

## THE GORMAN-RUPP COMPANY

### GOVERNANCE AND NOMINATING COMMITTEE CHARTER

(Approved by Board of Directors October 22, 2020)

#### **Purposes of the Committee**

The principal purposes of the Governance and Nominating Committee (the “Committee”) are to (a) assist the Board of Directors (the “Board”) in developing and assuring compliance with corporate governance principles applicable to The Gorman-Rupp Company (the “Company”) and the Directors and (b) identify qualified individuals to become Directors of the Company as such needs arise.

#### **Authority of the Committee**

The Committee will have appropriate resources and authority to discharge its responsibilities, including funding to compensate any consultants and any independent advisors retained by the Committee.

The Committee will have the sole authority to engage search firms to assist in the identification of Director candidates, if the Committee considers such an engagement necessary.

The Committee shall have the authority to establish other rules and operating procedures in order to fulfill its obligations under this Charter and applicable rules and regulations.

#### **Composition of the Committee**

The size of the Committee will be determined by the Board, provided that the Committee will always have at least one member. The Board will appoint the members and the Chairman of the Committee. Each Committee member will serve at the pleasure of the Board for such term or terms as the Board may determine or until such Committee member is no longer a Director. Vacancies at any time occurring shall be filled by resolution of the Board.

Each Committee member shall meet the independence criteria of the rules of the U.S. Securities and Exchange Commission (the “SEC”) and any stock exchange upon which the shares of the Company are listed.

#### **Meetings of the Committee**

The Committee generally will meet in person or telephonically quarterly, but as frequently as necessary, to carry out its responsibilities under this Charter. The Chairman of the Committee shall, in consultation with the other members of the Committee and the executive officers of the Company, be responsible for calling meetings of the Committee, establishing agenda therefor and supervising the conduct thereof. The Committee may also take any action permitted hereunder by unanimous written consent.

For any meeting(s) at which the Chair of the Committee is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any decision shall be decided by a majority of the votes cast by members of the Committee, except where only one or two members are present, in which case any decision shall be decided unanimously.

The Committee shall keep such records as it may deem necessary of its proceedings. Unless otherwise determined by resolution of the Board, the Corporate Secretary of the Company or his/her delegate shall be the Secretary of the Committee. The Secretary will be responsible for recordkeeping for the Committee.

The Committee may invite management or any employee of the Company or the Company's outside legal counsel or others to attend a meeting of the Committee. The Committee shall, at its discretion, meet in executive session in the absence of management at any meeting.

## **Duties and Responsibilities of the Committee**

The Committee shall carry out the duties and responsibilities set forth below. The Committee will have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate.

### **1. Corporate Governance Guidelines**

- a. At least annually, (i) review the Corporate Governance Guidelines (the "Guidelines") (Appendix A) and recommend changes, if appropriate, and (ii) lead the Board in a discussion of major corporate governance issues, including the independent Directors' compliance affirmation regarding their independence under the rules of the New York Stock Exchange (the "NYSE") as summarized in the "Independent Directors" section of Appendix B.
- b. At least annually, review and update if necessary the Director Regulatory Requirements (Appendix B).

- c. At least annually, review the separate Board committee charters for compliance with the current Guidelines.
2. Other Governance and Compliance Matters. Periodically review the Company's environmental, social and sustainability programs and activities.
3. Conflicts of Interest. At least annually through a written questionnaire, or as needed as questions arise, consider possible conflicts of interest of Directors and management of the Company and make recommendations to prevent, minimize or eliminate such conflicts of interest.
4. Succession Planning. Periodically review Board and management succession planning issues and report findings and recommendations, if any, to the Board.
5. Director Matters
  - a. Develop and recommend to the Board, for its approval, an annual self-evaluation process of the Directors and oversee the conduct of this annual evaluation.
  - b. Annually, evaluate and recommend whether an incumbent Director should be nominated for reelection upon expiration of such Director's term, and review the evaluation results with the Board. The Committee will use the same factors established for new Director candidates to make its evaluation and will also take into account the incumbent Director's performance as a Director.
  - c. Make recommendations regarding new Director orientation and continuing training of the Directors.
  - d. When needed, identify and recommend to the Board individual candidates to be nominated for election or appointed as Directors. The Committee will refer to the Criteria for Director Candidates attached as Appendix C when reviewing potential Director candidates.
  - e. Annually identify and recommend to the Board an independent Director to serve in a lead capacity on the Board (the "Lead Director"). Although elected annually, the Lead Director is generally expected to serve for more than one year, but shall rotate among Directors periodically. The Lead Director may be removed or replaced at any time with or without cause by a majority vote of the Board of Directors.
  - f. Discuss with the Company's executive officers legal and regulatory matters that may have a material impact on the Company's governance or compliance policies.

## 6. Reporting to the Board

- a. Report its activities regularly to the Board in such manner and at such times as the Committee and the Board deem appropriate, but in no event less than once a year.
- b. At least annually, review and conduct the Committee's assigned enterprise risk management responsibilities and report thereon to the Audit Committee or the Board as necessary.

## 7. Other Delegated Duties or Responsibilities. Perform such other duties or responsibilities as the Board may from time to time delegate to it.

### **Annual Review of Charter**

The Committee will conduct and review with the Board annually an evaluation of this Charter and recommend any changes to the Board. The Committee may conduct this evaluation in such manner as the Committee, in its business judgment, deems appropriate. In addition, the Committee will assure that the Charter will be published on the Company's website.

### **Annual Performance Evaluation**

The Committee will conduct and review with the Board annually an evaluation of the Committee's performance with respect to the requirements of this Charter. This evaluation will also set forth the goals and objectives of the Committee for the upcoming year. The Committee may conduct this performance evaluation in such manner as the Committee, in its business judgment, deems appropriate.

## APPENDIX A

### CORPORATE GOVERNANCE GUIDELINES

The Board of the Company has adopted these Corporate Governance Guidelines to provide guidance for the governance of the Company. The Governance and Nominating Committee will be responsible for monitoring these guidelines and will review these guidelines on an annual basis and, subject to Board approval, make such revisions as may be necessary or appropriate.

#### Role of the Board

The Board has the broad general authority as defined in the Ohio Revised Code and the Company's Amended Articles of Incorporation. In exercising its authority, the Board considers the interests of the Company and its employees, customers, suppliers and communities in evaluating whether the Company appropriately serves its shareholders.

In fulfilling its role, the Board will, in addition to its other responsibilities,

- select and, on an annual basis, evaluate the performance of the Chief Executive Officer;
- perform, on an annual basis, a self-evaluation of the Board to determine whether it and its committees are functioning effectively;
- monitor compliance with the Company's ethical standards as set forth in the Company's Code of Ethics;
- ensure effective Director and management succession planning;
- review recommendations from the Governance and Nominating Committee regarding new Director orientation and continuing training of the Directors;
- ensure compliance with the Company's Director Regulatory Requirements attached hereto in Appendix B and incorporated by reference into these Corporate Governance Guidelines;
- regularly review Company strategy;
- regularly review Company performance against its financial and strategic plans;
- ensure existence of sound risk management and financial control systems and adequate functioning of these systems;
- identify and recommend appropriate Board candidates;
- ensure a compensation system exists for executive officers that is performance based and fair and equitable to the executive officers and to

the Company, and is transparent to shareholders; and

- review and approve significant corporate actions including, without limitation, significant capital expenditures and disposal of significant capital assets, and the Company's dividend payments.

In carrying out its responsibilities, the Board will have access to Company management, counsel, independent auditors and other independent advisors as the Board deems appropriate.

### **Executive Sessions**

The independent Directors of the Board will, on a regular basis, hold meetings in executive session without the presence of management. Each of these meetings will be chaired by the Lead Director or, if he or she is not present, the Chair of one of the Committees of the Board as determined by the independent Directors present at such meeting.

Executive sessions of the Board generally will be held in conjunction with the regularly scheduled meetings of the Board.

### **Committees of the Board**

Consistent with the Company's Amended Regulations, the Company has established the following committees of the Board:

1. Audit Committee;
2. Compensation Committee; and
3. Governance and Nominating Committee.

All committee members will be recommended by the Governance and Nominating Committee and will serve at the pleasure of the Board. The Chair of each committee also will be recommended by the Governance and Nominating Committee and will serve at the pleasure of the Board. Although elected annually, each Chair is generally expected to serve for more than one year.

The Board will have the authority to define the duties of each committee and delegate authority to such committees to act on behalf of the Board. Each committee listed above will consist of at least one member, each of whom will meet the definition of an "independent director" set forth in the criteria attached hereto in Appendix B and will also be consistent with any additional requirements which may be imposed by the New York Stock Exchange (the "NYSE"), the SEC or other regulatory or legislative bodies. The members of the Audit Committee must also meet the additional requirements set forth in the charter of that committee.

The duties of the committees of the Board will be as set forth in separate committee charters as regularly reviewed by the Governance and Nominating Committee and approved by the Board. The Board also may from time to time create certain administrative committees.

Consistent with the NYSE listing requirements, the Board's committee charters, these Guidelines and any attachments are included on the Company's website and are available upon request in writing sent to the Corporate Secretary of the Company.

## APPENDIX B

### DIRECTOR REGULATORY REQUIREMENTS

The following criteria, policies and procedures are an integral part of the Company's Corporate Governance Guidelines to provide additional guidance to the Board in carrying out its responsibilities.

#### Independent Directors

The Company requires that a majority of its Directors must be "independent" as required by the rules of the New York Stock Exchange (the "NYSE") and the U.S. Securities and Exchange Commission (the "SEC"), or by such other applicable rules or regulations as may be established. The Board, on an annual basis, will make a determination as to the independence of each Director in accordance with these prescribed rules or regulations. The Board will then certify its conclusions as to such independent status, and the Company will disclose these conclusions and the reasons therefore in the Company's annual proxy statement.

In general, "independent" means that a Director has no material relationship with the Company or any of its subsidiaries. The existence of a "material" relationship must be determined upon a review of all relevant facts and circumstances, and generally is a relationship that might reasonably be expected to compromise the Director's ability to maintain his or her independence from management.

The Board will consider the issue of materiality from the standpoint of the relationship or the entity with which the Director has an affiliation as well as from the standpoint of the Director.

The Board will use the following criteria, in conjunction with the rules of the NYSE and SEC, in reaching its conclusions regarding the independence of a Board member:

- no Director will be qualified as "independent" unless the Board of Directors affirmatively determines that the Director has no material relationship with the Company, either directly or as a partner, shareholder, or officer of an organization that has a relationship with the Company, and the Company will, on an annual basis, disclose these affirmative determinations;
- no Director who is a former employee of the Company can be deemed "independent" until three years after the end of his or her employment relationship with the Company;
- no Director whose immediate family member is a former executive officer of the Company can be deemed independent until three years after the end of the executive officer's relationship with the Company;



- no Director who receives, or whose immediate family member receives, more than \$120,000 in direct compensation from the Company in any 12 month period within the most recent three years, other than Director and Committee fees and benefits under a tax-qualified retirement plan or non-discretionary compensation for prior service (provided such compensation is not contingent in any way on continued service), can be “independent” until three years after he or she ceases to receive more than \$120,000 in direct compensation during such time period;
- no Director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company can be “independent” until three years after the end of the affiliation or the employment or auditing relationship;
- no Director who is employed, or whose immediate family member is employed, as an officer of another company where any of the Company’s present executive officers serve on that company’s compensation committee can be “independent” until three years after the end of such service or employment relationship;
- no Director who is, or whose immediate family member is, an officer or employee of, partner in, or controlling shareholder of, a company (excluding charitable organizations) that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year exceeds the greater of \$1,000,000 or 2% of such other company’s consolidated gross revenues can be “independent” until three years after falling below such threshold; and
- no Director can be “independent” if the Company has made charitable contributions to any charitable organization in which such Director, or an immediate family member of such Director, serves as an officer if, within the preceding three years, contributions by the Company to such charitable organization in any single completed fiscal year of such charitable organization exceeded the greater of \$1,000,000 or 2% of such charitable organization’s consolidated gross revenues.

The Board will treat immediate family members the same as the Director when determining independence and in determining whether a material relationship exists. In limited circumstances to the extent the above criteria are more restrictive than the rules of the NYSE and SEC, the Governance and Nominating Committee and the Audit Committee will consider in the circumstances whether the latter criteria will apply.

Directors whose primary professional position or responsibility materially changes (other than through internal promotion) from the position or responsibility they held when they were elected to the Board should promptly notify the Board of

such changes. The Governance and Nominating Committee will review the qualifications of such member under the circumstances and afford the Board, at its discretion, the opportunity to replace such Director. Any such recommendation will be incorporated into the determination of the election slate for the next election of Directors consistent with the Board Directors Candidates' Criteria (Appendix C).

Members of the Board will advise the Chairman of the Board whenever they accept an invitation to serve on another public company board and, absent the prior unanimous consent of the Board, will in no event serve on more than three public company boards at any one time.

### **Director Recommendations**

The Governance and Nominating Committee of the Board of Directors will be responsible for identifying and recommending individual candidates to the Board to become Board members. The Committee will also refer to the criteria described in Appendix C, Director Candidates' Criteria, in its review of Director candidates.

### **Director Compensation**

Compensation paid to nonemployee Directors will be commensurate with compensation paid to nonemployee directors of companies of similar sizes and similar industries. Nonemployee directors will be reimbursed for all necessary and reasonable expenses in connection with their performance of Board responsibilities. Nonemployee directors may not receive compensation from the Company other than for service as a Director. The Compensation Committee will periodically review the status of Board compensation, and any recommendations for changes in the compensation of Directors will be submitted to the Board for its review and approval.

Directors who are employees of the Company will not receive any compensation for their service on the Board.

### **Ownership of Company Common Shares**

The Board believes that share ownership by its Directors aligns the interest of each Director with the interests of the Company's shareholders. The Board has established a minimum share ownership requirement for its Directors of no less than five times the annual cash retainer paid to each Director. Directors should strive to attain this ownership threshold within three years of joining the Board, absent unforeseen hardship.

## **Director Retirement**

Absent specific action by the Board, nonemployee Directors will not be eligible for nomination after attaining age 75.

## **Meeting Attendance and Communications**

Directors are required to attend at least 75 percent of all Board and Board Committees' meetings.

Directors are encouraged to participate actively in open discussion during meetings, to give advice and counsel to the Chief Executive Officer ("CEO") when called upon between meetings, and to bring to the attention of management matters that could contribute to the Company's well being. Information that is important to the Board's understanding of the Company's business will be distributed to the Directors at a reasonable time in advance of the Board meetings. Directors are expected to review meeting materials in advance of and in preparation for all Board meetings.

## **Director Orientation**

An executive officer of the Company will provide all newly elected Directors with an orientation regarding the Company's organizational and governance documents, recent SEC filings, corporate structure and organizational charts and related information concerning the Company's business and its strategic and operational plans, and will also provide such additional Director training and orientation as appropriate.

## **Roles of Chairman, President and CEO**

The Board will elect a Chairman of the Board for the orderly conduct of Board meetings. The Board also will elect a President and/or CEO, and the Board may decide to recommend that the individual(s) holding such offices be nominated for election to the Board of Directors. One person may hold one or more of these offices.

## **Ethics and Conflicts of Interest**

Company affairs are to be conducted in conformity with high moral and ethical standards and, to this end, each Director is expected to set an example by adhering to the highest standards of conduct. A Director should disqualify himself or herself from voting on any matter as to which such Director's objectivity and judgment may be impaired by reason of self interest or otherwise.

## **Succession Planning**

The Governance and Nominating Committee will work with the CEO to plan for CEO succession in the event of a normal retirement and in the event of an unexpected occurrence. The Governance and Nominating Committee is responsible for annually reviewing the performance of the CEO.

The CEO will conduct an annual evaluation of the performance of the executive officers and will conduct a review of management development and succession planning. The CEO will report at least annually to the Governance and Nominating Committee on any resulting recommendations for succession planning.

## **Securities Reports**

Each Director is responsible by law for filing timely reports with the SEC with respect to all changes in the beneficial ownership of Company securities. To facilitate the filing of these reports, each Director will execute a power of attorney authorizing the Corporate Secretary or other designated individual(s) to prepare and file such report on his or her behalf when so requested.

## APPENDIX C

### DIRECTOR CANDIDATES' CRITERIA

In recommending Director candidates, the Committee will consider such factors as it deems appropriate and will recommend nominees who have the highest personal and professional integrity and who have demonstrated exceptional ability and judgment.

- All Director candidates should be committed to the Company's principles and will be individuals of integrity, intelligence and strength of character;
- Nonemployee Director candidates should meet the independence requirements of the NYSE and the SEC and the Company's Corporate Governance Guidelines to the extent necessary to ensure that a majority of the Directors are independent;
- Nonemployee Director candidates should also maintain independence necessary for an unbiased evaluation of Director and management performance;
- Nonemployee Director candidates should be able to effectively carry out responsibilities of oversight of the Company's strategy and risk management;
- Nonemployee Directors should have either significant experience in a senior executive roles with major business organizations or relevant experience from other professional backgrounds;
- Nonemployee Directors should have a working knowledge of corporate governance issues and the role of directors, together with a commitment to attend and participate in Directors' meetings and related Directors' activities;
- Director candidates should not have any affiliations or relationships with competitive businesses or organizations, or any other activities which could lead to a real or perceived conflict of interest; and
- All Director candidates will be evaluated and selected consistent with the Company's policy of nondiscrimination.