

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☒ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	▶ ☒
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	▶ ☐

Part II	Basic Plan Information—enter all requested information										
1a Name of plan <u>ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR HOURLY-RATE EMPLOYEES</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>12/01/1993</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>35-1899021</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>703-621-2741</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>333610</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>12/01/1993</u>		2b Employer Identification Number (EIN) <u>35-1899021</u>		2c Plan Sponsor's telephone number <u>703-621-2741</u>		2d Business code (see instructions) <u>333610</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>										
1c Effective date of plan <u>12/01/1993</u>											
2b Employer Identification Number (EIN) <u>35-1899021</u>											
2c Plan Sponsor's telephone number <u>703-621-2741</u>											
2d Business code (see instructions) <u>333610</u>											
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>ROLLS-ROYCE CORPORATION</u> <u>1900 RESTON METRO PLAZA</u> <u>SUITE 400</u> <u>RESTON, VA 20190</u>											

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	11/01/2022	STEFANIE HAIGH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE

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Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	1234
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	1057
a(2) Total number of active participants at the end of the plan year		6a(2)	911
b Retired or separated participants receiving benefits.....		6b	39
c Other retired or separated participants entitled to future benefits		6c	192
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	1142
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	12
f Total. Add lines 6d and 6e		6f	1154
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	1086
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	2
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 3H 2F 2G 2J 2K 2S 2T			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021	
A Name of plan ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR HOURLY-RATE EMPLOYEES	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 ROLLS-ROYCE CORPORATION	D Employer Identification Number (EIN) 35-1899021

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	33197	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

STRATEGIC ADVISORS, INC.

04-2654524

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	15237	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
INVS DIVRS DIVD R5 - INVESCO INVES 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
INVS SMCP GRTH R5 - INVESCO INVEST 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR HOURLY-RATE EMPLOYEES</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>ROLLS-ROYCE CORPORATION</u>	D Employer Identification Number (EIN) <u>35-1899021</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FID LOW PR STK POOL</u>		
b Name of sponsor of entity listed in (a): <u>FIDELITY MANAGEMENT TRUST COMPANY</u>		
c EIN-PN <u>04-3022712-132</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>17118702</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FIAM INX TD 2040 T</u>		
b Name of sponsor of entity listed in (a): <u>FIAM TRUST COMPANY</u>		
c EIN-PN <u>20-4659714-082</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3019389</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FIAM INX TD 2055 T</u>		
b Name of sponsor of entity listed in (a): <u>FIAM TRUST COMPANY</u>		
c EIN-PN <u>20-4659714-112</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>147591</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FIAM INX TD 2025 T</u>		
b Name of sponsor of entity listed in (a): <u>FIAM TRUST COMPANY</u>		
c EIN-PN <u>20-4659714-079</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>10517135</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FIAM INX TD 2060 T</u>		
b Name of sponsor of entity listed in (a): <u>FIAM TRUST COMPANY</u>		
c EIN-PN <u>20-4659714-146</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>162929</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FIAM INX TD INCOME T</u>		
b Name of sponsor of entity listed in (a): <u>FIAM TRUST COMPANY</u>		
c EIN-PN <u>20-4659714-074</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>302640</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FIAM INX TD 2020 T</u>		
b Name of sponsor of entity listed in (a): <u>FIAM TRUST COMPANY</u>		
c EIN-PN <u>20-4659714-078</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>6735879</u>

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a Name of MTIA, CCT, PSA, or 103-12 IE: FIAM INX TD 2045 T

b Name of sponsor of entity listed in (a): FIAM TRUST COMPANY

c EIN-PN 20-4659714-083	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1007127
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a Name of MTIA, CCT, PSA, or 103-12 IE: FID DIVSFD INTL POOL

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

c EIN-PN 04-3022712-134	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2014410
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a Name of MTIA, CCT, PSA, or 103-12 IE: FIAM INX TD 2005 T

b Name of sponsor of entity listed in (a): FIAM TRUST COMPANY

c EIN-PN 20-4659714-075	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 51626
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a Name of MTIA, CCT, PSA, or 103-12 IE: FIAM INX TD 2010 T

b Name of sponsor of entity listed in (a): FIAM TRUST COMPANY

c EIN-PN 20-4659714-076	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 928343
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a Name of MTIA, CCT, PSA, or 103-12 IE: FIAM INX TD 2015 T

b Name of sponsor of entity listed in (a): FIAM TRUST COMPANY

c EIN-PN 20-4659714-077	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 892952
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a Name of MTIA, CCT, PSA, or 103-12 IE: FIAM INX TD 2050 T

b Name of sponsor of entity listed in (a): FIAM TRUST COMPANY

c EIN-PN 20-4659714-084	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1227070
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a Name of MTIA, CCT, PSA, or 103-12 IE: FID GROWTH CO POOL

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

c EIN-PN 04-3022712-135	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 32439884
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a Name of MTIA, CCT, PSA, or 103-12 IE: FIAM INX TD 2035 T

b Name of sponsor of entity listed in (a): FIAM TRUST COMPANY

c EIN-PN 20-4659714-081	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5642491
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a Name of MTIA, CCT, PSA, or 103-12 IE: GS STABLE VAL INST1

b Name of sponsor of entity listed in (a): GOLDMAN SACHS TRUST COMPANY NA

c EIN-PN 13-4166989-025	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 34328837
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a Name of MTIA, CCT, PSA, or 103-12 IE: FIAM INX TD 2065 T

b Name of sponsor of entity listed in (a): FIAM TRUST COMPANY

c EIN-PN 20-4659714-169	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 7024
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a Name of MTIA, CCT, PSA, or 103-12 IE: FIAM INX TD 2030 T

b Name of sponsor of entity listed in (a): FIAM TRUST COMPANY

c EIN-PN 20-4659714-080	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12523684
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR HOURLY-RATE EMPLOYEES	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 ROLLS-ROYCE CORPORATION	D Employer Identification Number (EIN) 35-1899021	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	264298	338201
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	470	196293
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	6929498	7021784
(9) Value of interest in common/collective trusts	1c(9)	124940968	129067713
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	100211574	109164193
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1) 0	0
(2)	Employer real property.....	1d(2) 0	0
e	Buildings and other property used in plan operation	1e 0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f 232346808	245788184
Liabilities			
g	Benefit claims payable	1g 0	0
h	Operating payables	1h 0	0
i	Acquisition indebtedness.....	1i 0	0
j	Other liabilities.....	1j 0	0
k	Total liabilities (add all amounts in lines 1g through 1j)	1k 0	0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l 232346808	245788184

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A) 1128126	
	(B) Participants	2a(1)(B) 7632372	
	(C) Others (including rollovers).....	2a(1)(C) 286878	
(2)	Noncash contributions.....	2a(2) 0	9047376
(3)	Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)	
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A) 1334	
	(B) U.S. Government securities	2b(1)(B) 0	
	(C) Corporate debt instruments	2b(1)(C) 0	
	(D) Loans (other than to participants)	2b(1)(D) 0	
	(E) Participant loans.....	2b(1)(E) 308714	
	(F) Other	2b(1)(F) 0	
	(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)	310048
(2)	Dividends: (A) Preferred stock.....	2b(2)(A) 0	
	(B) Common stock	2b(2)(B) 0	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C) 6130060	
	(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)	6130060
(3)	Rents	2b(3)	0
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A) 0	
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B) 0	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A) 0	
	(B) Other	2b(5)(B) 0	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		14745457
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		12752334
c Other income.....	2c		-2325
d Total income. Add all income amounts in column (b) and enter total.....	2d		42982950
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	29450675	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		29450675
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		42117
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	15239	
(4) Other.....	2i(4)	33543	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		48782
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		29541574
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		13441376
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PWC

(2) EIN: 13-4008324

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		45000000
4e	X		45000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?	X		1901
4l	X		1901
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	
4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR HOURLY-RATE EMPLOYEES	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 ROLLS-ROYCE CORPORATION	D Employer Identification Number (EIN) 35-1899021

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
HOURLY-RATE EMPLOYEES**

Financial Statements and Supplemental Schedule

December 31, 2021 and 2020

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
HOURLY-RATE EMPLOYEES**

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Note: Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



Report of Independent Auditors

To the Administrator of the Rolls-Royce Corporation
Personal Savings Plan for Hourly-Rate Employees

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the accompanying 2021 financial statements of the Rolls-Royce Corporation Personal Savings Plan for Hourly-Rate Employees (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The 2021 financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, including the related notes (collectively referred to as the "2021 financial statements").

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report:

- the amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Other Matter – 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan, which comprise the statement of net assets available for benefits as of December 31, 2020, and the related statement of changes in net assets available for benefits for the year then ended. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 14, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements, other than that derived from the certified information, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.



Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter – Supplemental Schedule Required by ERISA

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2021 ("supplemental schedule"), is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. In our opinion

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

PricewaterhouseCoopers LLP

October 19, 2022

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
HOURLY-RATE EMPLOYEES**

Statements of Net Assets Available for Benefits

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Investments, at fair value		
Mutual funds	\$ 109,360,486	\$ 100,212,043
Common collective trusts	<u>129,067,713</u>	<u>124,940,969</u>
Total investments, at fair value	238,428,199	225,153,012
Receivables:		
Employer contributions receivable	338,201	264,298
Notes receivable from participants	<u>7,021,784</u>	<u>6,929,498</u>
Total receivables	<u>7,359,985</u>	<u>7,193,796</u>
Net assets available for benefits	<u>\$ 245,788,184</u>	<u>\$ 232,346,808</u>

See accompanying notes to financial statements.

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
HOURLY-RATE EMPLOYEES**

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Additions to net assets attributed to:		
Investment income		
Net appreciation in fair value of investments	\$ 27,054,253	\$ 35,142,027
Interest and dividend income	6,572,607	4,192,609
Participation in net investment income of Master Trust Investment Account	—	604,910
Total investment income	<u>33,626,860</u>	<u>39,939,546</u>
Interest on notes receivable from participants	308,714	335,441
Contributions:		
Participant contributions	7,632,372	7,903,032
Employer contributions	1,128,126	784,730
Rollover contributions	286,878	99,039
Total contributions	<u>9,047,376</u>	<u>8,786,801</u>
Total additions	<u>42,982,950</u>	<u>49,061,788</u>
Deductions from net assets attributed to:		
Benefits paid to participants	29,492,792	21,339,314
Administrative fees	48,782	47,417
Total deductions	<u>29,541,574</u>	<u>21,386,731</u>
Net increase prior to transfer from another plan	<u>13,441,376</u>	<u>27,675,057</u>
Plan transfers, net	—	255,105
Net increase	13,441,376	27,930,162
Net assets available for benefits at beginning of year	<u>232,346,808</u>	<u>204,416,646</u>
Net assets available for benefits at end of year	<u>\$ 245,788,184</u>	<u>\$ 232,346,808</u>

See accompanying notes to financial statements.

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
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Notes to Financial Statements

December 31, 2021 and 2020

(1) Description of Plan

The following description of the Rolls-Royce Corporation Personal Savings Plan for Hourly-Rate Employees (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions, which are available from the plan administrator.

(a) General

Hourly employees of Rolls-Royce Corporation (the Company) or certain affiliated companies who are covered by the collective bargaining agreement between the Company and United Auto Workers (UAW) are eligible to participate in and accumulate savings under the Plan on the first day of the first pay period following the attainment of seniority. Effective February 1, 2021, previously eligible employees with seniority who return to active employment with the Company may participate immediately.

Seniority is attained after working at least ninety days within a six-month period. Participation is voluntary. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and is a Section 401(k) plan.

(b) Contributions

Voluntary employee contributions to the Plan are made through weekly payroll deductions from each participant's eligible earnings, at a rate not less than 1% of eligible earnings, not to exceed 75%, as provided in the plan document. Participants may also make after-tax contributions up to applicable Internal Revenue Service (IRS) limits for such contributions. All participants who attain age 50 prior to the end of the taxable year are eligible to make catch-up contributions in accordance with the Internal Revenue Code (IRC) provided such contributions do not exceed 75% in the aggregate when combined with deferred savings contributions or IRS limits. Effective July 1, 2008, the contribution rate of each eligible participant in the Plan is automatically 3% beginning 90 days following the date which the employee first becomes eligible for participation in the Plan.

The Company matches up to 100% of the elective contributions of participating employees classified as "Condition 1" employees, as defined in the Collective Bargaining Agreement with the UAW, limited to 5% of the participant's eligible weekly earnings. Effective March 1, 2011, an annual 3% non-elective Company contribution for "Condition 1" employees was added to the Plan. This contribution is subject to a three-year "cliff" vesting schedule. Participants that terminate employment prior to being fully vested in the annual discretionary 3% contributions, forfeit this portion of their account. The 2005 National Collective Bargaining Agreement defines 'Condition 1' employees as employees who were hired to launch a new derivative of an existing product/program to exploit new markets or existing customers requiring incremental business that would require the addition of manpower and includes all hires following the first hire under Condition 1. The annual 3% non-elective Company contribution, which is presented as employer contributions received in the Statement of Net Assets Available for Benefits, totaled \$338,201 for 2021 (paid in 2022) and \$264,298 for 2020 (paid in 2021).

(c) Plan Administration

The Fiduciary Committee of Rolls-Royce North America, Inc. is the administrator of the Plan. The Fidelity Management Trust Company (Fidelity) serves as trustee and custodian. Fidelity Workplace Services LLC serves as the record-keeper.

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The Plan participated in a Master Trust Investment Account (MTIA) that was created between Fidelity and the Company through May 29, 2020. Under the MTIA, Fidelity served as the trustee, State Street Bank served as the custodian, and MassMutual Retirement Services (MMRS) served as the record-keeper for the MTIA.

(d) Participant Investment Account Options

Investment account options available include various funds. Each participant has the option of directing his/her contributions into any of the separate investment accounts and may change the allocation daily.

(e) Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution, and plan earnings, less any applicable expenses.

(f) Vesting

Participants are fully vested in the balance of their accounts and no portion of such accounts is subject to forfeiture, except as noted in Note 1(b) above.

(g) Notes Receivable from Participants

Participants may borrow from their accounts in the Plan one time each calendar year. The aggregate amount of the participant's outstanding loans may not exceed the lesser of (1) 50% of the current market value of vested assets in the participant's account or (2) \$50,000, less the participant's highest outstanding loan balance in the twelve-month period preceding the loan application.

Loans are granted for a minimum period of 12 months, with additional increments of 12 months, to a maximum of 5 years (10 years in the event the loan is for the purchase or construction of the participant's principal residence), provided a participant may not elect a term which will result in repayment of less than \$10 per pay period. Interest on the loan is fixed and equal to the prevailing prime rate published in the Wall Street Journal on the first business day of the month of the submission of the participant's loan application. Interest rates on such loans ranged from 3.25% to 5.50% as of December 31, 2021 and 2020. Participant loans are reported at unpaid balance plus accrued, but unpaid, interest. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2021 or 2020. Delinquent participant loans are not recorded as distributions until deemed distributed based on the terms of the plan document.

(h) Forfeitures

Participants who terminate employment prior to being fully vested in the annual discretionary 3% contributions, forfeit this portion of their account. Forfeitures are used to reduce future company contributions or to pay Plan expenses. As of December 31, 2021 and 2020, the plan had an available forfeiture balance totaling \$198,418 and \$4,504, respectively. Total plan forfeitures and earnings thereon during 2021 and 2020 amounted to \$196,623 and \$25,345, respectively. During 2021 and 2020, the Company used \$2,304 and \$9,520, respectively, to pay administrative expenses.

(i) Participant Withdrawals and Payment of Benefits

A participant in the Plan may make a complete or partial withdrawal, without penalty, of the amounts held in the participant's account at any time after attaining age 59½ or prior to age 59½ in the event of termination of employment, death, total and permanent disability, or financial hardship. Withdrawals are

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paid as a lump sum based on the current value of the account at the date of withdrawal. Upon termination of employment, a participant may take distribution of the participant's entire account balance in either a single lump-sum payment or in installments or elect to have the account balance transferred into another tax-deferred plan or individual retirement account, unless otherwise specified in the Plan.

Prior to receiving a withdrawal for financial hardship, a participant previously must have taken all available asset distributions, withdrawals, and loans under all applicable plans maintained by the Company. The amount that may be withdrawn for financial hardship shall be limited to the lesser of (1) the vested balance in the participant's account as of the date of withdrawal or (2) the amount required to meet the need created by the financial hardship and anticipated income taxes and penalties resulting from the early withdrawal.

Prior to a participant attaining the age of 65 years and for accounts with balances between \$1,000 and \$5,000, (including amounts attributable to any rollover contributions), if the participant does not elect to have such distribution transferred directly to an eligible retirement plan in a direct rollover, or to receive the distribution directly, the plan administrator will make a direct rollover of the distribution to an individual retirement account (as designated by the plan administrator).

For the 2020 Plan year, two permitted changes to the Plan under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act) were implemented. The first change was a temporary suspension of required minimum distributions for 2020 Plan Year was implemented. The second change implemented was that effective January 1, 2020, the starting age for beginning required minimum distributions was raised to 72 years old from the previous starting age of 70.5 years old. Also effective April 1, 2020, participants or beneficiaries were allowed to take a Coronavirus-related withdrawal from the vested portion of their accounts from April 1, 2020 through December 31, 2020 under specific conditions. Effective September 1, 2021, a new qualified birth and adoption withdrawal option was added to the Plan.

(j) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions set forth under ERISA. In the event of Plan termination, participants would become 100 percent vested in their non-elective Company contributions and earnings thereon.

(k) Subsequent Events

The Company has evaluated events from December 31, 2021 through October 19, 2022, which is the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2021.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Investments held by a defined contribution plan are required to be reported at fair value, except for the fully benefit-responsive investment contract held through May 29, 2020 when the contract was terminated (See Note 5). Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract

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value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan. The MTIA in which the Plan held an interest was comprised of a fully benefit-responsive investment contract.

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(c) Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Fiduciary Committee determines the Plan's valuation policies utilizing information provided by the investment advisers, custodians, and insurance company. See Note 4 for discussion of fair value measurements.

Investment transactions are recorded on the trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

For investments held solely by the Plan, net appreciation(depreciation) in fair value of investments includes both realized gains (losses) on the sale of investments, and unrealized appreciation (depreciation) in fair value of investments.

For investments held in the MTIA for the period January 1, 2020 to May 29, 2020, the Plan's share of net investment income in the MTIA is reported in the Plan's financial statements. The net investment gain or loss of the MTIA, including interest, dividends, realized gains or losses, and unrealized appreciation or depreciation from investments, was allocated to each plan participating in the MTIA on a daily basis based on the ratio of the current value of the Plan's interest in the MTIA to total net assets of the MTIA. See Note 5 for discussion of MTIA.

(d) Payment of Benefits

Benefits are recorded when distributed to participants.

(e) Administrative Expenses

Administrative expense may be paid by the Company or the Plan, at the Company's discretion. The types of administrative expenses paid by the Plan includes recordkeeping and other consulting type fees.

(3) Tax Status

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated November 17, 2017, that the Plan and related trust are designed in accordance with applicable Sections of the IRC. Although the Plan has been amended since receiving the determination letter, the plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax exempt.

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Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that, as of December 31, 2021 and 2020 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is, in general, no longer subject to income tax examinations for years prior to 2018.

(4) Investments and Fair Value Measurements

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 820, *Fair Value Measurements*, establishes the framework for measuring fair value by providing a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date.

Level 2 – Inputs to the valuation methodology are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable inputs for the asset or liability.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021, and 2020.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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Common collective trusts – Common collective trusts are private investment securities valued using the Net Asset Value (NAV) provided by the trustee. The NAV is calculated for a private market, and is based on the fair value of the underlying assets owned by the fund, which are predominately traded on an active market, less its liabilities.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value, as certified by the trustee, as of December 31, 2021 and 2020. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

Assets at fair value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total fair value
Mutual funds	\$109,360,486	\$ -	\$ -	\$109,360,486
Common collective trusts	129,067,713	-	-	129,067,713
Investment at fair value	<u>\$238,428,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$238,428,199</u>
Assets at fair value as of December 31, 2020				
	Level 1	Level 2	Level 3	Total fair value
Mutual funds	\$100,212,043	\$ -	\$ -	\$100,212,043
Common collective trusts	124,940,969	-	-	124,940,969
Investment at fair value	<u>\$225,153,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$225,153,012</u>

(5) Investments Held in Master Trust Investment Account

The Plan's interest in the MTIA through May 29, 2020, the date the underlying investment contract was terminated, was held by Fidelity. The MTIA included the following plans' investment in the Separate Account Guaranteed Investment Contract through May 29, 2020; Rolls-Royce North America 401(k) Savings Plan; Rolls-Royce Engine Services Retirement Savings Plan for Union Hourly Employees, both of which have a specific interest in all Master Trust assets. On May 29, 2020, the Rolls-Royce Fuel Cell Systems 401(k) Savings Plan, Rolls-Royce Corporation Personal Savings Plan for Hourly-Rate Employees, and the Rolls-Royce North America Money Purchase Pension Plan all had specific interests in only the MTIA within the Master Trust. On May 29, 2020 the MTIA was terminated and each plan received the contract value of their interest in the investment.

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Notes to Financial Statements

December 31, 2021 and 2020

The following are the changes in net assets at contract value for the MTIA for the year ended December 31, 2020:

	<u>2020</u>
Additions(reductions) to net assets attributed to:	
Investment income	
Interest and dividend income	3,442,826
	<u>3,442,826</u>
Total investment income	3,442,826
Interest on notes receivable from participants	30,053
Contributions	2,597,655
Transfers and other, net	(132,269,875)
Loan activity, net	(103,070)
	<u>(126,302,411)</u>
Total additions(reductions)	
Deductions from net assets attributed to:	
Benefits paid to participants	10,862,445
Administrative expenses	38,381
	<u>10,900,826</u>
Total deductions	
Net decrease	(137,203,237)
Net assets available for benefits at beginning of year	<u>137,203,237</u>
Net assets available for benefits at December 31, 2020	<u><u>0</u></u>

On May 29, 2020, upon the termination of the MTIA's underlying investment contract, the \$132,269,875 of proceeds received were fully utilized to purchase an investment in the Goldman Sachs Stable Value Institutional Series Class 1 for the same amount. This transaction is reported as "Transfers and other, net" in the above change in net assets. The following information relates to the MTIA for the period January 1, 2020 through May 29, 2020.

In 2011, the Master Trust entered into this fully benefit-responsive separate account guaranteed investment contract with Mass Mutual Retirement Services (MMRS), which was setup as a MTIA by the Company. MMRS maintained the separate account and had exclusive and absolute ownership and controls of the assets of the separate account. The account was credited with interest based on the interest rate per the contract and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer was contractually obligated to repay the principal and a specified interest rate that was guaranteed to the Plan.

Because the guaranteed investment contract is fully benefit-responsive, the MTIA is measured at contract value. Contract value, as certified by the trustee, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

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Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spinoffs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator believes that any events that would limit the Plan's ability to transact at contract value with participants in 2019 and for the period January 1, 2020 to May 29, 2020 were not probable of occurring.

In addition, certain events allow the issuer to terminate the contracts with the Plan and settle at an amount different from contract value. Those events may be different under each contract. Examples of such events include the following:

- 1) the Company provides effective communication to MMRS the contract will be fully or partially terminated;
- 2) the contract has a market value account balance of less than the minimum market value account balance or a contract value account balance of zero;
- 3) the IRS determines that the Plan no longer meets the requirements of IRC section 401(a), the Plan's trust is no longer exempt from income tax under IRC section 501(a) or the Plan is terminated;
- 4) the stable value fund ceases to maintain book value accounting in accordance with generally accepted accounting practices, including FSP AAG INV-1 (as amended or codified) or Financial Accounting Standards Board Staff Position applicable to certain investment entities subject to Americas Institute of Certified Public Accountants Audit and Accounting Guide, Investment Companies;
- 5) any representation made by or on behalf of the Company in relation to the contract is, or becomes, untrue and, if capable of being remedied, all material adverse effects of such untrue representation have not been remedied to MMRS's reasonable satisfaction on or before the 30th business day after the receipt of effective communication from MMRS;
- 6) there is any act of fraud, misrepresentation of material facts, or deceit on the part of the Company which materially affects the intent, structure, or risk profile of the contract;
- 7) the Company breaches any of its obligations under the contract and all material adverse effects of such breach, if capable of being remedied, have not been remedied to MMRS's reasonable satisfaction on or before the 30th Business Day after receipt of effective communication from MMRS; or
- 8) MMRS provides effective communication to the Company that the Contract will be terminated.

(6) Trustee Certified Information

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator has obtained certifications from Fidelity that the investment and investment related information provided by them is complete and accurate. The investment information in Notes 4 and 5, excluding leveling, and the amounts included in the financial statements for investments at fair value, notes receivable from participants, interest and dividend income, net appreciation(depreciation) in fair value of investments, participation in net investment income of MTIA, interest on notes receivable from participants, investment income of MTIA, interest on notes receivable from participants in the MTIA, and all amounts in the supplemental schedule were provided, or were derived from

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
HOURLY-RATE EMPLOYEES**

Notes to Financial Statements

December 31, 2021 and 2020

information provided, and certified as complete and accurate by Fidelity as of and for the years ended December 31, 2021 and 2020.

(7) Related Party Transactions

For the years ended December 31, 2021 and 2020, \$171,250,264, and \$155,367,686, respectively, of the Plan's investments included common collective trusts and mutual fund investments managed by Fidelity. Fidelity is the trustee as defined in the Plan and, therefore, transactions in these funds represent party-in-interest transactions. Additionally, notes receivable from participants represent party-in-interest transactions for 2021 and 2020. Fees paid by the Plan to Fidelity for various administrative services are shown as administrative fees in the statements of changes in net assets available for benefits and totaled \$33,320 and \$39,217 for the years ended December 31, 2021 and 2020, respectively.

(8) Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

SUPPLEMENTAL SCHEDULE

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
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Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2021

Identity of issuer, borrower, lessor, or similar party	Description of investment	Cost	Current value
Certified by trustee:			
* Fidelity Government Money Market	Mutual fund	p \$	196,293
PIMCO Total Return Fund – Inst. Class Shares	Mutual fund	p	7,479,864
American Funds EuroPacific Growth Fund	Mutual fund	p	2,295,154
American Beacon Mid-Cap Value Fund IS	Mutual fund	p	1,254,387
Invesco Diversified Dividend Fund	Mutual fund	p	9,746,448
Invesco Discovery Fund	Mutual fund	p	1,923,990
JPM US Emerging Market Equity Fund	Mutual fund	p	725,005
Invesco Small Cap Growth Fund	Mutual fund	p	9,424,250
* Fidelity US Bond Index Fund	Mutual fund	p	3,260,881
* Fidelity 500 Index Fund	Mutual fund	p	63,938,102
* Fidelity Mid Cap Index Fund	Mutual fund	p	265,155
* Fidelity Small Cap Index Fund	Mutual fund	p	603,908
* Fidelity International Index Fund	Mutual fund	p	1,247,961
* Fidelity Small Cap Value Index Fund	Mutual fund	p	6,999,088
* Fidelity Diversified International Pool	Common collective trust	p	2,014,410
* Fidelity Low-Priced Stock Pool	Common collective trust	p	17,118,702
* Fidelity Growth Company Pool	Common collective trust	p	32,439,884
* FIAM Index Target Date Income T	Common collective trust	p	302,640
* FIAM Index Target Date 2005 T	Common collective trust	p	51,626
* FIAM Index Target Date 2010 T	Common collective trust	p	928,343
* FIAM Index Target Date 2015 T	Common collective trust	p	892,952
* FIAM Index Target Date 2020 T	Common collective trust	p	6,735,879
* FIAM Index Target Date 2025 T	Common collective trust	p	10,517,135
* FIAM Index Target Date 2030 T	Common collective trust	p	12,523,684
* FIAM Index Target Date 2035 T	Common collective trust	p	5,642,491
* FIAM Index Target Date 2040 T	Common collective trust	p	3,019,389
* FIAM Index Target Date 2045 T	Common collective trust	p	1,007,127
* FIAM Index Target Date 2050 T	Common collective trust	p	1,227,070
* FIAM Index Target Date 2055 T	Common collective trust	p	147,591
* FIAM Index Target Date 2060 T	Common collective trust	p	162,929
* FIAM Index Target Date 2065 T	Common collective trust	p	7,024
Goldman Sachs Stable Value Fund	Common collective trust	p	34,328,837
* Notes receivable from participants (at interest rates ranging from 3.25% to 5.50%, latest maturity date November 2030.	Participant loans	\$ —	7,021,784
			\$ <u>245,449,983</u>

* Party-in-interest.

p Historical cost information is not required in schedule H, line 4i – schedule of assets (held at end of year) for participant directed investment funds.

This information has been certified as complete and accurate by the trustee, Fidelity Management Trust Company.

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
HOURLY-RATE EMPLOYEES**

Financial Statements and Supplemental Schedule

December 31, 2021 and 2020

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
HOURLY-RATE EMPLOYEES**

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Note: Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



Report of Independent Auditors

To the Administrator of the Rolls-Royce Corporation
Personal Savings Plan for Hourly-Rate Employees

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the accompanying 2021 financial statements of the Rolls-Royce Corporation Personal Savings Plan for Hourly-Rate Employees (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The 2021 financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, including the related notes (collectively referred to as the "2021 financial statements").

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report:

- the amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Other Matter – 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan, which comprise the statement of net assets available for benefits as of December 31, 2020, and the related statement of changes in net assets available for benefits for the year then ended. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 14, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements, other than that derived from the certified information, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.



Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter – Supplemental Schedule Required by ERISA

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2021 ("supplemental schedule"), is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. In our opinion

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

PricewaterhouseCoopers LLP

October 19, 2022

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
HOURLY-RATE EMPLOYEES**

Statements of Net Assets Available for Benefits

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Investments, at fair value		
Mutual funds	\$ 109,360,486	\$ 100,212,043
Common collective trusts	<u>129,067,713</u>	<u>124,940,969</u>
Total investments, at fair value	238,428,199	225,153,012
Receivables:		
Employer contributions receivable	338,201	264,298
Notes receivable from participants	<u>7,021,784</u>	<u>6,929,498</u>
Total receivables	<u>7,359,985</u>	<u>7,193,796</u>
Net assets available for benefits	<u>\$ 245,788,184</u>	<u>\$ 232,346,808</u>

See accompanying notes to financial statements.

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
HOURLY-RATE EMPLOYEES**

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Additions to net assets attributed to:		
Investment income		
Net appreciation in fair value of investments	\$ 27,054,253	\$ 35,142,027
Interest and dividend income	6,572,607	4,192,609
Participation in net investment income of Master Trust Investment Account	—	604,910
Total investment income	<u>33,626,860</u>	<u>39,939,546</u>
Interest on notes receivable from participants	308,714	335,441
Contributions:		
Participant contributions	7,632,372	7,903,032
Employer contributions	1,128,126	784,730
Rollover contributions	286,878	99,039
Total contributions	<u>9,047,376</u>	<u>8,786,801</u>
Total additions	<u>42,982,950</u>	<u>49,061,788</u>
Deductions from net assets attributed to:		
Benefits paid to participants	29,492,792	21,339,314
Administrative fees	48,782	47,417
Total deductions	<u>29,541,574</u>	<u>21,386,731</u>
Net increase prior to transfer from another plan	<u>13,441,376</u>	<u>27,675,057</u>
Plan transfers, net	—	255,105
Net increase	13,441,376	27,930,162
Net assets available for benefits at beginning of year	<u>232,346,808</u>	<u>204,416,646</u>
Net assets available for benefits at end of year	<u>\$ 245,788,184</u>	<u>\$ 232,346,808</u>

See accompanying notes to financial statements.

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
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Notes to Financial Statements

December 31, 2021 and 2020

(1) Description of Plan

The following description of the Rolls-Royce Corporation Personal Savings Plan for Hourly-Rate Employees (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions, which are available from the plan administrator.

(a) General

Hourly employees of Rolls-Royce Corporation (the Company) or certain affiliated companies who are covered by the collective bargaining agreement between the Company and United Auto Workers (UAW) are eligible to participate in and accumulate savings under the Plan on the first day of the first pay period following the attainment of seniority. Effective February 1, 2021, previously eligible employees with seniority who return to active employment with the Company may participate immediately.

Seniority is attained after working at least ninety days within a six-month period. Participation is voluntary. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and is a Section 401(k) plan.

(b) Contributions

Voluntary employee contributions to the Plan are made through weekly payroll deductions from each participant's eligible earnings, at a rate not less than 1% of eligible earnings, not to exceed 75%, as provided in the plan document. Participants may also make after-tax contributions up to applicable Internal Revenue Service (IRS) limits for such contributions. All participants who attain age 50 prior to the end of the taxable year are eligible to make catch-up contributions in accordance with the Internal Revenue Code (IRC) provided such contributions do not exceed 75% in the aggregate when combined with deferred savings contributions or IRS limits. Effective July 1, 2008, the contribution rate of each eligible participant in the Plan is automatically 3% beginning 90 days following the date which the employee first becomes eligible for participation in the Plan.

The Company matches up to 100% of the elective contributions of participating employees classified as "Condition 1" employees, as defined in the Collective Bargaining Agreement with the UAW, limited to 5% of the participant's eligible weekly earnings. Effective March 1, 2011, an annual 3% non-elective Company contribution for "Condition 1" employees was added to the Plan. This contribution is subject to a three-year "cliff" vesting schedule. Participants that terminate employment prior to being fully vested in the annual discretionary 3% contributions, forfeit this portion of their account. The 2005 National Collective Bargaining Agreement defines 'Condition 1' employees as employees who were hired to launch a new derivative of an existing product/program to exploit new markets or existing customers requiring incremental business that would require the addition of manpower and includes all hires following the first hire under Condition 1. The annual 3% non-elective Company contribution, which is presented as employer contributions received in the Statement of Net Assets Available for Benefits, totaled \$338,201 for 2021 (paid in 2022) and \$264,298 for 2020 (paid in 2021).

(c) Plan Administration

The Fiduciary Committee of Rolls-Royce North America, Inc. is the administrator of the Plan. The Fidelity Management Trust Company (Fidelity) serves as trustee and custodian. Fidelity Workplace Services LLC serves as the record-keeper.

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The Plan participated in a Master Trust Investment Account (MTIA) that was created between Fidelity and the Company through May 29, 2020. Under the MTIA, Fidelity served as the trustee, State Street Bank served as the custodian, and MassMutual Retirement Services (MMRS) served as the record-keeper for the MTIA.

(d) Participant Investment Account Options

Investment account options available include various funds. Each participant has the option of directing his/her contributions into any of the separate investment accounts and may change the allocation daily.

(e) Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution, and plan earnings, less any applicable expenses.

(f) Vesting

Participants are fully vested in the balance of their accounts and no portion of such accounts is subject to forfeiture, except as noted in Note 1(b) above.

(g) Notes Receivable from Participants

Participants may borrow from their accounts in the Plan one time each calendar year. The aggregate amount of the participant's outstanding loans may not exceed the lesser of (1) 50% of the current market value of vested assets in the participant's account or (2) \$50,000, less the participant's highest outstanding loan balance in the twelve-month period preceding the loan application.

Loans are granted for a minimum period of 12 months, with additional increments of 12 months, to a maximum of 5 years (10 years in the event the loan is for the purchase or construction of the participant's principal residence), provided a participant may not elect a term which will result in repayment of less than \$10 per pay period. Interest on the loan is fixed and equal to the prevailing prime rate published in the Wall Street Journal on the first business day of the month of the submission of the participant's loan application. Interest rates on such loans ranged from 3.25% to 5.50% as of December 31, 2021 and 2020. Participant loans are reported at unpaid balance plus accrued, but unpaid, interest. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2021 or 2020. Delinquent participant loans are not recorded as distributions until deemed distributed based on the terms of the plan document.

(h) Forfeitures

Participants who terminate employment prior to being fully vested in the annual discretionary 3% contributions, forfeit this portion of their account. Forfeitures are used to reduce future company contributions or to pay Plan expenses. As of December 31, 2021 and 2020, the plan had an available forfeiture balance totaling \$198,418 and \$4,504, respectively. Total plan forfeitures and earnings thereon during 2021 and 2020 amounted to \$196,623 and \$25,345, respectively. During 2021 and 2020, the Company used \$2,304 and \$9,520, respectively, to pay administrative expenses.

(i) Participant Withdrawals and Payment of Benefits

A participant in the Plan may make a complete or partial withdrawal, without penalty, of the amounts held in the participant's account at any time after attaining age 59½ or prior to age 59½ in the event of termination of employment, death, total and permanent disability, or financial hardship. Withdrawals are

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paid as a lump sum based on the current value of the account at the date of withdrawal. Upon termination of employment, a participant may take distribution of the participant's entire account balance in either a single lump-sum payment or in installments or elect to have the account balance transferred into another tax-deferred plan or individual retirement account, unless otherwise specified in the Plan.

Prior to receiving a withdrawal for financial hardship, a participant previously must have taken all available asset distributions, withdrawals, and loans under all applicable plans maintained by the Company. The amount that may be withdrawn for financial hardship shall be limited to the lesser of (1) the vested balance in the participant's account as of the date of withdrawal or (2) the amount required to meet the need created by the financial hardship and anticipated income taxes and penalties resulting from the early withdrawal.

Prior to a participant attaining the age of 65 years and for accounts with balances between \$1,000 and \$5,000, (including amounts attributable to any rollover contributions), if the participant does not elect to have such distribution transferred directly to an eligible retirement plan in a direct rollover, or to receive the distribution directly, the plan administrator will make a direct rollover of the distribution to an individual retirement account (as designated by the plan administrator).

For the 2020 Plan year, two permitted changes to the Plan under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act) were implemented. The first change was a temporary suspension of required minimum distributions for 2020 Plan Year was implemented. The second change implemented was that effective January 1, 2020, the starting age for beginning required minimum distributions was raised to 72 years old from the previous starting age of 70.5 years old. Also effective April 1, 2020, participants or beneficiaries were allowed to take a Coronavirus-related withdrawal from the vested portion of their accounts from April 1, 2020 through December 31, 2020 under specific conditions. Effective September 1, 2021, a new qualified birth and adoption withdrawal option was added to the Plan.

(j) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions set forth under ERISA. In the event of Plan termination, participants would become 100 percent vested in their non-elective Company contributions and earnings thereon.

(k) Subsequent Events

The Company has evaluated events from December 31, 2021 through October 19, 2022, which is the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2021.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Investments held by a defined contribution plan are required to be reported at fair value, except for the fully benefit-responsive investment contract held through May 29, 2020 when the contract was terminated (See Note 5). Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract

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value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan. The MTIA in which the Plan held an interest was comprised of a fully benefit-responsive investment contract.

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(c) Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Fiduciary Committee determines the Plan's valuation policies utilizing information provided by the investment advisers, custodians, and insurance company. See Note 4 for discussion of fair value measurements.

Investment transactions are recorded on the trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

For investments held solely by the Plan, net appreciation(depreciation) in fair value of investments includes both realized gains (losses) on the sale of investments, and unrealized appreciation (depreciation) in fair value of investments.

For investments held in the MTIA for the period January 1, 2020 to May 29, 2020, the Plan's share of net investment income in the MTIA is reported in the Plan's financial statements. The net investment gain or loss of the MTIA, including interest, dividends, realized gains or losses, and unrealized appreciation or depreciation from investments, was allocated to each plan participating in the MTIA on a daily basis based on the ratio of the current value of the Plan's interest in the MTIA to total net assets of the MTIA. See Note 5 for discussion of MTIA.

(d) Payment of Benefits

Benefits are recorded when distributed to participants.

(e) Administrative Expenses

Administrative expense may be paid by the Company or the Plan, at the Company's discretion. The types of administrative expenses paid by the Plan includes recordkeeping and other consulting type fees.

(3) Tax Status

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated November 17, 2017, that the Plan and related trust are designed in accordance with applicable Sections of the IRC. Although the Plan has been amended since receiving the determination letter, the plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax exempt.

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Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that, as of December 31, 2021 and 2020 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is, in general, no longer subject to income tax examinations for years prior to 2018.

(4) Investments and Fair Value Measurements

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 820, *Fair Value Measurements*, establishes the framework for measuring fair value by providing a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date.

Level 2 – Inputs to the valuation methodology are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable inputs for the asset or liability.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021, and 2020.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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Common collective trusts – Common collective trusts are private investment securities valued using the Net Asset Value (NAV) provided by the trustee. The NAV is calculated for a private market, and is based on the fair value of the underlying assets owned by the fund, which are predominately traded on an active market, less its liabilities.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value, as certified by the trustee, as of December 31, 2021 and 2020. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

Assets at fair value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total fair value
Mutual funds	\$109,360,486	\$ -	\$ -	\$109,360,486
Common collective trusts	129,067,713	-	-	129,067,713
Investment at fair value	<u>\$238,428,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$238,428,199</u>
Assets at fair value as of December 31, 2020				
	Level 1	Level 2	Level 3	Total fair value
Mutual funds	\$100,212,043	\$ -	\$ -	\$100,212,043
Common collective trusts	124,940,969	-	-	124,940,969
Investment at fair value	<u>\$225,153,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$225,153,012</u>

(5) Investments Held in Master Trust Investment Account

The Plan's interest in the MTIA through May 29, 2020, the date the underlying investment contract was terminated, was held by Fidelity. The MTIA included the following plans' investment in the Separate Account Guaranteed Investment Contract through May 29, 2020; Rolls-Royce North America 401(k) Savings Plan; Rolls-Royce Engine Services Retirement Savings Plan for Union Hourly Employees, both of which have a specific interest in all Master Trust assets. On May 29, 2020, the Rolls-Royce Fuel Cell Systems 401(k) Savings Plan, Rolls-Royce Corporation Personal Savings Plan for Hourly-Rate Employees, and the Rolls-Royce North America Money Purchase Pension Plan all had specific interests in only the MTIA within the Master Trust. On May 29, 2020 the MTIA was terminated and each plan received the contract value of their interest in the investment.

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The following are the changes in net assets at contract value for the MTIA for the year ended December 31, 2020:

	<u>2020</u>
Additions(reductions) to net assets attributed to:	
Investment income	
Interest and dividend income	3,442,826
	<u>3,442,826</u>
Total investment income	3,442,826
Interest on notes receivable from participants	30,053
Contributions	2,597,655
Transfers and other, net	(132,269,875)
Loan activity, net	(103,070)
	<u>(126,302,411)</u>
Total additions(reductions)	
Deductions from net assets attributed to:	
Benefits paid to participants	10,862,445
Administrative expenses	38,381
	<u>10,900,826</u>
Total deductions	
Net decrease	(137,203,237)
Net assets available for benefits at beginning of year	<u>137,203,237</u>
Net assets available for benefits at December 31, 2020	<u><u>0</u></u>

On May 29, 2020, upon the termination of the MTIA's underlying investment contract, the \$132,269,875 of proceeds received were fully utilized to purchase an investment in the Goldman Sachs Stable Value Institutional Series Class 1 for the same amount. This transaction is reported as "Transfers and other, net" in the above change in net assets. The following information relates to the MTIA for the period January 1, 2020 through May 29, 2020.

In 2011, the Master Trust entered into this fully benefit-responsive separate account guaranteed investment contract with Mass Mutual Retirement Services (MMRS), which was setup as a MTIA by the Company. MMRS maintained the separate account and had exclusive and absolute ownership and controls of the assets of the separate account. The account was credited with interest based on the interest rate per the contract and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer was contractually obligated to repay the principal and a specified interest rate that was guaranteed to the Plan.

Because the guaranteed investment contract is fully benefit-responsive, the MTIA is measured at contract value. Contract value, as certified by the trustee, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

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Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spinoffs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator believes that any events that would limit the Plan's ability to transact at contract value with participants in 2019 and for the period January 1, 2020 to May 29, 2020 were not probable of occurring.

In addition, certain events allow the issuer to terminate the contracts with the Plan and settle at an amount different from contract value. Those events may be different under each contract. Examples of such events include the following:

- 1) the Company provides effective communication to MMRS the contract will be fully or partially terminated;
- 2) the contract has a market value account balance of less than the minimum market value account balance or a contract value account balance of zero;
- 3) the IRS determines that the Plan no longer meets the requirements of IRC section 401(a), the Plan's trust is no longer exempt from income tax under IRC section 501(a) or the Plan is terminated;
- 4) the stable value fund ceases to maintain book value accounting in accordance with generally accepted accounting practices, including FSP AAG INV-1 (as amended or codified) or Financial Accounting Standards Board Staff Position applicable to certain investment entities subject to Americas Institute of Certified Public Accountants Audit and Accounting Guide, Investment Companies;
- 5) any representation made by or on behalf of the Company in relation to the contract is, or becomes, untrue and, if capable of being remedied, all material adverse effects of such untrue representation have not been remedied to MMRS's reasonable satisfaction on or before the 30th business day after the receipt of effective communication from MMRS;
- 6) there is any act of fraud, misrepresentation of material facts, or deceit on the part of the Company which materially affects the intent, structure, or risk profile of the contract;
- 7) the Company breaches any of its obligations under the contract and all material adverse effects of such breach, if capable of being remedied, have not been remedied to MMRS's reasonable satisfaction on or before the 30th Business Day after receipt of effective communication from MMRS; or
- 8) MMRS provides effective communication to the Company that the Contract will be terminated.

(6) Trustee Certified Information

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator has obtained certifications from Fidelity that the investment and investment related information provided by them is complete and accurate. The investment information in Notes 4 and 5, excluding leveling, and the amounts included in the financial statements for investments at fair value, notes receivable from participants, interest and dividend income, net appreciation(depreciation) in fair value of investments, participation in net investment income of MTIA, interest on notes receivable from participants, investment income of MTIA, interest on notes receivable from participants in the MTIA, and all amounts in the supplemental schedule were provided, or were derived from

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
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information provided, and certified as complete and accurate by Fidelity as of and for the years ended December 31, 2021 and 2020.

(7) Related Party Transactions

For the years ended December 31, 2021 and 2020, \$171,250,264, and \$155,367,686, respectively, of the Plan's investments included common collective trusts and mutual fund investments managed by Fidelity. Fidelity is the trustee as defined in the Plan and, therefore, transactions in these funds represent party-in-interest transactions. Additionally, notes receivable from participants represent party-in-interest transactions for 2021 and 2020. Fees paid by the Plan to Fidelity for various administrative services are shown as administrative fees in the statements of changes in net assets available for benefits and totaled \$33,320 and \$39,217 for the years ended December 31, 2021 and 2020, respectively.

(8) Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

SUPPLEMENTAL SCHEDULE

**ROLLS-ROYCE CORPORATION PERSONAL SAVINGS PLAN FOR
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Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2021

Identity of issuer, borrower, lessor, or similar party	Description of investment	Cost	Current value
Certified by trustee:			
* Fidelity Government Money Market	Mutual fund	p \$	196,293
PIMCO Total Return Fund – Inst. Class Shares	Mutual fund	p	7,479,864
American Funds EuroPacific Growth Fund	Mutual fund	p	2,295,154
American Beacon Mid-Cap Value Fund IS	Mutual fund	p	1,254,387
Invesco Diversified Dividend Fund	Mutual fund	p	9,746,448
Invesco Discovery Fund	Mutual fund	p	1,923,990
JPM US Emerging Market Equity Fund	Mutual fund	p	725,005
Invesco Small Cap Growth Fund	Mutual fund	p	9,424,250
* Fidelity US Bond Index Fund	Mutual fund	p	3,260,881
* Fidelity 500 Index Fund	Mutual fund	p	63,938,102
* Fidelity Mid Cap Index Fund	Mutual fund	p	265,155
* Fidelity Small Cap Index Fund	Mutual fund	p	603,908
* Fidelity International Index Fund	Mutual fund	p	1,247,961
* Fidelity Small Cap Value Index Fund	Mutual fund	p	6,999,088
* Fidelity Diversified International Pool	Common collective trust	p	2,014,410
* Fidelity Low-Priced Stock Pool	Common collective trust	p	17,118,702
* Fidelity Growth Company Pool	Common collective trust	p	32,439,884
* FIAM Index Target Date Income T	Common collective trust	p	302,640
* FIAM Index Target Date 2005 T	Common collective trust	p	51,626
* FIAM Index Target Date 2010 T	Common collective trust	p	928,343
* FIAM Index Target Date 2015 T	Common collective trust	p	892,952
* FIAM Index Target Date 2020 T	Common collective trust	p	6,735,879
* FIAM Index Target Date 2025 T	Common collective trust	p	10,517,135
* FIAM Index Target Date 2030 T	Common collective trust	p	12,523,684
* FIAM Index Target Date 2035 T	Common collective trust	p	5,642,491
* FIAM Index Target Date 2040 T	Common collective trust	p	3,019,389
* FIAM Index Target Date 2045 T	Common collective trust	p	1,007,127
* FIAM Index Target Date 2050 T	Common collective trust	p	1,227,070
* FIAM Index Target Date 2055 T	Common collective trust	p	147,591
* FIAM Index Target Date 2060 T	Common collective trust	p	162,929
* FIAM Index Target Date 2065 T	Common collective trust	p	7,024
Goldman Sachs Stable Value Fund	Common collective trust	p	34,328,837
* Notes receivable from participants (at interest rates ranging from 3.25% to 5.50%, latest maturity date November 2030.	Participant loans	\$ —	7,021,784
			\$ <u>245,449,983</u>

* Party-in-interest.

p Historical cost information is not required in schedule H, line 4i – schedule of assets (held at end of year) for participant directed investment funds.

This information has been certified as complete and accurate by the trustee, Fidelity Management Trust Company.



Report of Independent Auditors

To the Administrator of the Rolls-Royce Corporation
Personal Savings Plan for Hourly-Rate Employees

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the accompanying 2021 financial statements of the Rolls-Royce Corporation Personal Savings Plan for Hourly-Rate Employees (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The 2021 financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, including the related notes (collectively referred to as the "2021 financial statements").

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report:

- the amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Other Matter – 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan, which comprise the statement of net assets available for benefits as of December 31, 2020, and the related statement of changes in net assets available for benefits for the year then ended. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 14, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements, other than that derived from the certified information, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.



Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter – Supplemental Schedule Required by ERISA

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2021 ("supplemental schedule"), is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. In our opinion

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

PricewaterhouseCoopers LLP

October 19, 2022



October 15, 2022

Department of Labor
Employee Benefits Security Administration

RE: Delay in Finalizing 2021 Audited Financial Statements

To Whom It May Concern:

We have experienced an unavoidable delay in finalizing our 2021 audited financial statements for the following Plan:

Plan Name: Rolls-Royce Corporation Personal Savings Plan for Hourly-Rate Employees

Plan Number: 002

Plan Sponsor: Rolls-Royce Corporation

EIN: 35-1899021

Plan Year End: December 31, 2021

We will make every effort to file an amended Form 5500 Annual Return/ Report of Employee Benefit Plan with audited financial statements as soon as possible.

Please feel free to reach out with any questions.

Sincerely,

A handwritten signature in black ink, appearing to be "Stefanie Haigh", written in a cursive style.

Stefanie Haigh
Head of Compensation & Benefits – Americas
Stefanie.Haigh@Rolls-Royce.com
M +1 (703) 488-8566
Rolls-Royce North America Inc.,
1900 Reston Metro Plaza, Suite 400
Reston, VA 20190