

Annual General Meeting

Notice of Meeting

BT INVESTMENT
MANAGEMENT LIMITED
ABN 28 126 385 822

Date: Friday, 6 December 2013

Time: 10.00am (Sydney time)

Venue: Sofitel Sydney Wentworth
Level 3
61–101 Phillip Street
Sydney NSW 2000

Annual General Meeting

FRIDAY, 6 DECEMBER 2013

Information for Shareholders

Venue

The Annual General Meeting (**AGM**) of BT Investment Management Limited (**BTIM** or **the Company**) will be held in the Melbourne Room at the Sofitel Sydney Wentworth, Level 3, 61–101 Phillip Street, Sydney on Friday, 6 December 2013 commencing at 10.00am (Sydney time), with registration from 9.30am (Sydney time).

Documents

The following documents relating to the AGM are enclosed in this mailing:

- the AGM Notice of Meeting, including the Explanatory Memorandum
- a personalised proxy form and return envelope
- a copy of BTIM's 2013 Annual Report, if you have elected to receive a hard copy by mail
- a Shareholder Question Form, and
- a Communications Preference Form.

The **Corporations Act** requires BTIM to send you a copy of this Notice of Meeting either electronically or by mail, even though you may have previously elected not to receive a copy of BTIM's Annual Report.

The above documents are also available online at www.btim.com.au or by contacting our share registry, Link Market Services by one of the following methods:

Online at: www.linkmarketservices.com.au

By email at: BTIM@linkmarketservices.com.au

By post: Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By telephone: In Australia: +61 1300 792 077

By facsimile: In Australia: 02 9287 0309
From outside Australia: + 61 2 9287 0309

Receiving Documents Electronically

If you received the Notice of Meeting by mail and would prefer to receive future notices and correspondence from BTIM electronically, please complete the enclosed Communications Preference Form or contact Link Market Services to change how you receive documents from BTIM.

Questions from Shareholders

You may ask questions at the AGM about any of the resolutions being considered at the meeting or general questions about BTIM's management or performance. You may also ask questions of the Company's auditor about the content of the Auditor's Report or the conduct of the audit.

In addition, you may submit written questions prior to the AGM. Questions can be submitted using the enclosed Shareholder Question Form, or online at our share registry's web-site: www.linkmarketservices.com.au

Please see the Shareholder Question Form for information on how to submit your question.

Attending the AGM

If you will be attending the AGM, please bring your proxy form with you. The bar code at the top of the form will help you register. If you do not bring your proxy form to the AGM you will still be able to attend, but you will be required to verify your identity.

Presentation to Shareholders

At the conclusion of the formal part of the AGM, Jim Taylor, Portfolio Manager, Equity Strategies and Vimal Gor, BTIM's Head of Income & Fixed Interest will each give a short presentation to shareholders, providing some insight into markets and our portfolios.

Directions

Please see the back cover for directions on how to get to the Sofitel Sydney Wentworth.

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Business

Financial Reports

1. To receive and consider the annual Financial Report, Directors' Report and Auditor's Report of the Company for the year ended 30 September 2013.

Election of Directors

2. To elect Directors:
 - (a) Meredith Brooks, in accordance with the Company's Constitution.
 - (b) Andrew Fay, who retires in accordance with the Company's Constitution and being eligible, offers himself for re-election.

Remuneration Report

3. To adopt the Company's Remuneration Report for the year ended 30 September 2013.

Non-executive Directors' Remuneration

4. To increase the maximum aggregate amount of annual remuneration that may be paid to Non-executive Directors of the Company from \$800,000 per annum to \$1,000,000 per annum, with effect from 1 January 2014.



Christopher Millard
Company Secretary

Sydney
7 November 2013

Notes

Entitlement to Vote

You will be eligible to vote at the AGM if you are registered as a holder of BTIM shares at 7.00pm on Wednesday, 4 December 2013 (Sydney time).

Proxies

If you are entitled to vote at the AGM you can appoint a proxy to attend and vote on your behalf. A proxy does not have to be a BTIM shareholder and may be an individual or a body corporate. A personalised proxy form is included with this Notice of Meeting.

If you are entitled to cast two or more votes you may appoint two proxies and may specify the number or proportion of votes to be exercised by each proxy. If you do not specify a proportion or number, each proxy may exercise half of the votes.

Directed Proxies

A shareholder may direct their proxy on how to vote on the proposed resolutions by following the instructions set out in the Proxy Form that accompanies this Notice of Meeting. If the shareholder directs their proxy on how to vote on a proposed resolution, then the proxy may only vote in the way directed.

Undirected Proxies

If a shareholder does not direct the proxy on how to vote on a proposed resolution, then the proxy may vote on that resolution as the proxy thinks fit.

Voting restrictions that may affect your proxy appointment

If you appoint a KMP (including a Director) as your proxy, voting exclusions under the Corporations Act or the ASX Listing Rules may preclude that KMP from voting your proxy in relation to Item 3 (Adoption of the Remuneration Report) or Item 4 (Non-executive Directors' Remuneration) unless you direct your proxy how to vote, or in the case of the Chairman, you expressly authorise the Chairman to vote your undirected proxy as he sees fit.

Further details of the voting exclusions that apply to Item 3 (Adoption of the Company's Remuneration Report) or Item 4 (Non-executive Directors' Remuneration) are set out in the Explanatory Memorandum.

If you intend to appoint a KMP (including the Chairman) as your proxy, you are encouraged to direct them how to vote on Items 3 and 4, by marking either "For", "Against" or "Abstain" for those items of business.

How the Chairman will vote undirected proxies

The Chairman will vote undirected proxies in favour of each resolution. Where the Chairman is authorised by the proxy appointment to do so, the Chairman will vote undirected proxies relating to Items 3 and 4 in favour of the resolution.

Lodging your proxy

Proxies can be lodged using one of the following methods:

Online: Log on to the Link Market Services Limited's website (www.linkmarketservices.com.au) and follow the instructions. You will need to input your Security holder Reference Number (SRN) or Holder Identification Number (HIN) as well as your postcode.

By post: Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By delivery: Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

By facsimile: In Australia: 02 9287 0309
From outside Australia: + 61 2 9287 0309

To be effective, your proxy form must be received at BTIM's share registry no later than 48 hours before the AGM, i.e. by 10.00am (Sydney time) on Wednesday, 4 December 2013.

If your proxy is appointed under a written authority, such as a power of attorney, the original or a certified copy of the authority must be submitted with the proxy form.

If you appoint a proxy, you may still attend the AGM. However, your proxy for any resolution will be revoked if you also vote on the resolution.

Corporate Representative

A corporate shareholder may appoint a representative to attend the AGM on their behalf. The representative should bring evidence of his or her appointment unless it has previously been provided to the BTIM share registry.

Shareholders can download and fill out the 'Appointment of Corporate Representation' form from the Link Market Services' website: www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html

Explanatory Memorandum

These notes and the following Explanatory Memorandum form part of this Notice of Meeting.

Explanatory Memorandum

Introduction

This Explanatory Memorandum has been prepared for shareholders of BTIM in relation to the AGM to be held on 6 December 2013. It should be read in conjunction with the Notice of Meeting. This Explanatory Memorandum is an important document and should be read carefully in full by all shareholders.

Item 1 – Financial Reports

The Corporations Act requires that BTIM's Annual Financial Report, Directors' Report and Auditor's Report for the year ended 30 September 2013 be laid before the AGM.

The Financial Report, Directors' Report and the Auditor's Report are available in the Annual Report. A copy of the Annual Report is available on BTIM's website at www.btim.com.au.

Shareholders will have an opportunity to ask questions about the above reports at the AGM, but in accordance with the Corporations Act and the Constitution, there is no requirement for shareholders to vote on, approve or adopt those reports.

Item 2 – Election of Directors

Two Directors are retiring at this AGM. Brian Scullin is retiring from the Board in accordance with the Constitution and is not seeking re-election.

Andrew Fay is retiring by rotation at this AGM in accordance with the Constitution and is offering himself for re-election.

On 4 March 2013, the Company announced the appointment of Meredith Brooks as a Director with effect from 1 April 2013. Under the Constitution, a Director appointed by the Board holds office until the next AGM. Accordingly, the election of Meredith Brooks as a Director of the Company is being submitted to the AGM.

Meredith Brooks, BA, FIAA

Meredith Brooks was appointed as an Independent Non-executive Director of the Company with effect from 1 April 2013. Meredith is a member of the Board's Audit & Risk Management Committee.

Meredith has over 30 years' experience in the financial services industry, including extensive experience in funds management both in Australia and overseas. Meredith held the position of Managing Director, US Institutional Investment Services at Frank Russell Company, based in New York between 2000 and 2004. Prior to that, she held a number of other senior positions at Frank Russell Company, including Managing Director, Australasia (1996–2000) and Director, European Funds (1991–1996).

Meredith is currently the Chair of Balmain Investment Management Limited, Chair of Critical Path Inc and a member of the Industry Advisory Board for the Faculty of Business and Economics at Macquarie University. Meredith was a non-executive director of Perpetual Limited from 2004 to 2011.

Board Recommendation

The Board (excluding Meredith Brooks who did not participate because of her interest) unanimously recommends that shareholders vote in favour of the election of Meredith Brooks as a Director.

Undirected Proxies

The Chairman will vote all undirected proxies in favour of the resolution.

Andrew Fay, BAgEc (Hons), A Fin

Andrew Fay has been an Independent Non-executive Director of the Company since October 2011. Andrew is the Chairman of the Board's Remuneration & Nominations Committee, having been appointed to that role in February 2013.

Andrew has over 25 years' experience in the financial services sector and was Chief Executive Officer at Deutsche Asset Management (Australia) Limited from 2005 to 2008 and Chief Investment Officer from 2000 to 2008. Prior to that, he held a number of other senior investment roles at Deutsche Asset Management and previously at AMP Capital. From 1998 to 2006, he was a member of the Investment Board Committee of the Financial Services Council.

Andrew was the Chairman and a non-executive director of Deutsche Asset Management (Australia) Limited between 2008 and 2011 and is a current non-executive director of Deutsche Managed Investments Limited.

Andrew is also a non-executive director of Spark Infrastructure RE Limited, South Australia Power Networks Pty Limited and Victoria Power Networks Pty Limited.

Board Recommendation

Following a peer review, the Board (excluding Andrew Fay who did not participate because of his interest) unanimously recommends that shareholders vote in favour of the re-election of Andrew Fay as a Director.

Undirected Proxies

The Chairman will vote all undirected proxies in favour of the resolution.

Item 3 – Adoption of the Remuneration Report

The Company's Remuneration Report for the year ended 30 September 2013:

- sets out BTIM's remuneration policies
- highlights the link between pay, corporate performance and shareholder wealth creation, and
- reports on the remuneration arrangements in place for the Company's key management personnel (**KMP**), including its Non-executive Directors, Chief Executive Officer and Senior Executives.

The Remuneration Report is available in the Annual Report, which is available on BTIM's website at www.btim.com.au.

Shareholders will be asked to vote on a resolution to adopt the Remuneration Report at the AGM. In accordance with the Corporations Act, the vote on the resolution is advisory only and does not bind the Board or BTIM. However, the Board will take the outcome of the vote into consideration when considering future remuneration policies for Directors and Senior Executives.

Under the Corporations Act, if a company's remuneration report receives a "No" vote of 25% or more at two consecutive annual general meetings, a resolution must be put to shareholders at the second annual general meeting as to whether another meeting should be held within 90 days at which all directors (other than the managing director) who held office at the date of approval of the applicable directors' report must stand for re-election.

The Company's Remuneration Report for the year ended 30 September 2012 received a total "No" vote of approximately 0.8%.

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of the adoption of the Company's Remuneration Report for the year ending 30 September 2013.

Undirected Proxies

The Chairman will vote undirected proxies in favour of the resolution, where he has been expressly authorised to do so.

Voting Exclusion Statement

Under the Corporations Act, a vote in relation to the adoption of a company's remuneration report must not be cast by KMP (including the Chairman) or a Closely Related Party of KMP.

BTIM will disregard any votes cast on the resolution in Item 3 by KMP or a Closely Related Party of KMP except where:

- KMP cast a vote on Item 3 as the proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- the Chairman casts a vote on Item 3 as the proxy for a person who is entitled to vote and who has expressly authorised the Chairman to vote undirected proxy votes as the Chairman sees fit.

Item 4 – Non-executive Directors' Remuneration

The Company is seeking shareholder approval to increase the maximum aggregate of remuneration that can be paid to Non-executive Directors each year (Annual Fee Pool) from \$800,000 to \$1,000,000, an increase of \$200,000.

The Annual Fee Pool was set at a maximum of \$800,000 per year in 2007, when the Company first listed on the ASX. There has been no increase in the maximum amount of the Annual Fee Pool since 2007.

Earlier this year, the Board increased fees payable to Non-executive Directors. This was the first increase in Directors' fees since 2007.

The fees currently paid to Non-executive Directors are set out in the Company's Remuneration Report. The total value of remuneration paid to all Non-executive Directors during the financial year ended 30 September 2013 was approximately \$690,000. If the proposed increase to the Annual Fee Pool is approved, there is currently no intention to increase the fees paid to Non-executive Directors.

The proposed increase in the Annual Fee Pool will provide the Company with flexibility to:

- continue to attract and retain Non-executive Directors of the highest calibre
- increase the size of the Board and allow for transition periods, as part of an active Board renewal and succession planning process, and
- allow the Company to pay Non-executive Directors appropriate fees, taking into account the increased responsibilities required of Non-executive Directors, particularly following the Company's acquisition of J O Hambro Capital Management.

Rule 49(b) of the Constitution and Rule 10.17 of the ASX Listing Rules require any increase in the Annual Fee Pool to be approved by shareholders.

If approved, the increase in the Annual Fee Pool will take effect on 1 January 2014.

Board Recommendation

As the Directors have an interest in the outcome of Item 4, they will refrain from making a recommendation in relation to this resolution.

Undirected Proxies

The Chairman will vote undirected proxies in favour of the resolution, where he has been expressly authorised to do so.

Voting Exclusion Statement

In accordance with the ASX Listing Rules, BTIM will disregard any votes cast on the resolution in Item 4 by any Director and any associate of a Director except where:

- a Director (or an associate of a Director) casts a vote on Item 4 as the proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- the Chairman casts a vote on Item 4 as the proxy for a person who is entitled to vote and who has expressly authorised the Chairman to vote undirected proxy votes as the Chairman sees fit.

Glossary

In this Notice of Meeting and Explanatory Memorandum:

Annual Fee Pool means the maximum aggregate amount of remuneration that can be paid to all Non-executive Directors of the Company in each year in accordance with Rule 49(b) of the Constitution.

BTIM means BT Investment Management Limited.

Chairman means the chairman of the AGM.

Closely Related Party has the same meaning as the definition in the Corporations Act and includes a KMP's spouse, dependent and certain other close family members, as well as companies controlled by the KMP.

Company means BT Investment Management Limited.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth), as amended.

KMP means the key management personnel of the Company as disclosed in the Company's 2013 Remuneration Report.

Ordinary Resolution means a resolution which, to be passed, requires at least a simple majority of the votes cast by shareholders entitled to vote on the resolution, to vote in favour.

How to get to the AGM

Location

The Melbourne Room
Sofitel Sydney Wentworth
Level 3
61–101 Phillip Street
Sydney 2000
New South Wales

The Sofitel Sydney Wentworth is located in the Sydney CBD, in the block bounded by Phillip, Bent, Bligh and Hunter Streets. It can be accessed by the entrances on Phillip Street or Bligh Streets. The Melbourne Room is located on Level 3.

Mobility impaired access

There is level access to the entrance to the Sofitel Sydney Wentworth on Phillip Street and Bligh Street. The Melbourne Room is located on Level 3 and can be accessed by either escalators or by lifts.

By public transport or car

By train:

The closest train stations to the Sofitel Sydney Wentworth are Martin Place, Wynyard and Circular Quay. Martin Place station is about 5 minutes walk away. Wynyard and Circular Quay are about 10 minutes walk away.

By bus:

For bus services travelling to the city, alight at the bus stop nearest Margaret or Hunter Streets and then proceed to the entrance to the Sofitel Sydney Wentworth on Phillip or Bligh Streets.

By car:

Passengers may be dropped off at the Phillip Street entrance to the hotel. Car parking for a fee is available at the Sofitel, subject to availability. The entrance to the car park is in Bligh Street. Parking is also available at other car parks in the CBD.

If you need any further information regarding the AGM, please contact Link Market Services on 1300 792 077 (toll free in Australia), or from outside Australia on + 61 2 8280 7922.