

ROTORK PLC

NOMINATION COMMITTEE – TERMS OF REFERENCE

1. Constitution and authority

- 1.1 The Nomination Committee (the “Committee”) is constituted as a committee of the board of directors (**Board**) of Rotork plc (**Company**) in accordance with the Articles of Association of the Company.
- 1.2 The Committee has the delegated authority of the Board in respect of the functions, powers and responsibilities set out in these Terms of Reference.
- 1.3 The Committee may sub-delegate any or all its powers and authority to one or more of its members or to the Company Secretary (or their nominee), including, without limitation, the establishment of sub-committees which are to report back to the Committee.

2. Membership

- 2.1 The Committee shall be made up of at least three members, the majority of whom shall be independent non-executive directors.
- 2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals (such as the Chief Executive and Group HR Director and external advisers) may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.3 The Board shall appoint the Committee Chair who will either be the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chair or an appointed deputy, the remaining members present at the meeting shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the Board Chairmanship.

Appointments to the Committee shall be made by the Board and shall be for a period of up to three years, which may be extended for two further periods of up to three years provided the director still meets the criteria for membership of the Committee.

3. Secretary

The Company Secretary or their nominee shall act as the secretary of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4. Quorum and frequency

- 4.1 The quorum necessary for the transaction of business shall be two directors, both of whom must be independent non-executive directors.
- 4.2 The Committee shall meet at least twice a year and at such other times as the Committee Chair shall require.
- 4.3 The Committee may hold meetings by telephone or using any other method of communication, and may take decisions without a meeting by unanimous written consent, when deemed necessary or desirable by the Committee Chair.

5. Notice of meetings

- 5.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person invited to attend and all other non-executive directors, no later than three working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. **Minutes of meetings**

6.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

6.2 Minutes of Committee meetings shall be circulated promptly to the Committee Chair and once agreed, be made available to all other members of the Board, unless in the opinion of the Committee Chair it would be inappropriate to do so.

7. **Shareholder engagement**

7.1 The Committee Chair shall attend the annual general meeting to answer any shareholder questions on the Committee's activities.

7.2 On significant matters related to the Committee's remit, the Committee Chair shall seek engagement with shareholders.

8. **Duties**

Succession planning

8.1 The Committee shall:

- (a) regularly review the structure, size and composition of the Board [and its committees] (including the skills, knowledge, experience, independence and diversity) and make recommendations to the Board with regard to any changes;
- (b) ensure progressive refreshing of the Board through regular consideration of the length of service of the Board as a whole with due regard to the UK Corporate Governance Code provision that the Chairman should not remain in post beyond 9 years from the date of their first appointment to the Board;
- (c) ensure plans are in place for orderly succession to both the Board and senior management positions (the executive committee and first layer of management below Board level, including the Company Secretary) and oversee the development of a diverse pipeline for succession;
- (d) keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- (e) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates; and
- (f) review any changes needed to the succession planning process if its periodic assessment indicates that the desired outcomes have not been achieved.

Board appointments

8.2 The Committee shall lead the process for Board appointments and shall be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.

8.3 Before any appointment is made by the Board, the Committee shall evaluate the balance of skills, knowledge, experience and diversity of the Board, and the future challenges affecting the business, and, in the light of this evaluation, prepare a description of the role and

capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:

- (a) use such methods as it deems appropriate, including the use of open advertising or the services of external search consultancy to facilitate the search;
- (b) consider candidates from a wide range of backgrounds;
- (c) consider candidates on merit and against objective criteria, with due regard for the benefits of diversity on the Board (including gender, social and ethnic backgrounds, cognitive and personal strengths); and
- (d) consider significant commitments that the candidate may have and demands on their time, ensuring that candidates will have sufficient time to meet their Board responsibilities.

8.4 For the appointment of a Chairman, the Committee shall prepare a job specification, including the time commitment expected.

8.5 Prior to the appointment of a director, the proposed appointee should be required to disclose:

- (a) any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest; and
- (b) any significant commitments with an indication of the time involved.

8.6 The Committee shall ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, and also indicate the possibility of additional commitment when the Company is undergoing a period of particularly increased activity such as an acquisition or takeover.

Board performance

8.7 The Committee shall review the results of the Board performance evaluation process that relate to the composition and diversity of the Board.

8.8 The Committee shall review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.

8.9 The Committee shall set limits on the number and scale of external appointments which can be held by Board members, and ensure that any new external appointments are approved by the Board before being accepted. Prior to appointment, significant commitments should be disclosed with an indication of time involved. Full time executives should not take on more than one non-executive directorship in a FTSE100 company or other significant appointments.

Diversity

8.10 The Committee shall review annually the Company's policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and the progress on achieving the objectives.

Recommendations to the Board

8.11 The Committee shall also make recommendations to the Board concerning:

- (a) the appointment of any director to executive or other office;
- (b) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company, subject to the provisions of the law and their service contract;

- (c) formulating plans for succession for both executive and non-executive directors and in particular for the roles of Chairman and Chief Executive;
- (d) suitable candidates for the role of Senior Independent Director;
- (e) membership of the audit and remuneration committees as appropriate, in consultation with the Chair of those committees;
- (f) the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required; and
- (g) the annual re-election by shareholders of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the Company's articles of association, having due regard to their performance and ability to continue to contribute to the Board and the Company's long-term sustainable success, in light of the knowledge, skills and experience required and the need for progressive refreshing of the board.

9. **Reporting responsibilities**

- 9.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where Board approval is needed.
- 9.3 The Committee shall produce a report to be included in the Company's annual report about its activities and other matters that it is required to report under the applicable UK Corporate Governance Code.

10. **Other matters**

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 10.2 work and liaise as necessary with all other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.
- 10.3 obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference;
- 10.4 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.5 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and any other applicable rules, as appropriate; and
- 10.6 arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Terms of Reference approved on 23 October 2020 by the Board of Directors of Rotork plc.

Terms of Reference to be reviewed October 2021.