

ROTORK PLC
ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE
TERMS OF REFERENCE

1. Constitution and authority

- 1.1 The Environmental, Social and Governance Committee (**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, through the establishment of sub-committees which are to report back to the Committee. The Chief Executive Officer's CSR Committee is one of such established sub-committees.

2. Membership

- 2.1 The Committee shall be made up of at least five members comprising at least three Board directors (two being non-executive and one being the Chief Executive), and two members of the Company's management board (being the Strategy and M&A Director and the Group HR Director in the first instance). The majority of Committee members shall at all times comprise Board directors.
- 2.2 The Board shall appoint the Committee Chair. 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.
- 2.3 Appointments to the Committee shall be made by the Board (on the recommendation of the Nomination Committee and in consultation with the Committee Chair and CEO).
- 2.4 Only members of the Committee have the right to attend Committee meetings. However, the Company Chairman (if not a member), other non-executive directors and employees, the Head of ESG and Sustainability and external advisers may attend meetings, either in whole or in part, at the invitation of the Committee.

3. Secretary

The Company Secretary, or another member of the Company Secretariat team, 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 any two director members present.
- 4.2 The Committee shall meet at least two times a year where appropriate and at such other times as the Committee Chair shall require.

4.3 The Committee may hold meetings, and members may attend, by videoconference, 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 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, actions and any 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. **Annual General Meeting**

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

8. **Duties**

The Committee is constituted by the Board to:

8.1 recommend the overarching Environmental, Social and Governance (**ESG**) vision and strategy road map to the Board in order to ensure that ESG priorities are anchored at the top of the Company;

8.2 ensure ESG priorities are an integral part of the Company's overall corporate strategy, and that ESG is a standing agenda item for the Company's management board strategy sessions;

8.3 solicit and understand the views of stakeholder groups including employees, investors, suppliers, customers, lenders and local communities on ESG matters to inform the Company's long-term strategic decisions;

8.4 identify the relevant ESG priorities that most significantly impact the Company and its stakeholders, its reputation and public interest role;

8.5 assist the Board in defining and executing the Company's strategy and, in so doing, agree the annual plan and targets relating to ESG matters;

8.6 ensure development of and regular updates to a suitable transformation map and dashboard that measures progress on the annual targets (informed by and aligned to the Remuneration Committee target and incentive arrangements);

8.7 review the Company's performance against its annual plan and ESG targets;

8.8 oversee and challenge management's performance against the Company's long-term ESG goals, targets (including KPIs), initiatives and commitments;

8.9 guide the Company's ESG communication strategy;

- 8.10 ensure that ESG priorities are reflected in the Company's culture through its purpose, vision values and behaviours, as well as the Company's codes of conduct;
- 8.11 ensure that adequate resources are made available and training provided in order to support the ESG strategy and its required behavioural needs;
- 8.12 ensure that ESG risks and opportunities are identified and managed in line with the Company's risk appetite;
- 8.13 be informed of content and effectiveness of policies, programmes, practices, initiatives of the Company relating to ESG matters;
- 8.14 report on these matters to the Board and, where appropriate, make recommendations to the Board; and
- 8.15 report as required to shareholders and other stakeholders on the Company's ESG strategy and the remit, considerations, activities and achievements of the Committee.

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 report to the Board twice annually on how it has discharged its responsibilities.
- 9.4 The Committee shall compile a report on its activities to be included in the Company's annual report. The report should include at least all the information requirements set out in the latest Corporate Governance Code and any other relevant legal and regulatory reporting requirements.

10. **Other matters**

The Committee shall:

- 10.1 have access to sufficient resources to carry out its duties, including the ability to seek any information it requires from any employee of the Company;
- 10.2 obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference;
- 10.3 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;
- 10.4 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 and any other applicable rules, as appropriate; and
- 10.5 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 in October 2021.