

Annual General Meeting

Notice of Meeting

BT Investment Management Limited
ABN 28 126 385 822

Date: Friday, 7 December 2012

Time: 10.00 am (Sydney time)

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

Notice of Meeting

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 7 December 2012 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 2012.

Re-election of Directors

2. To elect Directors by Ordinary Resolution:
 - (a) Brad Cooper, who retires in accordance with the Constitution and being eligible, offers himself for re-election.
 - (b) James Evans, who retires in accordance with the Constitution and being eligible, offers himself for re-election.

Adoption of the Remuneration Report

3. To consider and, if thought fit, to pass the following Ordinary Resolution:

That the remuneration report for the Company for the year ended 30 September 2012 be adopted.

Note: The vote on this resolution is advisory only and does not bind the Directors, but see the additional consequences set out in the Explanatory Memorandum where there are 'no' votes of 25% or more at consecutive annual general meetings. A voting exclusion applies to this resolution as set out in the Explanatory Memorandum.

Amendment to Rule 6 of Company Constitution

4. To consider and, if thought fit, pass the following resolution as a Special Resolution:

That Rule 6 of the Constitution be amended by:

 - (a) inserting immediately after "Except with the consent of shareholders in a general meeting" the words "or with the prior written consent of any shareholder who holds more than 50% of the issued fully paid ordinary shares in the Company,";
 - (b) inserting in paragraph (a) immediately after "in one transaction or a series of related transactions," the words "in any twelve month period,"; and
 - (c) inserting at the end of Rule 6 the sentence "This rule will cease to apply on and from the first time on or after 7 December 2012, there is no shareholder holding more than 50% of the issued fully paid ordinary shares in the Company."

By order of the Board of Directors.

Christopher Millard
Company Secretary
Sydney
6 November 2012

Notes

Entitlement to vote

You will be eligible to vote at the AGM if you are registered as a holder of BTIM shares at 10.00 am on 5 December 2012 (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

Due to voting exclusions under the Corporations Act, KMP and their Closely Related Parties will not be able to vote your proxy in relation to Item 3 (Adoption of the Company's Remuneration Report) unless you direct them how to vote, or in the case of the Chairman, you expressly authorise him to vote your undirected proxy vote on the Remuneration Report.

If you intend to appoint a KMP (including the Chairman) as your proxy, you are encouraged to direct them how to vote on Item 3 by marking either "For", "Against" or "Abstain" for that item 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 Item 3 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 Securityholder 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 10.00 am (Sydney time) on 5 December 2012.

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 7 December 2012. 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 2012 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 — Re-election of Directors

Two Directors are retiring at the AGM. Brad Cooper and James Evans are retiring in accordance with the Constitution and are offering themselves for re-election.

Brad Cooper, DipBM, MBA

Brad Cooper has been a Non-executive Director of the Company since April 2010. He is a member of the Remuneration & Nominations Committee.

Brad is the Chief Executive Officer of the BT Financial Group, having been appointed to that role on 1 February 2010. Brad joined The Westpac Group in April 2007 as Chief Executive for Westpac New Zealand. He then moved to the role of Group Chief Transformation Officer, leading the implementation of the Westpac-St George merger before taking up his current role.

Prior to joining The Westpac Group, Brad was Chairman of GE Capital Bank and Chief Executive Officer of GE Consumer Finance UK & Ireland.

Brad is a director of the Financial Services Council and an executive director of a number of companies within The Westpac Group.

Board recommendation:

Following a peer review, the Board (excluding Brad Cooper in relation to his own re-election) unanimously recommends that shareholders vote in favour of the re-election of Brad Cooper as a Director.

Undirected proxies

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

James Evans, BEc, CPA, F Fin, FAICD

James Evans has been an Independent Non-Executive Director of the Company since June 2010. He is the Chairman of the Audit & Risk Management Committee and a member of the Remuneration & Nominations Committee. James is also a non-executive director and the Chairman of the Audit & Risk Committee of J O Hambro Capital Management Holdings Limited.

James has 40 years of corporate experience. His most recent executive role, which he held from 2003 to 2008, was as the Chief Risk Officer, Wealth Management with the Commonwealth Bank of Australia. As part of this role, James held directorships in the Commonwealth Bank's funds management, general insurance, life insurance and lease financing businesses.

James also held a number of other senior executive roles with the Commonwealth Bank in the areas of finance, accounting, business development and strategy.

Before joining the Commonwealth Bank in 1996, James was a senior executive with Lend Lease in the Property Investment Services Group, holding directorships of property investment and joint venture companies. Prior to that, James held senior executive positions at GEC Australia and Grace Bros.

James is also a non executive director of Australian Infrastructure Fund Limited, the Equigroup companies, Hastings Funds Management Limited, Investa Wholesale Funds Management Limited, Macquarie Generation and Suncorp Portfolio Services Limited.

Board recommendation:

Following a peer review, the Board (excluding James Evans in relation to his own re-election) unanimously recommends that shareholders vote in favour of the re-election of James Evans as a Director.

Undirected proxies

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

Item 3: Remuneration Report – Non-binding

The Company's Remuneration Report for the year ended 30 September 2012:

- 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

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 were in the 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 2011 received a total "no" vote of approximately 0.9%.

Voting Exclusion Statement

In accordance with the Corporations Act, a vote on Item 3 (Adoption of the Remuneration Report) must not be cast (in any capacity) by or on behalf of a KMP (including the Chairman) and any Closely Related Parties of a KMP. However, such a person may cast a vote as proxy, if:

- the proxy form contains a direction on how the KMP or Closely Related Party of the KMP should vote on Item 3; or
- in the case of the Chairman, the voter has expressly authorised him to vote undirected proxy votes in favour of Item 3.

Where undirected proxy votes meet the above requirement, they will be voted in favour of the adoption of the Company's Remuneration Report.

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 2012.

Undirected proxies

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

Item 4: Amendment to Rule 6 of the Company Constitution — Special Resolution

Resolution 4 relates to the amendment of the security issue restrictions contained in Rule 6 of the Constitution.

Rule 6 of the Constitution currently provides:

"Except with the consent of shareholders in a general meeting, the Company must not:

- (a) *Except as contemplated by para (b), whether in one transaction or a series of related transactions, issue or agree to issue Securities that on completion of the transaction or series of related transactions would increase the aggregate number of Securities on issue by 10% or more; or*

(b) Issue or agree to issue Securities to employees (or their nominees, spouses or associates) under an employee share plan or option plan or similar incentive arrangement (Employee Plans), if immediately following any such issue the aggregate number of all Securities issued under those Employee Plans to current employees would be greater than 15% of Securities on issue."

"Securities" is defined under the Constitution and means Shares, rights to Shares, options to acquire Shares and other securities with rights of conversion to equity.

It is proposed to amend Rule 6 to make three changes, namely:

1. To allow the Company to seek shareholders' consent either by the passing of an ordinary resolution at a general meeting or by obtaining the written consent of any shareholder who holds more than 50% of the issued fully paid ordinary shares in the Company.
2. To clarify that when one is testing the application of para (a) of Rule 6 one looks at series of related transactions over a twelve month period (consistent with the testing period under ASX Listing Rule 7.1).
3. To provide that Rule 6 will cease to have effect if there ceases to be any shareholder who holds more than 50% of the issued fully paid ordinary shares in the Company.

If the Special Resolution is passed, Rule 6 of the Constitution will read as follows:

Except with the consent of shareholders in a general meeting or with the prior written consent of any shareholder who holds more than 50% of the issued fully paid ordinary shares in the Company, the Company must not:

- (a) *Except as contemplated by para (b), whether in one transaction or a series of related transactions, in any twelve month period, issue or agree to issue Securities that on completion of the transaction or series of related transactions would increase the aggregate number of Securities on issue by 10% or more; or*
- (b) *Issue or agree to issue Securities to employees (or their nominees, spouses or associates) under an employee share plan or option plan or similar incentive arrangement (Employee Plans), if immediately following any such issue the aggregate number of all Securities issued under those Employee Plans to current employees would be greater than 15% of Securities on issue.*

This rule will cease to apply on and from the first time on or after 7 December 2012, there is no shareholder holding more than 50% of the issued fully paid ordinary shares in the Company.

Why is it proposed to amend Rule 6

The Company has now been listed since 2007 and shareholders and the market now have a greater understanding of the capital requirements of the Company and the Company's experience in complying with Rule 6. Indeed, since listing the Company has only undertaken one significant capital raising in 2011 to fund its acquisition of J O Hambro Capital Management.

Following completion of the Company's 2011 entitlement offer, the Board commenced a review of Rule 6 to determine what changes, if any, were appropriate to that provision. The entitlement offer required shareholder approval at an extraordinary general meeting under Rule 6 (even though the Westpac Group was supportive of the offer and committed to take up its entitlement). The requirement for an extraordinary general meeting delayed the offer timetable, thereby reducing the speed, certainty and flexibility of the capital raising. It also impacted on the timing and certainty of the acquisition of J O Hambro Capital Management and the overall costs of the transaction.

In conducting this review, the Board was mindful that any amendment to the Constitution would require a Special Resolution and as such any change to Rule 6 would have to be acceptable to Westpac Banking Corporation (Westpac) given the Westpac Group's 64.2% direct shareholding in the Company. As part of the consultation process, Westpac indicated it was prepared to support changes to Rule 6 to improve the efficiency of its operation as well as a sunset provision in the event that there ceases to be any shareholder holding more than 50% of the issued fully paid ordinary shares in the Company.

In these circumstances, BTIM considered that the ability to obtain written consent from a majority holder holding more than 50% of the issued fully paid ordinary shares in the Company was a considerable advantage. As there are no voting exclusions in relation to an ordinary resolution proposed for the purposes of Rule 6, it serves no purpose to hold an extraordinary general meeting when a majority shareholder supports the relevant issue or agreement to issue Securities.

If such written consent is obtained it should enable the Company to undertake equity issues over a shorter period, with less market risk, better pricing and terms, lower cost and greater capacity to use more flexible accelerated offer structures.

If the Special Resolution is passed and Rule 6 is amended, it will not remove any other requirement under the Corporations Act and the ASX Listing Rules to obtain shareholder approval in respect of an issue of equity securities. Specifically, ASX Listing Rule 7.1 prohibits the Company from issuing or agreeing to issue more than 15% of its total issued equity securities in any 12 month period without seeking shareholder approval subject to a number of exceptions.

The second amendment to introduce a twelve month testing period is considered appropriate to ensure that Securities issue programs which may exist over a number of years (such as employee share plans and dividend reinvestment plans) are not considered to be related transactions for the purposes of Rule 6.

The final amendment to introduce a sunset provision to Rule 6 is designed to ensure that for so long as BTIM retains this provision it is able to consult with a single majority shareholder to enable it to seek the requisite consent under the amended Rule 6. The amended Rule 6 will no longer apply if there is no single shareholder holding a majority of shares in the Company.

The Board does not believe that shareholders will be disadvantaged by the proposed amendment of Rule 6 (and potential cessation of Rule 6), as shareholders will continue to enjoy the protections (including against dilution) that are afforded in the ASX Listing Rules and the Corporations Act.

Current intentions

The proposed amendment is not made in the context of a specific transaction or proposal. Rather, it is designed to improve the efficiency of the Company's power to issue Securities. At this stage, the Company has no current intentions to issue any further Securities except as previously disclosed to the ASX (including the Company's recent announcement to activate its Dividend Reinvestment Plan). However, it obviously reserves the right to do so.

Shareholder Support

The Westpac Group supports the proposed amendment of Rule 6 and intends to vote 172,800,000 BTIM Shares (representing 64.2% of BTIM shares), held by it in its personal capacity in favour of the Special Resolution.

What is the required voting threshold?

The resolution is a Special Resolution. There are no voting exclusions.

Board recommendation and advantages and disadvantages

For the reasons set out above, the Directors consider that the advantages of passing the Special Resolution greatly outweigh the disadvantages.

Accordingly, the Directors unanimously recommend that BTIM Shareholders vote in favour of the Special Resolution.

Undirected proxies

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

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 7 December 2012 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 Memorandum
- a personalised proxy form and return envelope
- a copy of BTIM's 2012 Annual Report, if you elected to receive a copy by mail
- a Shareholder Question Form.
- a Dividend Reinvestment Plan Instruction 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 our Annual Report.

The above documents are also available on-line 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 e-mail at: BTIM@linkmarketservices.com.au
By post: Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia
- By telephone: In Australia: 1300 792 077
From outside Australia: +61 2 8280 7922
- 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 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, Crispin Murray, BTIM's Head of Equities Strategies and Vimal Gor, BTIM's Head of Income and Fixed Interest will each give a short presentation to shareholders, providing some insight on the markets and on funds management.

Directions

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

Glossary

In this Notice of Meeting and explanatory memorandum:

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 2012 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.

Special Resolution

Means a resolution which, to be passed, requires at least 75% of the votes cast by shareholders entitled to vote on the resolution, to vote in favour.

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 2 8280 7922.

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 Central Business District, 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 is 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 Street 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.