs to gross margin, or TCC/GM ratio, now a best in class ratio" on page 19 of the Annual Report 2024 of the Issuer and on page 17 of the Annual Report 2024 of the Guarantor;
- 56) the paragraph in the Financial Review section entitled "2025 Outlook" on page 20 of the Annual Report 2024 of the Issuer and page 18 of the Annual Report 2024 of the Guarantor;
- 57) the paragraph in the Financial Review section entitled "Upgraded mid-term targets" on pages 20 and 21 of the Annual Report 2024 of the Issuer and page 18 of the Annual Report 2024 of the Guarantor;
- 58) the paragraph in the Financial Review section entitled "Group mid-term targets" on page 21 of the Annual Report 2024 of the Issuer and page 19 of the Annual Report 2024 of the Guarantor;

- 59) the sentence in the Civil Aerospace section which reads “Providing power for the Boeing 787 Dreamliner, this engine is also on track for further improvements to engine performance which will more than double the time on wing of this engine.” on page 25 of the Annual Report 2024 of the Issuer and page 22 of the Annual Report 2024 of the Guarantor;
- 60) the sentence in the Civil Aerospace section which reads “This will allow us to deliver more engines, and by the end of this year, perform an additional 50% shop visits compared to 2023 to support rising aftermarket volumes.” on page 25 of the Annual Report 2024 of the Issuer and page 22 of the Annual Report 2024 of the Guarantor;
- 61) the paragraph in the Civil Aerospace section entitled “Civil Aerospace Operational and strategic progress” on page 26 of the Annual Report 2024 of the Issuer and page 23 of the Annual Report of the Guarantor;
- 62) the paragraph in the Civil Aerospace section entitled “Outlook” on page 26 of the Annual Report 2024 of the Issuer and page 24 of the Annual Report 2024 of the Guarantor;
- 63) the sentences in the Defence section which begin “With the ramp-up of the B-52 programme, we expect to increase production of our combat portfolio to over 100 engines per year by the early 2030s” and end with “We continue to make progress on our involvement in the Global Combat Air Programme (GCAP), working closely with our international partners to develop a next-generation combat aircraft that will provide critical power to our armed forces customers globally.” on pages 27 and 28 of the Annual Report 2024 of the Issuer and page 26 of the Annual Report of the Guarantor;
- 64) the sentences in the Defence section which begin with “Our financial results demonstrate that we are making progress on cost management as we embrace the Group-wide transformation activities and strive for a sustainably reduced cost base in the mid-term and beyond.” and end with “Furthermore, we anticipate extended demand for our existing profitable portfolio of products.” on page 28 of the Annual Report 2024 of the Issuer and on page 26 of the Annual Report 2024 of the Guarantor;
- 65) the paragraph in the Power Systems section entitled “Outlook” on page 30 of the Annual Report 2024 of the Issuer and page 28 of the Annual Report 2024 of the Guarantor;
- 66) the sentences in the New Markets section which begin with “We expect our first contracts for units to be finalised in 2025, which we anticipate to be the catalyst for a pipeline of further commitments” and end with “We also see opportunity in the micro-reactor market.” on page 31 of the Annual Report 2024 of the Issuer and page 29 of the Annual Report 2024 of the Guarantor;
- 67) the sentences in the Sustainability section which begin with “In 2025, we will continue embedding our new purpose and behaviours...” and end with “Our focus remains on building a sustainably distinctive business that benefits all our stakeholders.” on page 33 of the Annual Report 2024 of the Issuer;
- 68) the sentences in the Sustainability section which begin with “We strive to operate responsibly and use the UN Sustainable Development Goals...” and end with “...we will continue to refine our alignment to the wider UN SDGs with a 2025 focus on responsible consumption and the social impacts on our people and communities.” on page 33 of the Annual Report 2024 of the Issuer;
- 69) the entirety of the section in Sustainability section entitled “Climate Risk Summary” on pages 39 to 41 of the Annual Report 2024 of the Issuer;
- 70) the entirety of the section in the Sustainability section entitled “Transition Plan” on page 43 of the Annual Report 2024 of the Issuer;
- 71) the sentences in the Sustainability section which begin with “To achieve these aims, we have a costed plan for the period to 2030.” and end with the “Operations, facility and test emissions reduction plan to 2030 chart” on page 44 of the Annual Report 2024 of the Issuer;
- 72) the sentences in Sustainability section which begin with “We continue to invest in novel technologies and applications...” and end with “All new product decisions will be subject to strategic fit and investment criteria.” on page 44 of the Annual Report 2024 of the Issuer;

- 73) the sentences in the Sustainability section which begin with “We will continue to review these memberships to ensure we are maximising for best value and strategic fit.” and end with “We will work closely with customers and suppliers to enable the transition throughout our value chain in the knowledge that approximately 99% of our emissions footprint is upstream and downstream of our own operations.” on page 44 of the Annual Report 2024 of the Issuer;
- 74) all of the charts on the bottom of page 46 of the Annual Report 2024 of the Issuer;
- 75) the sentences in the People and Culture section which begin with “Our new operating model enhances efficiency and cost reduction...” and end with “...retaining critical capabilities while simplifying our structure.” on page 46 of the Annual Report 2024 of the Issuer;
- 76) the paragraph in the People and Culture section entitled “Looking ahead” on page 49 of the Annual Report 2024 of the Issuer;
- 77) the paragraph in the Principal Risks section entitled “2025 and beyond” on page 53 of the Annual Report 2024 of the Issuer;
- 78) the entirety of the section entitled “Going concerns and viability statements” on pages 61 and 62 of the Annual Report 2024 of the Issuer;
- 79) the entirety of the section in the Strategic Report entitled “Going concern statement” on page 40 of the Annual Report 2024 of the Guarantor;
- 80) the entirety of the section in the Strategic Report entitled “Viability statement” on pages 41 and 42 of the Annual Report 2024 of the Guarantor; and
- 81) the paragraph in the Chair’s Introduction to the Governance Report entitled “Looking forward” on page 67 of the Annual Report 2024 of the Issuer.

Copies of the documents incorporated by reference in this Offering Circular may be obtained (without charge) from the Issuer’s website at <https://www.rolls-royce.com>.

Any non-incorporated parts of a document referred to herein are either not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

The Issuer and the Guarantor will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular in accordance with the ISM Rulebook or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form or registered form.

Bearer Notes

Each Tranche of Notes will initially be issued in the form of a temporary global note (a "Temporary Global Note") or, if so specified in the applicable Pricing Supplement, a permanent global note (a "Permanent Global Note" and, together with the Temporary Global Note, the "Global Bearer Notes" and each a "Global Bearer Note") which, in either case, will:

- (i) if the Global Bearer Notes are issued in new global note ("NGN") form, as stated in the applicable Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"); and
- (ii) if the Global Bearer Notes are not issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the "Common Depository") for Euroclear and Clearstream, Luxembourg.

Where the Global Bearer Notes issued in respect of any Tranche are in NGN form, the applicable Pricing Supplement will also indicate whether or not such Global Bearer Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Bearer Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

In the case of a Tranche of Notes, initially represented by a Temporary Global Note and after the date (the "Exchange Date") which is 40 days after the Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note of the same Series or (ii) definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not issued in NGN form) without any requirement for certification.

In the case of a Tranche of Notes either initially represented by a Permanent Global Note or represented by a Permanent Global Note after exchange for a Temporary Global Note, the applicable Pricing Supplement will specify that the Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Principal Paying Agent as described therein or

(ii) only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The Pricing Supplement will specify whether the Notes will be represented upon issue by:

- (i) a Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes either (a) on 60 days' notice given at any time or (b) only upon an Exchange Event; or
- (ii) a Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date; or
- (iii) a Permanent Global Note exchangeable for Definitive Notes either (a) on 60 days' notice given at any time or (b) only upon an Exchange Event.

The exchange of a Permanent Global Note for Definitive Notes from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any Noteholder) or at any time at the request of the Issuer should not be expressed to be applicable in the applicable Pricing Supplement if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.

The following legend will appear on all Bearer Notes (other than Temporary Global Notes) and on all interest coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Registered Notes

Each Tranche of Registered Notes will be initially issued in the form of a Registered Global Note (a "Registered Global Note" and, together with the Global Bearer Notes, the "Global Notes" and each a "Global Note") which will (i) if the Registered Global Note is intended to be held under the new safe-keeping structure ("NSS"), be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of the Common Safekeeper for Euroclear and Clearstream, Luxembourg, as specified in the applicable Pricing Supplement or (ii) if the Registered Global Note is not intended to be held under the NSS, be delivered on or prior to the original issue date of the Tranche to the Common Depositary for Euroclear and Clearstream, Luxembourg and registered in the name of the nominee for the Common Depositary of Euroclear and Clearstream, Luxembourg, as specified in the applicable Pricing Supplement. Delivering the Registered Global Notes which are to be held under the NSS to the Common Safekeeper does not necessarily mean that the Registered Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit

operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Pursuant to the Agency Agreement, in the case of Registered Notes, the Principal Paying Agent shall arrange that, where a further Tranche of Registered Notes is issued, the Registered Notes of such Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Registered Notes of any other Tranche of the same Series and shall remain different until at least 40 days after the completion of the distribution of the Registered Notes of such further Tranche as certified by the Principal Paying Agent to the relevant Dealer(s).

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5(e)) as the registered holder of the Registered Global Notes. None of the Issuer, the Trustee, the Principal Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5(e)) as immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event.

For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system satisfactory to the Trustee is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Registrar.

Registered Global Notes and definitive Registered Notes will be issued pursuant to the Agency Agreement. At the date hereof, neither Euroclear nor Clearstream, Luxembourg regards Registered Notes in global form as fungible with Registered Notes in definitive form. Registered Global Notes and definitive Registered Notes will be authenticated and delivered by the Registrar on behalf of the Issuer.

General

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits (but not in the case of any NGN or Registered Global Note held under NSS), be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new Offering Circular will be made available which will describe the effect of the agreement reached in relation to such Notes.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note.

This Note is one of a Series (as defined below) of Notes issued by Rolls-Royce Holdings plc (the "Issuer") constituted by a Trust Deed dated 25 March 2026 (such trust deed, originally dated 9 June 2000, as modified and/or supplemented and/or restated from time to time, the "Trust Deed") made between the Issuer, the Guarantor and BNY Mellon Corporate Trustee Services Limited (the "Trustee" which expression shall include any successor as Trustee). Rolls-Royce plc (the "Guarantor") has executed and delivered the Trust Deed under which the Guarantor has unconditionally and (subject to Condition 1) irrevocably guaranteed all amounts payable by the Issuer in respect of the Notes and under or pursuant to the Trust Deed in respect of the Notes (the "Guarantee", being the guarantee given by the Guarantor (if any) for the time being under the Trust Deed).

References herein to the "Notes" shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency;
- (ii) any temporary global note in bearer form (each a "Temporary Global Note");
- (iii) any permanent global note in bearer form (each a "Permanent Global Note" and, together with the Temporary Global Notes, the "Bearer Global Notes");
- (iv) any global note in registered form (each a "Registered Global Note" and, together with the Temporary Global Notes and the Permanent Global Notes, the "Global Notes"); and
- (v) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement dated 25 March 2026 (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "Agency Agreement") and made between the Issuer, the Guarantor, The Bank of New York Mellon, London Branch as principal paying agent and agent bank (the "Principal Paying Agent", which expression shall include any successor principal paying agent), The Bank of New York Mellon SA/NV, Dublin Branch as registrar and transfer agent (the "Registrar", which expression shall include any successor registrar), the other paying agents named therein (together with the Principal Paying Agent, the "Paying Agents", which expression shall include any additional or successor paying agents), the other transfer agents named therein (together with the Registrar, the "Transfer Agents", which expression shall include any additional or successor transfer agents, and together with the Principal Paying Agent, the Paying Agents and the Registrar, the "Agents") and the Trustee.

Interest-bearing bearer definitive Notes have interest coupons ("Coupons") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Bearer Global Notes do not have Coupons or Talons attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which supplement these Terms and Conditions. References to the "applicable Pricing Supplement" are to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the "Noteholders" which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the "Couponholders", which expression shall, unless the context otherwise requires, include the holders of the Talons) in accordance with the provisions of the Trust Deed.

As used herein, "Tranche" means Notes which are identical in all respects (including as to listing) and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement are available for inspection during normal business hours at the principal office for the time being of the Trustee (presently at 160 Queen Victoria Street, London EC4V 4LA) and at the specified office of each of the Agents and, in the case of the applicable Pricing Supplement, the registered office of the Issuer save that, if this Note is not admitted to trading on the International Securities Market of the London Stock Exchange plc, the applicable Pricing Supplement will only be available for inspection by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Trustee or, as the case may be, the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail. References in these Terms and Conditions to the "Guarantor" are to the guarantor (if any) for the time being under the Trust Deed.

1. Status, Form and Denomination of, and Title to, the Notes and Status of the Guarantee

(A) Status of the Notes

The Notes and any relative Coupons constitute direct, unconditional and (subject to the provisions of Condition 2) unsecured obligations of the Issuer and rank (subject as aforesaid and to certain statutory exceptions) *pari passu* and rateably without any preference or priority among themselves and equally with all other present and future unsecured (subject as aforesaid and to certain statutory exceptions) and unsubordinated obligations of the Issuer from time to time outstanding.

(B) Status of the Guarantee

The obligations of the Guarantor under the Guarantee are (subject to the provisions of the paragraph below) direct, unconditional and (subject to the provisions of Condition 2) unsecured obligations of the Guarantor and rank (subject as aforesaid and to certain statutory exceptions) equally with all other present and future unsecured (subject as aforesaid and to certain statutory exceptions) and unsubordinated obligations of the Guarantor from time to time outstanding.

If (i) the £375,000,000 3.375 per cent. notes due 2026, the US\$1,000,000,000 5.75 per cent. notes due 2027, the £545,000,000 5.75 per cent. notes due 2027 and the €550,000,000 1.625 per cent. notes due 2028 issued by the Guarantor are redeemed or purchased in full and cancelled in accordance with their terms; (ii) the Guarantor is neither a borrower nor a guarantor under the revolving credit facility dated 12 December 2025 (as amended and restated from time to time) between (*inter alios*) the Issuer and J.P. Morgan SE as facility agent, or any refinancing, renewal or substitution thereof; and (iii) no Event of Default or Potential Event of Default (as defined in the Trust Deed) is continuing or will result from the release of the Guarantor from the Guarantee, the Issuer or the Guarantor may deliver a notice to the Trustee signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer or the Guarantor (as the case may be) informing the Trustee of such circumstances in accordance with the Trust Deed and the Guarantor shall, upon receipt by the Trustee of such notice, be automatically released from all obligations under the Guarantee and shall cease to be a Guarantor for the purposes of the Trust Deed without any further action required on the part of the Trustee, any Noteholder or any Couponholder. Any notice by the Issuer or the Guarantor of such circumstances may be relied upon by the Trustee without liability and without further enquiry or evidence, and if relied upon by the Trustee, shall, in the absence of manifest error,

be conclusive and binding on all parties. The Issuer shall promptly notify the Trustee, the Principal Paying Agent, the Registrar and the Noteholders in accordance with Condition 14 following any such release of the Guarantor. For the avoidance of doubt, any release of a Guarantor pursuant to this Condition shall not require the consent of the Noteholders or the Trustee.

(C) *Form and Denomination*

The Notes are in bearer form or in registered form (respectively "Bearer Notes" and "Registered Notes") as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the currency (the "Specified Currency") and the denomination(s) (the "Specified Denomination(s)") specified in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

(D) *Global Notes*

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking S.A. ("Clearstream, Luxembourg"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor, the Trustee and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Pricing Supplement.

(E) *Transfers of Bearer Notes*

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Guarantor, the Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

(F) *Transfers of Registered Notes*

(i) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear and/or Clearstream, Luxembourg and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for

Registered Notes in definitive form or for a beneficial interest in another Registered Global Note of the same Series only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

(ii) Transfers of Registered Notes in definitive form

Subject as provided in paragraph (iii) below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(iii) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 6, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(iv) Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2. Negative Pledge

- (A) Subject to Condition 2(B), so long as any of the Notes remain outstanding (as defined in the Trust Deed) neither the Issuer nor the Guarantor will create or permit to subsist, and the Issuer shall procure that no other member of the Group (as defined in Condition 2(C)) shall create or permit to subsist, any mortgage, lien, pledge or other charge ("Lien") upon, or with respect to, any of its present or future revenues or assets, except for such Liens as shall have been approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, to secure any of the Issuer's or the Guarantor's Relevant Indebtedness (as defined in Condition 2(C)) or any Relevant Indebtedness of any other member of the Group, unless the Issuer, the Guarantor or such other member of the Group, as the case may be, shall simultaneously with, or prior to, the creation of any such Lien, take any and all action necessary to procure that all amounts payable by

the Issuer in respect of the Notes and Coupons and by the Guarantor under the Guarantee are secured equally and rateably by such Lien or such other security is provided as the Trustee shall in its absolute discretion deem not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution of the Noteholders.

(B) The following exceptions apply to the Issuer's and the Guarantor's obligations under Condition 2(A):

- (i) any Lien arising by operation of law or any right of set-off;
- (ii) any Lien which exists on any asset which secures any Relevant Indebtedness existing as at the Issue Date of the first Tranche of the Notes, and any Lien which exists on any asset which secures any Relevant Indebtedness of a company or assets acquired after the Issue Date of the first Tranche of the Notes, provided that such Lien existed as at the date of such acquisition and was not granted in contemplation of the acquisition and the amount secured by that Lien has not been increased in contemplation of, or since the date of, the acquisition (other than any permitted refinancing of such indebtedness) and any Lien over the same asset(s) which is given for the purpose of, and to the extent of, the refinancing of any such Relevant Indebtedness; and
- (iii) any Lien over assets and/or (where such assets comprise substantially the whole of the assets of the owner thereof) shares or the like in the owner of such assets (including any shares in any intermediate holding company having no other assets than shares in the owner of such assets) securing Relevant Indebtedness incurred to finance the costs of developing (or acquiring and/or developing) such assets, where such Relevant Indebtedness is Project Finance Indebtedness.

(C) For the purpose of these Terms and Conditions:

"Group" means, at any time, the Issuer and its Subsidiaries (as defined in the Trust Deed) and "member of the Group" shall be construed accordingly;

"Project Company" means any company (which is a member of the Group) whose principal assets and business are constituted by a project;

"Project Company HoldCo" means any company (which is a member of the Group) whose principal assets and business consist solely of investments in a Project Company or another Project Company HoldCo and any assets or business ancillary thereto;

"Project Finance Indebtedness" means any Relevant Indebtedness:

- (i) to finance the Relevant Project of a Project Company; or
- (ii) to finance a project in respect of which the person or persons making such Relevant Indebtedness available to the relevant borrower (whether or not a member of the Group) have no recourse whatsoever to any member of the Group for the repayment of or payment of any sum relating to such Relevant Indebtedness other than:
 - (1) recourse to the borrower for amounts limited to the aggregate cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such project; and/or
 - (2) recourse to the borrower or any direct or indirect shareholder of the borrower for the purpose only of enabling amounts to be claimed in respect of that Relevant Indebtedness in an enforcement of any Lien given by the borrower over the assets comprised in the project or the shares in the borrower or in any intermediate holding company of the borrower which is not otherwise an operating company to secure those Relevant Indebtedness, provided that:
 - (x) the extent of such recourse to the borrower or such direct or indirect shareholder (as applicable) is limited solely to the amount of any recoveries made on any such enforcement; and
 - (y) such person or persons are not entitled, by virtue of any right to claim arising out of or in connection with such Relevant Indebtedness, to commence

proceedings for the winding up or dissolution of the borrower or the applicable shareholder or to appoint or procure the appointment of any receiver, trustee or similar person or official in respect of the borrower or such shareholder or any of its assets (save for the assets the subject of such Lien),

but (a) to the extent that any lenders of such Relevant Indebtedness have recourse to the Issuer, or other operating companies within the Group beyond the recourse referred to in paragraph (ii) above; or (b) if any Relevant Indebtedness that would otherwise fall within paragraphs (i) to (ii) above is a Borrowing of a company which satisfies the requirements of the definition of Special Purpose Vehicle but which the Issuer has notified the Trustee is not to be regarded as a Special Purpose Vehicle, then that Relevant Indebtedness will not be Project Finance Indebtedness;

"Relevant Indebtedness" means any loan or other indebtedness which is in the form of or represented by any bonds, notes or other securities which have a final maturity of more than one year from the date of their creation and which are for the time being quoted, listed or dealt in, at the request or with the concurrence of the Issuer or the Guarantor, as the case may be, on any stock exchange or recognised securities market;

"Relevant Project" means, in respect of a Project Company, the project constituting its principal assets and business and, in respect of a Project Company HoldCo, the project constituting the principal assets and business of the Project Company which is the direct or indirect Subsidiary of that Project Company HoldCo; and

"Special Purpose Vehicle" means any Project Company or Project Company HoldCo whose liabilities in respect of the financing of the Relevant Project are not directly or indirectly the subject of a guarantee, indemnity or any other form of assurance, undertaking or support from any member of the Group other than a Project Company or Project Company HoldCo (except as expressly referred to in paragraph (2) in the definition of "Project Finance Indebtedness" above).

3. Substitution

The Trustee may, without the consent of the Noteholders or Couponholders, agree with the Issuer and the Guarantor to the substitution in place of the Issuer (or of any previous substitute under this Condition) as principal debtor in respect of the Notes of (i) the Guarantor, (ii) a Successor in Business to the Issuer (as defined in the Trust Deed), (iii) a holding company (as defined in the Trust Deed) of the Issuer or (iv) a Subsidiary of the Issuer which is acceptable to the Trustee, in each case subject to the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced thereby and certain other conditions set out in the Trust Deed being complied with.

4. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are Bearer Notes in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. If the Notes are Bearer Notes in definitive form, payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Terms and Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note or Registered Notes in definitive form, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or such Registered Notes; or

(B) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount; and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

(i) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period commencing on the last Interest Payment Date (or, if none, the Interest Commencement Date) the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Terms and Conditions:

"Determination Period" means the period from (and including) a Determination Date to (but excluding) the next Determination Date; and

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Notes*

(i) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, "Business Day" means:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than T2 (as defined below)) specified in the applicable Pricing Supplement;
- (B) if T2 is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the real time gross settlement system operated by the Eurosystem or any successor system ("T2") is open for the settlement of payments in euro (a "TARGET Settlement Day"); and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New

Zealand dollars, shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a TARGET Settlement Day.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (A), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "ISDA Definitions") and under which:

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (2) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (3) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR, as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Relevant Financial Centre time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of Condition 4(b)(ii)(B) subparagraph (1), no offered quotation appears or, in the case of Condition 4(b)(ii)(B) subparagraph (2), fewer than three offered quotations appear, in each case as at 11.00 a.m. (Relevant Financial Centre time), the Rate of Interest shall be (i) determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of

the Margin relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the first Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to the first Interest Period).

In these Terms and Conditions:

"Reference Rate" has the meaning specified in the applicable Pricing Supplement; and

"Relevant Financial Centre" has the meaning specified in the applicable Pricing Supplement.

(iii) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes for the relevant Interest Period, by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note or Registered Notes in definitive form, the aggregate outstanding nominal amount of the Notes represented by such Global Note or such Registered Notes; or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by

366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + 30 \times [(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + 30 \times [(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30; and

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + 30 \times [(M_2 - M_1)] + (D_2 - D_1)}{360}$$

- (vii) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + 30 \times [(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(v) **Benchmark Replacement**

If a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with paragraph (A)) and, in either case, an Adjustment Spread, if any (in accordance with paragraph (B)) and any Benchmark Amendments (in accordance with paragraph (C)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, Agents or the Noteholders for any determination made by it pursuant to this Condition 4(b)(v) and the Trustee will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

(A) If the Independent Adviser determines in its discretion that:

- (1) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in this Condition 4(b)(v)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 4(b)(v) in the event of a further Benchmark Event affecting the Successor Rate; or
- (2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in this Condition 4(b)(v)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the

relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 4(b)(v) in the event of a further Benchmark Event affecting the Alternative Rate.

- (B) If the Independent Adviser determines in its discretion (1) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (2) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).
- (C) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(b)(v) and the Independent Adviser determines in its discretion (1) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "Benchmark Amendments") and (2) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with paragraph (D), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as the Trustee may be required in order to give effect to this Condition 4(b)(v)).
- (D) If (1) the Issuer is unable to appoint an Independent Adviser or (2) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(b)(v) prior to the relevant Interest Determination Date, then (A) the Issuer may, acting in good faith and in a commercially reasonable manner, following consultation with the Calculation Agent, determine a Successor Rate or, failing which, an Alternative Rate and, in either case, any Adjustment Spread and any Benchmark Amendments (and the provisions of paragraphs (A) to (C) shall apply mutatis mutandis to such determination); and (B) if the Issuer does not make such determination by the relevant Interest Determination Date, the Reference Rate applicable to the relevant Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate that would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date. For the avoidance of doubt, any adjustment pursuant to this paragraph (D) shall apply to the relevant Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 4(b)(v).
- (E) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(b)(v) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Agents and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (F) No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer:
 - (1) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific

- terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(b)(v); and
- (2) certifying that (1) the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread and (2) the intent of the drafting of such changes is solely to implement the relevant Benchmark Amendments.
 - (3) The Trustee and the Agents shall be entitled to rely on such certificate (without further enquiry and without liability to any person and provided such instrument does not impose any additional obligations or liabilities on the Trustee or adversely impact its position in respect of the Notes, the Agency Agreement or the Trust Deed) as sufficient evidence thereof.
- (G) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Trustee, the Calculation Agent, the Agents and the Noteholders.
- (H) As used in this Condition 4(b)(v):
- "Adjustment Spread" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:
- (1) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
 - (2) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
 - (3) (if no such determination has been made) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
 - (4) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 4(b)(v) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for a commensurate period and in the Specified Currency;

"Benchmark Amendments" has the meaning given to it in Condition 4(b)(v)(C);

"Benchmark Event" means:

- (1) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (2) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "Specified Future Date"); or
- (3) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the "Specified Future Date"), be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the "Specified Future Date"), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (5) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, such Reference Rate is or will, by a specified future date (the "Specified Future Date"), be no longer representative of an underlying market; or
- (6) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D), or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

- (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

"Successor Rate" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(vi) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under these Terms and Conditions to be notified to the Issuer, the Trustee, the other Agents and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (if required by the rules of such stock exchange) and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed (if required by the rules of such stock exchange) and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vii) Determination of Rate of Interest following acceleration

If the relevant Series of Notes become due and payable in accordance with Condition 6 or Condition 9, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date

(viii) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b) by the Principal Paying Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Trustee, the Noteholders or the Couponholders shall attach to the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Accrual of interest*

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

5. Payments

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

(b) *Payments subject to fiscal and other laws*

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 or (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(c) *Presentation of definitive Bearer Notes and Coupons*

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(d) *Payments in respect of Bearer Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Bearer Global Note, where applicable against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States and its possessions. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Bearer Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

(e) *Payments in respect of Registered Notes*

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "Register") (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, "Designated Account" means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "Designated Bank" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "Record Date"). Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar or any Paying Agent in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(f) *General provisions applicable to payments*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Bearer Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Agents with specified offices outside the United States with the reasonable expectation that such Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer and/or the Guarantor.

(g) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means (subject to Condition 8):

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation (if presentation is required);
 - (B) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Pricing Supplement; and/or
 - (C) if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(h) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(g)); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6. Redemption and Purchase

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

(b) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving

not less than 30 or more than 60 days' notice to the Principal Paying Agent and the Trustee and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of the United Kingdom, or of any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it (for the avoidance of doubt, excluding changing its jurisdiction of tax residence or general conduct of its business or being replaced (by substitution) as an Issuer or, as the case may be, Guarantor),

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts, were a payment in respect of the Notes then due. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

It shall be sufficient to establish the existence of the circumstances required to be established pursuant to this paragraph (b) if the Issuer or, as the case may be, the Guarantor shall deliver to the Trustee a certificate of an independent lawyer or accountant of recognised standing satisfactory to the Trustee in a form satisfactory to the Trustee to the effect either that such circumstances exist or that, upon a change in the laws or regulations of the United Kingdom, or of any authority thereof or therein having power to tax, or the application or interpretation thereof, which at the date of such certificate is proposed and which in the opinion of such lawyer or accountant is reasonably expected to become effective on or prior to the date on which the relevant payment of principal or interest in respect of the Notes would otherwise be made, becoming so effective, such circumstances would exist.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (g) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than three days before the giving of the notice referred to in (i), notice to the Trustee and the Principal Paying Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not greater than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in

the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date").

In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

If "Make Whole Redemption Price" is specified in the applicable Pricing Supplement as being the Optional Redemption Amount, the Optional Redemption Amount will, in respect of Notes to be redeemed, be an amount equal to the greater of:

- (A) 100 per cent. of the principal amount of the Notes to be redeemed and
- (B) the sum of the then present values (as determined by the Determination Agent) of the remaining scheduled payments of principal and interest on the Notes to be redeemed to the Maturity Date or, if applicable, any earlier Par Redemption Date (in which case assuming the last remaining scheduled payments of principal and interest shall be treated as falling due on such Par Redemption Date) discounted to the Optional Redemption Date on an annual, semi-annual or such other basis as is equivalent to the frequency of interest payment on the Notes (as determined by the Determination Agent) (assuming the Day Count Fraction specified in the applicable Final Terms or such other day count basis as the Determination Agent may consider to be appropriate having regard to customary market practice at such time) at:
 - (1) the Reference Bond Rate; plus
 - (2) the Redemption Margin specified in the applicable Pricing Supplement,

less an amount equal to any accrued but unpaid interest on the Notes to, but excluding, the Optional Redemption Date, all as determined by the Determination Agent provided however that, in the case of either (A) or (B) above, if a Par Redemption Date is specified in the applicable Pricing Supplement and the Optional Redemption Date occurs on or after the Par Redemption Date, the Make Whole Redemption Price will be equal to 100 per cent. of the principal amount of the Notes.

In this paragraph (c):

"DA Selected Bond" means the government security or securities selected by the Determination Agent as having the nearest actual or interpolated maturity comparable with the Remaining Term of the relevant Notes to be redeemed and that would be utilised, at the time of selection and in accordance with customary financial practice, in determining the redemption price of corporate debt securities denominated in the Specified Currency and with a comparable remaining maturity to the Remaining Term; provided however, that, if the Remaining Term of the Notes to be redeemed is less than one year, a fixed maturity of one year shall be used;

"Determination Agent" means an independent adviser, investment bank or financial institution of recognised standing with appropriate expertise selected by the Issuer;

"Par Redemption Date" has the meaning given in the applicable Pricing Supplement;

"Quotation Time" means the time specified as such in the applicable Pricing Supplement.

"Reference Bond" means the bond specified in the applicable Pricing Supplement or, if not so specified or to the extent that such Reference Bond specified in the Pricing Supplement is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

"Reference Bond Price" means, with respect to any Reference Bond and any Reference Date, (i) if at least five Reference Government Bond Dealer Quotations are received, the arithmetic average of the Reference Government Bond Dealer Quotations for such Reference Date, after excluding the highest (or in the event of equality, one of the highest) and lowest (or in the event of equality, one of the lowest) such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations;

"Reference Bond Rate" means, with respect to any Reference Bond and any Reference Date, the rate per annum equal to the annual or semi-annual yield to maturity (as the case may be) or interpolated yield to maturity (on the relevant day count basis, as determined by the Determination Agent) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

"Reference Date" means the date falling three London Business Days prior to the Optional Redemption Date, where "London Business Day" means a day on which commercial banks and foreign exchange markets settle payments generally in London;

"Reference Government Bond Dealer" means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if one is appointed), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount): (a) which appear on the Relevant Make Whole Screen Page as at the Quotation Time on the Reference Date; or (b) to the extent that in the case of (a) above either such bid and offered prices do not appear on that page, fewer than two such bid and offered prices appear on that page, or if the Relevant Make Whole Screen Page is unavailable, then as quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

"Relevant Make Whole Screen Page" means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Bloomberg) specified as the Relevant Make Whole Screen Page in the applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Determination Agent for the purpose of displaying comparable relevant bid and offered prices for the Reference Bond; and

"Remaining Term" means the term to maturity or, if a Par Redemption Date is specified in the applicable Pricing Supplement, to such Par Redemption Date.

(d) *Redemption at the option of the Issuer (Clean-up Call)*

If Clean-up Call Option is specified as being applicable in the applicable Pricing Supplement, and if, at any time (other than as a direct result of a redemption of some, but not all, of the Notes at the Make Whole Redemption Price at the Issuer's option pursuant to Condition 6(c)), the outstanding aggregate principal amount of the Notes expressed as a percentage of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 17 and consolidated with the Notes as part of the same Series shall be deemed to have been originally issued) is equal to or less than the percentage specified in the applicable Pricing Supplement (the "Clean-up Call Threshold"), the Issuer may redeem all (but not some only) of the remaining outstanding Notes on any date (or, in respect of Floating Rate Notes, on any Interest Payment Date) upon having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than three days before the giving of the notice referred to in (i), notice to the Trustee and the Principal Paying Agent;

(which notice shall specify the date for redemption and shall be irrevocable), at the Optional Redemption Amount together with any accrued and unpaid interest up to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this paragraph (d), the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the condition precedent provided in this paragraph (d) for the exercise of the Clean-up Call has been satisfied. The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

(e) *Redemption at the option of the Issuer (Special Redemption Event Call)*

If Special Redemption Event Option is specified as being applicable in the applicable Pricing Supplement, upon the occurrence of a Special Redemption Event, the Issuer (if the Basis of the redemption is specified as being "Mandatory" in the applicable Pricing Supplement) shall or (if the Basis of the redemption is specified as being "Optional" in the applicable Pricing Supplement) may redeem all (but not some only) of the outstanding Notes at any time during the Special Redemption Period, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than three days before the giving of the notice referred to in (i), notice to the Trustee and the Principal Paying Agent;

(which notice shall specify the date for redemption and shall be irrevocable), at the Optional Redemption Amount together with any accrued and unpaid interest up to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this paragraph (e), the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement that a Special Redemption Event has occurred. The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

For the purposes of this paragraph (e) a "Special Redemption Event" shall be deemed to have occurred if the Issuer or any of its subsidiaries: (i) has not, in accordance with its terms, completed and closed the acquisition of the Acquisition Target specified in the relevant Pricing Supplement by the Special Redemption Longstop Date specified in the applicable Pricing Supplement (including, without limitation, any conditions to the completion and close of the acquisition of the Acquisition Target specified in the applicable Pricing Supplement have not been satisfied (or waived, if applicable) by the Special Redemption Longstop Date specified in the applicable Pricing Supplement); or (ii) prior to the Special Redemption Longstop Date, has published an announcement that it no longer intends to pursue the acquisition of the Acquisition Target.

(f) *Redemption at the option of the Noteholders (Investor Put)*

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together (if appropriate) with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 1(F)(ii). If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

(g) *Early Redemption Amounts*

For the purpose of paragraph (b), (c), (d), (e) or (f) above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note (other than a Zero Coupon Note), at the amount specified in the applicable Pricing Supplement or, if no such amount is so specified in the applicable Pricing Supplement, at its nominal amount; or
- (ii) in the case of a Zero Coupon Note, at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^v$ where

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"v" is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(h) *Purchases*

The Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. The Issuer or the Guarantor or any Subsidiary of the Issuer or the Guarantor may at its option retain such Notes for its own account and/or resell or cancel or otherwise deal with such Notes at its discretion.

(i) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent or the Registrar, as the case may be, and cannot be reissued or resold.

(j) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), (d), (e) or (f) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (g)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Principal Paying Agent or the Registrar, as the

case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

7. Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom or any authority thereof or therein having power to tax, unless such deduction or withholding of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as will result in the payment to the Noteholders or Couponholders of the amounts which would otherwise have been receivable in respect of principal and interest, except that no such additional amount shall be payable in respect of any Note or Coupon:

- (a) the holder of which (i) is subject to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of the holder's being connected with the United Kingdom otherwise than merely by holding the Note or Coupon or (ii) would be able to avoid such withholding or deduction by making a declaration of non-residence or any other claim for exemption or any filing to any relevant tax authority, but fails to do so; or
- (b) in a case where presentation is required, where the Note or Coupon is presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(g)); or
- (c) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto, as provided in Condition 5(b).

The "Relevant Date" in relation to any Note or Coupon means:

- (i) the due date for payment; or
- (ii) if the full amount of the moneys payable on such due date has not been made available unconditionally to the Principal Paying Agent for the time being or in accordance with the Trust Deed to the Trustee on or prior to such due date, the date on which notice is given to the Noteholders in accordance with Condition 14 that such moneys have been made so available.

8. Prescription

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(c).

9. Events of Default

- (a) The Trustee in its discretion may, and if so requested in writing by the holders of at least one-quarter in aggregate nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount, together with accrued interest as provided in the Trust Deed, after the occurrence of any of the following events (each an "Event of Default"):

- (i) if default is made for a period of 10 Business Days or more in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them; or
- (ii) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under the Notes or the Trust Deed and (except where in any such case the Trustee considers such failure to be incapable of remedy when no such notice as is hereinafter mentioned will be required) such failure is not remedied by the Issuer or, as the case may be, the Guarantor within 60 days (or such longer period as the Trustee may permit) of the service by the Trustee on the Issuer or, as the case may be, the Guarantor of notice requiring the Issuer or, as the case may be, the Guarantor to remedy the same; or
- (iii) if any other indebtedness for borrowed moneys (as defined below) of the Issuer or the Guarantor other than indebtedness for borrowed moneys which is Project Finance Indebtedness is not paid when due or within any applicable grace period relating thereto, or any indebtedness for borrowed moneys of the Issuer or the Guarantor is declared to be or otherwise becomes due and payable prior to its specified maturity by reason of default; provided that such occurrence is not being challenged in good faith by the Issuer or, as the case may be, the Guarantor in, or in the course of action prior to, appropriate proceedings and provided further that any such event shall only be capable of being an Event of Default if the aggregate amount of all such indebtedness for borrowed moneys exceeds the greater of £150,000,000 (or its equivalent in other currencies) or, if greater, 2 per cent. of Consolidated Net Worth (as defined below); or
- (iv) if:
 - (a) any order shall be made by any competent court or resolution passed for the winding up or dissolution of the Issuer or the Guarantor or a Principal Subsidiary, or an administration order is made in relation to the Issuer or the Guarantor or a Principal Subsidiary, or if the Issuer or the Guarantor or a Principal Subsidiary ceases to carry on all or substantially all of its business other than: (i) (in each such case) for the purpose of a reconstruction or amalgamation, the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or (ii) in the case of a Principal Subsidiary, whereby all or substantially all of the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor or another of the Issuer's or Guarantor's Subsidiaries; or (iii) in the case of a Principal Subsidiary, in connection with the sale on an arm's length basis of the assets or business of such Principal Subsidiary for full consideration received by the Group, all of the proceeds of which are reinvested in the Group (including for the avoidance of doubt, using such proceeds to repay any indebtedness for borrowed moneys of the Group); or (iv) in the case of a Principal Subsidiary, otherwise for the purposes of any other amalgamation, reorganisation or restructuring whilst solvent; or
 - (b) an encumbrancer takes possession or an administrative or other receiver is appointed of the Issuer or the Guarantor or a Principal Subsidiary or of the whole or any material part of the assets of the Issuer or the Guarantor or a Principal Subsidiary, or if a distress or execution is levied or enforced upon or sued out against any material part of the assets of the Issuer or the Guarantor or a Principal Subsidiary and is not removed, discharged or paid out within 90 days unless any of the same is (in each such case) being contested in good faith by the Issuer or, as the case may be, the Guarantor or the relevant Principal Subsidiary in, or in the course of action prior to, appropriate proceedings; or
 - (c) the Issuer or the Guarantor or a Principal Subsidiary is unable to pay its debts within the meaning of section 123(1)(e) or section 123(2) of the Insolvency Act 1986 of Great Britain or if the Issuer or the Guarantor or a Principal Subsidiary makes a general assignment for the benefit of or enters into a composition with its creditors,

provided that, in the case of any such events other than those described in paragraph (i) or (iv)(a) (in relation to any order or resolution for the winding up or dissolution of the Issuer or the Guarantor or administration order in relation to the Issuer or the Guarantor) of this Condition, the Trustee shall have certified to the Issuer that such event is in its opinion materially prejudicial to the interests of the Noteholders.

(b) *For the purposes of these Terms and Conditions:*

"Consolidated Net Worth" means the aggregate of the amounts paid up, credited as paid up or deemed to be paid up on the issued share capital of the Issuer and the aggregate amount of capital and revenue reserves of the Group including but not limited to:

- (i) any amount credited to the share premium account;
- (ii) any capital redemption reserves;
- (iii) any cash flow hedging reserves;
- (iv) any other reserves; and
- (v) any balance standing to the credit of the consolidated retained earnings of the Group,

all as determined from the latest published audited consolidated balance sheet of the Group but adjusting as follows:

- (A) by deducting any debit balance on the consolidated retained earnings of the Group;
- (B) by deducting any amounts shown in respect of the book values of goodwill;
- (C) in respect of any variation in interests in Subsidiaries and to take account of any Subsidiary which shall have become or ceased to be a Subsidiary since the date as at which such financial statements were prepared;
- (D) excluding all sums set aside for deferred taxation;
- (E) excluding any distribution declared, recommended or made to members of the Guarantor and outside shareholders in Subsidiaries out of profits accrued prior to the date such financial statements were drawn up and not provided for therein;
- (F) by adding any pension liability back or by deducting any pension surplus balance;
- (G) by deducting "Other financial assets", being the amounts arising from the revaluations and reclassifications required by IFRS 9;
- (H) by adding back "Other financial liabilities", being the amounts arising from the revaluations and reclassifications required by IFRS 9;
- (I) deducting the amount paid up or credited as paid up on, and the amount of any premium payable on the redemption of, any preference share capital of the Guarantor which is repayable on or prior to the final maturity date of the Notes,

and so that no amount shall be included or excluded more than once.

"indebtedness for borrowed moneys" means any present or future indebtedness (whether being principal, premium, interest or other amounts and whether actual or contingent) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any guarantee, indemnity, acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

"Principal Subsidiary" means any Subsidiary of the Issuer whose turnover, as shown in its latest audited income statement, exceeds 15 per cent. of the consolidated turnover of the Group as shown by the latest published audited consolidated income statement of the Group and either (i) whose profits or (in the case of a Subsidiary which has Subsidiaries) consolidated profits, before taxation and extraordinary items, as shown by its latest audited income statement, exceed 15 per cent. of the

consolidated profits, before taxation and extraordinary items, of the Group as shown by the latest published audited consolidated income statement of the Group or (ii) whose total assets or (in the case of a Subsidiary of the Guarantor which has Subsidiaries) total consolidated assets, as shown by its latest audited balance sheet, are at least 15 per cent. of the total consolidated assets of the Group as shown by the latest published audited consolidated balance sheet of the Group. For the purpose of calculating the profits or (in the case of a Subsidiary which has Subsidiaries) consolidated profits or (in the case of a Subsidiary which has Subsidiaries) total consolidated assets of any Subsidiary which is not a wholly-owned Subsidiary pursuant to (i) or (ii) above, only such proportion of the above-mentioned profits or total assets shall be taken into account as the relevant holding, either direct or indirect, of issued equity share capital in such Subsidiary bears to that Subsidiary's total issued equity share capital. A report by the Auditors that in their opinion a Subsidiary is or is not or was or was not at a specified date a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all concerned. References herein to the audited income statement and balance sheet and audited accounts of a Subsidiary which has Subsidiaries shall be construed as references to the audited consolidated income statement, consolidated balance sheet and consolidated accounts of such Subsidiary and its Subsidiaries, if such are required to be produced and audited, or, if no such accounts or balance sheet are produced, to pro forma accounts and balance sheet, prepared for the purpose of such reports. If the latest published audited consolidated income statement of the Group shows a loss before taxation and extraordinary items, then every Subsidiary whose turnover exceeds 15 per cent. of the consolidated turnover of the Group as aforesaid and whose latest audited income statement (consolidated if appropriate) shows a profit before taxation and extraordinary items shall be a Principal Subsidiary.

References herein to the latest published audited consolidated income statement and the latest published consolidated balance sheet (together, the "Financial Statements") shall be those of the Issuer and its subsidiaries.

10. Enforcement

The Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce repayment of the Notes and the Coupons together with accrued interest and to enforce the provisions of the Trust Deed, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of not less than one-quarter in aggregate nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer and/or the Guarantor unless the Trustee, having become bound so to do, fails so to do within a reasonable period and such failure shall be continuing.

11. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of (in the case of Bearer Notes) the Principal Paying Agent or (in the case of Registered Notes) the Registrar, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. Agents

The names of the initial Agents and their initial specified offices are set out below. If any additional Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the applicable Pricing Supplement.

The Issuer and the Guarantor are entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar with its specified office in a place approved by the Trustee; and
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority).

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(f). Notice of any variation, termination, appointment or change will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor and, in certain circumstances described therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor Agent.

13. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

14. Notices

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times*. All notices regarding the Registered Notes be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee may approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent (in the

case of Bearer Notes) or the Registrar (in the case of Registered Notes) and, in each case, Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. Meetings of the Noteholders, Modifications and Waiver

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of any of these Terms and Conditions or any of the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain of these Terms and Conditions and provisions of the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

Any such meeting of the Noteholders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference) as the Trustee may determine in accordance with the provisions of the Trust Deed.

In addition, a resolution in writing signed by or on behalf of two-thirds of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Trustee may, without the consent of the Noteholders or the Couponholders, agree to any modification of any of these Terms and Conditions or of any of the provisions of the Trust Deed or to any waiver or authorisation of any breach or proposed breach by the Issuer and/or the Guarantor of any of the provisions of these Terms and Conditions or of any of the provisions of the Trust Deed or determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders or to any modification of any of these Terms and Conditions or of any of the provisions of the Trust Deed which is made to correct any manifest error or is of a formal, minor or technical nature or to comply with mandatory provisions of applicable law.

In addition, pursuant to Condition 4(b)(v), certain changes may be made to the interest calculation provisions of the Floating Rate Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Trustee, the Noteholders or the Couponholders.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution under Condition 3), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except, in the case of the Issuer or the Guarantor, to the extent provided for in Condition 7 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

Any such modification, waiver, authorisation, determination or substitution under Condition 3 will be binding on the Noteholders and Couponholders and any such modification or substitution will (unless the Trustee agrees otherwise) be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16. Indemnification of the Trustee and its contracting with the Issuer and the Guarantor

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer and/or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and such failure is continuing.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or the Guarantor and/or any of the Issuer's other Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or the Guarantor and/or any of the Issuer's other Subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. The Contracts (Rights of Third Parties) Act 1999

The Notes confer no rights on any person pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

19. Governing Law

The Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising therefrom or in connection therewith shall be governed by, and construed in accordance with, English law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes.

DESCRIPTION OF THE ISSUER AND GUARANTOR

Rolls-Royce plc, the Guarantor, is a wholly owned subsidiary of Rolls-Royce Holdings plc, the Issuer.

Rolls-Royce has a long history of innovation for over a century. Rolls-Royce designs, manufactures, and services advanced power and propulsion systems for civil aerospace, defence, and energy markets, developing a broad product portfolio and strong customer relationships in global markets. The Group operates through three core businesses to Connect, Protect and Power: Civil Aerospace, Defence and Power Systems.

Annual underlying revenue was £20,059m in 2025, over half of which came from the provision of aftermarket services.

Market share data in this section is the view of the management of Rolls-Royce based on internal estimates.

Civil Aerospace

Civil Aerospace is a major manufacturer of high-performance engines for the large commercial aircraft, regional jets and business aviation markets.

Civil Aerospace has two main areas of focus - large engine production, based in Derby, UK, and business aviation, headquartered in Dahlewitz, Germany. Rolls-Royce has 14,263 in-service engines and power four out of five of the new generation widebody engine aircraft. Rolls-Royce's market share of the widebody installed base has grown from 34 per cent. at the end of 2022 to 38 per cent. at the end of 2025, supported by its market share of more than 50 per cent. of new engine deliveries over the past three years. At present there are over 7,500 in-service Rolls-Royce business aviation engines across the Pearl, Tay, BR710, BR725 and AE 3007 families which provide power to a range of platforms, including Gulfstream and Bombardier aircraft.

In 2025, Civil Aerospace recorded an underlying operating profit of £2,130m (compared with £1,505m underlying operating profit in 2024) and 31 per cent. of Civil Aerospace revenues came from original equipment and 69 per cent. from services. The business unit operates long-term service agreements, which align the Group's interests with the interests of their customers and provide revenue from reliability improvements and cost reductions.

Defence

Rolls-Royce designs, develops, manufactures and supports high performance aero and naval gas turbines and nuclear power and propulsion systems. The Defence business serves 160 customers in over 100 countries with five distinct end markets: transport, combat, submarines, naval and helicopters. Rolls-Royce provides whole engine design, development and manufacturing capability and operational independence in the US, UK and Germany and works closely with partners in Japan, Italy, Kingdom of Saudi Arabia, India, Republic of Korea, Australia, Spain, and France.

In 2025, Defence accounted for £689m of the Group's underlying operating profit (compared with £644m underlying operating profit in 2024). Defence's order backlog at the end of 2025 was £17.4bn, with an order cover of around 90 per cent. for 2026. 47 per cent. of Defence revenues came from original equipment and 53 per cent. from services.

Power Systems

The Power Systems business targets five markets: power generation, government, marine, industrial, and battery energy storage. Rolls-Royce supplies diesel and gas solutions for backup and continuous power in data centres and manufacturing, holding a 20 to 25 per cent. share of the data centres and mission-critical back-up systems market. For government clients, it provides high-performance diesel engines and propulsion systems, with 30 per cent. market share in land defence and naval sectors. In marine, integrated diesel, gas, and hybrid systems serve commercial and yacht segments with a 15 to 20 per cent. share of the commercial marine and yacht markets. The industrial segment focuses on reliable diesel and hybrid options for rail and mining, capturing 15 to 20 per cent. of the rail and mining markets. The battery energy storage systems business helps to stabilise renewable power grids.

In 2025, the Power Systems business accounted for £852m of the Group's underlying operating profit (compared with £560m underlying operating profit in 2024). In 2025, order intake in Power Systems was £6.1bn, up 21 per cent. from 2024, with a book-to-bill ratio of 2.1x. OE order coverage for 2026 is 79 per cent. 70 per cent. of Power Systems revenues came from original equipment and 30 per cent. from services.

Recent Developments

On 26 February 2026, Rolls-Royce announced a multi-year share buyback programme across 2026–2028 of £7.0 billion to £9.0 billion. Of this, £2.5 billion is expected to be completed in 2026, including the £200m completed between 2 January 2026 and 5 March 2026.

Rolls-Royce has recently repaid its €750 million 4.625% Notes upon their maturity in February 2026.

BOARD OF DIRECTORS OF THE ISSUER AND GUARANTOR

The Board of Directors of the Issuer is as follows:

<i>Name</i>	<i>Position</i>	<i>Principal outside directorships</i>
Dame Anita Frew	Chair	
Tufan Erginbilgic	Chief Executive	Non-executive Director of Iveco Group NV
Helen McCabe	Chief Financial Officer	
George Culmer	Senior Independent Director	Chair of Aviva plc
Birgit Behrendt	Independent Non-executive Director	Non-executive director of Umicore SA, Thyssenkrupp AG, KION Group AG, and Infinium Holdings, Inc. and Member of the Advisory Council of Stulz Verwaltungs-GmbH & Co. KG
Stuart Bradie	Independent Non-executive Director	Chair, President and Chief Executive Officer of KBR
Lord Jitesh Gadhia	Independent Non-executive Director	Senior Independent Director of Taylor Wimpey plc, Non-executive Director of Intas Pharmaceuticals, and Non-executive Director of the Court of Directors of the Bank of England
Beverly Goulet	Independent Non-executive Director	Non-executive director of Xenia Hotels & Resorts and Foundation Board Chair of Answer ALS
Wendy Mars	Independent Non-executive Director	
Nick Luff	Independent Non-executive Director	Chief Financial Officer of RELX Group
Paulo Cesar Silva	Independent Non-executive Director	Board advisor to Electra.aero
Dame Angela Strank	Independent Non-executive Director	Non-executive director of SSE plc and Mondi plc and member of the Innovation Advisory Committee at Rio Tinto
Claire O'Grady	Company Secretary	

The Board of Directors of the Guarantor is as follows:

<i>Name</i>	<i>Position</i>	<i>Principal outside directorships</i>
Sarah Anne Armstrong	Director	
Tufan Erginbilgic	Director	Non-executive Director of Iveco Group NV
Mark Gregory	Director	
Helen McCabe	Director	
Matthew Conacher	Company Secretary	

The business address of the above directors is Kings Place, 90 York Way, London, United Kingdom, N1 9FX.

There are no potential conflicts of interest between the duties to the Issuer or the Guarantor, as applicable, of each of the members of the Board of Directors and his/her private interests or other duties.

Mark Gregory will step down as a Director of the Guarantor with effect from 31 March 2026. Maria Varsellona is expected to succeed him as a Director of the Guarantor, although the timing of her appointment has not yet been confirmed.

TAXATION

United Kingdom Taxation

The following applies only to persons who are the absolute beneficial owners of Notes and is a summary of the Issuer's understanding of current law and published HM Revenue & Customs ("HMRC") practice, which may not be binding upon HMRC, and are subject to change (possibly with retrospective effect), in each case as at the latest practicable date before the date of this Offering Circular. These comments describe only the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Pricing Supplement may affect the tax treatment of that and other series of Notes. The United Kingdom tax treatment of prospective Noteholders depends on the individual circumstances of the prospective Noteholders and may be subject to change in the future, possibly with retrospective effect. These comments do not purport to constitute legal or tax advice. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Interest on the Notes

Payments of interest on the Notes may be treated as having a United Kingdom source and the following comments assume that the interest has a United Kingdom source.

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes are and continue to be "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 (the "Act"). The Notes will constitute "quoted Eurobonds" provided they carry a right to interest and are and continue to be listed on a recognised stock exchange (within the meaning of section 1005 of the Act for the purposes of section 987 of the Act) or admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange (within the meaning of section 987 of the Act). The International Securities Market of the London Stock Exchange is a multilateral trading facility operated by a regulated recognised stock exchange for the purposes of Section 987 of the Act. Provided, therefore, that the Notes carry a right to interest and are and remain so admitted to trading, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and provided the Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes that have a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), and on and after 6 April 2027 at the savings basic rate of 22 per cent., subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a direction to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty) following an application by that Noteholder under the relevant double tax treaty. Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double tax treaty.

If the Guarantor makes payments in respect of interest on the Notes (or other amounts due under the Notes), such payments may be subject to United Kingdom withholding tax either at the basic rate (currently 20 per cent.) or potentially (on or after 6 April 2027 only) at the savings basic rate (currently anticipated to be 22 per cent.), subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. Where double taxation treaty relief is available, and the applicable conditions in the relevant double taxation treaty are satisfied, the Noteholder should be entitled to a refund of tax withheld, provided it complies with the applicable formalities relating to such claim within the relevant limitation period. It may, however, not in practice be possible for the Noteholder to obtain a

direction for the guarantee payments to be made free from withholding tax. Such payments by the Guarantor may not be eligible for all the reliefs and exemptions described above.

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Any such payment of interest would be subject to the withholding tax provisions discussed above.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Condition 3 of the Notes or otherwise and does not consider the tax consequences of any such substitution.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under Condition 17) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding were to be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUMMARY OF DISTRIBUTION AGREEMENT

Subject to the terms and on the conditions contained in an amended and restated Distribution Agreement dated 25 March 2026 (as further amended and/or supplemented and/or restated from time to time the "Distribution Agreement") between the Issuer, the Guarantor, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Distribution Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission of a percentage of the nominal amount of the Notes to be agreed on each issue of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme.

The relevant Dealers will be entitled in certain circumstances to be released and discharged from their obligations in respect of a proposed issue of Notes under or pursuant to the Distribution Agreement prior to the closing of the issue of such Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Notes. In this situation, the issuance of such Notes may not be completed. Investors will have no rights against the Issuer or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

SELLING RESTRICTIONS

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in the preceding sentence have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or
 - (iii) not a qualified investor as defined in the EU Prospectus Regulation; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing

Supplement in relation thereto to the public in that Member State, except that it may make an offer of such Notes to the public in that Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression an "offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is either one (or both):
 - (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

- (i) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;
- (ii) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs,

For the purposes of this provision:

- the expression an "offer of Notes to the public" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes; and
- the expression "POATRs" means the Public Offers and Admissions to Trading Regulations 2024.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Hong Kong

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (1) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (2) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Switzerland

No Notes may be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit any Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to any Notes constitutes a prospectus pursuant to the FinSA, and neither this Offering Circular nor any other offering or marketing material relating to any Notes may be publicly distributed or otherwise made publicly available in Switzerland.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Guarantor, the Trustee and any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Guarantor, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[EU MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET] – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [EU MiFID II (as defined below)][Directive 2014/65/EU (as amended) ("EU MiFID II")]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET] – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the [Notes] is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the [Notes] to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor")/[distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the [Notes] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS] – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) ("MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended) (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS] – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation"), which applies up to and including 5 April 2026, or disclosure document required by the FCA Product Disclosure Sourcebook ("DISC"), which will apply from and including 6 April 2026, for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation or DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024, as applicable.]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (THE "SFA") - [To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].¹

Pricing Supplement dated [●]

ROLLS-ROYCE HOLDINGS plc (the "Issuer")

Legal Entity Identifier (LEI): 213800EC7997ZBLZJH69

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "Notes")
unconditionally and (subject to Condition 1) irrevocably guaranteed by Rolls-Royce plc (the
"Guarantor")**

under the £5,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Circular dated [●] 2026 [and the supplement[s] to it dated [date] [and [date]] ([the Offering Circular as so supplemented,] the "Offering Circular") which [together] constitute[s] an admission particulars for the purposes of the Rulebook of the International Securities Market of the London Stock Exchange plc (the "London Stock Exchange"). This document must be read in conjunction with the Offering Circular. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular, including the documents incorporated by reference.

The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular with an earlier date and the relevant terms and conditions from that offering circular with an earlier date were incorporated by reference in this Offering Circular.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "Conditions") set forth in the Offering Circular dated [●]. This document constitutes the Pricing Supplement of the Notes and, save in respect of the Conditions, must be read in conjunction with the Offering Circular dated [●] 2026 [and the supplement[s] to it dated [date] [and [date]] ([the Offering Circular as so supplemented,] the "Offering Circular") in order to obtain all the relevant information. The Offering Circular constitutes an admission particulars for the purposes of the Rulebook of the International Securities Market of the London Stock Exchange plc (the "London Stock Exchange"). The Conditions are incorporated by reference in the Offering Circular.

No prospectus is required to be published under the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook of the United Kingdom Financial Conduct Authority ("FCA") Handbook made in accordance with the Public Offers and Admissions to Trading Regulations 2024. The FCA has neither approved nor reviewed the information contained in this Pricing Supplement.

- | | | | |
|----|-------|--|---|
| 1. | (i) | Series Number: | [●] |
| | (ii) | Tranche Number: | [●] |
| | (iii) | Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with [●] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [●]] [Not Applicable] |
| 2. | | Specified Currency or Currencies: | [●] |

¹ Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

3. Aggregate Nominal Amount:
 - Series: [●]
 - Tranche: [●]
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount
[plus accrued interest from [●]]
5. (i) Specified Denomination(s): [●] [and integral multiples of [●] in excess thereof
up to and including [●]. No Notes in definitive form
will be issued with a denomination above [●]]
- (ii) Calculation Amount: [●]
6. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [[●]/Issue Date/Not Applicable]
7. Maturity Date: [●]
8. Interest Basis: [[●] per cent. Fixed Rate]
[[Reference Rate] +/- [●] per cent. Floating Rate]
[Zero Coupon]
9. Redemption/Payment Basis: Redemption at par
10. Change of Interest Basis or Redemption/
Payment Basis: [●]/[Not Applicable]
11. Put/Call Options: [Investor Put]
[Issuer Call]
[Clean-up Call]
[Special Redemption Event Option]
[Not Applicable]
12. Date Board approval for issuance of
Notes and Guarantee obtained: [●] and [●], respectively

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
 - (i) Rate(s) of Interest: [●] per cent. per annum payable in arrear on each
Interest Payment Date
 - (ii) Interest Payment Date(s): [●] [and [●]] in each year, from and including [●],
up to and including the Maturity Date
 - (iii) Fixed Coupon Amount(s): [●] per Calculation Amount
(Applicable to Notes in definitive
form)
 - (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest
(Applicable to Notes in definitive
form) Payment Date falling [in/on] []/[Not Applicable]
 - (v) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]
 - (vi) Determination Date(s): [[●] in each year]/[Not Applicable]
14. **Floating Rate Note Provisions** [Applicable/Not Applicable]
 - (i) Specified Period(s)/Specified
Interest Payment Dates: [●], subject to adjustment in accordance with the
Business Day Convention set out in (ii) below/, not
subject to adjustment, as the Business Day

		Convention in (ii) below is specified to be Not Applicable]
(ii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(iii)	Additional Business Centre(s):	[●]
(iv)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[●]
(vi)	Screen Rate Determination:	
	– Reference Rate and Relevant Financial Centre:	Reference Rate: [●] month EURIBOR Relevant Financial Centre: Brussels
	– Reference Banks if not selected by the Principal Paying Agent:	[●]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
(vii)	ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
(viii)	Margin(s):	+/- [●] per cent. per annum
(ix)	Minimum Rate of interest:	[●] per cent. per annum
(x)	Maximum Rate of interest:	[●] per cent. per annum
(xi)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
15.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
(i)	Accrual Yield:	[●] per cent. per annum
(ii)	Reference Price:	[●]
(iii)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

16.	Issuer Call:	[Applicable/Not Applicable]
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- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s): [[●] per Calculation Amount]/[Make Whole Redemption Price]
 - (a) Reference Bond: [●]
 - (b) Quotation Time: [●]
 - (c) Redemption Margin: [●]
 - (d) Par Redemption Date: [●]
 - (e) Relevant Make Whole Screen Page: [●]
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●] per Calculation Amount
 - (b) Maximum Redemption Amount: [●] per Calculation Amount
- 17. Investor Put: [Applicable/Not Applicable]
 - (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s): [●] per Calculation Amount
- 18. Clean-up Call: [Applicable/Not Applicable]
 - (i) Clean-up Call Threshold: [●] per cent.
 - (ii) Optional Redemption Amount(s): [●] per Calculation Amount
- 19. Special Redemption Event Option: [Applicable/Not Applicable]
 - (i) Basis of redemption: [Mandatory]/[Optional]
 - (ii) Acquisition Target: [●]
 - (iii) Special Redemption Longstop Date: [●]
 - (iv) Optional Redemption Amount: [●] per Calculation Amount
 - (v) Special Redemption Period: [●] / [The period from [[] / [the Issue Date]] to []/the Special Redemption Longstop Date]
- 20. Final Redemption Amount: [●] per Calculation Amount
- 21. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 22. New Global Note: [Yes/No/Not Applicable]
- 23. New Safekeeping Structure: [Yes/No/Not Applicable]
- 24. Form of Notes: **[Bearer Notes:]**
 [[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]]

[[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]]

[[Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]]

[Registered Notes:]

[Registered Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances described in the Registered Global Note]

25. Additional Financial Centre(s):

[●]/[Not Applicable]

26. Talons for future Coupons to be attached to Definitive Notes:

[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No/Not Applicable]

Signed on behalf of **Rolls-Royce Holdings plc**:

Signed on behalf of **Rolls-Royce plc**:

By:

By:

Duly authorised

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Date from which admission to trading on the ISM is expected to be effective: [●]
- (ii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

Ratings: [[The Notes to be issued [have been/are expected to be] assigned the following ratings]]:

[●] by Fitch Ratings Ltd.

[●] by Moody's Investors Service Limited

[●] by S&P Global Ratings Europe Limited

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers] and as described in "*General Information*" in the Offering Circular, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: [See ["Use of Proceeds"] in the Offering Circular/*Give details*]
- (ii) Estimated net proceeds: [●]

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: [●]

6. OPERATIONAL INFORMATION

- (i) ISIN Code: [●]
- (ii) Common Code: [●]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [●]/[Not Applicable]
- (iv) Stabilisation Manager: [●]/[Not Applicable]
- (v) Names and addresses of additional Paying Agent(s) (if any): [●]
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit

operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that the Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. TEFRA RULES

Whether TEFRA D or TEFRA C rules [TEFRA D/TEFRA C/TEFRA not applicable]
applicable or TEFRA rules not applicable:

8. THIRD PARTY INFORMATION

[[●] has been extracted from [●]. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

9. PROHIBITION OF SALES TO EEA RETAIL INVESTORS

Prohibition of sales to EEA Retail Investors: [Applicable/Not Applicable]

10. PROHIBITION OF SALES TO UK RETAIL INVESTORS

Prohibition of sales to UK Retail Investors: [Applicable/Not Applicable]

GENERAL INFORMATION

1. The establishment of the Programme and the issue of Notes under it were duly authorised by resolutions of the Board of Directors of the Issuer dated 24 February 2026. The giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated 19 March 2026.
2. Application has been made to the London Stock Exchange for Notes issued under the Programme within 12 months after the date of this Offering Circular to be admitted to trading on the ISM. It is expected that each Tranche of Notes which is to be admitted to trading on the ISM will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche.
3. For the period of 12 months following the date of this Offering Circular, the copies of the following documents may be inspected at the Issuer's website at <https://www.rolls-royce.com/>:
 - (a) the up to date memorandum and articles of association of the Issuer and the Guarantor; and
 - (b) all reports, letters, and other documents, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Offering Circular.
4. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.
5. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
6.
 - (i) There has been no significant change in the financial or trading position of the Issuer or of the Issuer and its subsidiaries since the end of the last financial period for which audited or interim consolidated financial statements of the Issuer have been published.
 - (ii) There has been no material adverse change in the prospects of the Issuer or of the Issuer and its subsidiaries since the date of the Issuer's last published audited consolidated financial statements.
 - (iii) There has been no significant change in the financial or trading position of the Guarantor or of the Guarantor and its subsidiaries since the end of the last financial period for which audited or interim consolidated financial statements of the Guarantor have been published.
 - (iv) There has been no material adverse change in the prospects of the Guarantor or of the Guarantor and its subsidiaries since the date of the Guarantor's last published audited consolidated financial statements.
7. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) in the 12 months preceding the date of this Offering Circular which may have or have had in such period a significant effect on the Issuer's, the Guarantor's or the Group's ability to meet its obligations to Noteholders.

8. PricewaterhouseCoopers LLP, chartered accountants, audited each of the Issuer's and the Guarantor's accounts for the financial years ended 31 December 2025 and 31 December 2024.
9. Each of the consolidated and non-consolidated financial statements incorporated by reference in this Offering Circular have been prepared in accordance with UK-adopted international accounting standards.
10. In relation to the documents incorporated by reference in this Offering Circular, each of the audit reports in respect of the Issuer and Guarantor for the financial years ended 31 December 2024, 2025 and 2026 stated or will state that the report, including the opinion, was prepared for and only for each of the Issuer's and Guarantor's members as a body in accordance with sections 495, 496 and 497 of the Companies Act 2006 and for no other purpose and that the auditors did and do not, in giving the audit opinion, accept or assume responsibility for any other purpose or to any other person to whom the report was shown or into whose hands the report came except where expressly agreed with the auditor's prior consent in writing.
11. The Issuer was incorporated and registered in England and Wales on 10 February 2011 under the Companies Act 2006 as a public company limited by shares and with registered number 7524813. Its registered office is at Kings Place, 90 York Way, London N1 9FX and its telephone number is +44 20 7227 9100. The Guarantor was incorporated and registered in England and Wales on 23 February 1971 under the Companies Acts 1948-1967 as a public company limited by shares and with registered number 1003142. Its registered office is at Kings Place, 90 York Way, London N1 9FX and its telephone number is +44 20 7227 9100.
12. In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Pricing Supplement. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.
13. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantor and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantor and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.
14. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor and their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer and the Guarantor routinely hedge their credit exposure to the Issuer, the Guarantor and their affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.
15. In this Offering Circular, references to websites or uniform resource locators ("URLs") are inactive textual references. Except for the documents expressly incorporated by reference under "Documents Incorporated by Reference", the contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Offering Circular.

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