

# Annual General Meeting 2015

Notice of Meeting

**BT Investment Management Limited**

ABN 28 126 385 822

Date: Tuesday, 8 December 2015

Time: 10.00 am (Sydney time)

Venue: The Westin Sydney

1 Martin Place

Sydney NSW, 2000

# Information for Shareholders

## Venue

The Annual General Meeting (**AGM**) of BT Investment Management Limited (**BTIM** or **the Company**) will be held at The Westin Sydney, 1 Martin Place, Sydney on Tuesday, 8 December 2015, commencing at 10.00 am (Sydney time), with registration from 9.30 am (Sydney time).

## Documents

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

- the AGM Notice of Meeting, including the explanatory notes
- a personalised proxy form and return envelope
- a copy of the Annual Report, if you have elected to receive a hard copy by mail
- a Shareholder Question 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 the Annual Report.

The above documents are also available on-line at [www.btim.com.au](http://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](http://www.linkmarketservices.com.au)  
 By e-mail at: [BTIM@linkmarketservices.com.au](mailto:BTIM@linkmarketservices.com.au)  
 By post: Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235  
 By telephone: In Australia: 1300 792 077;  
 From outside Australia:  
 +61 1300 792 077  
 By facsimile: +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 contact Link Market Services to change how you receive documents from BTIM.

## Presentation to shareholders

At the conclusion of the AGM, Crispin Murray, Head of BTIM's Equity Strategies and Vimal Gor, BTIM's Head of Income and Fixed Interest, will each give a short presentation to shareholders, providing some insights into markets and our portfolios.

## How to get to the AGM

The Westin Sydney is located at 1 Martin Place, Sydney, between George and Pitt Streets. The Westin Sydney can be accessed via Pitt Street.

# Notice of Meeting

The Annual General Meeting (**AGM**) of BT Investment Management Limited (**BTIM** or **the Company**) will be held at The Westin Sydney, 1 Martin Place, Sydney on Tuesday, 8 December 2015, commencing at 10.00 am (Sydney time), with registration from 9.30 am (Sydney time).

## 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 2015.

### Re-election of Directors

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

### Remuneration Report

3. To adopt the Company's Remuneration Report for the year ended 30 September 2015.

### Non-executive Directors' Annual Fee Pool

4. To increase the maximum aggregate amount of annual remuneration that may be paid to Non-executive Directors of the Company from \$1,000,000 per annum to \$1,600,000 per annum, with effect from 1 January 2016.



**Christopher Millard**  
 Company Secretary  
 Sydney  
 6 November 2015

# Other Information

## Entitlement to attend and vote

You will be eligible to attend and vote at the AGM if you are registered as a holder of BTIM shares at 10.00 am on Sunday, 6 December 2015 (Sydney time).

## Attending the AGM in person

Eligible shareholders may attend the AGM and vote in person. If you attend the AGM in person, you do not need to submit a proxy form.

You may still attend the AGM and vote in person even if you have appointed a proxy. If you have previously submitted a proxy form, your proxy will be cancelled if you vote on the resolution.

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

## Appointing a Proxy

You can appoint a proxy to attend and vote on your behalf as an alternative to attending the AGM in person. A personalised proxy form is included with this Notice of Meeting. Please note the following information in relation to the appointment of proxies:

- A proxy does not have to be a BTIM shareholder and may be an individual or a body corporate.
- You may appoint up to two proxies. If you appoint two proxies you should complete two separate proxy forms and specify the percentage or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. You must return both proxy forms together.
- To appoint the Chairman as your proxy, mark the box in the section marked "Step 1" on the proxy form. You can direct your proxy how to vote on Items 2 to 4 by marking "For", "Against" or "Abstain", in the section marked "Step 2".
- You may appoint another person as your proxy by completing their name on the space provided in the section marked "Step 1" on the proxy form. If your proxy is not the Chairman, you are also appointing the Chairman as your alternate proxy in the event that your named proxy does not attend the AGM.
- If you sign the enclosed proxy form and do not mark the box in the section marked "Step 1", the Chairman will be appointed as your proxy. The Chairman intends to vote undirected proxies in favour of each resolution.
- If you appoint a proxy, you may still attend the AGM. However, your proxy will be revoked if you also vote on the resolution.
- 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.

## Proxy appointment and your voting instructions

If you appoint the Chairman as your proxy and have not directed him how to vote, you are authorising the Chairman to cast your undirected proxy on all proposed resolutions in accordance with his intentions, which are set out in this Notice of Meeting.

If you appoint a Director or one of the Company's other Key Management Personnel (KMP) or their Closely Related Party

(other than the Chairman) as your proxy, they will not be able to vote your proxy on Item 3 (Adoption of the Remuneration Report) and Item 4 (Non-executive Remuneration) unless you have directed them how to vote.

If you intend to appoint a KMP (including the Chairman) or a Closely Related Party of a KMP as your proxy, you are encouraged to direct them how to vote on Item 3 by (Adopted of the Remuneration Report) and Item 4 (Non-executive Remuneration) by marking either "For", "Against" or "Abstain" for that item of business on the proxy form, in the section marked "Step 2".

## Chairman's voting intentions

The Chairman intends to vote undirected proxies in favour of all resolutions.

## Voting to be conducted by Poll

The voting on all resolutions at the AGM will be conducted by poll. Details of how the polls will be conducted will be explained at the AGM.

## Lodging your proxy

Your completed proxy form must be received by Link Market Services no later than 10.00 am (Sydney time) on Sunday, 6 December 2015 i.e. 48 hours before the commencement of the AGM.

Proxy forms can be lodged:

- **Online at:** [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) by following the instructions. You will need to input your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as well as your postcode.
- **Posting** it to: Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, Australia.
- **Faxing** it to: + 61 2 9287 0309
- **Hand delivery** to: Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000 before 5.00 pm on Friday, 4 December 2015.

## Corporate shareholders

Corporate shareholders 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 Link Market Services.

Shareholders can download and fill out the *Appointment of Corporate Representative* form from the Link Market Services' website: [www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html](http://www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html)

## Questions from shareholders

You may ask questions at the AGM about any of the resolutions being considered at the AGM 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](http://www.linkmarketservices.com.au)

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

# Notes on the Business of the AGM

## Item 1 – Annual reports

The Corporations Act requires that BTIM's annual Financial Report, Directors' Report and Auditor's Report for the year ended 30 September 2015, 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](http://www.btim.com.au)

There is no requirement under the Corporations Act or the Constitution, for shareholders to approve or adopt these reports. Shareholders will have an opportunity to ask questions about the above reports at the AGM.

## Item 2 – Election of Directors

Two Directors – Meredith Brooks and Andrew Fay – are retiring at the AGM by rotation and in accordance with the Constitution, both offer themselves for re-election.

### (a) Re-election of Meredith Brooks, BA, FIAA

Meredith Brooks has been an Independent Non-executive Director of the Company since April 2013. Meredith is the Chair of the Board's Remuneration & Nominations 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) based in London.

Meredith is currently Chair of Critical Path Inc, a Council Member of Glaucoma Australia 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.

### (b) Re-election of 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 Audit & Risk Management Committee.

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 currently the non-executive Chairman of Deutsche Managed Investments Limited.

Andrew is a non-executive director of J O Hambro Capital Management Holdings Limited and the Chairman of that Board's Audit & Risk Committee.

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

### Board Recommendation:

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.

## Item 3 – Adoption of the Remuneration Report

The Company's Remuneration Report for the year ended 30 September 2015:

- sets out BTIM's remuneration policies
- highlights the link between pay, corporate performance and shareholder wealth creation
- 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](http://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.

### Voting exclusions

BTIM will disregard any votes cast on this resolution:

- by or on behalf of, a KMP or a Closely Related Party of a KMP
- as a proxy by a KMP or a Closely Related Party of a KMP, unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:
  - in accordance with a direction on the proxy form, or
  - by the Chairman pursuant to an express authorisation set out in the proxy form

### 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 2015.

# Notes on the Business of the AGM

## Item 4 – Non-executive Directors’ Annual Fee Pool

One of BTIM’s key strategic objectives is to grow its global asset management business across new and existing markets. Post the acquisition of J O Hambro Capital Management in 2011 and with further expansion since that time, BTIM now has operations in Australia, the United Kingdom, Europe, the United States and Asia. Revenue sourced from offshore markets was \$270.7 million in the 2015 Financial Year, representing 62 per cent of the Group’s total revenue and approximately 78 per cent of the Group’s cash net profit after tax.

Expanding into offshore markets has delivered significant growth to the business leading to increased returns to shareholders. It has also added to the complexity of BTIM’s business, particularly in regard to the various regulatory environments associated with the jurisdictions in which it operates. This has resulted in an increase in the time commitments required by the current Non-executive Directors and it is expected the commitment will continue to increase as the business expands further.

It is for this reason that the Board believes it would be beneficial to expand the Board’s collective knowledge and experience of global markets, through the addition of new Non-executive Directors.

BTIM is therefore seeking shareholder approval at this AGM, to increase the maximum aggregate of remuneration that can be paid to Non-executive Directors each year (Annual Fee Pool) from \$1.0 million to \$1.6 million, an increase of \$600,000.

The Annual Fee Pool was originally set at \$800,000 per annum in 2007, when the Company listed on the ASX. In 2013, shareholders approved an increase in the Annual Fee Pool to \$1,000,000. Recent benchmarking data has indicated that BTIM’s Annual Fee Pool for Non-executive Directors is below that of comparable companies, particularly those companies operating in the financial services industry.

Increasing the Annual Fee Pool to \$1.6 million will provide the Company with flexibility to:

- appoint additional Non-executive Directors to the Board who have knowledge and experience in off-shore markets
- continue to attract and retain Non-executive Directors of the highest calibre
- allow existing Non-executive Directors to be appointed to subsidiary boards within the Group without impacting on the Annual Fee Pool
- allow the size of the Board to be expanded during transition periods, as part of an active Board renewal and succession planning process.

Other than an increase in the Chairman’s fee recently approved by the Board and disclosed in the Remuneration Report, there are currently no intentions to increase the fees payable to the Company’s other Non-executive Directors. The increase in the Chairman’s fee falls within the current Annual Fee Pool of \$1.0 million per annum.

## Approval of the Non-executive Director’s Annual Fee Pool

The ASX Listing Rules (Listing Rule 10.17) and the Company’s Constitution provide that the maximum amount of Non-executive Director remuneration must not be increased without the approval of the Company’s shareholders in a general meeting.

If approved, the increase in the Annual Fee Pool will take effect on 1 January 2016.

In accordance with ASX Listing Rules, shareholders are advised that:

- no shares or other securities in the Company have been issued by the Company to Non-executive Directors under ASX Listing Rule 10.11 (Approval required for an issue of securities) in the preceding three years; and
- no shares or other securities in the Company have been acquired by Non-executive Directors under ASX Listing Rule 10.14 (Approval required to acquire securities under an employee incentive scheme) in the preceding three years.

## Board Recommendation

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

## Voting Exclusion Statement – Non-executive Director’s Annual Fee Pool

BTIM will disregard any votes cast on this resolution:

- by or on behalf of, a Director or a Closely Related Party of a Director
- as a proxy by a Director or a Closely Related Party of a Director unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:
  - in accordance with a direction on the proxy form, or
  - by the Chairman pursuant to an express authorisation set out in the proxy form.

# Glossary

In this Notice of Meeting:

**AGM** means the Annual General Meeting of the Company to be held on Tuesday, 8 December 2015 at 10.00 am.

**Annual Report** means the Company's annual report to shareholders for the financial year ended 30 September 2015.

**BTIM** means BT Investment Management Limited (ABN 28 126 385 822).

**Chairman** means the chairman of the AGM and includes any Acting Chairman during the AGM.

**Director** or **Directors** means a Director of BTIM.

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

**Company** means BT Investment Management Limited (ABN 28 126 385 822).

**Constitution** means the constitution of BTIM.

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

**KMP** or **Key Management Personnel** means the key management personnel of the Company as disclosed in the Remuneration Report.

**Non-executive Directors** or **NEDs** means the Non-Executive Directors of BTIM.

**Remuneration Report** means the remuneration report contained in the Company's Directors' Report for the financial year ended 30 September 2015 and set out in the Annual Report.

## Further information

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 1300 792 077.