

**Rotork plc  
(the Company)**

**Schedule of Matters Reserved  
for decision by the full Board**

**Strategy and Management**

- 1.1 Responsibility for the overall leadership of the Company and setting the Company's Purpose, Values and standards.
- 1.2 Responsibility for the long-term sustainable success of the Group, generating value for all stakeholders and contributing to wider society.
- 1.3 Development and protection of the brand, the Values of the business and its principles, and ensuring Group practices and behaviours are consistent with these Values.
- 1.4 Approval and review of the Group's commercial strategy and long term aims and objectives.
- 1.5 Any significant changes to the Group's overall strategic direction including extending the Group's activities into new business or geographic areas, taking into account risk appetite.
- 1.6 Oversight of the Group's operations ensuring:
  - competent and prudent management;
  - sound planning;
  - maintenance of sound management and internal control systems;
  - adequate accounting and other records; and
  - compliance with statutory and regulatory obligations.
- 1.7 Approval of the Group's annual operating and capital expenditure budgets and any material changes to them.
- 1.8 Review of performance in the light of the Group's strategy, objectives, business plans and budgets ensuring that any corrective action is taken.
- 1.9 Any decision to cease to operate all or any material part of the Group's business.

**2. Structure and capital (certain share capital transactions and restructurings will require shareholder approval upon Board recommendation, subject to statutory and regulatory requirements)**

- 2.1 Changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans), and share buy backs including the use of treasury shares.
- 2.2 Issues of public debt or other debt securities.
- 2.3 Major changes to the Group's corporate structure.
- 2.4 Changes to the Group's management and control structure.
- 2.5 Any changes to the company's listing or its status as a plc.

### **3. Financial reporting and controls**

- 3.1 Approval of the half-yearly report, trading updates and any preliminary announcement of the final results.
- 3.2 Approval of the annual report and financial statements, including the 'fair, balanced and understandable' assessment following recommendation by the Audit Committee and the remuneration report following recommendation by the Remuneration Committee.
- 3.3 Approval of the dividend policy, declaration of the interim dividend and recommendation of the final dividend.
- 3.4 Approval of any significant changes in accounting policies or practices
- 3.5 Approval of treasury policies including foreign exchange exposure and the use of financial derivatives.
- 3.6 Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).

### **4. Contracts including acquisition and disposal of land/property**

- 4.1 Major capital projects, including land, where any such project or investment exceeds £1 million or such other limit agreed by the Board from time to time and setting authority levels for the same.
- 4.2 Disposals of fixed assets (including real estate) by the Company or any subsidiary in excess of £1 million (overall value of transaction) to the extent that they are have not been agreed by the Board in the relevant year's budget.
- 4.3 Material contracts of the Company or any subsidiary outside the ordinary course of business or in excess of £10 million.
- 4.4 Acquisitions and disposals of any company or business or purchase or disposal of any interest in same (including joint ventures and similar arrangements) subject to Chief Executive being delegated authority to (i) purchase the entire share capital of a company up to an enterprise value of £5m or; (ii) purchase businesses and assets up to £5m.
- 4.5 Acquisition or disposal of an interest of more than 5% in the voting shares or securities of any listed company or the making of any takeover offer.
- 4.6 Grant of guarantees and indemnities, other than those issued in the ordinary course of operational business.
- 4.7 Entry into any significant transactions or arrangements required to be announced to the London Stock Exchange which are not otherwise covered in these Reserved Matters.

### **5. Internal controls, risk management, compliance reporting and whistleblowing**

- 5.1 Ensuring maintenance of a sound system of internal control and risk management including:
  - approving the Company/Group's risk appetite statements;
  - receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes for existing, emerging and future risks to support its strategy and objectives;
  - receiving and considering reports on the findings of any internal Company investigations into allegations of bribery, slavery, fraud or any other misconduct, review any actions plans created to address those findings and review management's implementation of such action plans;

- receiving and assessing reports arising from the Company’s Speak Up (whistleblowing) helpline; approving procedures for the prevention of fraud and systems and controls for the prevention of bribery;
- undertaking an annual assessment of these processes; and
- approving an appropriate statement for inclusion in the annual report.

## **6. Bank facilities**

- 6.1 Approval of cancellation or extension of existing committed banking facilities or entering into new committed facilities.

## **7. Communication**

- 7.1 Responsibility for oversight of external relationships and engagement with shareholders and the group's stakeholders.
- 7.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 7.3 Approval of all circulars, prospectuses and listing particulars (other than routine documents).
- 7.4 Approval of press releases or RNSs concerning major matters decided by the Board (this excludes approval of routine matters such as notifications of major interests in shares and of interests of directors).

## **8. Board Membership and Other Appointments**

- 8.1 Following recommendation from the Nomination Committee, implementing any changes to the Board structure and executive pipeline (including appointments and removals to the Board, and, oversight of succession planning for the Management Board, in each case having regard to diversity).
- 8.2 Continuation in office of directors at the end of their term of office when they are due to be re-elected by shareholders at the AGM, following recommendation by the Nomination Committee
- 8.3 Appointment of the Chairman of the Board, the Chief Executive and the Senior Independent Director and membership and chairmanship of Board committees, following recommendation by the Nomination Committee.
- 8.4 Appointment or removal of the Company Secretary.
- 8.5 Making recommendations to the shareholders for the appointment, reappointment or removal of the external auditor having considered proposals put forward by the Audit Committee.

## **9. Remuneration and pensions**

- 9.1 Approving the remuneration policy to be put to shareholders and the remuneration structure for the Management Board.
- 9.2 Approving the remuneration of the Chairman and the Non-Executive Directors, subject to the articles of association and shareholder approval as appropriate.
- 9.3 The introduction of new share incentive plans or major changes to existing plan, to be put to shareholders for approval.

Major changes to the rules of the Group's pension schemes.

## **10. Delegation of Authority**

- 10.1 The division of responsibilities between the Chairman and the Chief Executive which should be clearly established, set out in writing and agreed by the Board.
- 10.2 Establishing Board committees and approving their terms of reference, and approval of any material changes thereto.
- 10.3 Receiving reports from Board committees on their activities.

## **11. Corporate governance matters**

- 11.1 Annual review of the group's overall corporate governance arrangements.
- 11.2 Undertaking a formal and rigorous annual review of the Board's performance, that of its committees and individual directors. A member of the Board must not participate in the review of his or her own performance.
- 11.3 Determining the independence of Non-Executive Directors in light of their character, judgement and relationships.
- 11.4 Considering the balance of interests between shareholders, employees, customers, suppliers and the community.
- 11.5 Authorising matters which would amount to a breach of directors' duty to avoid a conflict
- 11.6 Approval of high-level policies (and any amendments), in particular those which will be placed in the public domain, including but not limited to: Code of Conduct, Share Dealing Code, Anti-Bribery and Corruption Policy, Modern Slavery Statement, Whistleblowing Policy, Board Diversity and Inclusion Policy, Health & Safety Policy, Environmental and Energy Policy, Data Protection Policy and IT Policy.

## **12. Other**

- 12.1 Approval of contributions to any political party.
- 12.2 Approval of the brokers and principal corporate finance adviser.
- 12.3 Prosecution, defence or settlement of any material litigation (i.e. over £1m).
- 12.4 Approval of the overall levels of insurance for the Group including directors' & officers' liability insurance.
- 12.5 Conflicts of interest involving directors or significant (holders of 10% or more) shareholders, to include both authorisation and any conditions attached.
- 12.6 Any changes to this schedule of matters reserved for Board decisions.