



Chairman's explanatory letter and Notice of Meeting

This document is important and requires your immediate attention.

If you are in any doubt about what action you should take, you are recommended to consult a stockbroker, bank manager, solicitor, accountant or other appropriate independent adviser immediately.

If you have recently sold or otherwise transferred all of your Rotork shares, please pass this document and the accompanying Form of Proxy to the purchaser or transferee, or to the agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

**Annual General Meeting
Friday 26 April 2013**

26 March 2013

Dear Shareholder,

I am writing to inform you that the Annual General Meeting (the "AGM") of Rotork plc (the "Company") will be held on Friday 26 April 2013 at 12 noon at the Company's registered office at Rotork House, Brassmill Lane, Bath, BA1 3JQ. Details of the business to be considered are set out in the Notice of Meeting which follows this letter. I should like to make some comments on a number of the matters to be transacted at the meeting.

Directors

Following the recommendations of the UK Corporate Governance Code all directors will offer themselves for re-election at every AGM. Accordingly resolutions 3 to 11, which will be proposed as ordinary resolutions, seek to re-elect or elect each of the Company's directors.

A formal performance evaluation of the Board, its committees and individual directors was conducted during 2012. Following the formal performance evaluation, which in my case is undertaken by the other non-executive directors, I confirm that the performance of all the directors continues to be effective and to demonstrate commitment to the role.

Ian King is the senior independent non-executive director and has been a director of the Company since 2005. He is Chief Executive of BAE Systems plc.

Peter France is the Company's Chief Executive and has held that role since April 2008.

Jonathan Davis, a chartered accountant, is the Group Finance Director. He was previously Divisional Finance Director of the Rotork Controls Division and before that Group Financial Controller of Rotork plc.

Bob Arnold, a graduate engineer, is President of Rotork Controls Inc.

Graham Ogden, who holds a doctorate in electronic engineering, is Group Research and Development Director.

John Nicholas was appointed to the Board as a non-executive director in 2008. He is a qualified accountant and Chairman of the Audit Committee. He was previously Group Finance Director of Tate & Lyle plc and Kidde plc.

I, Roger Lockwood, have been non-executive Chairman since 1998. I am also Chairman of the Nomination Committee.

Gary Bullard joined the Board as a non-executive director in June 2010. He is Chairman of the Remuneration Committee.

Sally James joined the Board as a non-executive director in May 2012. This AGM is therefore the first opportunity for her to offer herself for election by shareholders. She is also a non-executive director of UBS Limited, Towry Limited and Barts Health NHS Trust. She is a Trustee of Legal Education Foundation and independent Member of Council of the University of Sussex.

Further biographical and other details relating to the directors are contained in the Annual Report and Accounts for the year ended 31 December 2012.

Remuneration Report

All quoted companies are required by law to produce for each financial year a Directors' Remuneration Report which sets out the Remuneration Committee's policy in relation to directors' remuneration, together with the remuneration and benefits paid to directors during the year. The Company is also required to put an ordinary resolution to shareholders approving the Report at the meeting at which the Company's Annual Report and Accounts for that year are laid.

Accordingly, resolution 14, which will be proposed as an ordinary resolution, seeks approval of the Directors' Remuneration Report which is set out on pages 53 to 61 of the Annual Report and Accounts for the year ended 31 December 2012.

Authority to Allot Shares

Resolution 15 will be proposed as an ordinary resolution giving the directors a general authority to allot further shares of the Company, having an aggregate nominal value of £1,440,000 (currently representing 28,800,000 ordinary shares of 5p each). This represents approximately one third of the total ordinary share capital of the Company in issue at the date of this letter in accordance with institutional shareholder guidelines. The directors have no present intention of exercising this authority save to satisfy options exercised under the Company's United Kingdom all employee save as you earn scheme and to provide the flexibility to potentially satisfy the all employee free shares and the executive long term incentive share plans by allotment of shares. This authority will expire at the conclusion of the AGM to be held in 2014.

Resolution 16, which will be proposed as a special resolution, is to renew the directors' authority to issue equity securities for cash otherwise than in proportion to existing holdings. This authority is limited to shares having a maximum aggregate nominal value of £215,000 (currently representing 4,300,000 ordinary shares of 5p each) which represents just under 5% of the total ordinary share capital of the Company in issue at the date of this letter. This authority will expire at the conclusion of the AGM to be held in 2014.

In any three year period, no more than 7.5% of the issued share capital will be issued on a non-preemptive basis.

Authority to Purchase Own Shares

Under resolution 17, which will be proposed as a special resolution, the Company will seek to renew the current limited authority to make purchases in the market of its own ordinary shares subject to specified limits including the minimum and maximum prices which may be paid. The maximum number of ordinary shares which the Company may purchase pursuant to this authority is limited to a maximum of 8,600,000 ordinary shares, representing just under 10% of the total ordinary share capital of the Company in issue at the date of this letter.

There are outstanding options to subscribe for a total of 242,830 ordinary shares in the Company. That number of shares represents under 1% of the Company's existing issued share capital. If the Company was to exercise in full the proposed authority to purchase its own shares, the shares for which there are outstanding options to subscribe would still represent under 1% of the Company's existing issued share capital as reduced by those purchases.

In seeking this authority the Board is not indicating any commitment to buy back ordinary shares. The Board will only exercise the authority if, in the light of market conditions prevailing at the time, it considers that the purchases of ordinary shares can be expected to result in an increase in earnings per share and be in the best interests of shareholders generally. The directors do, however, consider it desirable for this authorisation to be available to provide flexibility in the management of the Company's capital reserves. In the event of any purchase under this authority, the directors would either hold the purchased ordinary shares in treasury or cancel them. The authority will expire at the conclusion of the AGM to be held in 2014.

Under resolution 18, a further special resolution will be proposed which will provide a renewed authority to purchase preference shares. The authority will cover all of the preference shares remaining in issue and will set out the minimum and maximum prices which may be paid. The Company will continue to purchase this class of shares as they become available and then cancel them. The authority will expire at the conclusion of the AGM to be held in 2014.

Notice Periods For General Meetings

Changes made to the Companies Act 2006 by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 clear days unless shareholders approve a shorter notice period. Before the coming into force of the Shareholders' Rights Regulations in August 2009, the Company was able to call general meetings other than an AGM on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, resolution 19, which will be proposed as a special resolution, seeks such approval. AGMs will continue to be held on at least 21 clear days' notice. The approval will be effective until the Company's next AGM in 2014, when it is intended that a similar resolution will be proposed.

In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

The Board will only utilise the authority to hold meetings on less than 21 clear days' notice where it considers it to be in the best interests of shareholders.

Rotork Sharesave Scheme

The Rotork Sharesave Scheme (the "UK Scheme") was adopted by shareholders on 21 May 2004 and is nearing the end of its ten year life (ten years being the maximum period permitted under institutional shareholder guidelines). The UK Scheme is operated on similar terms for the benefit of all UK Group employees who meet the conditions for eligibility and is approved by Her Majesty's Revenue and Customs ("HMRC") for UK tax purposes. The directors believe that the UK Scheme has provided a meaningful incentive to its employees in promoting share ownership at all levels in the UK and therefore wishes to extend the operation of the scheme for a further period of ten years from the date of the AGM, subject to continued approval by HMRC and/or compliance with the relevant legislation should self-certification arrangements be introduced by HMRC at some future date.

It is proposed to seek your approval for the renewal of the UK Scheme. Resolution 20 seeks such approval and this resolution will be proposed as an ordinary resolution.

The principal terms of the UK Scheme are summarised in the Appendix hereto and the full rules of the UK Scheme are available for inspection at the Company's registered office during normal business hours on any weekday (Saturday, Sunday and public holidays excluded) up to and including the date of the AGM itself.

Action to be Taken

Whether or not you intend to come to the meeting, please complete and return the accompanying prepaid Form of Proxy to the Company's registrars so as to be received no later than 12 noon on Wednesday, 24 April 2013. By doing so, you will not preclude yourself from attending and voting in person at the meeting.

Recommendation

Your Board considers each of the proposed resolutions to be in the best interests of the Company and its shareholders as a whole. Accordingly, your directors unanimously recommend that you vote in favour of the resolutions.

Following the close of formal AGM business, lunch will be available to shareholders, as usual, at our Bath premises.

Yours sincerely,

Roger Lockwood

Chairman

26 March 2013

Appendix

Summary of the principal terms of the Rotork Sharesave Scheme (the “UK Scheme”)

1. **Eligibility:** The UK Scheme will continue to be open to all UK employees of Rotork plc (the “Company”) and of designated UK subsidiaries (including full-time directors of the Company), who have been continuously employed by the group for at least one year on the relevant invitation date. The directors may waive or reduce the service qualification.
2. **Invitations:** Invitations to eligible persons may be issued within the periods of 42 days following the date on which the Company announces its annual or half-year results in any year while the UK Scheme exists.
3. **Subscription/Exercise price:** Options are granted at a price which represents not less than 80% of the average of the middle market quotations of an ordinary share on the three consecutive dealing days ending on the dealing day immediately preceding the date of invitation, as derived from the Daily Official List of the London Stock Exchange (subject to options not being granted at a price below the nominal value of such share).
4. **Savings contract:** A condition of the grant of an option is that the participant agrees to enter into a Save as You Earn contract with a designated savings institution under which he or she contracts to save between £5 and £250 per month, by deduction from net salary. A tax-free bonus may be added by the savings institution at the end of a three or five year savings period (the “bonus date”). The £250 monthly limit is the current maximum statutory amount. However, the UK Scheme permits any increase to this amount to be applied without further recourse to shareholders but, before implementing any future increases, the directors will pay due regard to any relevant guidelines issued by the institutional investors from time to time. The directors may impose a lower maximum monthly amount than that permitted by law if they so determine.
5. **Number of shares under option:** Options are linked to the three or five year bonus date described in paragraph 4 above (as selected by the applicant at the outset) or, if the directors so determine, to the three year bonus date only. The number of shares under option is calculated by dividing the anticipated savings proceeds (including any bonus) by the subscription/exercise price as determined in paragraph 3 above.
6. **Total number of new shares available:** The maximum number of shares that may be issued or issuable, in any ten year period ending on the relevant date of grant, under the UK Scheme and under any other employee share schemes operated by the Company may not exceed 10% of the issued ordinary share capital of the Company from time to time (currently representing approximately 8,600,000 ordinary shares).
7. **Exercise date:** Options are normally exercisable within the six months following the relevant bonus date under the savings contract but may be exercised early in certain circumstances such as death, redundancy, retirement or divestment of the employing company etc. In the event of early exercise, the exercise is restricted to the proceeds of the savings contract at the relevant time.
8. **Scaling down:** In the event that the number of shares applied for exceeds those available the directors will scale down the number of shares over which options are to be granted in a manner which complies with HMRC requirements.
9. **Changes in control and winding-up:** In the event of a change in control of the Company pursuant to a general offer or a scheme of arrangement for the purposes of the reconstruction or amalgamation of the Company, options may be exercised within six months of such event. However, if the acquiror becomes bound or entitled to compulsorily acquire outstanding shares, options will lapse at the end of the compulsory acquisition period. If the acquiring company agrees, options may be released in return for options of equivalent value in the acquiring company so long as options remain exercisable under any of these provisions. In the event of the voluntary winding-up of the Company options may be exercised within three months of the passing of the appropriate resolution.
10. **Variation of capital:** If a variation in the capital of the Company shall occur by reason of a rights or capitalisation issue or a sub-division, consolidation, reduction or other variation, then the directors shall make appropriate adjustments to the subscription/exercise price and/or the number of shares under option provided that the auditors of the Company for the time being shall have confirmed in writing that such adjustments are, in their opinion, fair and reasonable and subject also to the approval of HMRC.
11. **Amendment and duration of the UK Scheme:** The principal terms of the UK Scheme may only be amended to the advantage of eligible employees or participants with the prior authority of the Company in a general meeting save that any amendment (other than an amendment affecting the number of shares which may be issued under the UK Scheme) may be made without such authority if it is:
 - (a) to enable the UK Scheme to maintain HMRC approval; or
 - (b) a minor alteration to benefit the administration of the UK Scheme, to take account of a change in legislation or to obtain or maintain favourable tax or social security contribution treatment for participants, the Company or any company in the Group (subject where applicable to the prior approval of HMRC).

No options will be granted under the UK Scheme later than ten years following its adoption date (or the date of its renewal) and any benefits under the UK Scheme are non-pensionable.

Notice of Meeting

Notice is hereby given that the fifty sixth Annual General Meeting ("AGM") of Rotork plc (the "Company") will be held at Rotork House, Brassmill Lane, Bath, BA1 3JQ on Friday 26 April 2013 at 12 noon for the following purposes:

Ordinary business

To consider and, if thought fit, to pass the following ordinary resolutions:

1. That the Directors' Report and Accounts and the Auditor's Report thereon for the year ended 31 December 2012 be received and adopted.
2. That a final dividend at the rate of 26.6p per share on the ordinary share capital of the Company be declared for the year ended 31 December 2012 payable on 21 May 2013 to shareholders on the register at close of business on 12 April 2013.
3. That IG King be re-elected a director of the Company.
4. That PI France be re-elected a director of the Company.
5. That JM Davis be re-elected a director of the Company.
6. That RH Arnold be re-elected a director of the Company.
7. That GM Ogden be re-elected a director of the Company.
8. That JE Nicholas be re-elected a director of the Company.
9. That RC Lockwood be re-elected a director of the Company.
10. That GB Bullard be re-elected a director of the Company.
11. That SA James be elected a director of the Company.
12. That KPMG Audit plc be re-appointed as the Company's Auditor until the conclusion of the AGM of the Company to be held in 2014.
13. That the directors be authorised to fix the Auditor's remuneration.
14. That the Directors' Remuneration Report for the year ended 31 December 2012 set out on pages 53 to 61 of the document also containing the Directors' Report and Accounts for the year ended 31 December 2012 be approved.

Special business

To consider and, if thought fit, to pass the following resolutions of which resolutions 15 and 20 are proposed as ordinary resolutions and resolutions 16 to 19 (inclusive) are proposed as special resolutions:

15. That, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and they are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "relevant securities") up to an aggregate nominal amount of £1,440,000, provided that, unless previously revoked, varied or extended, this authority shall expire on the conclusion of the AGM of the Company to be held in 2014, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

16. That the directors be and they are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the directors under section 551 of the Act conferred by resolution 15 above, and/or by way of a sale of treasury shares (by virtue of section 573 of the Act), in each case as if section 561(1) of the Act did not apply to such allotment, provided that:

(a) the power conferred by this resolution shall be limited to:

- (i) the allotment of equity securities in connection with an offer of equity securities to the holders of ordinary shares in the capital of the Company in proportion as nearly as practicable to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
- (ii) the allotment, otherwise than pursuant to sub-paragraph (i) above, of equity securities up to an aggregate nominal value equal to £215,000; and

(b) unless previously revoked, varied or extended, this power shall expire on the conclusion of the AGM of the Company to be held in 2014 except that the Company may, before the expiry of this power, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

17. That, subject to the consent of the holders of 9½% cumulative preference shares of £1 each not being withdrawn in accordance with the resolution passed by the holders thereof on 3 August 1995, the Company be and it is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 5 pence each of the Company provided that:

(a) the maximum number of ordinary shares hereby authorised to be acquired is 8,600,000;

(b) the minimum price which may be paid for any such share is 5 pence (exclusive of expenses);

(c) the maximum price (exclusive of expenses) which may be paid for any such shares is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and

(d) the authority hereby conferred shall expire on the conclusion of the AGM of the Company to be held in 2014, save that the Company may, prior to the expiry of such authority, make an offer or agreement which would or might require ordinary shares to be purchased by the Company after such expiry and the Company may purchase ordinary shares notwithstanding such expiry.

Notice of Meeting continued

18. That, subject to the consent of the holders of 9½% cumulative preference shares of £1 each ("Preference Shares") not being withdrawn in accordance with the resolution passed by the holders thereof on 22 May 1998, the Company be and it is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of Preference Shares of the Company provided that:
- (a) the maximum number of Preference Shares hereby authorised to be acquired is 40,073 (being all the Preference Shares remaining in issue at the date of this notice);
 - (b) the minimum price which may be paid for any such share is £1.00 (exclusive of expenses);
 - (c) the maximum price (exclusive of expenses) which may be paid for any such share is an amount equal to whichever is the higher of (i) 105% of the average of the middle market quotations for a Preference Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the Preference Share is contracted to be purchased and (ii) £1.60; and
 - (d) the authority hereby conferred shall expire on the conclusion of the AGM of the Company to be held in 2014, save that the Company may, prior to the expiry of such authority, make an offer or agreement which would or might require Preference Shares to be purchased by the Company after such expiry and the Company may purchase Preference Shares pursuant to any such offer or agreement notwithstanding such expiry.
19. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.
20. That the Rotork Sharesave Scheme (the "Scheme"), the principal terms of which are summarised in the Appendix to the letter to the shareholders of the Company dated 26 March 2013 and the Rules of the Scheme which are produced to the meeting, be and are hereby extended for a further period of ten years from the date of this meeting, subject to and in accordance with the Rules.

Stephen Rhys Jones
Company Secretary
26 March 2013

Registered Office
Rotork House
Brassmill Lane
Bath, BA1 3JQ

Notes

1. A member of the Company who wishes to attend the AGM in person should arrive at the offices of the Company at Rotork House, Brassmill Lane, Bath, BA1 3JQ, in good time before the meeting, which will commence at 12 noon. In order to gain admittance to the meeting, members may be required to produce their proxy card, or otherwise prove their identity.
2. A member who is entitled to attend, speak and vote may appoint a proxy to attend, speak and vote instead of him.
3. A proxy need not also be a member of the Company but must attend the AGM in order to represent his appointor.

A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A form of proxy is enclosed. The notes to the form of proxy include instructions on how to appoint the Chairman of the AGM or another person as proxy. To be effective the form must reach the Company's registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA by 12 noon on Wednesday, 24 April 2013.
4. For those shareholders appointing a proxy and who prefer to register the appointment of their proxy electronically via the internet, they can do so through Equiniti's website at www.sharevote.co.uk where full instructions on the procedure are given. The Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy will be required in order to use this electronic proxy appointment system. Alternatively, shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk and then clicking on the link to vote under their Rotork plc holding details. The on screen instructions give details on how to complete the appointment process. A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 12 noon on 24 April 2013.
5. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company at 6.00pm on Wednesday 24 April 2013 (or if the AGM is adjourned, two working days before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.
6. If you are a person who has been nominated by a member to enjoy information rights in accordance with section 146 of the Companies Act 2006, note 2 above does not apply to you but you may have a right under an agreement between you and the member by whom you were nominated to be appointed or to have someone else appointed, as a proxy for the meeting. If you have no such right or do not wish to exercise it, you may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
7. To appoint a proxy or to amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID RA19) by 12 noon on Wednesday, 24 April 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsor or voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual (available at www.euroclear.com/CREST). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. Members attending the AGM have the right to ask and, subject to the provisions of the Companies Act 2006, the Company must cause to be answered, any questions relating to the business being dealt with at the AGM.
9. As at 4 March 2013 (being the latest practicable date prior to the publication of the Notice of Annual General Meeting) the Company's issued share capital consists of 86,813,686 ordinary shares carrying one vote each and 40,073 preference shares which do not currently carry the right to vote. Therefore the total voting rights in the Company as at 4 March 2013 are 86,813,686.
10. The following information is available at www.rotork.com: (i) the matters set out in the Notice of Annual General Meeting; (ii) the total numbers of shares in the Company in respect of which members are entitled to exercise voting rights at the AGM; (iii) the total voting rights that members are entitled to exercise at the meeting; and (iv) members' statements, members' resolutions and members' matters of business received by the Company after the date on which notice of the meeting was given.
11. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
12. You may not use any electronic address provided in either the Notice of Annual General Meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
13. Copies of the executive directors' service contracts with the Company and any of its subsidiary undertakings and letters of appointment of the non-executive directors are available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday, Sunday and public holidays excluded) from the date of the Notice of Annual General Meeting until the conclusion of the AGM and will also be available for inspection at the place of the meeting from 11.45am on the day of the AGM until its conclusion.

