

Schroders plc (the “Company”)

**Nominations Committee (the “Committee”)
Terms of Reference**

(Adopted by the Board on 28 February 2008)

Background - delegation of responsibility

The Board has delegated to the Nominations Committee responsibility for reviewing and proposing appointments to the Board and for recommending any other changes to the Board’s composition or the composition of the Board Audit and Remuneration Committees.

Membership and attendance

The Committee, the members of which are appointed by the Board, shall consist of all non-executive Directors of the Company, the majority of whom should be independent non-Executive Directors. The Board shall also appoint the Chairman of the Committee, who should be either the Chairman of the Board or an independent non-executive Director.

Quorum

The quorum for the Committee meetings shall be three non-executive Directors, two of whom must be independent non-executive Directors.

Secretary

The Secretary of the Committee shall be appointed by the Board. The Secretary shall distribute the agenda and papers and set the timing of each meeting, in coordination with the Committee Chairman.

Meetings

The Committee shall meet on such occasions as the Committee Chairman shall determine (or at the request of any other member or the Secretary of the Committee).

Other Board Directors may be invited by the Committee Chairman to attend meetings of the Committee, but are not members of the Committee and do not perform the role of members of the Committee. The Chief Executive shall generally attend all meetings.

Notice of each meeting, confirming the venue, time and date together with an agenda of items to be discussed, shall, in normal circumstances, be forwarded to each member of the Committee not less than 5 working days prior to the date of the meeting.

In the absence of the Committee Chairman, the remaining members present shall elect one of the other independent members to chair the meeting. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers or discretions vested in or exercisable by the Committee.

The Secretary shall keep appropriate records and minutes of all meetings of the Committee with appropriate minutes of the proceedings and resolutions. Copies of the minutes shall be circulated to all members of the Board.

A member of the Committee will not participate in any discussions regarding his or her re-appointment, 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.

Reporting to the Board

The Committee Chairman, or in his absence the elected chairman of the relevant meeting, shall report on the issues raised at each Committee meeting at the next following Board meeting

Role and Responsibilities of the Committee

The Committee is responsible for:

- reviewing the appropriate size for the Board relative to its responsibilities;

- reviewing the composition of the Board and its Committees and making recommendations to the Board as necessary in that regard and with respect to the role and capabilities required for each appointment;
- ensuring there is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board;
- selecting and/or interviewing potential candidates for appointment to the Board and its Committees for recommendation to the Board;
- identifying and recommending to the Board suitable candidates for the roles of Chairman and Senior Independent Director;
- developing and recommending to the Board appropriate criteria for determining Director independence;
- ensuring that plans are in place for orderly executive and non-executive succession to the Board, including to the role of Chief Executive;
- periodically reviewing the terms of appointment of the non-executive Directors; and
- conducting an annual review of the Committee's performance, periodically reviewing the adequacy of its Terms of Reference and recommending any changes to the Board.

Principles

In undertaking its role, the Committee should bear in mind the following principles set by the Board:

- the composition of the Board should take into account the challenges and opportunities facing the Company and the balance of skills, knowledge and experience on the Board;
- the composition of the Board should also seek to comply, in so far as it is possible and practical to do so, with the principles and provisions of the Combined Code on Corporate Governance;
- appointments to the Board should be made on merit and against objective criteria;
- care should be taken to ensure that appointees have enough time available to devote to the job, particularly in the case of committee chairmanships;

- the Committee should review the balance of skills, knowledge and experience on the Board and, in the light of this review, prepare a description of the role and capabilities required for each appointment.

Access to information and services

The Committee shall have the right to seek any necessary information to fulfil the above, including the hiring of such recruitment/search, remuneration, legal or other advisers as it may deem necessary in its best judgment, in order to obtain advice with respect to the discharge of its responsibilities, with due regard to cost, without the need to obtain the prior approval of any officer of the Company, although such advice would usually be coordinated by the Board Secretary in the case of legal advice and the Head of Human Resources in the case of recruitment/search or remuneration advice. In addition, Management shall provide all reasonable assistance to the Committee with respect to the provision of information and support as the Committee may request to enable it to carry out its responsibilities.

Annual Report and Accounts and Annual General Meeting

The Committee is responsible for reviewing on behalf of the Board the statement in the annual report describing the work of the Committee, in compliance with the Combined Code.

The Chairman of the Committee shall attend the Annual General Meeting of the Company in order to respond to questions from shareholders about the activities of the Committee.