



## Notice of Annual General Meeting

**The Annual General Meeting of Schroders plc will be held on 30 April 2020 at 1 London Wall Place, London, EC2Y 5AU, at 11.30 a.m. The Notice of Annual General Meeting is set out in this document.**

**Whether or not you propose to attend the Annual General Meeting, please complete and submit a Form of Proxy or e-proxy in accordance with the instructions printed on the enclosed Form of Proxy. The Form of Proxy or e-proxy must be received no later than 11.30 a.m. on Tuesday, 28 April 2020. Participants in the Schroders Share Incentive Plan should complete and submit a Form of Direction by 11.30am on Monday, 27 April 2020.**

**Shareholders can register the appointment of their proxy electronically via the internet at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) where full instructions are given. CREST members may appoint a proxy through the CREST electronic proxy appointment service.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares please pass this document, together with the accompanying documents, to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

# Schroders

## Schroders plc

1 London Wall Place, London EC2Y 5AU

Tel: 020 7658 6000

www.schroders.com

*To the ordinary shareholders, participants in the Schroders Share Incentive Plan and, for information, to the holders of non-voting ordinary shares of Schroders plc.*

27 March 2020

Dear shareholder,

### Annual General Meeting ('AGM')

On behalf of the Board, I would like to invite you to the 2020 AGM of Schroders plc on 30 April 2020, the notice of meeting for which is attached on pages 3 to 4. More information about the Group's performance during 2019 and its strategy and governance can be found in the Annual Report and Accounts.

I would like to draw your attention to the following resolutions that are to be proposed at the AGM.

### Remuneration Policy

Shareholders approved the Company's current Directors' remuneration policy at the AGM in 2017, to run for three years. That approval comes to an end this year and so a new policy must be put to shareholders for approval at the 2020 AGM. During 2019, the Company reviewed in detail the current Directors' remuneration policy and undertook a consultation with major shareholders. This led to changes being proposed in the new Directors' remuneration policy, to align further the interests of management with those of shareholders, to provide greater transparency around annual bonus decisions for the executive Directors, and to introduce a maximum level of total remuneration for each executive Director role. This was in response to shareholder feedback and evolving corporate governance best practice.

Resolution 4 seeks approval of the Directors' remuneration policy, which can be found in full on pages 82 to 92 of the Annual Report and Accounts. As required by the Companies Act 2006, shareholders will have a binding vote on Resolution 4 and, if approved, the policy will be effective from the date of the AGM until it is replaced by a new shareholder approved policy. A summary of the key changes is set out on page 90 of the Annual Report and Accounts.

### Employee Share Plans

Resolutions 5 and 6 seek shareholder approval for two incentive plans, a new Schroders Long Term Incentive Plan (the 'LTIP') and the Schroders Deferred Award Plan (the 'DAP').

The new LTIP will replace the Company's existing long term incentive plan that was approved by shareholders in 2010 and is due to expire on 6 May 2020. The DAP is intended to replace the Company's existing shareholder approved deferral plan, the Schroders Equity Compensation Plan, which is due to expire on 30 April 2021.

Explanatory notes relating to the new LTIP and the DAP are set out on page 5, a summary of the new LTIP is set out in Appendix 1 on pages 11 to 13 and a summary of the DAP is set out in Appendix 2 on pages 14 to 16.

### Election and re-election of Directors

Resolutions 7 and 8 seek approval for the election to the Board of Matthew Westerman as an independent non-executive Director and Claire Fitzalan Howard as a non-independent non-executive Director. Matthew was appointed to the Board on 9 March. Matthew brings significant experience of global financial markets after a distinguished career in investment banking and we look forward to his contribution. Subject to shareholder approval, Claire Fitzalan Howard will join the Board at the conclusion of the AGM. Claire's appointment reflects the commitment to Schroders of the principal shareholder group which has been an important part of Schroders' success over the long term. Philip Mallinckrodt will retire from the Board at the conclusion of the AGM, after 11 years as a Director. Over a total of 24 years he served in a number of senior executive positions and in the last three years as a non-executive Director. I would like to thank Philip for his commitment and contribution to Schroders. All other current Directors will submit themselves for re-election.

### Political Donations

Whilst the Company and its subsidiaries did not make any donations to political parties in the last financial year and they do not intend to do so in the future, resolution 20 is intended to authorise normal expenditure which, in view of the wide definitions for such donations set out in the Companies Act, may be construed as political expenditure or as a donation to a political organisation. The authority requested by the resolution is on the same terms as those approved by shareholders in 2016.

### Explanatory notes and voting arrangements

Explanatory notes for each of the resolutions proposed, the voting procedure and an explanation of the business to be conducted at the AGM are set out from page 5.

Voting on the resolutions will be conducted by way of a poll as this gives as many shareholders as possible the opportunity to vote (whether they vote in person at the meeting or by proxy) and I would like to encourage all shareholders to take an active part in voting. Details on how to vote are included on the Form of Proxy and/or Form of Direction included with this notice.

Completed Forms of Proxy (including e-proxies) and, for employee participants in the Schroders Share Incentive Plan, Forms of Direction, must be submitted to the Company's Registrar, Computershare, as soon as possible but in any event to arrive no later than 11.30 a.m. on Tuesday, 28 April 2020 and 11.30 a.m. on Monday, 27 April 2020 respectively. The result of the poll will be announced shortly after the AGM and will also be available on the Company's website.

### Recommendation

The Board considers that all of the resolutions as set out in the notice are in the best interests of shareholders as a whole and the Board recommends that shareholders vote in favour of all of these resolutions, as the Directors intend to do with respect to their own ordinary shares.

Yours faithfully,



**Michael Dobson**  
Chairman

Registered Office at  
the above address  
Registered number  
3909886 England

# Notice of Annual General Meeting

Notice is hereby given that the 2020 Annual General Meeting of Schroders plc (the “Company”) will be held at 1 London Wall Place, London, EC2Y 5AU, on Thursday, 30 April 2020 at 11.30 a.m. to transact the following business:

## Resolutions

To consider and, if thought fit, pass resolutions 1 to 21 as ordinary resolutions and resolutions 22 to 24 as special resolutions.

## Annual Report and Accounts

1. That the Directors’ report and the accounts of the Company for the year ended 31 December 2019 be received and adopted.

## Final dividend

2. That a final dividend of 79 pence per share on the ordinary shares and on the non-voting ordinary shares as recommended by the Directors be declared payable on 7 May 2020 to shareholders on the register on 27 March 2020.

## Remuneration report

3. That the remuneration report, as set out on pages 72 to 81 and pages 93 to 108, of the Annual Report and Accounts for the year ended 31 December 2019, be approved.

## Remuneration policy

4. That the remuneration policy as set out on pages 82 to 92 of the Annual Report and Accounts for the year ended 31 December 2019, be approved.

## Share Plans

5. To approve the Schroders Long Term Incentive Plan

That the rules of the Schroders Long Term Incentive Plan (the ‘LTIP’), produced in draft to the meeting and a summary of the main provisions of which is set out in Appendix 1 to the Notice of Meeting dated 27 March 2020, be approved and the Directors be authorised to:

- a. do all such acts and things necessary to establish and carry the LTIP into effect; and
- b. establish schedules to, or further incentive plans based on, the LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any awards made under any such schedules or further plans are treated as counting against the limits on individual and overall participation in the LTIP.

6. To approve the Schroders Deferred Award Plan

That the rules of the Schroders Deferred Award Plan (the ‘DAP’), produced in draft to the meeting and a summary of the main provisions of which is set out in Appendix 2 to the Notice of Meeting dated 27 March 2020, be approved and the Directors be authorised to:

- a. do all such acts and things necessary to establish and carry the DAP into effect; and
- b. establish schedules to, or further incentive plans based on, the DAP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any awards made under any such schedules or further plans are treated as counting against the limits on individual and overall participation in the DAP.

## Election and re-election of Directors

7. That Matthew Westerman be elected as a Director.
8. That Claire Fitzalan Howard be elected as a Director.
9. That Michael Dobson be re-elected as a Director.
10. That Peter Harrison be re-elected as a Director.
11. That Richard Keers be re-elected as a Director.
12. That Ian King be re-elected as a Director.
13. That Sir Damon Buffini be re-elected as a Director.
14. That Rhian Davies be re-elected as a Director.
15. That Rakhi Goss-Custard be re-elected as a Director.
16. That Deborah Waterhouse be re-elected as a Director.
17. That Leonie Schroder be re-elected as a Director.

## Auditor

18. That Ernst & Young LLP, Chartered Accountants and Statutory Auditors, be re-appointed as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.
19. That the Audit and Risk Committee be authorised to determine the remuneration of the auditor.

## Political Donations

20. That pursuant to section 366 of the Companies Act 2006 the Company and all companies that are subsidiaries of it at any time during the period for which this resolution shall have effect be and are hereby authorised to:

- a. make political donations to political parties or independent election candidates not exceeding £50,000 in total;
- b. make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- c. incur political expenditure not exceeding £50,000 in total,

provided that the aggregate amount of any such donations and expenditure shall not exceed £50,000 during the period beginning with the date of the passing of this resolution and ending on 30 April 2024 or, if sooner, at the conclusion of the Annual General Meeting of the Company to be held in 2024.

For the purpose of this resolution the terms ‘political donations’, ‘independent election candidates’, ‘political organisations’ and ‘political expenditure’ have the meanings set out in sections 363 to 365 of the Companies Act 2006.

## Notice of Annual General Meeting (continued)

### Authority to allot shares

21. That the Directors be authorised to exercise all powers of the Company to allot equity securities up to an aggregate nominal amount of £5,000,000, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (unless previously revoked or varied by the Company in general meeting), save that the Company may before such expiry make an offer or enter into an agreement that would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired. For the purposes of this authority, the expression 'equity securities' shall mean equity securities as defined in section 560 of the Companies Act 2006, but shall not in any circumstances include ordinary shares (as defined in the Company's Articles of Association), or any right to subscribe for, or to convert any security into, ordinary shares.

### Disapplication of pre-emption rights

22. That, subject to the passing of Resolution 21, the Board be authorised to allot non-voting ordinary shares for cash under the authority given by that resolution and/or to sell non-voting ordinary shares held by the Company as treasury shares for cash, as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:

- a. to the allotment of non-voting ordinary shares and sale of non-voting ordinary shares held as treasury shares in connection with an offer of, or invitation to apply for, non-voting ordinary shares:
  - i. to non-voting ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - ii. to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- b. to the allotment of non-voting ordinary shares or sale of non-voting ordinary shares held as treasury shares (otherwise than under paragraph a above) up to a nominal amount of £5,000,000,

such authority to expire at the end of the next Annual General Meeting of the Company, save that the Company may, before such expiry, make offers, and enter into agreements, which would, or might, require non-voting ordinary shares to be allotted or non-voting ordinary shares held as treasury shares to be sold after such expiry, and the Board may allot non-voting ordinary shares and/or sell non-voting ordinary shares held as treasury shares under any such offer or agreement as if the authority had not expired.

### Authority to purchase own shares

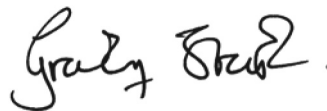
23. That the Company be authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases within the meaning of section 693(4) of the Companies Act 2006 of non-voting ordinary shares of £1 each, subject to the following conditions:

- a. such authority be limited to a maximum number of 5,000,000 shares;
- b. in the case of purchases made otherwise than by tender offer, the maximum price, exclusive of expenses, at which shares may be purchased is the higher of:
  - i. 5% above the average of the middle market quotations for the shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the date of purchase; and
  - ii. the higher of the price of the last independent trade and the highest current independent purchase bid on the London Stock Exchange at the time the purchase is carried out;
- c. in the case of a tender offer, the maximum price, exclusive of expenses, at which shares may be purchased is 5% above the average of the middle market quotations for the shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the date on which the tender offer is announced;
- d. the minimum price at which shares may be purchased is £1 per share, exclusive of expenses; and
- e. such authority shall, unless renewed prior to such time, expire at the conclusion of the next Annual General Meeting of the Company save that the Company may before such expiry enter into a contract to purchase shares which would or might be completed or executed wholly or partly after its expiry and may make a purchase of shares in pursuance of any such contract.

### Notice of general meetings

24. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By Order of the Board



**Graham Staples**  
Company Secretary

27 March 2020



# Explanatory notes to the resolutions

Resolutions 1 to 21 will be proposed as ordinary resolutions and resolutions 22 to 24 as special resolutions.

## **Resolution 1 – Annual Report and Accounts**

For each financial year the Directors are required to present the Directors' report and the accounts of the Company to shareholders.

## **Resolution 2 – Final dividend**

The payment of the final dividend of 79 pence per share in respect of the year ended 31 December 2019, which is recommended by the Board, requires the approval of shareholders in general meeting.

## **Resolution 3 – Remuneration report**

Under section 420 of the Companies Act 2006 (the 'Act'), the Directors must prepare a remuneration report detailing the remuneration of the Directors and containing a statement by the Chairman of the Remuneration Committee. The Act also requires that a resolution be put to shareholders each year for their approval of that report. This is an advisory resolution only.

## **Resolution 4 – Remuneration policy**

Under section 439A of the Act, the Directors must separately propose for approval by shareholders a remuneration policy for the Company's Directors (the 'Directors' remuneration policy'), set out in the Remuneration report, at least every three years. The Directors' remuneration policy is set out on pages 82 to 92 of the Annual Report and Accounts and an explanation of the changes from the policy approved by shareholders at the 2017 AGM is set out on page 90. Shareholders will have a binding vote on this resolution. Once the Directors' remuneration policy is approved, it will take effect from the date of approval by shareholders and will apply until replaced by a new or amended policy. Once effective, the Company will not be able to make a remuneration payment to a current or prospective Director or a payment for loss of office to a current or past Director, unless that payment is consistent with the policy or has been approved by a resolution of shareholders.

## **Resolutions 5 and 6 – approval of employee share plans**

The Company wishes to obtain shareholder approval for the Schroders Long Term Incentive Plan (the 'LTIP') and the Schroders Deferred Award Plan (the 'DAP').

A summary of the principal terms of the LTIP and the DAP is set out in the Appendices to this Notice and Resolutions 5 and 6 propose the approval of these plans. The Resolutions also give the Directors the authority to establish schedules to the plans or separate plans that are commercially similar, for the purposes of granting awards to employees and executive directors who are based outside the UK. Any awards made under such schedules or separate plans will count towards the limits on individual and overall participation in the plans.

See Appendix 1 on pages 11-13 for the summary of the principal terms of the LTIP.

See Appendix 2 on pages 14-16 for a summary of the principal terms of the DAP.

These plans will be used for awards made after the date of the AGM.

## **Resolutions 7 to 17 – Election and Re-election of Directors**

Following changes made to the UK Listing Rules in May 2014, companies with a shareholder or shareholders who could, when acting in concert, exercise 30% or more of the voting rights of a company at a general meeting, are required to enter into a binding agreement with that shareholder or shareholders. This is intended to ensure that the parties to the agreement comply with certain independence provisions in the Listing Rules. Accordingly, on 14 November 2014, the Company entered into such an agreement (the 'Relationship Agreement') with a number of shareholders who own or control 108,323,711 ordinary shares (47.93%) of the Company's ordinary shares (and associated voting rights). In these circumstances, the UK Listing Rules require the election or re-election of any independent Director by shareholders to be approved by a majority of both:

1. the shareholders of the Company; and
2. the independent shareholders of the Company (that is the shareholders of the Company entitled to vote on the election or re-election of Directors and who are not party to the Relationship Agreement).

Resolutions 7 and 12 to 16 relate to the election of Matthew Westerman and the re-election of Ian King, Sir Damon Buffini, Rhian Davies, Rakhi Goss-Custard, and Deborah Waterhouse. None of these Directors have any historic or current relationship or agreement with the Company, its other Directors or the shareholders who are party to the Relationship Agreement and therefore the Board has determined they are independent Directors (the 'Independent Directors'). The Board considers that each of the Independent Directors proposed for election or re-election brings, or continues to bring, independent challenge, oversight and advice to the Company.

Accordingly, resolutions 7 and 12 to 16 are being proposed as ordinary resolutions on which all shareholders may vote, but in addition the Company will separately count the number of votes cast by independent shareholders in favour of each resolution (as a proportion of the total votes of independent shareholders cast on the resolution) to determine whether the relevant majorities referred to above have been achieved. The Company will announce the results of resolutions 7 and 12 to 16 on this basis as well as announcing the results of the ordinary resolution of all shareholders.

If the ordinary resolution to approve the election or re-election of an Independent Director is passed, but separate approval by the independent shareholders is not given, the Listing Rules permit an existing Independent Director to remain in office pending a further ordinary resolution of all the shareholders to approve the election or re-election of that Director. If separate independent shareholder approval is not given for resolutions 7 and 12 to 16, the Company intends that the relevant appointment will end 120 days from the date of the original vote, unless a further ordinary resolution for election or re-election is passed. If a further ordinary resolution to approve the election or re-election is defeated, his or her appointment will cease on such date.

### Resolutions 7 and 8 – Election of Directors

Under Article 75 of the Company's Articles of Association, any Director appointed to office by the Board may only hold office until the next AGM, when shareholders have the opportunity to vote on his or her election. Matthew Westerman who was appointed to the Board on 9 March 2020 and Claire Fitzalan Howard who, subject to shareholder approval will join the Board with effect from the end of the AGM, are seeking election. Details of the process followed in appointing Matthew and Claire is set out on pages 64 to 65 of the Annual Report and Accounts. The Board supports the election of Matthew and Claire, whose biographies are set out below.

**Matthew Westerman** started his career in 1986 at Credit Suisse First Boston. He subsequently worked at Rothschild & Co where he became Managing Director and Joint Chief Executive of ABN AMRO Rothschild. He joined Goldman Sachs in 2000 where he was a Partner for 14 years, a member of the European and Asian Management Committees and of the Partnership Committee and during his tenure led substantial businesses within the Investment Banking Division.

He left Goldman Sachs in 2016 to become Co-Head of Global Banking at HSBC. He left in 2017 and is currently a director of MW&L Capital Partners, a private investment company. He is Chairman of the Board of Trustees of the Imperial War Museum and a Foundation Fellow of Balliol College, Oxford. Matthew brings significant experience of global financial markets after a distinguished career in investment banking and we look forward to his contribution.

**Claire Fitzalan Howard** began her career at Kleinwort Benson, where she worked from 1982 to 1987. She subsequently joined Gauntlet Insurance Services, an insurance broking company specialising in high net worth clients, where she had an executive role until 1996 and was a non-executive director between 2004 until 2019. She is a non-executive director of Caledonia Investments PLC and a trustee of a number of charitable foundations and trusts. Claire's appointment reflects the commitment to Schroders of the principal shareholder group which has been an important part of Schroders' success over the long term.

### Resolutions 9 to 17 – Re-election of Directors

The Company has decided that all Directors should retire and stand for re-election by shareholders annually. Accordingly, resolutions 9 to 17 detail those Directors retiring and standing for re-election and biographies for each Director standing for re-election are set out below.

**Michael Dobson** was appointed Chairman in April 2016, having been Chief Executive since November 2001. He is Chairman of the Nominations Committee. He first joined the Board as a non-executive Director in April 2001. Prior to joining Schroders he was Chief Executive of Morgan Grenfell Group and a member of the Board of Managing Directors of Deutsche Bank AG. He is a member of the President's Committee of the Confederation of British Industry. In addition to the usual functions of the Chairman, Michael's role includes his involvement in supporting the firm's relationships with its major clients, shareholders, strategic and commercial partners and regulators.

**Peter Harrison** was appointed Group Chief Executive in April 2016. He was an executive Director and Head of Investment from May 2014. He began his career at Schroders and subsequently held roles at Newton Investment Management, J.P. Morgan Asset Management as Head of Global Equities and Multi-Asset and at Deutsche Asset Management as Global Chief Investment Officer. He was Chairman and Chief Executive of RWC Partners before re-joining Schroders as Global Head of Equities in March 2013. He is Chairman of the Investment Association until 1 May 2020, a Director of FCLT Global and a

member of the Takeover Panel. Having spent his whole career in the asset management industry, beginning at Schroders in 1988, Peter brings a long and successful track record in asset management and extensive industry and leadership experience.

**Richard Keers** was appointed a Director and Chief Financial Officer in May 2013. He is a chartered accountant and was a senior audit partner of PricewaterhouseCoopers LLP (PwC) until May 2013. He became a partner of PwC in 1997 and has 25 years' experience in the audits of global financial services groups. His experience includes time spent in PwC's New York, Sydney, Edinburgh and London offices. He was a non-executive member of Lloyd's Franchise Board and Chairman of its Audit Committee until 31 December 2019. With over 25 years' experience in the audits of global financial services groups, and having spent time as a Senior Audit Partner at PricewaterhouseCoopers LLP, Richard brings his extensive accounting and financial management expertise to the Board.

**Ian King**, Senior Independent Director and member of the Nominations and Remuneration Committees. Appointed Senior Independent Director in April 2018 having been a non-executive Director since January 2017. He was Chief Executive of BAE Systems plc from 2008 to 2017, having been originally appointed to the BAE board as Chief Operating Officer, UK and Rest of the World. Prior to this, he was Chief Executive of Alenia Marconi Systems. He also served as a non-executive Director and Senior Independent Director of Rotork plc until June 2014. He is Senior Adviser to the Board of Gleacher Shacklock LLP, Chairman of Senior plc and lead non-executive Director for the Department of Transport. Having held a number of leadership positions in major multi-national companies, Ian brings strong global leadership experience which is of great value to the Company as we continue to grow our business internationally.

**Damon Buffini**, independent non-executive Director, Chairman of the Remuneration Committee and member of the Nominations Committee. Appointed a non-executive Director in February 2018. He has over 25 years' experience in private equity, joining Schroder Ventures in 1988. He was Managing Partner of Permira from 1997 to 2007 before becoming Chairman. He retired in 2015 and remains a Senior Adviser. He is Chair of the National Theatre and was Chair of the Government's Patient Capital Review. Damon brings his broad and highly successful business experience in relation to the Company's overall range of strategic opportunities, particularly in the area of private assets which is one of the Company's growth priorities.

**Rhian Davies**, independent non-executive Director, Chairman of the Audit and Risk Committee and member of the Nominations and Remuneration Committees. Appointed a non-executive Director in July 2015. She is a chartered accountant and was a partner at Electra Partners, an independent private equity fund manager until June 2015 and then a Senior Adviser until March 2017. She previously worked in PwC's audit and insolvency practice before joining Electra in 1992. Her background as a qualified accountant is a specific strength given her role as Chairman of the Audit and Risk Committee. With extensive experience as a partner of a private equity fund manager, Rhian brings financial and industry knowledge to the Board, particularly in the area of private assets.



**Rakhi Goss-Custard**, independent non-executive Director and member of the Nominations and Audit and Risk Committees. Appointed a non-executive Director in January 2017. She is an experienced executive in digital retailing, having spent 11 years at Amazon. Prior to joining Amazon, she held roles at TomTom and in management consultancy in the US. She is a non-executive Director of Kingfisher plc and Rightmove plc. Rakhi's experience in the digital world through her work at Amazon and, more recently through her experience as a non-executive director on other boards, is highly valuable to the Company as digital has an increasingly important impact on the asset management industry.

**Deborah Waterhouse**, independent non-executive Director and a member of the Nominations and Audit and Risk Committees. Appointed a non-executive Director in March 2019. She has been the CEO of Viiv Healthcare, a major international business, since 2017. Viiv Healthcare is a leading global company, majority owned by GlaxoSmithKline and focused on advancing science into HIV treatment, prevention and care. Deborah brings her experience as Chief Executive of a major international business operating in many of the markets in which we are active which is of great benefit as we continue to grow our business internationally.

**Leonie Schroder**, non-executive Director and member of the Nominations Committee. Appointed as a non-executive Director in March 2019. She is a descendant of John Henry Schroder, co-founder of Schrodgers in 1804. She has held a number of roles in the charity sector and is currently a director of the Schroder Charity Trust and a number of private limited companies. Leonie's appointment reflects the commitment to Schrodgers of the principal shareholder group, which has been an important part of Schrodgers' success over the long term.

#### **Recommendation**

Prior to recommending to the Board that the non-executive Directors and Chairman be elected or re-elected, the Nominations Committee considered their independence, time commitment and effectiveness and is satisfied that all non-executive Directors continue to fulfil their fiduciary and statutory duties. As Michael Dobson has served more than nine years with the Company, the proposal for his re-election was given particular consideration. The Committee agreed that Michael continued to make a valuable contribution to the Board's deliberations and therefore recommended his re-election to the Board. In addition, the Board reviewed actual, potential and perceived conflicts of interest for each Director and following the completion of the Board evaluation process for 2019, the Chairman confirms on behalf of the Board that each of the Directors standing for election or re-election continues to be effective and demonstrates commitment to their respective roles.

Accordingly, the election and re-election of each of the Directors under resolutions 7 to 17 is recommended.

#### **Resolutions 18 and 19 – Auditor**

At each AGM when accounts are presented the Company is required by the Act to appoint its auditor. The Board, on the unanimous recommendation of the Audit and Risk Committee, is proposing to shareholders the re-appointment of Ernst & Young LLP as auditor.

Resolution 19 authorises the Audit and Risk Committee to determine the remuneration of Ernst & Young LLP for their services as auditor.

#### **Resolution 20 – Political Donations**

Section 366 of the Act permits the Company and all companies that are subsidiaries of it to seek authorisation for up to four years to make political donations up to £50,000 in aggregate.

This resolution concerns Part 14 of the Act. The authorities granted in 2016 under these provisions expire on 28 April 2020 or, if earlier, at the conclusion of the 2020 AGM. The Act requires that any donations to political organisations in excess of an aggregate of £50,000 or any political expenditure by the Company and its subsidiaries must be authorised by the Company's shareholders. Whilst the Company and its subsidiaries did not make any donations to political parties in the last financial year, and they do not intend to do so in the current financial year, the resolution is intended to authorise normal expenditure which, in view of the wide definitions set out in the Act, may be construed as political expenditure or as a donation to a political organisation. Although the resolution covers a four year period, if the Company, or any of its subsidiaries, made any political donations in that period, it is intended that a resolution to renew the authority would be put to the next AGM after the payment was made.

#### **Resolution 21 - Authority to allot shares**

Under the Act, the Directors may not issue shares in the Company without the authority of shareholders in general meeting, except for the issue of shares under the Company's employee share plans. If approved by shareholders, this resolution would renew the authority given by shareholders at the 2019 AGM and permit the Directors to issue non-voting ordinary shares or rights to subscribe for, or convert securities into, non-voting ordinary shares up to an aggregate nominal amount of £5,000,000. The authority would not permit the Directors to issue ordinary shares or to grant rights to subscribe for, or convert securities into, ordinary shares. The maximum amount of the authority is equal to approximately 1.76% of the Company's total issued share capital and approximately 8.84% of its issued non-voting ordinary share capital, in each case as at 16 March 2020, being the latest practicable date prior to the publication of this document.

The authority sought by this resolution will expire at the conclusion of the next AGM of the Company. The authority sought by this resolution will provide flexibility for the Directors to issue non-voting ordinary shares where they believe it is in the interests of shareholders do so. As at 16 March 2020, the Company did not hold any ordinary or non-voting ordinary shares in treasury.

#### **Resolution 22 – Disapplication of pre-emption rights**

If passed, this resolution would allow the Directors to allot non-voting ordinary shares for cash and/or sell non-voting ordinary shares held as treasury shares without having to offer such shares to existing non-voting ordinary shareholders:

- a. in connection with a rights issue or other pre-emptive issue; or
- b. up to a nominal value of £5,000,000, which is approximately 1.76% of the Company's total issued share capital (and 8.84% of its issued non-voting ordinary share capital) as at 16 March 2020, being the latest practicable date prior to the publication of this document.

This disapplication authority is within the limits set by the Pre-Emption Group's Statement of Principles 2015 (the 'Statement of Principles').

## Explanatory notes to the resolutions (continued)

Annual renewal of this authority will be sought in accordance with best practice and in line with the Statement of Principles. There are no current plans to allot shares pursuant to the authority under resolution 21, however, the Directors wish to ensure that the Company has maximum flexibility in managing the Group's capital resources.

The authority sought and the limits set by this resolution will also apply to any sale or transfer of non-voting ordinary shares held as treasury shares. The Directors consider it prudent to have the flexibility to buy back non-voting ordinary shares into treasury and subsequently to sell or to transfer them, if appropriate. This will enable them to act on short notice in appropriate circumstances if that is in the best interests of the Company.

In line with the Statement of Principles, the Directors confirm they do not intend to issue pursuant to the authority under this resolution more than 7.5% of the issued share capital of the Company on a non pre-emptive basis in any rolling three year period, without prior consultation with shareholders.

This authority will expire at the conclusion of the AGM of the Company in 2021.

### Resolution 23 – Authority to purchase own shares

If passed, resolution 23 would renew the Company's general authority to make purchases of its non-voting ordinary shares. This authority relates to 5,000,000 shares, representing approximately 1.76% of the Company's total issued share capital and 8.84% of its issued non-voting ordinary share capital as calculated at 16 March 2020 being the latest practicable date prior to the publication of this document. The authority sets limits on the price which may be paid for any shares and is limited to market purchases on the London Stock Exchange or (so far as required under the UK Listing Rules) market purchases by tender offer to all shareholders.

In recent years, this authority has been used with a view to maintaining the ratio of ordinary shares to non-voting ordinary shares over the medium term, taking into account the issue of non-voting ordinary shares under the Company's share plans or pursuant to the authority to allot shares conferred on the Directors. In addition, purchases may also be undertaken at the Directors' discretion where they consider them to be otherwise appropriate. Purchases under this authority would only be made where the Directors believed that they were in the best interests of the Company, taking into account other available investment opportunities and the overall financial position of the Group, and where earnings per share would be increased (except possibly in respect of purchases made in relation to the issue of non-voting ordinary shares under the Company's share plans).

If the Company were to purchase any non-voting ordinary shares pursuant to this authority, the Directors would consider whether to cancel those shares or (subject to the limits allowed by company law) hold them as treasury shares.

In the period since the previous authority was renewed at the last AGM in 2019 and up to 16 March 2020, being the last practicable date prior to the publication of this document, no non-voting ordinary shares have been purchased and cancelled. As of 16 March 2020, there were no options or warrants to subscribe for ordinary or non-voting ordinary shares and there were no ordinary or non-voting ordinary shares held in treasury.

The authority given by this resolution would, unless renewed prior to such time, expire at the conclusion of the next AGM of the Company save that the Company may before such expiry enter into a contract to purchase shares which would or might be completed or executed wholly or partly after its expiry and may make a purchase of shares in pursuance of any such contract.

### Resolution 24 – Notice of general meetings

Under the Act, the Company may call a general meeting, other than an AGM, by giving 14 days' clear notice to shareholders. Under the Companies (Shareholders' Rights) Regulations 2009 this period is extended to 21 clear days unless the Company has obtained shareholder approval for a shorter period. This resolution would maintain the current position as agreed by shareholders at the 2019 AGM.

AGMs will still require at least 21 clear days' notice. The shorter notice period would not be used as a matter of routine but only where the flexibility was merited by the business of the meeting and was thought to be in the interests of shareholders as a whole.

# Shareholder Notes

## 1. Entitlement to vote

Ordinary shareholders entitled to attend and to speak and vote at the meeting are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting. An ordinary shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy for ordinary shareholders which may be used to make such appointment and give proxy instructions accompanies this notice. Non-voting ordinary shareholders have no right to attend or speak or vote at the AGM. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6pm on 28 April 2020 (or in the event of any adjournment at 6pm on the date which is two days before the date of the adjourned meeting excluding any non-working days). Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

## 2. Voting at the meeting

All resolutions will be voted on a poll at the AGM. Votes will be counted immediately following the meeting and the results will be published via the Regulatory News Service as soon as possible after the meeting and will also be available on our website. The return of a completed Form of Proxy, e-proxy, other proxy instrument or any CREST Proxy Instruction (as described in paragraph 7) will not prevent a shareholder from attending the AGM and voting in person if he/she wishes to do so.

## 3. Right to appoint a proxy

To be valid, any Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11.30am on Tuesday, 28 April 2020.

## 4. Electronic proxy voting through the internet

Ordinary shareholders who prefer to register the appointment of their proxy electronically via the internet can do so at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) where full instructions are given. The Control Number, PIN and shareholder reference number printed on the Form of Proxy will be required. A proxy appointment made electronically will not be valid if not sent to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) or if received after 11.30 am on Tuesday, 28 April 2020. Any communication found to contain a computer virus will not be accepted.

## 5. Nominated persons

Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of ordinary shareholders in relation to the appointment of proxies in paragraphs 1 to 4 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by ordinary shareholders of the Company.

## 6. Total voting rights

As at 16 March 2020 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 226,022,400 ordinary shares, carrying one vote each, and 56,505,600 non-voting ordinary shares. No ordinary shares or non-voting ordinary shares were held in treasury. Therefore, the total voting rights in the Company as at 16 March 2020 were 226,022,400.

## 7. Electronic voting through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [euroclear.com/CREST](http://euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 11.30 am on Tuesday, 28 April 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors, or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### 8. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a member provided that not more than one corporate representative exercises powers over the same share.

### 9. Documents for inspection

The following documents will be available for inspection at the office of Schroders plc, 1 London Wall Place, London EC2Y 5AU from the date of dispatch of the Notice convening the AGM during normal business hours on weekdays, and for at least 15 minutes prior to and during the AGM:

- Copies of the Executive Directors' service contracts
- Copies of letters of appointment of the Non-Executive Directors
- The rules of the Schroders Long Term Incentive Plan; and
- The rules of the Deferred Award Plan.

### 10. Members right to have a matter of business dealt with at the meeting

Under section 338 and section 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company to:

- i. give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or
- ii. include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious.

Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date which is six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

### 11. Publication of website statement

Pursuant to requests made by shareholders of the Company meeting the threshold requirements set out in section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to:

- i. the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or
- ii. any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act.

The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

### 12. Right to ask questions at the AGM

Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need to be given if:

- i. to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- ii. the answer has already been given on a website in the form of an answer to a question; or
- iii. it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

### 13. Joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted.

Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

### 14. Shareholder information

A copy of this Notice of AGM, and any other information required by section 311A of the Act, can be found at [www.schroders.com](http://www.schroders.com).

### 15. Queries about the AGM

Except as provided above, members who have general queries about the AGM should contact the Company at its registered office address, for the attention of the Company Secretary.

Shareholders may not use any electronic address provided either in this Notice or any related documents (including the Form of Proxy or Form of Direction) to communicate with the Company for any purposes other than those expressly stated. Shareholders may not use any telephone number set out in this document for the purpose of lodging instructions for the AGM. Similarly, the Company's website may not be used to send documents or instructions for the AGM.



### 1. General

The operation of the Schroders Long Term Incentive Plan ('LTIP') will be overseen by the Company's remuneration committee, or such other committee to which the Directors delegate responsibility for overseeing the operation of the LTIP (the 'Committee').

Benefits under the LTIP are not pensionable, awards may not be transferred or otherwise disposed of except on the participant's death and no payment is required for the grant of an award.

### 2. Eligibility

Employees (including employed executive Directors) of the Company and its subsidiaries (the 'Group') will be eligible to participate in the LTIP at the discretion of the Committee, unless they are on notice to terminate their employment.

Awards made to executive Directors of the Company will comply with the shareholder-approved Directors' remuneration policy in effect at that time, particularly as regards the application of individual limits, performance conditions, malus/clawback, vesting/holding periods and payouts following leaving.

### 3. Awards under the LTIP

Awards will be granted in one or both of the following forms at the discretion of the Committee:

- share award, structured as an option to acquire fully paid ordinary shares (that carry voting rights) or non-voting ordinary shares in the capital of the Company ('Shares'), with a nil/nominal exercise price; and
- phantom award, structured as an option linked to the value of notional Shares and settled in cash, with a nil/nominal exercise price.

Share awards may be settled using Shares purchased in the market, treasury Shares or new issue non-voting ordinary shares. No new issue ordinary shares (that carry voting rights) may be used to satisfy awards and there is no current intention to issue new non-voting ordinary shares or treasury Shares for the purposes of the LTIP. Awards will normally relate to ordinary shares (that carry voting rights).

### 4. Buyout awards

Awards made in connection with a participant's recruitment, in compensation for awards forfeited on termination of their previous employment ('buyout awards'), may also be made. In order to reflect more closely the terms of the award that has been forfeited some variations from the standard terms of an LTIP award may occur. For example, buyout awards for executive Directors will not be subject to the normal restrictions on timing of grant (see paragraph 5). In addition, the Committee may reduce the extent to which a buyout award will vest in line with any reduction notice received from the previous employer in relation to that award.

For executive Directors of the Company, any buyout awards will be granted in accordance with the shareholder-approved Directors' remuneration policy in effect at that time.

### 5. Timing of awards

Awards made to an executive Director of the Company may only be made within 42 days starting on any of the following:

- the day the LTIP is approved by shareholders;
- the business day following the announcement of the Company's results for any period;
- any day on which the Committee resolves that exceptional circumstances exist which justify the grant of awards; and
- if any restrictions on dealings or transactions in securities ('Dealing Restrictions') prevented the granting of awards in the periods specified above, the business day following the day those Dealing Restrictions are lifted.

Awards made to participants other than executive Directors of the Company may be granted at any time, subject to Dealing Restrictions.

Awards may not be granted more than six months after the start of the performance period to which they relate nor after 30 April 2030.

### 6. Dilution limits

If awards will or may be satisfied by the issue and allotment of new Shares or the transfer of Shares from treasury ('Allocated'), the number of Shares in respect of which those awards may be granted under the LTIP on any day must not exceed 10% of the Company's ordinary (voting and non-voting) share capital in issue immediately before that day, when added to the total number of Shares that have been Allocated in the previous 10 years (or could still be Allocated) under the LTIP and under any other employee share plans operated by the Group. Additionally, a similar limit of 5% of the Company's ordinary (voting and non-voting) share capital applies to awards granted under the LTIP, when added to the total number of Shares that have been Allocated in the previous 10 years (or could still be Allocated) under the LTIP and under any other discretionary employee share plans operated by the Group.

For so long as it is required by institutional investor guidelines, treasury Shares will count towards these limits. If there is a variation in the share capital of the Company, the number of Shares applied for the purposes of the limits will be adjusted as the Committee determines appropriate to take account of the variation.

### 7. Individual limit

Awards may only be granted, in respect of any one financial year, with an aggregate market value at each relevant grant date of up to four times that participant's gross basic annual salary (including fixed allowances but excluding bonuses, benefits-in-kind and pensions).

### 8. Performance conditions

Awards will be granted subject to one or more performance conditions and the Committee may determine, at the grant date, that an award will be subject to other conditions that must also be satisfied in order for awards to vest.

The Committee may change a performance condition, and any other conditions, in accordance with its terms or if anything happens which causes it to decide the change would be appropriate, provided that an amended performance condition is not materially less or more difficult to satisfy than was intended when originally imposed.

### 9. Vesting, release and exercise of awards

Subject to the satisfaction of the performance conditions, and any other conditions that apply, awards will normally vest on the later of the date the performance conditions/other conditions are determined to have been satisfied and the vesting date specified by the Committee at the grant date.

The Committee may determine, at the grant date, that an award will be subject to a holding period following vesting.

An award will normally be 'released' on the later of the vesting date and, if a holding period applies, the date on which the holding period ends.

Following the release of an award, the following will normally apply:

- the award will be capable of being exercised by the participant, to the extent that it has vested, during an exercise period determined by the Committee at grant (not ending later than the day before the 10th anniversary of grant); and
- if not already exercised or lapsed, awards will be deemed exercised at the end of the exercise period, and any Shares acquired on exercise will be sold immediately.

Awards can normally only be exercised in whole and on one occasion.

Exercise, release and satisfaction of an award may be delayed due to Dealing Restrictions or where an investigation is ongoing that may lead either to the application of the Group's malus and clawback policy, or to the reduction or recovery of the value of an award in connection with the post-termination competitive activity and solicitation provisions (see paragraph 13).

The Committee may decide to satisfy a share award in whole or in part by paying an equivalent cash amount instead of issuing or transferring Shares.

The Committee may reduce the extent to which an award will vest if it determines that any member of the Group has suffered a material failure of risk management or that the vesting outcome would not otherwise reflect the performance of the Group, any member of the Group, any business unit or the participant.

If a participant moves jurisdiction (without leaving employment) and, as a result, there may be adverse legal, regulatory or tax consequences in relation to the participant's awards, the Committee may adjust those awards as it considers appropriate.

### 10. Dividend equivalents

The LTIP does not provide for a participant to be entitled to receive any additional amount related to the value of dividends that would have been paid on Shares subject to the award.

### 11. Malus and clawback

Awards are subject to the Group's malus and clawback policy, as updated from time to time. Under the policy, the remuneration committee of the Company (or such other committee to which the Directors have delegated responsibility in respect of the policy) may decide to reduce, cancel or forfeit an award (malus) or recover all or part of the value of an award that has been satisfied (clawback) if certain circumstances occur.

### 12. Leavers

Where a participant leaves the Group before an award vests, the award will normally lapse. However, if a participant leaves by reason of death, ill-health, injury or disability, the transfer of the participant's employing business or company out of the Group or for any other reason at the Committee's discretion (a 'Good Leaver'), the award will normally:

- continue until the normal time of vesting and release (except in the case of death where release is accelerated to the date of death);
- vest to the extent any performance conditions and other conditions that apply have been satisfied (or estimated will be satisfied by the Committee, if vesting is accelerated and the period over which performance is measured has not yet been completed); and
- be exercisable for 12 months from release.

In these circumstances, awards will be pro rated for time.

Where a participant leaves after an award vests, the award will normally continue until the normal time of release and be exercisable for 12 months from the later of release and leaving. If a participant dies after an award vests, release will be accelerated to the date of death and the award will normally be exercisable for 12 months.

Any awards not exercised by the end of a specified exercise period will be deemed to be exercised at the end of that period (see paragraph 9).

In any case where a participant leaves for ill-health, injury or disability, the Committee can decide to accelerate vesting and/or release of awards to the date of leaving.

Awards will lapse if a participant has been summarily dismissed or if it is discovered that there are circumstances that would have justified the participant's summary dismissal.

A participant will normally be considered to have left the Group when no longer employed by any member of the Group (or a connected company) or when the participant gives or receives notice to leave.

### 13. Post-termination restrictions

For a specified period following leaving, participants who are treated as a Good Leaver at the discretion of the Committee (see paragraph 12) are normally subject to restrictions that allow the Committee to lapse awards or, where awards have been satisfied, recover amounts relating to the value of the awards, if the participants engage in specified competitive activities, customer solicitation or employee solicitation before awards vest.

In addition, if the Committee exercises its discretion to treat an executive Director of the Company as a Good Leaver in relation to one or more awards on the basis that they have retired, but they then become employed or engaged as an executive Director at another listed company, those awards will normally lapse to the extent they have not yet vested. If the awards have already been satisfied but it is discovered that the former executive Director took the other role before the awards vested, the Committee may recover an amount relating to their value. This will only normally apply if the participant takes up the executive role within 12 months following leaving.



#### 14. Company events

In the event of a takeover, awards will normally be released early. This will not apply if the takeover is by one or more members of the 'Excluded Group' (see below) unless it results (or in the opinion of the Committee is highly likely to result) in the Company being delisted. In the event of a scheme of arrangement in relation to the Shares, awards may be released early if the Committee so decides. In the event of a person becoming bound or entitled to acquire minor shareholdings or if there is going to be a voluntary winding up of the Company, awards will normally be released early.

In the circumstances set out above, awards will normally:

- vest to the extent any performance conditions and other conditions that apply have been satisfied (or estimated will be satisfied by the Committee, if vesting is accelerated and the period over which performance is measured has not yet been completed); and
- be exercisable for one month and, if not exercised by the end of that period, will then be deemed to be exercised (see paragraph 9).

In these circumstances, awards will be pro rated for time. In addition, the Committee may decide to attach a holding period (during which the Shares or cash received may not normally be disposed of), if it considers it appropriate.

Alternatively, the Committee may decide that awards will lapse or that vesting and/or release will not be accelerated if it considers that participants have been adequately compensated in some other way.

In some circumstances (including internal reorganisations in particular), awards may instead be exchanged for substantially similar rights.

The Committee may determine that the Group's malus and clawback policy will no longer apply, or will be varied in its application, if there is a company event.

The Excluded Group referred to above is those persons who, at 24 April 2020, together with their connected persons, hold at least 30% of the voting rights in the Company and are regarded as acting in concert for the purposes of the City Code on Takeovers and Mergers, as well as their families and any trustees or beneficiaries of trusts in which they or their families have an interest and any companies which any of them control. The parties to the Relationship Agreement fall within this definition.

#### 15. Variation of share capital

In the event of a variation in the share capital of the Company, a demerger or exempt distribution, a special dividend or distribution or any other transaction which will materially affect the value of Shares, the Committee may adjust the number or class of Shares to which an award relates.

#### 16. Rights attaching to Shares

Any non-voting ordinary shares issued by the Company in connection with the LTIP will rank equally to other shares of the same class then in issue. The Company will apply for the listing of such shares as soon as practicable after issue.

A participant will be entitled to any rights attaching to Shares they acquire under the LTIP by reference to a record date on or after the transfer of the Shares. The participant will not be entitled to voting, dividend or other rights before that date.

#### 17. Amendments and termination

The Committee may change the LTIP in any way at any time but the prior approval of shareholders by ordinary resolution will be required for any proposed change that is to the advantage of present or future participants and which relates to:

- the persons who may receive Shares or cash under the LTIP;
- the total number or amount of Shares that may be delivered under the LTIP;
- the maximum entitlement for any participant;
- the basis for determining a participant's entitlement to, and the terms of, Shares or cash provided under the LTIP and the rights of a participant in the event of a capitalisation or rights issue, open offer, sub-division or consolidation of shares, reduction of capital or any other variation of capital of the Company; and
- the provision in the LTIP requiring shareholder approval for amendments.

There are exceptions for minor changes to benefit the administration of the LTIP, to comply with or take account of a change in legislation and/or to obtain or maintain favourable tax, exchange control or regulatory treatment for any member of the Group or any present or future participant.

Further plans or schedules based on the LTIP may be established, but modified to take account of local tax, exchange control or securities laws in other jurisdictions, provided any awards made under them count towards the individual and plan limits. At the date of this Notice, an international schedule is attached to the LTIP, in relation to potentially adverse tax rules for US taxpayers.

The LTIP will terminate on 30 April 2030 (or on such earlier date as the Committee determines). Termination will not affect subsisting rights under the LTIP.

*This summary does not form part of the rules of the LTIP and should not be taken as affecting the interpretation of the detailed terms and conditions of the LTIP. The Directors reserve the right to amend or add to the rules of the LTIP up until the time of the annual general meeting, provided that such amendments or additions do not conflict in any material respect with this summary.*

### 1. General

The operation of the Schroders Deferred Award Plan ('DAP') will be overseen by the Company's remuneration committee, or such other committee to which the Directors delegate responsibility for overseeing the operation of the DAP (the 'Committee').

Benefits under the DAP are not pensionable, awards may not be transferred or otherwise disposed of except on the participant's death and no payment is required for the grant of an award.

### 2. Eligibility

Employees (including employed executive Directors) of the Company and its subsidiaries (the 'Group'), and former employees who have ceased employment in the 12 months preceding the grant, will be eligible to participate in the DAP at the discretion of the Committee.

Awards made to executive Directors of the Company will comply with the shareholder-approved Directors' remuneration policy in effect at that time, particularly as regards the application of individual limits and amounts of bonus deferral, malus/clawback, vesting/holding periods and payouts following leaving.

Former employees or employees who are on notice of termination will only be eligible to be granted an award to the extent that the award relates to their performance while employed.

### 3. Awards under the DAP

Awards will be granted in one or more of the following forms at the discretion of the Committee:

- share award, structured as an option to acquire fully paid ordinary shares (that carry voting rights) or non-voting ordinary shares in the capital of the Company ('Shares'), with a nil/nominal exercise price;
- phantom award, structured as an option linked to the value of notional Shares and settled in cash, with a nil/nominal exercise price;
- fund award, structured as an option linked to the value of notional fund units and settled in cash, with a nil/nominal exercise price;
- restricted share award, structured as an award of Shares subject to forfeiture provisions; and
- deferred cash awards, structured as a conditional right to receive cash in the future.

Share awards and restricted share awards may be settled using Shares purchased in the market, treasury Shares or new issue non-voting ordinary shares. No new issue ordinary shares (that carry voting rights) may be used to satisfy awards and there is no current intention to issue new non-voting ordinary shares or treasury Shares for the purposes of the DAP. Share awards, phantom awards and restricted share awards will normally relate to ordinary shares (that carry voting rights).

Participants with fund awards can elect which funds, from a list of investment products specified by the Committee, they want their awards to be notionally invested in. Participants may choose to switch their notional investments between different funds during specified windows, as set by the Committee, provided that the old and new notional investments have the same value.

### 4. Buyout awards

Awards made in connection with a participant's recruitment, in compensation for awards forfeited on termination of their previous employment ('buyout awards'), may also be made. In order to reflect more closely the terms of the award that has been forfeited some variations from the standard terms of a DAP award may occur. For example, buyout awards for executive Directors will not be subject to the normal restrictions on timing of grant (see paragraph 5). In addition, the Committee may reduce the extent to which a buyout award will vest in line with any reduction notice received from the previous employer in relation to that award.

For executive Directors of the Company, any buyout awards will be granted in accordance with the shareholder-approved Directors' remuneration policy in effect at that time.

### 5. Timing of awards

Awards made to an executive Director of the Company may only be made within 42 days starting on any of the following:

- the day the DAP is approved by shareholders;
- the business day following the announcement of the Company's results for any period;
- any day on which the Committee resolves that exceptional circumstances exist which justify the grant of awards; and
- if any restrictions on dealings or transactions in securities ('Dealing Restrictions') prevented the granting of awards in the periods specified above, the business day following the day those Dealing Restrictions are lifted.

Awards made to participants other than executive Directors of the Company may be granted at any time, subject to Dealing Restrictions.

Awards may not be granted after 30 April 2030.

### 6. Dilution limits

If awards will or may be satisfied by the issue and allotment of new Shares or the transfer of Shares from treasury ('Allocated'), the number of Shares in respect of which those awards may be granted under the DAP on any day must not exceed 10% of the Company's ordinary (voting and non-voting) share capital in issue immediately before that day, when added to the total number of Shares that have been Allocated in the previous 10 years (or could still be Allocated) under the DAP and under any other employee share plans operated by the Group. Additionally, a similar limit of 5% of the Company's ordinary (voting and non-voting) share capital applies to awards granted under the DAP, when added to the total number of Shares that have been Allocated in the previous 10 years (or could still be Allocated) under the DAP and under any other discretionary employee share plans operated by the Group.

For so long as it is required by institutional investor guidelines, treasury Shares will count towards these limits. If there is a variation in the share capital of the Company, the number of Shares applied for the purposes of the limits will be adjusted as the Committee determines appropriate to take account of the variation.

## 7. Vesting, release and exercise of awards

The Committee may determine, at the grant date, that an award will be subject to conditions in addition to those set out in the rules of the DAP. Subject to the satisfaction of any such conditions, awards will normally vest on a date specified by the Committee at the grant date. Awards may vest in tranches, in which case each tranche may have a different vesting date.

The Committee may determine, at the grant date, that an award will not be 'released' until a date that is later than the vesting date. Different tranches of an award may have different release dates.

Following the release of a share award, phantom award or fund award, the following will normally apply:

- the award will be capable of being exercised by the participant, to the extent it has vested, during an exercise period determined by the Committee at grant (not ending later than the day before the 10th anniversary of grant);
- fund awards may only be exercised during defined 'exercise windows'; and
- if not already exercised or lapsed, awards will be deemed exercised at the end of the exercise period (or the last exercise window for fund awards), and any Shares acquired on exercise will be sold immediately.

Exercise, release and satisfaction of an award may be delayed due to Dealing Restrictions or where an investigation is ongoing that may lead either to the application of the Group's malus and clawback policy, or to the reduction or recovery of the value of an award in connection with the post-termination competitive activity and solicitation provisions (see paragraph 11).

The Committee may decide to satisfy a share award in whole or in part by paying an equivalent cash amount instead of issuing or transferring Shares.

When an award is granted, the Committee may determine that it will be subject to Committee discretion to reduce the extent to which it will vest if the Committee determines that any member of the Group has suffered a material failure of risk management or that the vesting outcome would not otherwise reflect the performance of the Group, any member of the Group, any business unit or the participant.

If a participant moves jurisdiction (without leaving employment) and, as a result, there may be adverse legal, regulatory or tax consequences in relation to the participant's awards, the Committee may adjust those awards as it considers appropriate.

Where awards are granted in tranches, the rules relating to vesting, exercise and release will apply to each tranche separately, as if each tranche was a separate award.

## 8. Dividend equivalents

The Committee may allow participants with share and phantom awards to be entitled to an additional amount, relating to the value of any dividends that would have been paid until exercise of the award, as if the participant had owned the Shares (in respect of which the award is exercised) during that period. This will be paid following exercise, in cash or Shares for share awards and in cash for phantom awards. Similarly, the Committee may allow participants holding fund awards to be entitled to receive an additional amount in cash relating to the value of any cash distributions on funds in which their awards are notionally invested.

## 9. Malus and clawback

Awards are subject to the Group's malus and clawback policy, as updated from time to time. Under the policy, the remuneration committee of the Company (or such other committee to which the Directors have delegated responsibility in respect of the policy) may decide to reduce, cancel or forfeit an award (malus) or recover all or part of the value of an award that has been satisfied (clawback) if certain circumstances occur.

## 10. Leavers

Where a participant leaves the Group before an award vests, the award will normally lapse. However, if a participant leaves by reason of ill-health, injury or disability, the transfer of the participant's employing business or company out of the Group or for any other reason at the Committee's discretion (a 'Good Leaver'), the award will normally:

- continue until the normal time of vesting and release;
- vest in full, unless it is subject to additional conditions, in which case it will normally vest to the extent any such conditions have been satisfied; and
- for options, be exercisable for 12 months from release.

If the Committee has exercised its discretion to allow a participant to be treated as a Good Leaver (for "any other reason"), it may decide to reduce vesting of an award (for example pro rata for time) if it considers it appropriate.

Where a participant leaves after an award vests, the award will normally continue until the normal time of release and, for options, be exercisable for 12 months from the later of release and leaving.

Where a participant dies, awards will vest in full and will normally be exercisable for 12 months from the date of death.

Any awards not exercised by the end of the specified exercise period will be deemed to be exercised at the end of that period (see paragraph 7).

In any case where a participant leaves for ill-health, injury or disability, the Committee can decide to accelerate vesting and/or release of awards to the date of leaving.

Awards (including those granted to former employees or those on notice) will lapse if a participant has been summarily dismissed or if it is discovered that there are circumstances that would have justified the participant's summary dismissal.

Where awards are granted in tranches, with each tranche having different vesting and/or release dates, the leaver rules will apply to each tranche separately, as if each tranche was a separate award.

A participant will normally be considered to have left the Group when no longer employed by any member of the Group (or a connected company) or when the participant gives or receives notice to leave.

## 11. Post-termination restrictions

For a specified period following leaving, certain participants are subject to restrictions that allow the Committee to lapse awards or, where awards have been satisfied, recover amounts relating to the value of the awards if the participants engage in specified competitive activities, customer solicitation or employee solicitation before awards vest. The participants subject to these rules are normally those who are treated as a Good Leaver at the discretion of the Committee (see paragraph 10) and those who are granted awards after leaving or whilst on notice to leave.

In addition, if the Committee exercises its discretion to treat an executive Director of the Company as a Good Leaver in relation to one or more awards on the basis that they have retired, but they then become employed or engaged as an executive Director at another listed company, those awards will normally lapse to the extent they have not yet vested. If the awards have already been satisfied but it is discovered that the former executive Director took the other role before the awards vested, the Committee may recover an amount relating to their value. This will only normally apply if the participant takes up the executive role within 12 months following leaving.

Where awards are granted in tranches, these rules will apply to each tranche separately, as if each tranche was a separate award.

### 12. Company events

In the event of a takeover, share awards, phantom awards and restricted share awards will normally be released early. This will not apply if the takeover is by one or more members of the 'Excluded Group' (see below), unless it results (or in the opinion of the Committee is highly likely to result) in the Company being delisted. In the event of a scheme of arrangement in relation to the Company's Shares, share awards, phantom awards and restricted share awards may be released early if the Committee so decides. In the event of a person becoming bound or entitled to acquire minor shareholdings, share awards, phantom awards and restricted share awards will normally be released early. If there is going to be a voluntary winding up of the Company, all awards will normally be released early.

In the circumstances set out above, awards will normally:

- vest in full, unless they are subject to additional conditions, in which case they will normally vest to the extent any such conditions have been satisfied; and
- for options, be exercisable for one month and, if not exercised by the end of that period, will then be deemed to be exercised (see paragraph 7).

In addition, the Committee may decide to reduce vesting of an award (for example pro rata for time) or to attach a holding period (during which the Shares or cash received may not normally be disposed of), if it considers it appropriate.

Alternatively, the Committee may decide that awards will lapse or that vesting and/or release will not be accelerated if it considers that participants have been adequately compensated in some other way.

In some circumstances (including internal reorganisations in particular), share awards, phantom awards and restricted share awards may instead be exchanged for substantially similar rights.

The Committee may determine that the Group's malus and clawback policy will no longer apply, or will be varied in its application, if there is a company event.

Where awards are granted in tranches, the company event rules will apply to each tranche separately, as if each tranche was a separate award.

The Excluded Group referred to above is those persons who, at 24 April 2020, together with their connected persons, hold at least 30% of the voting rights in the Company and are regarded as acting in concert for the purposes of the City Code on Takeovers and Mergers; as well as their families and any trustees or beneficiaries of trusts in which they or their families have an interest and any companies which any of them control. The parties to the Relationship Agreement fall within this definition.

### 13. Variation of share capital

In the event of a variation in the share capital of the Company, a demerger or exempt distribution, a special dividend or distribution or any other transaction which will materially affect the value of Shares, the Committee may adjust the number or class of Shares to which a share award or phantom award relates.

### 14. Rights attaching to Shares

Any non-voting ordinary shares issued by the Company in connection with the DAP will rank equally to other shares of the same class then in issue. The Company will apply for the listing of such shares as soon as practicable after issue.

A participant will be entitled to any rights attaching to Shares they acquire under the DAP by reference to a record date on or after the transfer of the Shares. The participant will not be entitled to voting, dividend or other rights before that date.

### 15. Amendments and termination

The Committee may change the DAP in any way at any time but the prior approval of shareholders by ordinary resolution will be required for any proposed change that is to the advantage of present or future participants and which relates to:

- the persons who may receive Shares or cash under the DAP;
- the total number or amount of Shares that may be delivered under the DAP;
- the maximum entitlement for any participant;
- the basis for determining a participant's entitlement to, and the terms of, Shares or cash provided under the DAP and the rights of a participant in the event of a capitalisation or rights issue, open offer, sub-division or consolidation of shares, reduction of capital or any other variation of capital of the Company; and
- the provision in the DAP requiring shareholder approval for amendments.

There are exceptions for minor changes to benefit the administration of the DAP, to comply with or take account of a change in legislation and/or to obtain or maintain favourable tax, exchange control or regulatory treatment for any member of the Group or any present or future participant.

Further plans or schedules based on the DAP may be established, but modified to take account of local tax, exchange control or securities laws in other jurisdictions, provided any awards made under them count towards the individual and plan limits. At the date of this Notice, a number of international schedules are attached to the DAP, the main one being in relation to potentially adverse tax rules for US taxpayers.

The DAP will terminate on 30 April 2030 (or on such earlier date as the Committee determines). Termination will not affect subsisting rights under the DAP.

*This summary does not form part of the rules of the DAP and should not be taken as affecting the interpretation of the detailed terms and conditions of the DAP. The Directors reserve the right to amend or add to the rules of the DAP up until the time of the annual general meeting, provided that such amendments or additions do not conflict in any material respect with this summary.*





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