

No. 1003142

THE COMPANIES ACT 1985

ROLLS-ROYCE plc

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

At the ANNUAL GENERAL MEETING of ROLLS-ROYCE plc

held on Wednesday, 29 May 1996, the following

Resolution was passed as a SPECIAL RESOLUTION:

RESOLUTION

That the directors be and are hereby empowered to allot equity securities (within the meaning of Section 94 of the Companies Act 1985) for cash pursuant to the authority conferred by paragraph 2 of Resolution 9 passed at the Annual General Meeting of the Company held on May 24, 1995 as if Section 89(1) of the Companies Act 1985 did not apply.

This power shall be limited to:

- (1) allotting equity securities on a rights issue to holders of ordinary shares, so that the number of equity securities allotted to them is in proportion (as nearly as possible) to the number of ordinary shares already held. The directors may deal as they see fit with fractional entitlements and with legal or practical problems or the requirements of any regulatory body or stock exchange; and
- (2) allotting equity securities, other than under sub-paragraph 1, up to a total nominal amount of £14,684,299.

This power shall expire on August 28, 1997 or at the close of the next Annual General Meeting, whichever is the earlier. The Company may make an offer or enter an agreement before this expiry date which will or may subsequently require the directors to allot such equity securities on the Company's behalf. In these circumstances the directors shall have the power to allot such equity securities.



C. D.
C E BLUNDELL

Secretary