SCHRODERS PLC (THE 'COMPANY')

NOMINATIONS COMMITTEE (THE 'COMMITTEE')
TERMS OF REFERENCE
(APPROVED BY THE BOARD ON 26 SEPTEMBER 2013)

The Nominations Committee is a committee of the Board of the Company (the 'Board') from which it derives its authority.

1. PURPOSE AND DELEGATED AUTHORITY

1.1 The Committee has the delegated authority of the Board as set out in these terms of reference including responsibility for recommending to the Board for its approval the structure, size and composition of the Board and the Audit and Risk Committee and the Remuneration Committee.

1.2 The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation the establishment of sub-committees. The membership of any sub-committee established under this authority will be comprised of a minimum of three members of the Committee. .

2. ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The specific responsibilities of the Committee are:

2.1 Composition of the Board and its Committees

2.1.1 To review the appropriate structure and size for the Board relative to its responsibilities;

2.1.2 To review regularly the composition of the Board and its principal Committees (currently the Audit and Risk Committee, Remuneration Committee and Nominations Committee) and make recommendations to the Board as necessary with respect to the role, capabilities and expected time commitment required for each appointment, having due consideration to the balance of skills, experience and knowledge of the Company and industry, on the Board and the benefits of diversity;

2.2 New Appointments and Succession

2.2.1 To ensure and oversee a formal, rigorous and transparent procedure for the appointment of new Directors to the Board including the preparation of a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall consider:

a) the use of open advertising or the services of external advisers to facilitate the search; and
b) candidates on merit and against objective criteria which include skills, independence, expertise, relevant knowledge, experience and diversity;

2.2.2 To ensure that appropriate succession plans are in place for all Board and Committee positions including the Chairman and Chief Executive;

2.2.3 To identify and recommend to the Board for approval, potential candidates to fill Board and Committee vacancies including the Chairman, Chief Executive;

2.2.4 To ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings;

2.2.5 To ensure that a proposed Director's other significant commitments and actual and potential conflicts of interest are disclosed to the Board before their appointment and any changes to them are reported to the Board as they arise;

2.2.6 To develop and recommend to the Board, appropriate criteria for determining Director independence and to review annually the independence of all non-executive Directors.

2.3 Re-election of Directors

2.3.1 To recommend to the Board the re-election of any non-executive Director at the conclusion of their specified term of office and when due for re-election at the Annual General Meeting having given due regard to their terms of appointment, performance and ability to continue to contribute to the Board.

2.4 Other

2.4.1 To review periodically the Committee's terms of reference to ensure it is operating effectively and to recommend any changes to the Board;

2.4.2 To prepare, and review regularly, job specifications for the Chairman and Chief Executive, including the time commitment expected;

2.4.3 To undertake an annual review of the effectiveness of the Committee. At least every third year the evaluation process will be externally facilitated by an independent body recommended by the Board Chairman.

3. ACCESS TO INFORMATION AND SERVICES

3.1 The Committee shall have the right to seek any information necessary to fulfil its duties, including the hiring of such advisers as it may deem necessary to obtain advice about discharging its responsibilities, with due regard to cost, without the need to obtain the prior approval of any officer of the Company. Such advice would usually be coordinated by the Company Secretary.

3.2 Management shall provide the Committee with all reasonable assistance which it needs to fulfil its responsibilities.

4. ANNUAL REPORT AND ACCOUNTS

The Committee shall ensure that the Annual Report and Accounts includes a description of its work which complies with any relevant legal, regulatory and best practice requirements.

5. FORMALITIES

5.1 Membership

The Committee shall consist of the non-executive Directors of the Company.

5.2 Chairman

5.2.1 The Chairman of the Committee will be either the Chairman of the Board or an independent non-executive Director. The Chairman of the Committee shall be appointed by the Board on the recommendation of the Committee.

5.2.2 In the absence of the Chairman of the Committee, or when the Committee is considering the Chairman's succession, the Senior Independent Director shall act as Chairman of the Committee. In the absence of both the Chairman of the Committee and the Senior Independent Director, the remaining members present shall elect one of the other independent members to chair the meeting.

5.3 Secretary

5.3.1 The Company Secretary or their nominee shall act as Secretary of the Committee.

5.3.2 The Secretary shall produce minutes of all meetings which shall be circulated to the Board, subject to any actual or potential conflicts of interest restricting their circulation.

5.4 Meetings

5.4.1 The Committee will meet sufficiently regularly to discharge its duties effectively. Additional meetings may be requested by any member or the Secretary of the Committee.

5.4.2 The quorum for Committee meetings shall be three members, two of whom must be either independent non-executive Directors or the Chairman and one independent non-executive Director.

5.4.2 An agenda and papers for the meeting will be forwarded to those attending not less than five working days before the date of the meeting.

5.4.3 Only members of the Committee have the right to attend Committee meetings. Other people may attend by invitation.

5.4.4 A member of the Committee will not participate in any discussions regarding their election, re-election or succession. Where such discussions are in relation to the Chairman of the Committee, the Chair will be taken by the Senior Independent Director or any other independent non-executive Director.

5.5 Reporting to the Board

The Chairman of the Committee shall report on the issues raised at each Committee meeting at the following meeting of the Board.