

**APPLIED INDUSTRIAL TECHNOLOGIES, INC.  
EXECUTIVE ORGANIZATION & COMPENSATION  
COMMITTEE CHARTER**

Primary responsibility for the organization and compensation of the Corporation's executive management is vested in the Board of Directors (the "Board"). The Executive Organization & Compensation Committee (the "Committee") is a standing committee of the Board comprising solely such independent directors as the Board may appoint from time to time. "Independence" of Committee members will be determined by the Board according to its guidelines set from time to time and according to applicable laws and rules of the Securities and Exchange Commission and the New York Stock Exchange, with the goal of assuring that Committee members have no relationship to the Corporation that may interfere with the exercise of their independence from management. The members of the Committee shall be appointed, and may be removed, by the Board.

The primary purposes of the Committee are to assist the Board in the governance of the Corporation by:

- Monitoring and overseeing the Corporation's management succession planning and leadership development processes.
- Nominating candidates for the slate of officers to be elected by the Board.
- Reviewing and evaluating, and approving changes to, the compensation and benefits for the Corporation's executive officers.
- Administering and interpreting the Corporation's incentive compensation, benefit, and stock-related plans in which the Chief Executive Officer and other senior executives and key employees may be participants.

The Committee shall have unrestricted access to the Corporation's personnel and documents and will be given the resources necessary to discharge its responsibilities. The Committee shall meet at least once per year and may establish a schedule of additional regular meetings as it considers appropriate. The Committee may also call special meetings as required.

The Committee shall communicate its findings, conclusions and recommendations to the Board and/or the Chief Executive Officer as required by the Board or pursuant to its own initiative.

Annually, the Committee shall evaluate its performance and review and update this charter for consideration by the Board.

The Committee's specific responsibilities include the following:

A. Executive Organization.

1. Succession Planning and Leadership Development.

The Committee shall initiate the process for monitoring and oversight of management's succession planning and leadership development processes. In particular, the Committee shall (i) review and evaluate management's succession planning and leadership development processes, (ii) confirm that the processes promote the diversity of management, in a manner in which individuals' cultural and other differences are respected and valued, and (iii) perform a periodic review and evaluation of the processes' results; alternatively, the Committee may confirm that the Board itself is conducting those activities. The Committee shall present the results of any review and evaluation it conducts to the full Board. In addition to such presentations as the Committee may request, management shall present its succession plan to the full Board.

2. Officer Nomination.

The Committee shall nominate individuals for the slate of officers to be elected at the Board's organizational meeting, and from time to time as may be appropriate to fill vacancies or as new officer positions may be created. The Committee shall consider the recommendations of the Chief Executive Officer.

B. Compensation and Benefits.

The Committee shall review the Corporation's executive compensation and benefit programs and plans, and consider proposals and make recommendations relating thereto in order to (i) attract, retain, and appropriately reward the executive officers, (ii) motivate

their performance in the achievement of the Corporation's business objectives, and (iii) align the interests of the executive officers with the interests of the Corporation's shareholders. Proposals relating to the executive compensation and benefit programs and plans may be made by the Committee at its own initiative.

The Committee's specific responsibilities with respect to executive compensation and benefits shall include the following:

- The Committee shall periodically review its philosophy in setting policies relative to the Corporation's executive compensation and benefits.
- As may be legally required, the Committee shall prepare and approve reports to the Corporation's shareholders on the compensation of the Corporation's executive officers.
- The Committee shall, at least annually, review market data to assess the Corporation's competitive position for base salary, annual incentives and long-term incentives.
- Consistent with the Committee's philosophy regarding executive compensation and the market data, the Committee shall establish the compensation (including base salary, annual incentives, and long-term incentives), benefits, and perquisites for the executive officers. When setting the Chief Executive Officer's compensation, the Committee shall evaluate his or her performance and consider the results of the most recent CEO evaluation process conducted by the Board's Corporate Governance Committee. When setting the other executive officers' compensation, the Committee shall take into consideration the CEO's recommendations.
- The Committee may recommend to the Board the adoption and/or amendment of the Corporation's annual and long-term incentive compensation plans, benefit plans, and stock-related plans in which the Chief Executive Officer and other senior executives and key employees may be participants, and employment agreements to which they may be parties.
- The Committee shall administer and interpret, and make awards and grants under, the Corporation's annual and long-term incentive compensation plans, benefit

plans, and stock-related plans in which the Chief Executive Officer and other senior executives and key employees may be participants. All such powers shall be executed in the best interests of the Corporation and in keeping with the objectives of the plans.

- The Committee may, as appropriate, retain an independent consultant to provide advice with respect to executive compensation and benefit programs and plans. The Committee has the sole authority to retain and to terminate any such consultant, including the sole authority to approve the firm's fees and other retention terms.