

# Notice of Annual General Meeting

Date: Friday, 15 December 2017

Time: 10.00 am (Sydney time)

Venue: The Westin Sydney

1 Martin Place

Sydney NSW 2000

# Information for Shareholders

## Documents

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

- the Notice of Meeting;
- a personalised proxy form and return envelope;
- a copy of the Annual Report, if you have elected to receive a hard copy by mail; and
- 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, BTIM's Head of Equity Strategies, Vimal Gor, BTIM's Head of Income & Fixed Interest and Ashley Pittard, BTIM's Head of Global Equities, will each give a short presentation to shareholders, providing some insights into markets and BTIM's 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 Friday, 15 December 2017, 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 2017.

**Note:** *there is no requirement for shareholders to approve the Company's financial statements and reports.*

### Re-election of Directors

2. To re-elect Directors:
  - (a) James Evans; and
  - (b) Deborah Page AMwho are retiring at the AGM and, in accordance with the Constitution, both offer themselves for re-election.

### Adoption of the Remuneration Report

3. To adopt the Company's Remuneration Report for the year ended 30 September 2017.

**Note:** *This resolution is advisory only and does not bind the Company or the Directors.*

### Approval of 2017 LTI Grant of Performance Share Rights to Mr Emilio Gonzalez, Group Managing Director and CEO

4. To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That the Company approves the grant of Performance Share Rights (and acquisition of ordinary shares on exercise of the vested Performance Share Rights to Mr Emilio Gonzalez under the terms of the Performance Reward Scheme) on the terms described in the Explanatory Notes to this Notice of Meeting."*

Further information in relation to each resolution to be considered at the AGM is set out in the enclosed Explanatory Notes. The Explanatory Notes form part of this Notice of Meeting.

By order of the Board



**Joanne Hawkins**  
Company Secretary  
Sydney  
14 November 2017

# 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 7.00 pm on Wednesday, 13 December 2017 (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 barcode 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 asked to verify your identity.

## Appointing a Proxy

You can appoint a proxy to attend and vote on your behalf rather than attend 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.

## Undirected Proxies and Chairman's 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 in favour of all proposed resolutions, which are set out in this Notice of Meeting. The Chairman intends to vote all such undirected proxies in favour of all resolutions.

## Proxies in favour of KMPs and Directors

If you appoint a Director or one of the Company's other KMPs or their Closely Related Party (other than the Chairman) as your proxy, they will not be able to vote your proxy on Items 3 and 4 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 Items 3 and 4 by marking either "For", "Against" or "Abstain" for that item of business on the proxy form, in the section marked "step 2".

Details of the voting exclusions for Items 3 and 4 are included in the Explanatory Notes.

## 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 Wednesday, 13 December 2017, 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 Security Holder 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 10.00 am on Wednesday, 13 December 2017.

## 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/resources/forms.html](http://www.linkmarketservices.com.au/corporate/resources/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.

# Explanatory Notes on the Business of the AGM

## 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 2017, be laid before the AGM.

The Financial Report, Directors' Report and the Auditor's Report are available in the Annual Report, a copy of which 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 comment and ask questions about the above reports at the AGM.

## Item 2 – Re-election of Directors

Two Directors – James Evans and Deborah Page – are retiring at the AGM by rotation and, in accordance with the Constitution, both offer themselves for re-election as Directors.

In accordance with Rule 48(b) of the Constitution, James Evans and Deborah Page hold office until the conclusion of the AGM and offer themselves for election as Directors.

### (a) Re-election of James Evans BEC

James Evans was appointed as an Independent Non-executive Director of the Company on 2 June 2010 and as Chairman of the Board on 6 December 2013.

James is currently a non-executive Director of J O Hambro Capital Management Holdings Limited, Investa Property Group (Investa Wholesale Funds Management Limited) and Suncorp Portfolio Services Limited. He has previously been a non-executive director of Australian Infrastructure Fund Limited (2010–2013), Hastings Funds Management Limited (2009–2016) and the equigroup companies (2008–2016).

James has over 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 at the Commonwealth Bank of Australia.

As part of this role, James held various 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 in property investment and joint venture companies. Prior to that, James held senior executive positions at GEC Australia and Grace Bros.

James is a Member of Chartered Accountants ANZ, a Fellow of Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.

### Board Recommendation

The Board (excluding James Evans who did not participate because of his interest) unanimously recommends that shareholders vote in favour of the re-election of James Evans as a Director.

### (b) Re-election of Deborah Page AM BEC

Deborah Page was appointed as an Independent Non-executive Director of the Company on 7 April 2014 and as Chair of the Audit & Risk Management Committee on 1 January 2017.

Deborah is currently a non-executive Director of Brickworks Limited, GBST Holdings Limited, J O Hambro Capital Management Holdings Limited and Service Stream Limited. She has previously been the Chairman of Investa Office Fund (2011-2016) and a non-executive Director of Australian Renewable Fuels Limited (2012-2015) and Investa Property Group (2001- 2007).

Deborah is an experienced company director and Chartered Accountant. She has worked exclusively as a non-executive director since 2001 across a range of industries including insurance, financial services, property, manufacturing and energy. Her experience includes listed, unlisted and public sector entities.

Deborah commenced her career at Touche Ross (now KPMG) and was admitted as a Partner in 1989, where she specialised in the property and funds management industries. She subsequently held senior executive roles with the Lend Lease Group, Allen Allen & Hemsley and the Commonwealth Bank.

Deborah is a Fellow of Chartered Accountants ANZ, Fellow of the Australian Institute of Company Directors and was honoured in 2006 as a Member in the General Division of the Order of Australia for services to Public Health, Business and the Accounting Profession.

### Board Recommendation

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

# Explanatory Notes on the Business of the AGM continued

## Item 3 – Adoption of the Remuneration Report

The Company's Remuneration Report for the year ended 30 September 2017:

- 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 KMP, including its Non-executive Directors, CEO and Company executives.

The Remuneration Report is available in the Annual Report (pages 40 to 70), 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 section 250R of 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 Company executives.

At the 2016 AGM, the Remuneration Report was approved without a 'no' vote of 25% or more. If the Company receives a 'no' vote of 25% or more in relation to the Remuneration Report at two successive AGMs, a spill resolution will be put to the shareholders at the second AGM. In accordance with section 250W of the Corporations Act, if the spill resolution is passed with 50% or more of the votes cast, the Company will, within 90 days, hold a spill meeting to vote on whether to keep the Directors (the managing director will not be subject to the spill vote).

## Voting Exclusions

The Company will disregard any votes cast on Item 3:

- by or on behalf of a KMP or a Closely Related Party of those persons (regardless of the capacity in which the vote is cast); or
- as a proxy by a KMP or a Closely Related Party of those persons, unless the vote is cast as a proxy for a person who is entitled to vote on Item 3, and:
- the vote is in accordance with a direction on the proxy form; or
- in the absence of a direction on the proxy form, the vote is cast by the Chairman where the Chairman has received express authority to vote undirected proxies as the Chairman decides, even if the resolution is connected directly or indirectly with the remuneration of a member of a KMP.

## 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 2017.

## Item 4 – Approval of 2017 LTI Grant of Performance Share Rights to Mr Emilio Gonzalez, Group Managing Director and CEO

The resolution is being put to shareholders to obtain approval for the grant to Mr Gonzalez of 90,546 performance share rights (PSR) in accordance with the performance reward scheme approved by the Board Remuneration and Nominations Committee on 26 November 2015 (Performance Reward Scheme) and the acquisition of ordinary shares in the Company on the exercise the vested PSRs (upon satisfaction of certain performance hurdles).

PSRs will only vest and become exercisable if the performance hurdles (as set out below) have been met at the end of the three year performance period 1 October 2017 to 30 September 2020 (Performance Period).

The number of PSRs to be granted (being 90,546) was based on a value of \$1,000,000 determined by the Board and divided by the volume weighted average price of the Company's ordinary shares on the five trading days before the commencement of the Performance Period (being \$11.044 per share).

PSRs form part of Mr Gonzalez' total remuneration package which, as described in the Remuneration Report, is intended to target a mix of 25% for his fixed remuneration package, 25% for his cash variable reward and 50% for his equity based variable award.

## Why is approval sought?

Pursuant to Listing Rule 10.15B, shareholder approval is not required under ASX Listing Rule 10.14 where Mr Gonzalez' vested PSRs are satisfied through the purchase of shares on-market (where the terms of the Performance Reward Scheme permits such purchases) or where the PSRs are cash settled. Shares delivered to Mr Gonzalez on exercise of vested PSRs would have been purchased on-market by the Company and therefore, no shareholder approval would be required.

Notwithstanding the above, the Company is seeking approval for the grant of the PSRs and the acquisition of ordinary shares on exercise of the vested PSRs in the interests of transparency and good governance.

# Explanatory Notes on the Business of the AGM continued

## Key terms of Performance Share Rights

### Entitlements

- Each PSR is a right to be allocated a fully paid ordinary share in the Company at nil cost (ie nil exercise price).
- PSRs do not carry any dividend or voting rights during the Performance Period (but where dividends are paid during the Performance Period for PSRs that meet the performance hurdles and are ultimately vested and exercised, a dividend-equivalent cash payment will be made on or around the date of exercise or potentially earlier in the case of cessation of employment). Once the PSRs have vested and been exercised, the shares issued or transferred to Mr Gonzalez will rank equally with ordinary shares in the Company for dividends.
- PSRs (whether vested or unvested) are non-transferrable, except in limited circumstances such as in the event of death. PSRs may be forfeited under the Performance Reward Scheme or as determined by the Board at its discretion.
- The PSRs do not confer a right to participate in any new issue of shares in the Company (including by way of bonus issues, rights issues or otherwise).

### Performance Share Hurdles

The PSRs will be divided into two components which will each be subject to a separate performance hurdle as set out below. Each component will be tested on the final day of the Performance Period, being 30 September 2020. There will be no re-testing.

#### TSR Rights

50% (45,273) of Mr Gonzalez' 2017 PSRs will vest and become exercisable if the Company's total shareholder return (TSR) compared to the median TSR of companies in the ASX 200 index (taken as at the first day of the Performance Period) meets certain thresholds (TSR Rights). The TSR is calculated using share price and dividend data, and adjusting for any cash distribution under a return of capital of any company in the ranking group during the Performance Period. The number of TSR Rights that will vest is calculated as follows:

BTIM's TSR Performance	Percentage of TSR Rights to vest
Below the median of the ASX200	Nil
At the median of the ASX200	50%
For each 1% increase in ranking above the median up to the 75th percentile	An additional 2%
At or above 75th percentile	100%

#### Cash EPS Rights

50% (45,273) of Mr Gonzalez' 2017 PSRs will vest and become exercisable if the Company's cash earnings per share (Cash EPS) meets certain compound annual growth rate thresholds (Cash EPS Rights). The number of Cash EPS Rights that will vest is calculated as follows:

Cash EPS over Performance Period	Percentage of Cash EPS Rights to vest
Less than or equal to 5%	Nil
5%	50%
More than 5% but less than 10%	Straight line vesting between 50-100%
10% or more	100%

# Explanatory Notes on the Business of the AGM continued

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## Key terms of Performance Share Rights

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<b>Date of granting and vesting</b>	The PSRs will be granted to Mr Gonzalez on or about 18 December 2017. The PSRs will vest and become exercisable on 1 October 2020, following which they may be exercised at any time between 1 October 2020 to 30 September 2025 (excluding during any blackout period) (Exercise Period).
<b>Exercise</b>	On exercise, unless the Board elects to cash settle the vested PSRs at its discretion, one ordinary share will be allocated for each PSR. On expiry of the Exercise Period, any unexercised, vested PSRs will be automatically exercised. Mr Gonzalez may not exercise his vested PSRs during a blackout period as nominated by BTIM in accordance with its insider trading policy or if he possesses inside information (for the purposes of the Corporations Act) in relation to BTIM.
<b>Cessation of employment</b>	If Mr Gonzalez' employment with the Company ceases prior to the end of the Performance Period, unless otherwise determined by the Board, a pro-rata portion of any unvested PSRs (based on how much of the Performance Period has lapsed) will remain on foot and subject to the original performance hurdles, and any vested, unexercised PSRs will be automatically exercised on cessation of employment. It is expected that, in the case of resignation or dismissal, the Board will exercise its discretion to lapse all unvested PSRs (but reserves the right not to do so in whole or in part). All PSRs that do not remain on foot will automatically lapse.
<b>Lapse</b>	Unvested PSRs will lapse in the following circumstances: (a) to the extent that performance hurdles are not satisfied during the Performance Period; (b) cessation of employment in certain circumstances, as set out above; (c) any fraudulent or dishonest act, or material breach of obligations by Mr Gonzalez to BTIM; and (d) exercise of Board discretion.
<b>Change of control</b>	<p>Under a change of control, except as set out below, the PSRs would operate as they normally would and the test date does not accelerate if the change of control occurs prior to the end of the Performance Period.</p> <p>Under a transaction which results in an acquisition of 100% of the shares of the Company, PSRs will be tested against the performance hurdles and there will be a pro rata reduction in number based on the period of time from the start of the Performance Period to the date the acquirer is entitled to 100% of the shares of the Company. In that event, vesting will only be determined by the extent to which the relevant performance hurdles are satisfied at the time the acquirer is entitled to 100% of the shares of the Company (rather than the end of the Performance Period).</p>

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## Voting Exclusions

The Company will disregard any votes cast on Item 4:

- by or on behalf of Mr Gonzalez and his associates, (regardless of the capacity in which the vote is cast); or
- by or on behalf of a KMP or as a proxy for a KMP or any Closely Related Party of those persons,

unless the vote is cast as proxy for a person who is entitled to vote on Item 4, and:

- the vote is cast in accordance with a direction on the proxy form; or
- in the absence of a direction on the proxy form, the vote is cast by the Chairman where the Chairman has received express authority to vote undirected proxies as the Chairman decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

## Board Reasons and Recommendation

The Board (excluding Mr Gonzalez) considers that:

- the grant of the PSRs to Mr Gonzalez as part of his remuneration is reasonable and is in the best interests of the Company and its shareholders; and
- the PSRs provide a strong link between the reward for Mr Gonzalez's performance and TSR and increased Cash EPS over the Performance Period, strengthening the alignment of Mr Gonzalez' interests with shareholders.

The Board (excluding Mr Gonzalez) who did not participate because of his interest) unanimously recommends that shareholders vote in favour of approval of the grant of PSRs to the Group Managing Director and the acquisition of shares on their exercise.

# Glossary

## In this Notice of Meeting:

**AGM** means the annual general meeting of the Company to be held on Friday, 15 December 2017 at 10.00 am.

**Annual Report** means the Company's annual report to shareholders for the financial year ended 30 September 2017.

**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 section 9 of the Corporations Act and includes a person's spouse and child, their spouse's child, their dependent or spouse's dependent and certain other close family members, as well as companies controlled by that 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.

**Listing Rules** means the listing rules of ASX Limited.

**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 2017 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.