

# DIVIDEND REINVESTMENT PLAN

## SCHRODERS PLC

### TERMS & CONDITIONS

Schroders plc has arranged a dividend reinvestment plan that gives shareholders the opportunity to use their cash dividend to buy Shares through a special dealing arrangement. The Plan is administered in the United Kingdom by Computershare which is authorised and regulated by the FCA in the conduct of the Plan. The Plan is not run by Schroders plc itself. The following pages form the terms and conditions of the Plan.

Please read these terms and conditions carefully and keep them in case you need to refer to them in the future.

**This information should not be regarded as a recommendation to buy or hold Shares. The value of Shares and the income from them can fall as well as rise and you may not recover the amount of money you invest. This Service is offered on an execution only basis. You should ensure it meets your own requirements. If you are in any doubt about what you should do, you should get independent professional advice.** If you have any questions about the Plan, you can write to: Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ or telephone: 0800 923 1530.

### DEFINITIONS

**broker** means the broker or market maker which we use from time to time in order to execute client instructions.

**business day** means any day (excluding Saturday) on which banks in the United Kingdom are generally open for non-automated business.

**Company** means Schroders plc.

**Computershare** means Computershare Investor Services PLC.

**costs** mean our fees, commission or other charges payable on the purchase of your Shares.

**execution only basis** means that Computershare Investor Services PLC will not provide any advice in relation to the service, and any instruction received will be executed upon receipt and acceptance by Computershare Investor Services PLC and/or the broker (as relevant).

**FCA** means the Financial Conduct Authority.

**FCA Rules** Means the rules as defined in the FCA Handbook.

**FSCS** means the Financial Services Compensation Scheme.

**market maker** means the entity able and willing to enter into transactions to sell and purchase investments at prices determined by them generally and continuously, rather than in respect of each particular transaction.

**MIFID** means The Market in Financial Instruments Directive.

**Plan** means the Schroders plc dividend reinvestment plan described in these terms and conditions.

**retail client** means someone who is not a financial services professional and who is accordingly offered the full protection of the FCA Rules under the Financial Services Act 2012.

**shareholders** means shareholders of the Company.

**Shares** means Schroders plc ordinary voting shares of £1 and ordinary non-voting share of £1 or such other nominal value as may be lawfully adopted by the Company from time to time.

**our/us/we** means Computershare Investor Services PLC whose registered details appear at the end of these terms and conditions.

**you or client** means the person using the Plan service.

### ABOUT THE PLAN

#### 1. How does the Plan work?

Shareholders using the service reinvest the cash dividend paid by the Company by us arranging the purchase of the Shares through a special dealing arrangement.

If you join the Plan, then as many Shares as possible will be purchased for you from the proceeds of your cash dividend. Dealing commission and stamp duty reserve tax will be charged. Details of the rates payable are set out in Section 5. Purchases are made on

or as soon as reasonably practicable after the relevant dividend payment date. The purchases are made on an execution only basis. In calculating the dealing commission and stamp duty reserve tax payments to be made to the broker for the transaction, we will round up to the nearest penny; any potential fraction difference will be kept for our own benefit.

All client money we hold on your behalf as a consequence of administering the Plan is maintained in a designated client money account at a UK approved bank. This means your money is segregated and protected in accordance with the requirements of the FCA Rules. If we or the bank became insolvent your money would remain protected in accordance with the prevailing terms of the FSCS. We will not pay interest on monies held in this account.

### **2. How is a dividend reinvestment plan different from a scrip dividend scheme?**

Under a dividend reinvestment plan, a company pays a cash dividend which is then used to buy existing shares in the company on the open market. No new shares are created, thus avoiding an increase in the amount of issued capital of the company. In a scrip dividend scheme, the company creates new shares instead of paying a cash dividend.

### **3. Who may join the Plan?**

All shareholders may participate in the Plan provided they do not live in, or are subject to the jurisdiction of any country outside the United Kingdom that would require the Company, Computershare and/or the broker to comply with local government or regulatory procedures or any similar formalities.

Shareholders who do not live in the United Kingdom are personally responsible for ensuring that they are legally permitted to join the Plan and for completing any necessary formalities. If there is any doubt regarding your suitability to join the Plan, you should seek independent professional advice.

Should it materialise that you are subject to the jurisdiction of such a country we may, at our discretion, cancel your participation in the Plan.

Where local legislation prohibits participation in the Plan, this documentation should be regarded as information only.

Employees of the Company designated as relevant employees for the purposes of share dealing will need to make a notification under the Code of Practice for Staff Dealing in Schroders plc Securities of any Shares purchased on their behalf.

### **4. Who will administer the Plan?**

The Plan is administered by Computershare.

### **5. How much will it cost me to participate in the Plan?**

There is no entry fee but Plan participants will be charged a dealing commission of 0.5%. You will also have to pay stamp duty reserve tax at the prevailing rate (currently 0.5%) on the value of the Shares purchased. Such dealing charge will automatically be deducted from the purchase amount. For example, if a £100 dividend is to be used to purchase Shares under the Plan, £1 would be deducted from such dividend to cover such dealing charge.

There may be further taxes or costs incurred that are not paid via us or imposed by us.

### **6. At what price will the Shares be bought, how many Shares will I receive and when will I receive confirmation?**

On payment of your dividend, monies will be aggregated with the monies of all other Plan participants. In accordance with our Best Execution Policy an instruction will be passed by us to the broker to purchase as many whole Shares as can be paid for from the aggregated monies remaining from the dividend amount after providing for the dealing commission and stamp duty reserve tax. Accordingly, you cannot specify any maximum or minimum price for your Shares. Monies from the aggregated funds will be applied to settle executed trades as settlement becomes due.

When receiving and transmitting your instruction to a broker for execution we take reasonable steps to select a broker who will determine the best possible result in terms of total consideration. The broker we select is required, prior to executing the instruction, to consider factors such as the prevailing stock price and costs but may also consider further factors such as the likelihood of execution, size of instruction, nature of stock, speed of settlement and execution venue.

The broker will normally select execution venues that are Regulated Markets or Multilateral Trading Facilities (**MTF**); these are markets authorised to the extent that they operate in accordance with non-discretionary rules as required by MiFID (e.g. London Stock Exchange). In order to obtain the best possible result the broker may decide at its discretion to execute your instruction outside a Regulated Market or MTF; this could happen if the broker deals as principal, executes the client instruction with a market maker or matches the client instruction against another client instruction received. By using the service you consent to us transmitting the instruction on the basis that the broker may use a venue that is not a Regulated Market or MTF.

The broker may carry out several market transactions in order to acquire the number of Shares needed for the Plan. To help ensure that you receive the best available price for the Shares, this process may take a number of days. The number of Shares you receive will depend on the market price of the Shares at the time the broker executes the market transactions.

Due to the typically large size of aggregated Plan trades, a validation process will be undertaken by us and the broker to confirm that the correct number of Shares have been purchased for all Plan participants. Only once we are able to determine finally how many Shares will be allocated to all Plan participants, carried out the necessary internal audit procedures, allocated your Shares to you and printed the confirmation note will the purchase be regarded as complete and properly executed. Depending on the nature of the trade, this process can take up to 14 business days.

### **7. Where can I receive further information on your Best Execution Policy?**

A full copy of the policy is available upon written request made to: Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AL. When transmitting your instructions to a third party for execution, we take reasonable steps to use a broker whose stated execution policy is to obtain the best possible result for your trade. We have implemented a policy that identifies the factors involved with transmission of and execution of client instructions by the broker receiving these instructions from us. These factors will usually give priority to the prevailing price and costs.

### **8. What documents will I receive?**

After we are satisfied that all the procedures described in section 6 have been completed we will dispatch a share purchase advice note to you. This will confirm how many Shares have been purchased for you. It will also include a tax voucher and either the share certificate or CREST notification. The CREST notification will show the additional shares credited to your CREST account.

All documents will be despatched by post at your risk within one business day of us being satisfied that all purchases required under the Plan have been executed and completed in accordance with section 6. Neither the Company nor Computershare shall be liable for any accidental failure to receive any document. All documents will be despatched at your own risk.

All notices shall be sent only to the first named shareholder at the address recorded in the share register.

### **9. What happens when money is left over after Shares have been bought?**

Because only whole Shares will be bought under the Plan, there will usually be a small "cash surplus" left over afterwards that is insufficient to buy another whole Share. This cash surplus will be carried forward in a non interest bearing account and added to future cash dividends for reinvestment in the Company's Shares under the Plan.

However, in the following circumstances any cash surplus will be paid out without interest:

- if you send a written request for its return to Computershare, however, any such request will also be treated as a notice that you wish to withdraw from the Plan.

Any cash surplus of £3.00 or over will be returned to you without interest in any of the following circumstances:

- if you withdraw from the Plan;
- if you sell or transfer all of your Shares;
- if we receive proper notice of a Plan participant's bankruptcy or mental incapacity;
- if a Plan participant is a corporate shareholder and we receive proper notice that it has been placed in liquidation.

If we receive proper notice of a Plan participant's death, any cash surplus of £3.00 or over will be returned without interest to the deceased's estate.

Any cash surplus of £2.99 or less will be retained by us for our own use.

### 10. Will the Plan apply to future dividends?

It is envisaged that the Plan will continue to operate for the foreseeable future. However, each of the Company and Computershare reserves the individual right to suspend or terminate the Plan at any time, in which case we will use reasonable endeavours to ensure notice is given to all Plan participants. Computershare may amend the Plan without notice when the amendment is required by reason of a statutory or regulatory provision, and Computershare shall inform Plan participants in writing of the amendment as soon as practicable. In any other case Computershare may amend the Plan by 30 days written notice to Plan participants. Such amendments may include revision of the costs and charges associated with the Plan. Computershare is not obliged to make the Plan available for any particular dividend. If the Plan is not made available, a cash dividend will be paid.

### 11. What should I do if I want to join the Plan?

To join the Plan you can apply on-line at [www.investorcentre.co.uk](http://www.investorcentre.co.uk) or, alternatively, complete and sign the mandate form enclosed with this brochure and return it to us in the prepaid envelope provided. If you have more than one shareholding in the Company, you should complete a separate mandate form in respect of each shareholding in relation to which you wish to participate in the Plan. If you wish to consolidate your shareholdings in the Company, please contact Computershare at the address or on the telephone number set out on the first page of these terms and conditions. We must receive your completed mandate at least 15 business days prior to the relevant dividend payment date. Applications received by us after that date will only be effective for the next following dividend.

We may delay taking any action on any particular instructions from you if we consider that we need to do so to obtain further information from you, or to comply with any legal or regulatory requirement binding on us (including the obtaining of evidence of identity to comply with money laundering regulations), or to investigate any concerns we may have about the validity of, or any other matter relating to, the instruction.

Computershare reserves the right not to accept any mandate form which is not given on a relevant form, or which is given on any form that has not been properly completed. Such forms or instructions, if not accepted, will be returned to you. We will not accept any faxed, e-mail or telephone instruction or a photocopied form.

If we have a valid reason to do so, we may choose not to act on any particular instruction. We will notify you in writing as soon as we decide not to accept a particular instruction.

If you hold your Shares in uncertificated form in the CREST system you may elect to participate in the Plan by means of the CREST procedures that require the use of the Dividend Election Input Message in accordance with the CREST Manual. Further details of these procedures are contained in section 16 under the heading "CREST procedures".

Once you have elected to participate in the Plan, all future dividends will be reinvested under the Plan until either you withdraw from the Plan (see section 12) or the Plan is suspended or terminated. If you use the on-line application in respect of any joint shareholdings, you must confirm that you are the first-named shareholder or have the consent of all other joint holders to use the Plan service.

### 12. If I join the Plan now, how can I cancel it or withdraw from it in the future?

You have two separate rights – cancellation rights, which apply only at the start of the Plan, and withdrawal rights, which apply throughout the life of the Plan. They are simply two separate mechanisms you can use to leave the Plan.

You can cancel your participation in the Plan within 14 calendar days of the date on which we receive your completed mandate ("the Cancellation Period"). However, you will lose your cancellation right if you make a request during the Cancellation Period for us to process a dividend for you in accordance with this Plan. For administrative purposes it is essential that we know how many shareholders wish to participate in the Plan no later than 15 business days before each relevant dividend payment date. We refer to the first day of this 15 business day period as the "Cut-Off Date". Accordingly, if you choose to submit your mandate to us at a time which would result in your Cancellation Period expiring on or after the Cut-Off Date, you will be deemed to have expressly requested us to proceed to process your dividend in accordance with the Plan during the Cancellation Period. The effect of this is that if we have not received a notice of cancellation from you prior to the Cut-Off Date, **you will lose your cancellation rights.**

If you want to cancel your participation you should notify Computershare in writing at the address at the beginning of these terms and conditions, such notice to be received no later than the end of the Cancellation Period or, if earlier, the day prior to the Cut-Off Date.

If you do not exercise your right to cancel we will provide the agreed services in accordance with these terms and conditions.

You can withdraw from the Plan at any time by writing to Computershare at the address stated at the beginning of these terms and conditions. Your written notice must be received no later than 15 business days before any dividend payment date if you do not wish to be included in the Plan for that dividend.

If you have joined the Plan on-line you may withdraw from the Plan at any time on-line. Your withdrawal must be received no later than 15 business days before any dividend payment date if you do not wish to be included in the Plan for that dividend.

If you send a request to us for surplus cash to be returned to you (see section 9), this will be treated as a notice that you wish to withdraw from the Plan.

If we receive proper notice of a Plan participant's death, bankruptcy or mental incapacity (or, in the case of a corporate shareholder, liquidation) participation in the Plan will cease unless the Shares are held jointly with others.

### 13. Can I join the Plan for just some of my Shares?

No. For administrative reasons, you must join the Plan for either your entire shareholding or not at all. If you complete and return a mandate form, you will be deemed to have elected to join the Plan in respect of your entire shareholding as at the relevant dividend record date.

Notwithstanding this, Computershare may, at its discretion, permit partial reinvestment on a lesser number of Shares than the full holding where that shareholder is a corporate shareholder and/or is acting on behalf of more than one beneficial owner, i.e. a nominee shareholder. This partial reinvestment will apply for that dividend payment only.

Applications for partial reinvestment must be received in writing by Computershare no later than 15 business days prior to the relevant dividend payment date. A cash dividend will be paid on the balance of the Shares not included in the Plan.

### 14. What should I do if I do not want to join the Plan?

If you want to continue to receive a cash dividend and do not want to join the Plan, then you need take no action.

### 15. What happens if I buy or sell Shares?

If you participate in the Plan and you buy more or sell some (but not all) of your Shares, your mandate will continue to apply in respect of the increased or decreased holding. If you sell all your Shares, your participation in the Plan will cease, but if you sell your Shares between an ex-dividend date and that dividend's payment date, that dividend may be paid in the form of Shares. Any cash surplus of £3.00 or over will be sent to you as soon as practicable (see section 9).

### 16. CREST procedures

If you hold your Shares in uncertificated form in CREST and will continue to do so at the record date for the relevant dividend, you must elect to participate in the Plan by means of the CREST procedures to effect such an election. If you are a CREST Personal Member, or other CREST Sponsored Member, you should consult your CREST sponsor, who will be able to take the appropriate action on your behalf.

The CREST procedures require you to use the Dividend Election Input Message in accordance with the CREST Manual. The message should be correctly completed in order for a valid election to be made. The Company and/or Computershare reserve(s) the right in its or their discretion to treat as valid any election which is not complete in all respects. A valid election made by means of Dividend Election Input Message will, to the extent it relates to Shares held in uncertificated form at the record date for the relevant dividend, supersede all previous written elections made in respect of holdings in the same member account. By inputting a Dividend Election Input Message as described above, you confirm your election to participate in the Plan in accordance with the details input and with these terms and conditions of the Plan as amended from time to time, and you appoint us as your agent to arrange the purchase of Shares in accordance with such terms and conditions.

The Shares purchased on your behalf pursuant to the Plan will be credited to your relevant CREST member account unless the Company or Computershare from time to time determines that such Shares shall be issued to you in certificated form.

You may only revoke an election which has been made by Dividend Election Input Message by utilising the CREST procedure for deletions described in the CREST Manual, unless the Company and/or Computershare consents to a revocation in another form.

The deletion will be valid in relation to the then current dividend only if the deletion is accepted, in accordance with the CREST procedures, by or on behalf of the Company prior to the deadline for receipt of withdrawals set out in these terms and conditions. It is recommended that you input any deletion message 24 hours in advance of this deadline to give the Company and Computershare sufficient time to accept the deletion. There is no facility to amend an election which has been made by Dividend Election Input Message. If you wish to change your election details you must first delete the existing election as described above and then input a Dividend Election Input Message with the required new details.

It is possible to revoke previous written elections made in respect of your uncertificated holding to participate in the Plan (without having to make a new election) by means of the "Non-CREST Election" and "Deletion Request Status" fields in the Dividend Election Input Message in accordance with the procedures described in the CREST Manual. The deletion will be valid in relation to the then current dividend only if the deletion is accepted, in accordance with the CREST procedures, by Computershare on behalf of the Company prior to the deadline for receipt of withdrawals set out in these terms and conditions. It is recommended that you input any deletion message 24 hours in advance of this deadline to give the Company and Computershare sufficient time to accept the deletion.

### OTHER INFORMATION

#### 17. How does joining the Plan affect my tax position?

**Income tax:** You are liable for income tax on dividends reinvested under the Plan on the same basis as if you had received the cash dividend and arranged the investment yourself. You should therefore include the dividend in your tax return in the normal way.

**Capital gains tax:** You may be liable to capital gains tax if you subsequently dispose of the Shares.

This summary of the likely tax position only considers the position of individual shareholders resident in the UK for tax purposes.

If you are in any doubt about your tax position, you should obtain independent professional advice. Tax legislation can change from time to time.

#### 18. Who will carry out the purchase of Shares?

All instructions to purchase Shares in this Plan will be received by Computershare and transmitted to a broker selected by Computershare in accordance with the Best Execution Policy.

#### 19. Liability

Our liability to you for any reason including negligence or wilful default will not exceed the amount of the dividend payment to which you are entitled. We will not be liable for any special or consequential damages. Nothing in these terms and conditions limits liability for our fraud.

#### 20. Force majeure

We shall not be responsible for delays or failure to perform any of our obligations due to acts beyond our control. Such acts shall include, but not be limited to, acts of God, strikes, lockout, riots, acts of war, terrorist acts, epidemics, governmental regulations superimposed after the fact, communication line failures, power failure, earthquakes or other disasters.

#### 21. Is there anything else of which I should be aware?

The price of the Shares depends on fluctuations in the financial markets outside our control. Past performance is no indicator of future performance.

The parties to this agreement are you and us (the 'parties'). The parties do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any party who is not a party to it.

We will take reasonable care in the selection and continued use of the broker but we do not accept any responsibility for any losses or expenses suffered or incurred by you as a result of any acts or omissions by the broker.

Computershare and its agents (including any broker) may effect transactions notwithstanding that they have a direct or indirect material interest or a relationship of any description with another party which may involve a conflict with its duty to Plan participants. We manage those conflicts of interest of which we are aware and monitor the effectiveness of our policies and procedures on a regular basis. We make every effort to disclose the interests of us and our employees where it is suspected that a conflict of interest may arise. In

accordance with our regulatory responsibility on this matter we operate a documented policy that details our obligations if such events arise. Full details are available upon a written request to: Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AL.

Computershare is authorised to disclose any information regarding shareholders or their participation in the Plan to any relevant authority, or as required by such authority, whether by compulsion of law or not. Computershare shall not be liable for any disclosure made in good faith provided that Computershare believes that such disclosure has been made in accordance with the foregoing requirements.

Each of the provisions of the Plan shall be severable and distinct from one another and if one or more of such provisions is invalid or unenforceable the remaining provisions shall not in any way be affected.

Computershare has procedures to help resolve all complaints from customers effectively, if applicable, a copy of which can be provided on request. Computershare is authorised and regulated by the FCA. If you have any complaints about the Plan service provided to you or wish to receive a copy of our complaints procedure please write to us at: Computershare Investor Services PLC, Shareholder Relations, The Pavilions, Bridgwater Road, Bristol, BS13 8AE. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service, details of which are available on request.

Computershare is covered by the FSCS and you may be entitled to compensation if Computershare cannot meet its obligations. Most types of investment business are covered for 100% of the first £50,000 (i.e. a maximum of £50,000 per person). Further details of this scheme are available on request.

Any personal data that we obtain from you in connection with the Plan will be held by us in accordance with the relevant legislation. We will only hold, use or otherwise process such of your personal data as is necessary to provide you with the Plan service. Your details will only be disclosed in accordance with the principles set out in the Data Protection Act 1998:

- to any person if that person has legal or regulatory powers over us; or
- to the broker or any other person or body in order to facilitate the provision of the service.

We may use our group companies or other agents in countries outside the European Economic Area provided that we are satisfied that the same standards of protection of personal data have been applied either by contract or law.

You have a right to request to view the personal data that we hold on you. We may charge you a small fee for providing you access to this information.

Nothing in these terms and conditions restricts any rights you may have under the rules of the FCA or under the Financial Services Act 2012.

Computershare provides its contractual terms in English and will only communicate with you in English during the duration of these terms and conditions.

These terms and conditions are governed by and shall be construed in accordance with the laws of England and Wales. Computershare has applied the same laws in its marketing of, and arrangements for you to enter into, this Plan.

We are not required to assess the suitability of any investment or the Plan service offered. You will not benefit from the protection of the rules on assessing suitability.

We may choose to withdraw the service due to developments in legislation without giving you any notice that the Plan service is no longer available.

You will be classified by Computershare as a retail client.

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Computershare Investor Services PLC is authorised and regulated by the Financial Conduct Authority, Registered Office: 25 The North Colonnade, Canary Wharf, London E14 5HS. Computershare Investor Services PLC is registered in England & Wales, Company No. 3498808, Registered Office: The Pavilions, Bridgwater Road, Bristol BS13 8AE. The main business of Computershare Investor Services PLC is the provision of share registry and shareholder services.