Invesco Ltd.
Form PRE 14A
March 06, 2019
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# UNITED STATES

## SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

# SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the Securities**

**Exchange Act of 1934**

Filed by the Registrant                Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary proxy statement

**Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

# Invesco Ltd.

**(Name of Registrant as Specified in Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if Other Than Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11. (Set forth the amount on which the filing fee is calculated and state how it was determined):

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A Letter to Our Shareholders from Our Chairperson of the Board and Chief Executive Officer

Dear Fellow Shareholder,

Ben Johnson has served as Chairperson since 2014 and as a non-executive director of our company since 2009.

First and foremost, we would like to express our sincere appreciation for your continued support as an Invesco shareholder. Our Board of Directors, our senior leadership and our employees worldwide are committed to further strengthening our global firm and providing a high level of value to you, our shareholders, over the long term.

**A look back at 2018**

Martin Flanagan has been a director and President and Chief Executive Officer of our company since 2005.

2018 was a challenging year for the asset management industry. We saw volatile markets throughout 2018 and particularly during the fourth quarter. In fact, when you look across eight broad indices representing major equity, fixed income and commodity markets, 2018 was the worst year in several decades for broad asset returns[1]. The volatility in the markets impacted financial performance across the industry, particularly for global investment managers like Invesco. Shareholder returns for traditional asset managers as a group were down 26%,[2] while Invesco was down 54% for the year.[3]

The Board of Directors and the executive management team believe the underperformance of Invesco s stock price relative to our peer group reflects the following factors:

Key investment capabilities that had helped produce nine consecutive years of positive net flows for the firm through 2017 underperformed materially in 2018, contributing to significant negative net flows in 2018. Net flows, positive or negative, are a key driver of short-term shareholder returns for traditional asset managers.

As described in more detail below, for much of 2018, we opted to use our cash and credit resources to fund long-term investments to strengthen our business instead of conducting stock buybacks that may have provided greater near-term support for the firm s stock price.

Invesco has a larger global presence in key markets than most of our peers. As one of the leading investment managers in the UK and Europe, we were more impacted by continuing uncertainties surrounding Brexit. Additionally, our strong position in Asia Pacific meant that Invesco was more affected than others by market uncertainties over the trade issues between China and the US. We believe these factors led to additional negative sentiment on Invesco among investors in our shares.

**Where we believe clients and the market are headed**

It s important to remember that global assets under management (AUM) currently exceed $88 trillion[4], and total assets will continue to grow over the long term. More and more, clients are seeking to work with a smaller number of asset managers who can meet a comprehensive set of needs. They want money managers who can provide a robust set of capabilities and create investment solutions that deliver key outcomes aligned to their investment objectives. They also want greater value for their money, which, first and foremost, means competitively priced products, as well as investor education, thought leadership, digital platforms and other value adds that create an enhanced client experience. These dynamics are driving fundamental changes within our industry that are real, impactful and enduring, and that will create winners and losers at an accelerated rate. We believe the steps we ve taken over the past decade and throughout 2018 strengthened our ability to meet client needs and will help ensure Invesco is among the winners within our industry over the long term.

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Although the markets are expected to remain volatile in 2019, Invesco continues to focus on developing an elite set of capabilities aligned to clients evolving needs. Our comprehensive range of investment capabilities has been built over many years to help clients weather various market cycles, and we believe the firm is better positioned than ever to provide the expert advice and key outcomes that will help clients navigate the challenging markets ahead.

**Investing in the future of our business**

In late 2017 and throughout 2018, we made several long-term investments that are intended to help us to better meet client needs, further strengthen our global business and increase shareholder value over the long term.

The most significant of these commitments is our planned acquisition of MassMutual s asset management affiliate, OppenheimerFunds. The combination with OppenheimerFunds will accelerate Invesco s growth initiatives, increase our scale and client relevance, and expand our comprehensive suite of differentiated investment capabilities. We will also be better positioned to deliver strong outcomes for clients, since overall performance rankings for US mutual funds are consistently stronger for the combined firm than for either firm independently.[5] Substantial synergies make the transaction materially accretive to earnings and will help us improve shareholder returns in both the short and long term.

Additionally, in 2018 we:

Completed the acquisitions of Guggenheim Investments ETF business in the US and Source in Europe, further expanding our comprehensive suite of ETFs. Invesco is now the #2 provider of smart beta AUM globally and has 60 ETFs with greater than $500 million in assets (as of December 31, 2018)[6]

Continued to make good progress in China. Sourced gross flows amounted to US$13.9 billion for the year, and total AUM sourced from China reached US$37 billion (as at December 31, 2018). Our China joint venture, Invesco Great Wall, also successfully onboarded a fund onto Ant Financials Yu e Bao Money Market Fund platform. The fund reached over US$11 billion by the end of 2018 and continues to grow[7];

Launched some of the industry s first self-indexed, factor-based fixed income ETFs, building on more than 35 years of factor-based investment experience;

Continued to enhance our culture and provide development opportunities for our talented professionals across the globe;

Further strengthened our market-leading solutions capability, leveraging one of the industry s strongest, most experienced solutions teams to deliver customized outcomes for clients; and

Expanded our digital wealth platform with the addition of Intelliflo, the No. 1 technology platform for financial advisors in the UK.

Taken together, this work further expanded the broad range of capabilities Invesco uses to create solutions that deliver the outcomes clients are seeking, all wrapped in a robust, value-added client experience. These initiatives also further strengthen the firm s effectiveness and efficiency, providing greater economies of scale that will enable us to provide a higher level of value to clients and further improve our competitive position over the long term.

As noted above, we believe it is important to understand that, for much of 2018, we elected to use our cash and credit resources to fund these initiatives instead of conducting stock buybacks that may have provided greater near-term support for the firm s stock price. However, we re confident that the investments we made in 2018 will drive greater shareholder value over the long term, given the macro trends in our operating environment and the importance of positioning the firm ahead of where clients, the industry and the markets are headed. In conjunction with the OppenheimerFunds acquisition, we announced a two-year, $1.2 billion stock buyback program, and completed the first $300 million stock repurchase in the fourth quarter of 2018.

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The Board of Directors has been an active and engaged supporter of each of these initiatives and is highly supportive of the executive management team. We re confident that the investments made over the past year will materially improve Invesco s competitive position and help ensure the firm s long-term growth and success. Furthermore, the Board believes that these moves will drive improvements in long-term share value. We think that the market has not yet absorbed the long-term advantages that we believe will be achieved by these moves.

At the same time, the Board recognizes that shareholders have been affected by the combination of external forces and the short-term impact of several long-term investments that were made in 2018. Consistent with our practices and in view of the short-term impact to shareholders, we ve aligned compensation among our executive team with the performance of the firm, the details of which can be viewed in the Compensation Discussion & Analysis section of this document.

Notwithstanding the results of an exceptionally volatile and challenging period in the markets, the Board remains highly confident in the leadership, strategy and direction of the firm. The investments we made in 2018 and will continue to make in 2019 are entirely focused on placing Invesco in the best position to meet client needs, compete in a dynamic operating environment and provide compelling returns for shareholders. We look forward to continuing to help our clients achieve their investment objectives regardless of where the markets take us, which will help us deliver a high level of value to our shareholders over the long term.

Regards,

| | |
|---|---|
| Ben F. Johnson III | Marty Flanagan |
| Chairperson and Non-Executive Director | President and CEO |

Sourcing

1 Deutsche Bank Research, January 2019.

2 JP Morgan asset managers CEO forum, December 2018.

3 Invesco data as of December 31, 2018.

4 McKinsey research data, 2018.

5 Source: Lipper, Invesco estimates. Calculated on a three-year rolling basis since 2010 and based on US retail mutual funds only.

6 Invesco and Morningstar data as of December 31, 2018.

7 Invesco data as of December 31, 2018.

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Notice of 2019 Annual General Meeting of Shareholders

To our Shareholders:

The 2019 Annual General Meeting of Shareholders of Invesco Ltd. will be held at the following location and for the following purpose:

| | |
|---|---|
| **When** | Thursday, May 9, 2019, at [12:00] p.m., Central European Summer Time |
| **Where** | The Peninsula Paris<br>Le 19 avenue Kleber<br>75116 Paris, France |

**Items of business**

| | |
|---|---|
| 1 | To elect eight (8) directors to the Board of Directors to hold office until the annual general meeting of shareholders in 2020; |
| 2 | To hold an advisory vote to approve the company s executive compensation; |
| 3 | To amend the Invesco Ltd. Third Amended and Restated Bye-Laws to eliminate certain super majority voting standards; |
| 4 | To amend the Invesco Ltd. 2016 Global Equity Incentive Plan to increase the number of shares authorized for issuance under the plan; |
| 5 | To appoint PricewaterhouseCoopers LLP as the company s independent registered public accounting firm for the fiscal year ending December 31, 2019; and |

| | |
|---|---|
| 6 | To consider and act upon such other business as may properly come before the meeting or any adjournment thereof. |

During the Annual General Meeting, the audited consolidated financial statements for the fiscal year ended December 31, 2018 of the company will be presented.

| | |
|---|---|
| **Who can vote** | Only holders of record of Invesco Ltd. common shares on March 11, 2019 are entitled to notice of, to attend and vote at the Annual General Meeting and any adjournment or postponement thereof. |

**Review your Proxy Statement and vote in one of four ways:**

| **Via the Internet** | **By telephone** | **By mail** | **In person** |
|---|---|---|---|
| Visit the web site listed on your Notice | Call the telephone number listed on your Notice | Sign, date and return a requested proxy card | Attend the Annual General Meeting |

By order of the Board of Directors,

Kevin M. Carome

Company Secretary

March [.], 2019

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Proxy Statement Summary

**Our 2018 highlights**

Throughout 2018 we made solid progress in several areas of our multi-year strategic objectives that will help us better meet client needs, further strengthen our global business and increase shareholder value over the long term. The most significant achievement during the year was our announced acquisition of MassMutual s asset management affiliate, OppenheimerFunds, which is anticipated to close in the second quarter of 2019. The combination with OppenheimerFunds will help accelerate Invesco s growth initiatives, increase our scale and client relevance, and expand our comprehensive suite of differentiated investment capabilities.

At the same time, 2018 was a challenging year for the asset management industry and for Invesco. We saw volatile markets throughout the year and particularly during the fourth quarter. The volatility in the markets impacted financial performance across the industry, particularly for global investment managers like Invesco. Shareholder returns for traditional asset managers as a group were down 26%,[1] while Invesco was down 54% for the year[2]. We believe the underperformance of Invesco s stock price relative to our peer group reflects the following factors:

Key investment capabilities that had helped produce nine consecutive years of positive net flows for the firm through 2017 underperformed materially in 2018, contributing to significant negative net flows in 2018. Net flows, positive or negative, are a key driver of short-term shareholder returns for traditional asset managers.

For much of 2018, we opted to use our cash and credit resources to fund long-term investments to strengthen our business instead of conducting stock buybacks that may have provided greater near-term support for the firm s stock price.

Invesco has a larger global presence in key markets than most of our peers. As one of the leading investment managers in the UK and Europe, we were more impacted by continuing uncertainties surrounding Brexit. Additionally, our strong position in Asia Pacific meant that Invesco was more affected than others by market uncertainties over the trade issues between China and the US. We believe these factors led to additional negative sentiment on Invesco among investors in our shares.

After reviewing the substantial progress of the firm in respect of our multi-year strategic objectives as discussed below and having considered the company s challenging 2018 financial performance (including the underperformance of

Invesco s stock relative to our peers), the compensation committee decided, and Mr. Flanagan agreed, that his total incentive compensation should be lowered to $10.2 million, which is 78.5% of his 2018 incentive target of $13 million. Mr. Flanagan s total 2018 compensation was down 20.1% from 2017.

**2018 Financial performance (year-over-year change)**

| Annual adjusted operating income[a] | Annual adjusted operating margin[a] | Annual adjusted diluted EPS[a] | Long-Term Organic Growth Rate[b] |
|---|---|---|---|
| $1.4 billion (-6%) | 36.5% (-3 percentage points) | $2.43 (-10%) | -5% (-6.7 percentage points) |

a The adjusted financial measures are all non-GAAP financial measures. See the information in Appendix B of this Proxy Statement regarding Non-GAAP financial measures.

b Annualized long-term organic growth rate is calculated using long-term net flows divided by opening long-term AUM for the period. Long-term AUM excludes institutional money market and non-management fee earning AUM.

1 JP Morgan asset managers CEO forum, December 2018

**1** 2 Invesco data as of December 31, 2018

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**We continued to successfully execute our strategic objectives for the benefit of clients and shareholders**

We focus on four key multi-year strategic objectives set forth in the table below that are designed to maintain our focus on meeting client needs, strengthen our business over time and build shareholder value over the long-term. As described below, in 2018 we made significant progress against our strategic objectives and enhanced our ability to deliver strong outcomes to clients while further positioning the firm for long-term success.

| **Our strategic objectives** | **2018 achievements positioning the firm ahead of where our clients, the markets and our industry are heading** |
|---|---|
| Achieve strong investment performance | Percent of our actively managed assets in the top half of our peer group. See Appendix A for important disclosures regarding AUM ranking.<br><br>- Maintained strong, long-term investment performance, with 54% and 63% of measured actively managed ranked assets in the top half of peer groups on a three- and five-year basis, respectively.<br><br>- Announced the acquisition of OppenheimerFunds, which will bring a highly complementary set of investment capabilities that strengthen investment performance and enable us to provide better outcomes for clients.<br><br>- A number of our investment teams were recognized by leading financial publications and the industry. For example, in Asia Pacific, our China joint venture, Invesco Great Wall, won numerous industry awards sponsored by the Asset Management Association of China. |
| Be instrumental to our clients success | - Continued to build our comprehensive range of active, passive and alternative capabilities while strengthening our scale and relevance in key capabilities:<br><br>- Completed the acquisition of Guggenheim Investments ETF business, further expanding our comprehensive suite of ETFs. Invesco is now the number two provider of smart beta ETFs and has 60 ETFs with greater than $500 million in assets.[1]<br><br>- Launched some of the industry s first self-indexed, factor-based fixed income ETFs, building on more than 35 years of factor-based investment experience. |

| | |
|---|---|
| | - Invesco Great Wall successfully on-boarded its money market fund onto Ant Financials Yu e Bao Money Market Fund platform. The fund reached over US$11 billion by the end of 2018[2].<br><br>- Further strengthened our market-leading solutions capabilities by further leveraging our solutions team - one of the industry s strongest and most experienced solutions teams to deliver customized outcomes for clients. |
| Harness the power of our global platform | - Further expanded and enhanced our ability to help our advisor clients engage with their clients and improve their investment experience through Jemstep, our advisor-focused technology solution. Expanded our digital wealth platform with the addition of Intelliflo, the number one technology platform for financial advisors in the UK[3].<br><br>- Continued to drive savings through our business optimization efforts, which delivered approximately $56 million in annualized run-rate savings as of the end of 2018. The savings are being reinvested in initiatives that strengthen our ability to meet client needs and key growth initiatives for future years. |
| Perpetuate a high-performance organization | - Further strengthened our investment, distribution and support teams through new hires and our efforts to attract, develop, motivate and retain the best talent in the industry.<br><br>- Continued to make progress toward our commitment to improve diversity at all levels and in all functions across our global business.<br><br>- Was named one of the best places to work in money management by *Pensions and Investments*®. |

1 Invesco and Morningstar data as of December 31, 2018.

2 Invesco data as of December 31, 2018.

3 Platform - Adviser Market: Fintech and Digital, January 2018 report

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**2018 Meaningful enhancements to our executive compensation program**

In response to our 2018 say-on-pay vote, we expanded our shareholder outreach to include our top 30 shareholders representing approximately 55% of our outstanding shares[1] to engage with us regarding, among other topics, our executive compensation program. In the fall and winter of 2018, we held telephonic meetings with all shareholders who accepted our invitation 11 of our shareholders representing approximately 19% of our outstanding shares.[1] Based upon these productive discussions:

These shareholders affirmed their support for our compensation philosophy, programs and pay outcomes. They validated the disciplined approach of our compensation programs that utilize multiple performance measures,

While none of these shareholders advocated that we make significant changes to our executive compensation program, they identified opportunities to meaningfully enhance the effectiveness of the pay-for-performance component of our executive compensation program by providing greater rigor with respect to our performance-based awards and adding a second performance measure,

We provided for greater alignment of executive compensation with relative shareholder returns, and

We provided more transparency regarding our compensation program and pay outcomes.

Set forth below are the enhancements to our executive compensation program.

1

**Incentive targets for CEO and senior managing directors**

Established **incentive targets** for our CEO and senior managing directors, which include our NEOs

Incentive compensation payouts (cash bonus + stock deferral + long-term equity) to range from **0% to 130%** of target

2

**Incentive awards scorecard of quantitative measures for company performance**

Established a framework that combines a scorecard of quantitative measures for assessing company performance and a qualitative assessment for determining incentive awards for our CEO and each of our senior managing directors

Scorecard of quantitative company performance is **based on 3 objective categories**: financial performance 50%; delivering to clients 30%; and organizational strength 20%

3 **Greater rigor for performance-based awards**

Adopted two measures for performance-based awards - **adjusted operating margin** (current) and **relative total shareholder return** based on the three-year average TSR of the company and the constituents in the S&P 500 asset management sub-index (new)

A performance vesting matrix that demonstrates rigorous vesting hurdles. As an example, applying the 2018 performance results on a three-year average basis would result in a vesting percentage of 33%  **a meaningful impact on the compensation outcomes for our NEOs.**

**Improved transparency regarding our robust compensation timeline**

4 Enhanced disclosure regarding our **4-step timeline** of the committee s year-long compensation responsibilities and decisions that demonstrates the compensation committee s disciplined approach to aligning pay with performance

3 1 As of October 31, 2018

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**Our Directors and their qualifications**

The Board believes that all of the directors are highly qualified. As the biographies below show, the directors have the significant leadership and professional experience, knowledge and skills necessary to provide effective oversight and guidance for Invesco s global strategy and operations. As a group, they represent diverse views, experiences and backgrounds. All the directors possess the characteristics that are essential for the proper functioning of our Board. All the directors are independent with the exception of our chief executive officer.

| | | | | Committee memberships | | | Director qualifications |
|---|---|---|---|---|---|---|---|
| **Name** | **Age** | **Director since** | **Other public boards** | **A** | **C** | **NCG** | |
| **Sarah E. Beshar**<br>Former Partner, Davis Polk | 60 | 2017 | | M | M | M | |
| **Joseph R. Canion**<br>Former CEO, Compaq Computer Corporation | 74 | 1997 | | | | Ch | |
| **Martin L. Flanagan**<br>President and CEO, Invesco Ltd. | 58 | 2005 | | | | | |
| **C. Robert Henrikson**<br>Former President and CEO, MetLife, Inc. and Metropolitan Life Insurance Company | 71 | 2012 | | M | Ch | M | |
| **Denis Kessler**<br>Chairman and CEO, SCOR SE | 65 | 2002 | 2 | M | M | M | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Sir Nigel Sheinwald**<br>Former United Kingdom<br><br>Senior Diplomat | 66 | 2015 | 1 | M | M | M |
| **G. Richard Wagoner, Jr.**<br>Former Chairman and CEO,<br>General Motors Corporation | 66 | 2013 | 1 | M | M | M |
| **Phoebe A. Wood**<br>Former Vice Chairman and CFO,<br>Brown-Forman Corporation | 65 | 2010 | 3 | Ch | M | M |
| **Ben F. Johnson III**[1]<br>Former Managing Partner,<br>Alston & Bird LLP | 75 | 2009 | | M | M | M |

**Key: A** Audit **C** Compensation **NCG** Nomination and Corporate Governance **M** Member **Ch** Chairperson

1 Mr. Johnson has not been nominated for re-election to the Board because he has reached the mandatory retirement age.

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## Governance highlights

### Board refreshment

Directors may not stand for election after age 75.

Added 3 new directors to the Board since 2013.

Increased Board diversity over the past 6 years.

### Independence

8 of our 9 directors are independent.

Our chief executive officer is the only management director.

All of our Board committees are composed exclusively of independent directors.

### Independent Chairperson

We have an independent Chairperson of our Board of Directors, selected by the independent directors.

The Chairperson serves as liaison between management and the other independent directors.

### Board oversight of risk management

Our Board has principal responsibility for oversight of the company s risk management process and understanding of the overall risk profile of the company.

### Executive sessions

The independent directors regularly meet in private without management.

The Chairperson presides at these executive sessions.

**Accountability**

Directors are elected for a one-year term.

A meeting of shareholders may be called by shareholders representing at least 10% of our outstanding shares.

**Board practices**

Our Board annually reviews its effectiveness as a group with a questionnaire and confidential and private one-on-one interviews coordinated by an independent external advisor specializing in corporate governance that reports results of the annual review in person to the Board.

Nomination criteria are adjusted as needed to ensure that our Board as a whole continues to reflect the appropriate mix of skills and experience.

**Share ownership requirements**

Require directors and executives to maintain an ownership level of our stock.

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**Board member highlights**

**Non-Executive**

**Directors**

Average tenure

10

years

Average age

68

**Director tenure**

Our directors contribute a wide range of knowledge, skills and experience. We believe the tenure of the members of our Board of Directors provides the appropriate balance of expertise, experience, continuity and perspective to our board to serve the best interests of our shareholders.

We believe providing our Board with new perspectives and ideas is an important component to a well-functioning board. As the Board considers new director nominees, it takes into account a number of factors, including nominees that have skills that will match the needs of the company s long-term global strategy and will bring diversity of thought, global perspective, experience and background to our Board. For more information on our director nomination process, see **Information about Director Nominees Director Recruitment**.

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## Proxy Statement

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Invesco Ltd. ( Board or Board of Directors ) for the Annual General Meeting to be held on Thursday, May 9, 2019, at [12:00] p.m. Central European Summer Time. Please review the entire Proxy Statement and the company s 2018 Annual Report on Form 10-K before voting. In this Proxy Statement, we may refer to Invesco Ltd. as the company, Invesco, we, us or ou

Proposal

1

## Election of Directors

You are being asked to cast votes for eight directors: Sarah E. Beshar, Joseph R. Canion, Martin L. Flanagan, C. Robert Henrikson, Denis Kessler, Sir Nigel Sheinwald, G. Richard Wagoner, Jr. and Phoebe A. Wood. Mr. Johnson has not been nominated for re-election to the Board because he has reached the mandatory retirement age.

A director holds office until such director s successor has been duly elected and qualified or until such director s death, resignation or removal from office under our Bye-Laws. Each director is elected for a one-year term ending at the 2020 Annual General Meeting.

All nominees are current directors of the company. Further information regarding the nominees is shown on the following pages. Each nominee has indicated to the company that he or she would serve if elected. We do not anticipate that any director nominee will be unable to stand for election, but if that were to happen, the Board may reduce the size of the Board, designate a substitute or leave a vacancy unfilled. If a substitute is designated, proxies voting on the original director nominee will be cast for the substituted candidate.

Under our Bye-Laws, at any general meeting held for the purpose of electing directors at which a quorum is present, each director nominee receiving a majority of the votes cast at the meeting will be elected as a director. If a nominee for director who is an incumbent director is not elected and no successor has been elected at the meeting, the director is required under our Bye-Laws to submit his or her resignation as a director. Our nomination and corporate governance committee would then make a recommendation to the full Board on whether to accept or reject the resignation. If the resignation is not accepted by the Board, the director will continue to serve until the next annual general meeting and until his or her successor is duly elected, or his or her earlier resignation or removal. If the director s resignation is accepted by the Board, then the Board may fill the vacancy. However, if the number of nominees exceeds the number of positions available for the election of directors, the directors so elected shall be those nominees who have received the greatest number of affirmative votes cast in person or by proxy.

**Recommendation of the board**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION TO THE BOARD OF EACH OF THE DIRECTOR NOMINEES.**

This proposal requires the affirmative vote of a majority of votes cast at the Annual General Meeting.

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Information about Director Nominees

Listed below are the names, ages as of March [.], 2019 and principal occupations for the past five years of the director nominees.

**Sarah E. Beshar**

Non-executive director

| **Age** | **Tenure** |
|---|---|
| 60 | 2 Years |

**Committees:**

- Audit
- Compensation
- Nominating and Governance

**Qualifications:**

- Industry expertise
- Legal expertise

**Director nominees for 2019**

**Sarah E. Beshar**

Sarah Beshar has served as a non-executive director of our company since 2017 and has been an attorney with Davis Polk & Wardwell LLP for over 30 years. She joined the firm in 1986 and was named a partner in the Corporate Department in 1994. During more than three decades as a corporate lawyer, Ms. Beshar has advised Fortune 500 companies on an array of legal issues. She also served in a number of management roles at the firm, including as the lead partner of one of the firm s largest financial services clients from 2008 to 2015. She presently serves as Senior Counsel at the firm.

Ms. Beshar is a member of the corporate board of Lincoln Center, a conservation fellow of the Whitney Museum and a trustee of the Episcopal Charities and of the US board of the University of Western Australia. In 2018, she was appointed a Director of the Board of the US Asia Center, Australia s preeminent foreign policy and trade think tank. Ms. Beshar graduated from the University of Western Australia with a B.A. in Law and Jurisprudence in 1981. Ms. Beshar also graduated from Oxford University in 1984 with a Bachelor of Civil Law degree from Magdalen College. She was awarded an Honorary Doctorate in Law from the University of Western Australia in 2015.

**Director qualifications**

**Relevant industry experience:** As a member of her firm s capital markets practice, as an advisor to some of the largest global companies, and with significant experience in the development of new financial products, Ms. Beshar has broad exposure and experience to the issues in our industry.

**Legal and regulatory expertise:** Ms. Beshar has over three decades of experience as a corporate lawyer and strategic advisor on the legal issues facing large financial services companies such as Invesco. Ms. Beshar has significant experience in U.S. and global capital markets transactions, as well as securities, compliance, and corporate governance issues. In addition, Ms. Beshar led large teams at Davis Polk advising financial institutions on complex investment products for both retail and institutional investors. The breadth of Ms. Beshar s background is particularly helpful to the Board of Directors of Invesco as it assesses the legal and strategic ramifications of key business priorities and initiatives.

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**Joseph R. Canion**

Non-executive director

**Age** **Tenure**

74 22 Years

**Committees:**

- Nomination and Corporate Governance (Chair)

**Qualifications:**

- Public company CEO
- Executive leadership
- Industry experience
- Global business experience
- IT industry experience
- Public company board experience

**Joseph R. Canion**

Joseph Canion has served as a non-executive director of our company since 1997 and was a director of a predecessor constituent company (AIM Investments) from 1993 to 1997, when Invesco acquired that entity. Mr. Canion co-founded Compaq Computer Corporation in 1982 and served as its chief executive officer from 1982 to 1991. He also founded Insource Technology Group in 1992 and served as its Chairman until September 2006 and is a current director of Azevtec, Inc. He is on the board of directors of Houston Methodist Research Institute. Mr. Canion received a B.S. and M.S. in electrical engineering from the University of Houston.

**Director qualifications**

**Former public company CEO, global business experience:** Mr. Canion has notable experience as an entrepreneur, having co-founded a business that grew into a major international technology company. We believe that his experience guiding a company throughout its business lifecycle has given him a wide-ranging understanding of the types of issues faced by public companies.

**Relevant industry experience:** Mr. Canion has extensive service as a board member within the investment management industry, having also served as a director of AIM Investments, a leading U.S. mutual fund manager, from 1993 through 1997 when Invesco acquired AIM.

**Information technology industry experience:** Mr. Canion has been involved in the technology industry since co-founding Compaq Computer Corporation and founding Insource Technology Group.

**Martin L. Flanagan**

President and CEO

**Age** **Tenure**

**Martin L. Flanagan, CFA & CPA**

Martin Flanagan has been a director and President and Chief Executive Officer of Invesco since 2005. He is also a trustee and vice-chairperson of the Invesco Funds (the company s U.S. open- and closed-end funds). Mr. Flanagan joined Invesco from Franklin Resources, Inc., where he was president and co-chief executive officer from 2004 to 2005. Previously, he held numerous positions of increasing responsibility at Franklin co-president, chief operating officer, chief financial officer and senior vice president from 1993 - 2003. Mr. Flanagan served as director,

| | |
|---|---|
| 58 14 Years<br><br>**Qualifications:**<br><br>- Public company CEO<br>- Executive leadership<br>- Industry experience<br>- Global business experience<br>- Financial and accounting experience | executive vice president and chief operating officer of Templeton, Galbraith & Hansberger, Ltd. before its acquisition by Franklin in 1992. Before joining Templeton in 1983, he worked with Arthur Andersen & Co. He serves on the Board of Governors and as a member of the Executive Committee for the Investment Company Institute, and is a former Chairperson of the association. He also serves as a member of the executive board at the SMU Cox School of Business and is involved in a number of civic activities in Atlanta. Mr. Flanagan is a CFA charterholder and a certified public accountant. Mr. Flanagan earned a B.A. and B.B.A. from Southern Methodist University (SMU).<br><br>**Director qualifications**<br><br>**Public company CEO, relevant industry experience:** Mr. Flanagan has spent over 30 years in the investment management industry, including roles as an |

investment professional and a series of executive management positions in business integration, strategic planning, investment operations, shareholder services and finance. Through his decades of involvement, including as former Chairperson of our industry s principal trade association, the Investment Company Institute, he has amassed a broad understanding of the larger context of investment management.

**Financial and accounting expertise:** Mr. Flanagan obtained extensive financial accounting experience with a major international accounting firm and serving as chief financial officer of Franklin Resources. He is a chartered financial analyst and certified public accountant.

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**C. Robert Henrikson**

Non-executive director

| **Age** | **Tenure** |
| --- | --- |
| 71 | 7 Years |

**Committees:**

- Audit
- Compensation (Chair)
- Nomination and Corporate Governance

**Qualifications:**

- Public company CEO
- Executive leadership
- Industry experience
- Global business experience
- Public company board experience

**C. Robert Henrikson**

Robert Henrikson has served as a non-executive director of our company since 2012. Mr. Henrikson was president and chief executive officer of MetLife, Inc. and Metropolitan Life Insurance Company from 2006 through 2011, and he served as a director of MetLife, Inc. from 2005, and as Chairman from 2006 through 2011. During his more than 39-year career with MetLife, Inc., Mr. Henrikson held a number of senior positions in that company s individual, group and pension businesses. He currently serves on the Bipartisan Policy Center s Commission on Retirement Security and Personal Savings and the Board of Directors of the Bipartisan Center. Mr. Henrikson is a former Chairman of the American Council of Life Insurers, a former Chairman of the Financial Services Forum and a director emeritus of the American Benefits Council. Mr. Henrikson also serves as Chairman of the board of the S.S. Huebner Foundation for Insurance Education, as a trustee emeritus of Emory University and a member of the board of directors of Americares. Mr. Henrikson earned a bachelor s degree from the University of Pennsylvania and a J.D. degree from Emory University School of Law. In addition, he is a graduate of the Wharton School s Advanced Management Program.

**Director qualifications**

**Former public company CEO, relevant industry experience:** Mr. Henrikson s more than 39 years of experience in the financial services industry, which includes diverse positions of increasing responsibility leading to his role as chief executive officer of MetLife, Inc., have provided him with an in-depth understanding of our industry.

**Public company board experience:** Mr. Henrikson served on the Board of Directors of Swiss Re from 2012 to 2018. Until 2011, Mr. Henrikson served as the chairperson of the board of MetLife, Inc.

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**Denis Kessler**

Non-executive director

| **Age** | **Tenure** |
|---|---|
| 66 | 17 Years |

**Committees:**

- Audit
- Compensation
- Nomination and Corporate Governance

**Qualifications:**

- Public company CEO
- Executive leadership
- Industry experience
- Global business experience
- Public company board experience

**Denis Kessler**

Denis Kessler has served as a non-executive director of our company since 2002. Mr. Kessler is Chairman and chief executive officer of SCOR SE. Prior to joining SCOR, Mr. Kessler was Chairman of the French Insurance Federation, senior executive vice president and member of the executive committee of the AXA Group and executive vice chairman of the French Business Confederation. Mr. Kessler previously served as a member of the supervisory board of Yam Invest N.V. from 2008 until 2014, a privately-held company. Mr. Kessler is a professor with advanced degrees in economics and social sciences, and a Fellow of the French Institute of Actuaries. He holds a PhD in economics and is a graduate of Ecole des Hautes Etudes Commerciales (HEC Paris). He holds honorary degrees from the Moscow Academy of Finance and the University of Montreal.

While Mr. Kessler is currently the CEO and Chairperson of a public company and serves as an outside director of two public companies (Invesco and BNP Paribas), he has demonstrated a continued commitment to Invesco, which is reflected, in part, by his attendance at all but one of Invesco s Board of Director s meetings and all but one of the Board s Committees meetings during 2018. Mr. Kessler s unique perspective, fueled by his experience as an economist, his diverse international business experience and current position with a major global reinsurance company, significantly enhances the skill set of our Board of Directors by providing, among other things, valuable insight into both the investment management industry s macro-economic positioning over the long term across multi-geographies as well as our company s particular challenges within that industry. The fact that his current position and experience is in a similar industry as the company, combined with his 17 years of service on our Board, allows Mr. Kessler to quickly achieve a sophisticated understanding of the issues to be addressed by the company and its industry.

**Director qualifications**

**Public company CEO, relevant industry experience:** Mr. Kessler s experience as an economist and chief executive of a major global reinsurance company have combined to give him valuable insight into both the investment management industry s macro-economic positioning over the long term as well as our company s particular challenges within that industry.

**Global business experience:** Mr. Kessler s experience as a director of a variety of international public companies in several industries over the years enables him to provide effective counsel to our Board on many issues of concern to our management.

**Public company board experience:** Mr. Kessler currently serves on the boards of SCOR SE and BNP Paribas SA (accounts committee (president)). He previously served on the boards of directors of Bollore from 1999 until 2013, Fonds Strategique d Investissement from 2008 until 2013 and Dassault Aviation from 2003 until 2014.

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**Sir Nigel Sheinwald**

Non-executive director

| **Age** | **Tenure** |
|---|---|
| 65 | 4 Years |

**Committees:**

- Audit
- Compensation
- Nomination and Corporate Governance

**Qualifications:**

- Executive leadership
- Government experience
- Public company board experience

**Sir Nigel Sheinwald**

Sir Nigel Sheinwald has served as a non-executive director of our company since 2015. Sir Nigel was a senior British diplomat who served as British Ambassador to the United States from 2007 to 2012, before retiring from Her Majesty s Diplomatic Service. Previously, he served as Foreign Policy and Defence Adviser to the Prime Minister from 2003 to 2007 and as British Ambassador and Permanent Representative to the European Union in Brussels from 2000 to 2003. Sir Nigel joined the Diplomatic Service in 1976 and served in Brussels, Washington, Moscow, and in a wide range of policy roles in London. From 2014 to 2015, Sir Nigel served as the Prime Minister s Special Envoy on intelligence and law enforcement data sharing. Sir Nigel also serves as a non-executive director of Raytheon UK and a senior advisor to the Universal Music Group and Tanium, Inc. He is also a visiting professor and member of the Council at King s College, London. In addition, Sir Nigel is the Chairperson of the U.S.-U.K. Fulbright Education Commission and serves on the Advisory Boards of the Ditchley Foundation, BritishAmerican Business and the Centre for European Reform. He is an Honorary Bencher of the Middle Temple, one of London s legal inns of court. Sir Nigel received his M.A. degree from Balliol College, University of Oxford, where he is now an Honorary Fellow.

**Director qualifications**

**Global and governmental experience, executive leadership:** Sir Nigel brings unique global and governmental perspectives to the Board s deliberations through his more than 35 years of service in Her Majesty s Diplomatic Service. His extensive experience leading key international negotiations and policy initiatives, advising senior members of government and working closely with international businesses positions him well to counsel our Board and senior management on a wide range of issues facing Invesco. In particular, Sir Nigel s experience in the British government is a valuable resource for advising the Board with respect to the challenges and opportunities relating to regulatory affairs and government relations.

**Public company board experience:** Sir Nigel currently serves on the Board of Directors of Royal Dutch Shell plc (Chair of the Corporate and Social Responsibility Committee and member of the Remuneration Committee).

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## G. Richard Wagoner, Jr.

**G. Richard Wagoner, Jr.**

Non-executive director and Chairperson Elect

| **Age** | **Tenure** |
|---|---|
| 66 | 6 Years |

**Committees:**

- Audit
- Compensation
- Nomination and Corporate Governance

**Qualifications:**

- Public company CEO
- Executive leadership
- Global business experience
- Financial and accounting experience
- Public company board experience

G. Richard ( Rick ) Wagoner, Jr. has served as a non-executive director of our company since 2013. Upon Mr. Johnson s retirement from the Board in May 2019, Mr. Wagoner will serve as Chairperson of the Board. Mr. Wagoner served as Chairman and chief executive officer of General Motors Corporation ( GM ) from 2003 through March 2009, and had been president and chief executive officer since 2000. Prior positions held at GM during his 32-year career with that company include president and chief operating officer, executive vice president and president of North American operations, executive vice president, chief financial officer and head of worldwide purchasing, and president and managing director of General Motors do Brasil. On June 1, 2009, GM and its affiliates filed voluntary petitions in the United States Bankruptcy Court for the Southern District of New York, seeking relief under Chapter 11 of the U.S. Bankruptcy Code. Mr. Wagoner was not an executive officer or director of GM at the time of that filing. Mr. Wagoner is a member of the board of directors of several privately-held companies. In addition, he advises several financial firms, start-ups and early-stage ventures. Mr. Wagoner is a member of the Virginia Commonwealth University Board of Visitors, the Duke Kunshan University Advisory Board and the Duke University s Health System Board of Directors. He is also a member of the Leapfrog Group Board of Directors, a nonprofit organization. In addition, he is a honorary member of the mayor of Shanghai, China s International Business Leaders Advisory Council. Mr. Wagoner received his B.A. from Duke University and his M.B.A. from Harvard University.

**Director qualifications**

**Former public company CEO, global business experience:** Mr. Wagoner brings to the Board valuable business, leadership and management insights into strategic direction and international operations gained from his 32-year career with GM.

**Financial and accounting expertise:** Mr. Wagoner also brings significant experience in public company financial reporting and corporate governance matters gained through his service with other public companies. He has been designated as one of our audit committee s financial experts, as defined under rules of the Securities and Exchange Commission ( SEC ).

**Public company board experience:** Mr. Wagoner has served on the Board of Graham Holdings Company (audit committee) since 2010.

**Phoebe A. Wood**

Non-executive director

| **Age** | **Tenure** |
| --- | --- |
| 65 | 9 Years |

**Committees:**

- Audit (Chair)
- Compensation
- Nomination and Corporate Governance

**Qualifications:**

- Executive leadership
- Global business experience
- Financial and accounting expertise
- Public company board experience

**Phoebe A. Wood**

Phoebe Wood has served as a non-executive director of our company since 2010. She is currently a principal at CompaniesWood and served as vice chairman, chief financial officer and in other capacities at Brown-Forman Corporation from 2001 until her retirement in 2008. Prior to Brown-Forman, Ms. Wood was vice president, chief financial officer and a director of Propel Corporation (a subsidiary of Motorola) from 2000 to 2001. Previously, Ms. Wood served in various capacities during her tenure at Atlantic Richfield Company (ARCO) from 1976 to 2000. Ms. Wood currently serves on the boards of trustees for the Gheens Foundation, the American Printing House for the Blind, and Pitzer College. Ms. Wood received her A.B. degree from Smith College and her M.B.A. from University of California Los Angeles.

**Director qualifications**

**Executive leadership, global business experience:** Ms. Wood has extensive experience as both a director and a member of senior financial management of public companies in a variety of industries.

**Financial and accounting expertise:** Ms. Wood has significant accounting, financial and business expertise, which is valuable to our directors mix of skills, and she has been designated as one of our audit committee s financial experts, as defined under rules of the SEC.

**Public company board experience:** Ms. Wood serves on the following boards: Leggett & Platt, Incorporated (compensation (Chair)), Pioneer Natural Resources Company (audit, nominating and corporate governance committees (Chair)) and PPL Corporation (compensation, governance and nominating committees).

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**Ben F. Johnson III**

Chairperson of the Board

| **Age** | **Tenure** |
|---|---|
| 75 | 10 Years |

**Committees:**

- Audit
- Compensation
- Nomination and Corporate Governance

**Qualifications:**

- Executive leadership
- Legal expertise

**Retiring director**

**Ben F. Johnson III**

Ben Johnson has served as Chairperson of our company since 2014 and as a non-executive director of our company since 2009. Mr. Johnson served as the managing partner at Alston & Bird LLP from 1997 to 2008. He was named a partner at Alston & Bird in 1976, having joined the firm in 1971. He earned his B.A. degree from Emory University and his J.D. degree from Harvard Law School.

**Director qualifications**

**Executive leadership, legal expertise:** Mr. Johnson possesses more than a decade of experience leading one of the largest law firms in Atlanta, Georgia, where Invesco was founded and grew to prominence. His more than 30-year career as one of the region s leading business litigators has given Mr. Johnson deep experience of the types of business and legal issues that are regularly faced by large public companies such as Invesco.

**Civic and private company board leadership:** Mr. Johnson serves on the Executive Committee of the Atlanta Symphony Orchestra and as a Trustee of The Carter Center and the Charles Loridans Foundation. Mr. Johnson is Chair Emeritus of Atlanta s Woodward Academy, having served as Chair from 1983 to 2018, and served as Chair of the Board of Trustees of Emory University from 2000-2013.

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**Director independence**

For a director to be considered independent, the Board must affirmatively determine that the director does not have any material relationship with the company either directly or as a partner, shareholder or officer of an organization that has a relationship with the company. Such determinations are made and disclosed according to applicable rules established by the New York Stock Exchange ( NYSE ) or other applicable rules. As part of its independence determinations, the Board considers any direct or indirect relationship between a director (or an immediate family member of such director) and the company or any third party involved with the company. As part of its independence determinations with respect to director Sarah E. Beshar, the Board considered (i) a real estate lease by the company of certain office space located in New York, New York from Marsh & McLennan ( MMC ) which employs Ms. Beshar s spouse as an executive officer (Executive Vice President and General Counsel); and (ii) various human resources-related transactional and administration services (e.g., third-party benefits administration and benchmarking market data) which are non-professional and nonadvisory in nature provided by subsidiaries of MMC. The total amount paid to MMC in 2018 for all such items was less than one percent (1%) of MMC s 2018 publicly reported revenue. In accordance with the rules of the NYSE, the Board has affirmatively determined that it is currently composed of a majority of independent directors, and that the following current directors are independent and do not have a material relationship with the company: Sarah E. Beshar, Joseph R. Canion, C. Robert Henrikson, Ben F. Johnson III, Denis Kessler, Sir Nigel Sheinwald, G. Richard Wagoner, Jr. and Phoebe A. Wood.

**Board evaluation process**

| | |
|---|---|
| 1<br><br>Annual board and<br><br>committee evaluations | The Board engages an independent external advisor specializing in corporate governance to coordinate the Board s self assessment by its members. The advisor has each director review a questionnaire and then performs one-on-one confidential interviews with directors. In addition to the questionnaires and interviews of each director, interviews are also conducted with those members of executive management who attend Board meetings on a regular basis. |
| 2<br><br>Report to board | The advisor prepares and presents in person a report to the Board, which discusses the findings of the advisor based upon its reviews. The report also discusses governance trends which the Board may want to take into consideration. |

| | |
|---|---|
| 3<br><br>Board and<br><br>committee review | The Board then discusses the evaluation to determine what action, if any, could further enhance the operations of the Board and its committees. |

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**Director recruitment**

The nomination and corporate governance committee identifies and adds new directors using the following process:

| | |
|---|---|
| 1<br><br>Determine<br><br>candidate pool | The nomination and corporate governance committee reviews and updates its criteria for prospective directors based on succession planning for directors, to fill gaps in skill sets among current directors and to address new or evolving needs of the company. The company utilizes each of the following recommendations to aid in this process:<br><br>- Directors<br><br>- Independent search firms |
| 2<br><br>Review<br><br>recommendations | Candidates meet with members of the nomination and corporate governance committee, the Board Chair and the other Board members who assess candidates based on several factors, including whether the nominee has skills that will meet the needs of the company s long-term strategic objectives and will bring diversity of thought, global perspective, experience and background to our Board. While the Committee routinely considers diversity as a part of its deliberations, it has no formal policy regarding diversity. |
| 3<br><br>Make recommendations<br><br>to the board | Due diligence is conducted, including soliciting feedback on potential candidates from persons outside the Company. Qualified candidates are presented to the Board of Directors. |
| 4<br><br>Outcome | Three new directors since 2013 adding the following skills and traits to our Board:<br><br>- Gender Diversity - Industry experience<br><br>- Public Company CEO - Non-U.S. Directors<br><br>- Global business leadership - Legal Experience<br><br>- Government experience - Executive leadership |

| | |
|---|---|
| | - Financial and accounting expertise |

The nomination and corporate governance committee believes there are certain minimum qualifications that each director nominee must satisfy in order to be suitable for a position on the Board, including that such nominee:

be an individual of the highest integrity and have an inquiring mind, a willingness to ask hard questions and the ability to work well with others;

be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director;

be willing and able to devote sufficient time to the affairs of the company and be diligent in fulfilling the responsibilities of a director and Board committee member; and

have the capacity and desire to represent the best interests of the shareholders as a whole.

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Shareholder Engagement

**Why we engage**

One of our key priorities is ensuring robust outreach and engagement with our shareholders in order to:

- Provide transparency into our business, governance practices and compensation programs
- Determine which issues are important to our shareholders and share our views on those issues
- Identify emerging trends or issues that may impact our business and influence our practices

**How we engage**

| | |
|---|---|
| 1<br>Investor relations and senior management | We provide institutional investors with many opportunities to provide feedback to senior management by participating in conferences, one-on-one and group meetings throughout the year. |
| 2<br>Shareholders | Consistently for many years, we have engaged with representatives of our major shareholders through conference calls that occur outside of proxy season. These exchanges cover our executive compensation program, risk management, ESG, strategic planning processes and current and emerging governance practices generally and specifically with respect to Invesco.<br><br>In the fall of 2018, we invited our top 30 shareholders representing approximately 55% of our outstanding shares[1] to engage with us as part of our annual shareholder outreach program. In the fall and winter of 2018, we held telephonic meetings with all shareholders who accepted our invitation 11 of our shareholders representing approximately 19% of our outstanding shares.[1] During the meetings, these shareholders provided feedback on our executive |

| | |
|---|---|
| | compensation programs, governance topics in general and specific to the company and thoughts on ESG topics.<br><br>Our management team provides candid and fulsome feedback to our full Board of these meetings.<br><br>[1] As of October 31, 2018 |
| 3<br><br>Board involvement | Our Chairperson of the Board and the Chairperson of our compensation committee have participated in certain shareholder and proxy advisor meetings to provide board perspective and gain insights. Both the participating directors and management provide feedback to our full Board based on such meetings. |
| 4<br><br>Outcomes from investor<br><br>feedback | Based upon our outreach to shareholders consistently each year for many years, we have instituted numerous changes, including:<br><br>- Adopted proxy access<br><br>- Declassified our Board<br><br>- Established incentive targets for our CEO and each of our senior managing directors<br><br>- Established quantitative measures for company performance<br><br>- Added relative total shareholder return as a second measure for performance-based awards<br><br>- Added a robust compensation timeline that highlights our compensation committee s responsibilities and the alignment between pay and performance to enhance transparency<br><br>- Enhanced our proxy disclosures regarding risk management, ESG and strategic planning<br><br>- Highlighted our Corporate Social Responsibility Report, which is posted on our website |

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**Communications with the Chairperson and other non-executive directors**

Any interested party may communicate with the Chairperson of our Board or to our non-executive directors as a group at the following address:

Invesco Ltd.

1555 Peachtree Street N.E.
Atlanta, Georgia 30309
Attn: Office of the Secretary

Communications will be distributed to the Board, or to any of the Board s committees or individual directors as appropriate, depending on the facts and circumstances of the communication. In that regard, the Invesco Board does not receive certain items which are unrelated to the duties and responsibilities of the Board.

In addition, the company maintains the Invesco Compliance Reporting Line for its employees or individuals outside the company to report complaints or concerns on an anonymous and confidential basis regarding questionable accounting, internal accounting controls or auditing matters and possible violations of the company s Code of Conduct or law. Further information about the Invesco Compliance Reporting Line is available at www.invesco.com (the company s website ).

Non-employees may submit any complaint regarding accounting, internal accounting controls or auditing matters directly to the audit committee of the Board of Directors by sending a written communication to the address given below:

Audit Committee
Invesco Ltd.

1555 Peachtree Street N.E.
Atlanta, Georgia 30309
Attn: Office of the Secretary

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Corporate Governance

**Corporate governance guidelines**

The Board has adopted Corporate Governance Guidelines ( Guidelines ) and Terms of Reference for our Chairperson and for our Chief Executive Officer, each of which is available in the corporate governance section of the company s website. The Guidelines set forth the practices the Board follows with respect to, among other matters, the composition of the Board, director responsibilities, Board committees, director access to officers, employees and independent advisors, director compensation and performance evaluation of the Board.

**Board leadership structure**

As described in the Guidelines, the company s business is conducted day-to-day by its officers, managers and employees, under the direction of the Chief Executive Officer and the oversight of the Board, to serve the interest of our clients and enhance the long-term value of the company for its shareholders. The Board is elected by the shareholders to oversee our management team and to seek to assure that the long-term interests of the shareholders are being served. In light of these differences in the fundamental roles of the Board and management, the company has chosen to separate the Chief Executive Officer and Board Chairperson positions. The Board believes separation of these roles: (i) allows the Board to more effectively monitor and evaluate objectively the performance of the Chief Executive Officer, such that the Chief Executive Officer is more likely to be held accountable for his performance; (ii) allows the non-executive Chairperson to control the Board s agenda and information flow; and (iii) creates an atmosphere in which other directors are more likely to challenge the Chief Executive Officer and other members of our senior management team. For these reasons, the company believes that this board leadership structure is currently the most appropriate structure for the company. Nevertheless, the Board may reassess the appropriateness of the existing structure at any time, including following changes in board composition, in management or in the character of the company s business and operations.

**Code of conduct and directors code of conduct**

As part of our ethics and compliance program, our Board has approved a code of ethics (the Code of Conduct ) that applies to our principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions, as well as to our other officers and employees. The Code of Conduct is posted on the company s website. In addition, we have adopted a separate Directors Code of Conduct that applies to all members of the Board. We intend to satisfy the disclosure requirement regarding any amendment to, or a waiver of, a provision of the Code of Conduct for our directors and executive officers by posting such information on the company s website. The company maintains a compliance reporting line, where employees and individuals outside the company can anonymously submit a complaint or concern regarding compliance with applicable laws, rules or regulations, the Code of Conduct, as well as accounting, auditing, ethical or other concerns.

**Board s role in risk oversight**

The Board has principal responsibility for oversight of the company s risk management processes and for understanding the overall risk profile of the company. Though Board committees routinely address specific risks and risk processes within their purview, the Board has not delegated primary risk oversight responsibility to a committee.

We are committed to continually strengthening and refining our risk management approach and process. We believe a key factor in our ability to manage through all market cycles is our integrated approach to risk management. Risk management is embedded in our daily operating activities, our day-to-day decision making as well as our strategic planning and decision making process. Our risk management framework provides the basis for consistent and meaningful risk dialogue up,

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down and across the company. Broadly, our approach includes two governance structures: (i) our Global Performance and Risk Committee assesses core investment risks; and (ii) our Corporate Risk Management Committee assesses strategic, operational and all other business risks. A network of business unit, geographic and specific risk management committees, under the auspices of the Corporate Risk Management Committee, maintains an ongoing risk assessment, management and monitoring process that provides a bottom-up perspective on the specific risks existing in various domains of our business.

At each Board meeting, the Board reviews and discusses with senior management information pertaining to risk provided by the Global Performance and Risk Committee and the Corporate Risk Management Committee. In these sessions senior management reviews and discusses with the Board the most significant risks facing the company. The Board also reviews and approves the company s risk appetite statement and crisis management framework. By receiving these regular reports, the Board maintains a practical understanding of the risk philosophy, culture and risk appetite of the company. In addition, Board and committee agenda items on various topics regarding our business include discussion on risks inherent in our business as well as those introduced by new business developments. Through this regular and consistent risk communication, the Board has reasonable assurance that all material risks of the company are being addressed and that the company is propagating a risk-aware culture in which effective risk management is built into the fabric of the business.

In addition, the compensation committee annually assesses the risks of our compensation policies and practices for all employees. The compensation committee has concluded our policies and practices do not create risks that are reasonably likely to have a material adverse effect on the company. In reaching this conclusion, the compensation committee considered the input of a working group comprised of representatives from our human resources and finance departments that reviewed each of Invesco s compensation plans.

Invesco s compensation programs are designed to reward success over the long-term, promote a longer term view of risk and return in decision making and protect against incentives for inappropriate risk taking. Examples of risk mitigation in our compensation program design include:

The compensation committee considers multiple performance metrics in establishing the company-wide annual incentive pool each year, so no one metric creates an undue reward that might encourage excessive risk taking. The Committee does not attempt to rank or assign relative weight to any factor, but instead applies its judgment in considering them in their entirety;

The vast majority of investment professional bonus plans have multi-year measurement periods, caps on earnings and discretionary components;

Sales and commission plans generally contain multiple performance measures and discretionary elements; and

Executives receive a substantial portion of compensation in the form of long-term equity that vests over multi-year periods. Time-based equity awards vest ratably over a four-year period. Performance-based equity awards are subject to

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a three-year performance period and three-year cliff vesting. As in the past, the achievement of financial performance for the performance-based equity awards must be certified by the compensation committee and the awards are subject to a clawback. Executives are also subject to our stock ownership policy.

The audit committee routinely receives reports from the control functions of finance, legal, compliance and internal audit. The Global Head of Internal Audit reports to the Chairperson of the audit committee. The audit committee oversees the internal audit function s planning and resource allocation in a manner designed to ensure testing of controls and other internal audit activities are appropriately prioritized in a risk-based manner. The audit committee also seeks to assure that appropriate risk-based inputs from management and internal audit are communicated to the company s independent public auditors.

**Investment and corporate stewardship - environmental, social and governance ( ESG ) responsibility**

Invesco s distinct and differentiated approach to investment and corporate stewardship is guided by our purpose - to deliver an investment experience that helps people get more out of life. We are rooted in the belief that our role as one of the world s leading independent investment management organizations is to serve as a trusted partner to our clients, shareholders and communities. Our progress in strengthening our stewardship across both investment and corporate lines continues to underscore Invesco s commitment to responsible investing. Invesco is committed to fostering greater transparency and continuous improvement with regard to responsible investment and corporate stewardship within our business. Below are some of the actions Invesco is taking to meet these commitments.

**Invesco s Investment Stewardship**

In June 2013, Invesco became a signatory to the United Nations Principles for Responsible Investment ( PRI ), which is the leading global responsible investment network of investment managers. Invesco has received an annual rating from PRI on Strategy and Governance of an A+ , representing a score of 95% or higher, for two consecutive years. In all eight categories tracked by PRI, Invesco matched or outperformed its peer group, reflecting our commitment and success in this area. Invesco s PRI transparency report is publicly available at www.unpri.org. Invesco is also a signatory to the UK Stewardship Code and Japan Stewardship Code, which, like PRI, promote active engagement in corporate governance. Additional information about Invesco s commitment to Principles for Responsible Investment is available under the About Us tab on the company s website.

Invesco believes the voting of proxies should be managed with the same care as all other elements of the investment process. The proxy voting process at Invesco, which is driven by investment professionals, focuses on maximizing long-term value for our clients, protecting clients rights and promoting governance structures and practices that reinforce the accountability of corporate management and boards of directors to shareholders. Invesco s Investment Stewardship and Proxy Voting Annual Report is also available under the About Us tab on the company s website.

Our company is a constituent of the FTSE4Good Index Series, which seeks to help investors identify organizations with good track records of corporate social responsibility.

**Invesco s Corporate Stewardship**

The Invesco Corporate Responsibility Committee ( CRC ), which includes executive management sponsorship and representation, oversees and drives the company s global corporate and investment stewardship programs and policy. The committee, working in coordination with global workstreams, drives the strategy, oversight and governance of our internal programs and demonstrates Invesco s broad executive leadership commitment to responsible investment. The CRC provides direction to Invesco s investment and corporate stewardship leaders on core ESG topics, participation in industry advocacy and policy efforts and participation in charitable and community organizations to enhance our impact in sustainable global efforts.

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Invesco has also made significant progress in reducing our impact on the environment at a number of our global locations. Our Atlanta, Dublin, Frankfurt, Henley, Houston, Hyderabad, London, New York, Prince Edward Island and Toronto locations, which comprise approximately 80% of Invesco s employees around the world, are ISO 14001 registered a certification that Invesco has the framework in place to effectively manage its environmental responsibilities.

Invesco has received certification in the Leadership in Energy and Environmental Design (LEED) program. Our Hyderabad office achieved the highest platinum standard, while our New York office achieved the gold standard and our Atlanta headquarters and Houston office achieved the silver standard. LEED certification is globally recognized as the premier mark of achievement in green building.

Invesco participates in the Carbon Disclosure Project, reporting on carbon emissions and reduction management processes and our commitment to sound environmental practices is summarized in our Global Carbon Emissions and Environmental Corporate Policy Statement found under the About Us tab on the company s website.

We are a member of the Clean Seas campaign and removed 4.05 tons of single use plastic across our corporate properties and participate in the PRI Plastics Advisory Committee committed to raising investor awareness and to develop and support engagement on plastics.

We achieved the quadruple rating for the Carbon Trust Standard in the UK reducing carbon by 36%, waste by 11% and water by 29.6%. Invesco is the only asset manager to achieve the quadruple rating in the UK.

In 2018, our company was named one of the best places to work in money management by *Pensions and Investments*®.

Our company provides equal opportunity in its employment and promotion practices and encourages employees to play active roles in the growth and development of the communities in which they live and work. Invesco conducts regular employee surveys to monitor employee satisfaction with results showing consistently high levels of employee engagement driven by many positive factors including employees perspectives regarding ethics and values at the company, the company s strategy and direction, and opportunity for personal development.

Invesco has also demonstrated its commitment to improving diversity across our global business as discussed in greater detail below.

Employees are provided with a variety of elements to enable them to stay healthy, maintain a work-life balance and plan for retirement. These rewards include:

Comprehensive health and wellness programs

Retirement savings plans

Life insurance and income-protection benefits

Holiday and time-off benefits

Flexibility to help balance work and family responsibilities

Opportunities to develop professional skills and knowledge

Opportunities to contribute to their community

Opportunities to become an Invesco shareholder through our employee stock purchase plan

| A+ | $67 Billion | 32% | 2018 |
|---|---|---|---|
| PRI rating for Strategy and Governance and Fixed Income for two consecutive years[1] | in sustainability offerings[2] | Of all of Invesco s listed funds rated High/Above Average for Sustainability[3] | **Global ESG Innovation Asset Manager of the Year[4]** |

1 2018 Assessment Report for Invesco Ltd., PRI

2 As of December 31, 2018

3 Morningstar Sustainability ratings 280 of 882 as of October 31, 2018

4 Strategic Insights Chief Investment Officer Industry Innovation Awards

**We believe in the power of diversity**

Fundamentally, we believe that in order to best help our clients and employees get more out of life, our workforce should reflect the diversity of people and perspectives of today s evolving society.

Our business success relies on engaging a highly diverse team of people across the globe who are client-focused, innovative and draw on a range of backgrounds and experiences to contribute their unique perspective. Ensuring a broad range of different experiences and backgrounds helps us create the diversity of thought needed to deliver a compelling investment experience for clients and ensure an engaging work environment for our people. This approach is a core attribute of our firm s culture, which actively encourages our people to collaborate to find the best ideas and solutions for clients, leveraging the tremendous diversity of thought that exists across our global organization.

At Invesco, we re committed to improving diversity at all levels and in all functions across our global business. Although diversity is very country and culturally specific, the need for greater gender diversity is a constant across the globe, which is why we are focusing on gender at the enterprise level. Today we have a diverse, talented pool of women across our global firm, but we aspire to have more women at senior levels and across all functions within our firm.

The CEO and senior managing directors of Invesco the most senior leaders for key parts of our business have adopted several principles for achieving our gender diversity targets. To demonstrate our commitment to senior-level accountability globally, the firm has adopted a four-point pledge (modelled on the UK Women in Finance charter). Specifically, the CEO and senior managing directors have pledged that:

We are supportive of this initiative and will apply the initiative to Invesco globally with the CEO and each senior managing director responsible and accountable for gender diversity and inclusion;

Globally, we have set a target for female representation of senior managers to be between 30% - 40% by 2020 (27% as of December 31, 2018);

We will share high-level diversity and inclusion activities that will aid our achievement of the target and support having greater diversity across the globe; and

Goals on gender diversity will be included for our CEO and the senior managing directors, as part of their overall performance goals, and to be in support of gender diversity and inclusion activities.

In support of our wider diversity and inclusion aspirations beyond gender, we have a variety of activities focused on engaging and developing the many talented people who work for Invesco, while also ensuring that we attract new talent from a broad range of backgrounds. These initiatives include programs focused on developing the next generation of leaders, training efforts intended to strengthen our inclusive culture and more robust recruitment practices to attract diverse talent into the firm.

All of these efforts are sponsored by the senior managing directors, supported by our senior leaders across the business, cascaded to our employees and captured in the firm s business plans and leadership objectives.

Across the globe, we continue to build our partnerships and networks to optimize our diversity and inclusion activity. We are leveraging the efforts and success of our Invesco Women s Network, which provides development and mentorship opportunities, creates networking events for women and men and partners with the business on its broader diversity and inclusion efforts.

Additionally, we work with a variety of external partners with the goal of improving diversity and inclusion within Invesco and across our industry, for example, we are active members in a number of local or regional public or industry initiatives such as the UK and North America Asset Management Diversity Project.

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Invesco named one of the best places to work in asset management in 2018 by *Pensions and Investments*®

Invesco values our employees and their diverse perspectives. Our company provides equal opportunities in its employment and promotion practices, and encourages employees to play an active role in the growth and development of the communities in which they live and work.

To measure our progress in a number of areas and provide input that helps us further strengthen our culture, Invesco conducts regular internal surveys to measure and monitor employee engagement. The most recent results in 2017 showed continued high levels of employee engagement exceeding the global high performing organizations norm, a relevant benchmark provided by our employee survey provider, Willis Towers Watson. In 2017, the drivers of engagement included employees perspectives regarding ethics and values at the company, the company s strategy and direction, and the degree to which employees feel empowered and involved in decisions.

**Cyber Security**

At a time when cyber threats are considered one of the most significant risks facing financial institutions, we continue to invest in our security capabilities to keep clients, employees, and critical assets safe, while enabling a secure and resilient business. We have designated a Chief Global Security Officer and have a global security program that combines information (including cyber) security, physical security, privacy, business security and recovery, and strategy and reporting under a single umbrella supported by an intelligence function that provides timely threat information.

Our information security program, led by our Chief Information Security Officer, is designed to oversee and maintain all aspects of information security risk to seek to ensure the confidentiality, integrity and availability of information assets. This includes the implementation of controls aligned with industry guidelines and applicable statutes and regulations to identify threats, detect attacks and protect these information assets. We have an incident response program that includes periodic testing and is designed to restore business operations as quickly and as orderly as possible in the event of a breach.

Our Board is responsible for overseeing the global security and information security programs and holding senior management accountable for its actions. This includes understanding our business needs and associated risks, providing management direction, reviewing periodic reports on program effectiveness and discussing management s strategy and recommendations for managing risk.

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**Board meetings and annual general meeting of shareholders**

During the calendar year ended December 31, 2018, the Board held ten meetings (not including committee meetings). Each director attended at least seventy-five percent (75%) of the aggregate of the total number of meetings held by the Board and all committees of the Board on which he or she served during 2018. The Board does not have a formal policy regarding Board member attendance at shareholder meetings. All of our directors attended the 2018 Annual General Meeting. The non-executive directors (those directors who are not officers or employees of the company and who are classified as independent directors under applicable NYSE standards) meet in executive session generally at each of the Board s in-person meetings each year. Ben F. Johnson III, our Chairperson and a non-executive director, presides at the executive sessions of the non-executive directors. Following Mr. Johnson s retirement from the Board in May 2019, G. Richard Wagoner, Jr. will be assuming the role as Chairperson of the Board.

**Committee membership and meetings**

The current committees of the Board are the audit committee, the compensation committee and the nomination and corporate governance committee.

Below is a description of each committee of the Board. The Board has affirmatively determined that each committee consists entirely of independent directors according to applicable NYSE rules and rules promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act ).

**The Audit Committee**

**Members:**

Sarah E. Beshar

C. Robert Henrikson

Ben F. Johnson III

Denis Kessler

Sir Nigel Sheinwald

G. Richard Wagoner, Jr.

Phoebe A. Wood (Chair)

Under its charter, the committee:

- is comprised of at least three members of the Board, each of whom is independent of the company under the NYSE and rules of the SEC and is also financially literate, as defined under NYSE rules;
- members are appointed and removed by the Board;
- is required to meet at least quarterly;
- periodically meets with the head of Internal Audit and the independent auditor in separate executive sessions without members of senior management present;
- has the authority to retain independent advisors, at the company s expense, whenever it deems appropriate to fulfill its duties; and

**Independence:**

Each member of the committee is independent and financially literate

**Audit Committee Financial Experts:**

Ms. Wood and Mr. Wagoner qualify as defined by SEC rules

**Meetings in 2018:**

12

reports to the Board regularly.

The committee s charter sets forth its responsibilities, including assisting the Board in fulfilling its responsibility to oversee:

the company s financial reporting, auditing and internal control activities, including the integrity of the company s financial statements;

the independent auditor s qualifications and independence;

the performance of the company s internal audit function and independent auditor; and

the company s compliance with legal and regulatory requirements.

The committee s charter is available on the company s website.

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**Members:**

Sarah E. Beshar

C. Robert Henrikson

(Chair)

Ben F. Johnson III

Denis Kessler

Sir Nigel Sheinwald

G. Richard Wagoner, Jr.

Phoebe A. Wood

**Independence:**

Each member of the

committee is independent

**Meetings in 2018:**

6

**The Compensation Committee**

Under its charter, the committee:

is comprised of at least three members of the Board, each of whom is independent of the company under the NYSE and SEC rules;

members are appointed and removed by the Board;

is required to meet at least four times annually; and

has the authority to retain independent advisors, at the company s expense, whenever it deems appropriate to fulfill its duties, including any compensation consulting firm.

The committee s charter sets forth its responsibilities, including:

annually approving the compensation structure for, and reviewing and approving the compensation of, senior officers and non-executive directors;

overseeing the annual process for evaluating senior officer performance;

overseeing the administration of the company s equity-based and other incentive compensation plans; and

assisting the Board with executive succession planning.

The committee s charter is available on the company s website.

Each year the committee engages a third-party compensation consultant to provide an analysis of, and counsel on, the company s executive compensation program and practices. For a detailed discussion of executive compensation and the role of the third-party compensation consultant, please see **Compensation Determination Process - Role of the independent compensation consultant** below.

In addition, the committee meets at least annually to review and determine the compensation of the company s non-executive directors. No executive officer of the company is involved in recommending or determining non-executive director compensation levels. See **Director compensation** below for a more detailed discussion of compensation paid to the company s directors during 2018.

**Members:**

Sarah E. Beshar

Joseph R. Canion (Chair)

C. Robert Henrikson

Ben F. Johnson III

Denis Kessler

Sir Nigel Sheinwald

G. Richard Wagoner, Jr.

Phoebe A. Wood

**Independence:**

Each member of the

committee is independent

**Meetings in 2018:**

6

**The Nomination and Corporate Governance Committee**

Under its charter, the committee:

is comprised of at least three members of the Board, each of whom is independent of the company under the NYSE and SEC rules;

members are appointed and removed by the Board;

is required to meet at least four times annually; and

has the authority to retain independent advisors, at the company s expense, whenever it deems appropriate to fulfill its duties.

The committee s charter sets forth its responsibilities, including:

establishing procedures for identifying and evaluating potential nominees for director;

recommending to the Board potential nominees for election; and

periodically reviewing and reassessing the adequacy of the Corporate Governance Guidelines to determine whether any changes are appropriate and recommending any such changes to the Board for its approval.

The committee s charter is available on the company s website. For more information regarding the director recruitment process, see **Information about Director Nominees - Director recruitment**.

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**Director compensation**

Directors who are Invesco employees do not receive compensation for their services as directors. The compensation committee annually reviews and determines the compensation paid to non-executive directors. The committee considers, among other things, the following policies and principles:

that compensation should fairly pay the non-executive directors for the work, time commitment and efforts required by directors of an organization of the company s size and scope of business activities, including service on Board committees;

that a component of the compensation should be designed to align the non-executive directors interests with the long-term interests of the company s shareholders; and

that non-executive directors independence may be compromised or impaired if director compensation exceeds customary levels.

As a part of its annual review, the committee engaged Johnson Associates, Inc. ( Johnson Associates ) as a third-party consultant to report on comparable non-executive director compensation practices and levels. This report includes a review of director compensation at the same peer companies the committee considers for executive compensation practices. See page 47 for a list of our peers. Following the review of current market practices for directors of peer public companies, the compensation committee determined in December 2017 that the compensation for non-executives directors would remain the same for 2018. The compensation for non-executive directors for 2018 was as follows, with each fee component paid in quarterly installments in arrears:

| | |
|---|---|
| Basic cash fee | Non-executive directors (other than the Chairperson of the Board) received an annual basic fee paid in cash in the amount of $120,000. |
| Chairperson fee | In lieu of the above basic cash fee, the Chairperson of the Board received an annual cash fee of $400,000. |
| Basic shares fee | Non-executive directors also received an annual award of shares in the aggregate amount of $145,000. |
| Audit Committee Chairperson fee | The Chairperson of the audit committee received an additional annual cash fee of $50,000. |
| Compensation and Nomination and Corporate | The Chairperson of the compensation committee and the Chairperson of the nomination and corporate governance committee each received an additional |

| | |
|---|---|
| Governance Committee Chairperson s fee | annual cash fee of $15,000. |

We also reimburse each of our non-executive directors for their travel expenses incurred in connection with attendance at Board of Directors and committee meetings. Directors do not receive any meeting or attendance fees. Following its annual review of current market practices for directors of peer public companies in December 2018, the compensation committee determined that the compensation for non-executive directors will remain the same for 2019.

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**Stock ownership policy for non-executive directors** All shares granted to our non-executive directors are subject to the Non-Executive Director Stock Ownership Policy. The policy generally requires each non-executive director to achieve and thereafter maintain an ownership level of at least 18,000 shares within seven years of such director s first appointment as a non-executive director. Until such ownership level is achieved, each non-executive director is generally required to continue to retain at least 50% of all shares received as compensation from the company.

The following table shows the status of our non-executive directors meeting the requirements of the policy as of December 31, 2018.

1 Based on current compensation levels, it is anticipated that Ms. Beshar and Sir Nigel will each attain the share ownership goal within the period required by the policy.

2 Includes deferred shares awarded under our legacy Deferred Fees Share Plan.

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**Director compensation table for 2018**

The following table sets forth the compensation paid to our non-executive directors for services during 2018.

| Name | Fees earned or paid in cash ($)[1] | Share awards ($)[2] | Total ($) |
|---|---|---|---|
| Sarah E. Beshar | 120,000 | 144,967 | 264,967 |
| Joseph R. Canion | 135,000 | 144,967 | 279,967 |
| C. Robert Henrikson | 135,000 | 144,967 | 279,967 |
| Ben F. Johnson, III | 400,000 | 144,967 | 544,967 |
| Denis Kessler | 120,000 | 144,967 | 264,967 |
| Sir Nigel Sheinwald | 120,000 | 144,967 | 264,967 |
| G. Richard Wagoner, Jr. | 120,000 | 144,967 | 264,967 |
| Phoebe A. Wood | 170,000 | 144,967 | 314,967 |

1 Includes the annual basic cash fee and, as applicable, Chairperson of the Board fee and committee Chairperson fees.
2 Reflects the grant date fair value for each share award. Share awards are 100% vested as of the date of grant.
The following table presents the grant date fair value for each share award made to each non-executive director during 2018.

**2018 Director grant date fair value**

| Name | Date of grant 2/1/18 ($) | Date of grant 4/27/18 ($) | Date of grant 7/27/18 ($) | Date of grant 10/19/18 ($) | Total grant date fair value ($) |
|---|---|---|---|---|---|
| Sarah E. Beshar | 36,246 | 36,248 | 36,228 | 36,245 | 144,967 |
| Joseph R. Canion | 36,246 | 36,248 | 36,228 | 36,245 | 144,967 |
| C. Robert Henrikson | 36,246 | 36,248 | 36,228 | 36,245 | 144,967 |
| Ben F. Johnson III | 36,246 | 36,248 | 36,228 | 36,245 | 144,967 |
| Denis Kessler | 36,246 | 36,248 | 36,228 | 36,245 | 144,967 |
| Sir Nigel Sheinwald | 36,246 | 36,248 | 36,228 | 36,245 | 144,967 |
| G. Richard Wagoner, Jr. | 36,246 | 36,248 | 36,228 | 36,245 | 144,967 |
| Phoebe A. Wood | 36,246 | 36,248 | 36,228 | 36,245 | 144,967 |

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Information About the Executive Officers of the Company

In addition to Martin L. Flanagan, whose information is set forth above under **Information about Director Nominees,** the following is a list of individuals serving as executive officers of the company as of the date of this Proxy Statement. All company executive officers are elected annually by the Board and serve at the discretion of the Board or our Chief Executive Officer.

**Kevin M. Carome**

Senior Managing Director

and General Counsel

| **Age** | **Tenure** |
|---|---|
| 62 | 16 Years |

**Kevin M. Carome**

Kevin Carome has served as general counsel of our company since 2006. Previously, he was senior vice president and general counsel of Invesco s U.S. retail business from 2003 to 2005. Prior to joining Invesco, Mr. Carome worked with Liberty Financial Companies, Inc. (LFC) where he was senior vice president and general counsel from 2000 through 2001. He joined LFC in 1993 as associate general counsel and, from 1998 through 2000, was general counsel of certain of its investment management subsidiaries. Mr. Carome began his career at Ropes & Gray. He is a trustee of the U.S. Powershares ETFs and a director of ICI Mutual Insurance Company, the U.S. investment management industry captive insurer. He earned two degrees, a B.S. in political science and a J.D., from Boston College.

**Andrew T.S. Lo**

Senior Managing Director

and Head of Invesco

Asia Pacific

| **Age** | **Tenure** |
|---|---|
| 57 | 25 Years |

**Andrew T.S. Lo**

Andrew T. S. Lo has served as head of Invesco Asia Pacific since 2001. He joined our company as managing director for Invesco Asia in 1994. Mr. Lo began his career as a credit analyst at Chase Manhattan Bank in 1984. He became vice president of the investment management group at Citicorp in 1988 and was managing director of Capital House Asia from 1990 to 1994. Mr. Lo was Chairperson of the Hong Kong Investment Funds Association from 1996 to 1997 and a member of the Council to the Stock Exchange of Hong Kong and the Advisory Committee to the Securities and Futures Commission in Hong Kong from 1997 to 2001. He earned a B.S. and an MBA from Babson College in Wellesley, Massachusetts.

**Gregory G. McGreevey**

Senior Managing Director,

Investments

| **Age** | **Tenure** |
|---|---|

**Gregory G. McGreevey**

Gregory G. McGreevey has served as senior managing director, Investments, since March 2017, with responsibility for certain of Invesco s global equity investment teams, equity trading, fixed income, Global Performance and Risk Group and investment administration. Previously, he was chief executive officer of Invesco Fixed Income from 2011 to March 2017. Prior to joining Invesco, Mr. McGreevey was president of Hartford Investment Management Co. and executive vice president and chief investment officer of The Hartford Financial Services Group, Inc. from 2008 to 2011. From 1997 to 2008, Mr. McGreevey served as vice chairman and executive vice president of ING Investment Management Americas Region, as well

| | | |
|---|---|---|
| 56 | 8 Years | as business head and chief investment officer for ING s North American proprietary investments and chief executive officer of ING Institutional Markets. Before joining ING, Mr. McGreevey was president and chief investment officer of Laughlin Asset Management and president and chief operating officer of both Laughlin Educational Services and Laughlin Analytics, Inc. He is a Chartered Financial Analyst. Mr. McGreevey earned a B.B.A. from the University of Portland and an M.B.A. from Portland State University. |

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| Colin D. Meadows | |
|---|---|
| Senior Managing Director | |
| and Head of Private Markets | |
| and Global Institutional | |
| **Age** | **Tenure** |
| 48 | 13 Years |

**Colin D. Meadows**

Colin Meadows has served as senior managing director and head of Private Markets and Global Institutional platforms since 2015. Mr. Meadows is also responsible for our digital wealth efforts, including Jemstep and Intelliflo and directs the firms corporate development strategy. Previously, he also served as chief administrative officer of Invesco from 2006 to November 2018. In September 2008, he expanded his role with responsibilities for operations and technology. In April 2014, his role further expanded to head alternative investments for the company. Mr. Meadows came to Invesco from GE Consumer Finance where he was senior vice president of business development and mergers and acquisitions. Prior to that role, he served as senior vice president of strategic planning and technology at Wells Fargo Bank. From 1996 to 2003, Mr. Meadows was an associate principal with McKinsey & Company, focusing on the financial services and venture capital industries, with an emphasis in the banking and asset management sectors. Mr. Meadows earned a B.A. in economics and English literature from Andrews University and a J.D. from Harvard Law School.

| Andrew R. Schlossberg | |
|---|---|
| Senior Managing Director | |
| and Head of the Americas | |
| **Age** | **Tenure** |
| 45 | 18 Years |

**Andrew R. Schlossberg**

Andrew Schlossberg has served as senior managing director and head of the Americas since March 2019. In addition, Mr. Schlossberg has responsibility for the firm s exchange-traded funds capabilities globally and for human resources. Previously, he was senior managing director and head of EMEA (which includes the UK, continental Europe and the Middle East) from 2016 to March 2019. Mr. Schlossberg joined Invesco in 2001 and has served in multiple leadership roles across the company, including his previous position as Head of US Retail Distribution and global exchange-traded funds for Invesco. He has also served as U.S. chief marketing officer, head of Global Corporate Development (overseeing business strategy and mergers and acquisitions), and in leadership roles in strategy and product development in the company s North American Institutional and Retirement divisions. Prior to joining Invesco, Mr. Schlossberg worked with Citigroup Asset Management and its predecessors from 1996 to 2000. He earned a B.S. in finance and international business from the University of Delaware and an M.B.A. from the Kellogg School of Management at Northwestern University.

| Doug J. Sharp |
|---|
| Senior Managing Director |

**Doug J. Sharp**

Doug Sharp has served as senior managing director and head of EMEA since March 2019 and is the Chair of the Board of Invesco UK (Invesco s European Subsidiary

| | |
|---|---|
| and Head of EMEA<br><br><br><br>**Age** **Tenure**<br><br>44 Years 11 | Board). He has 14 years experience in the asset management industry. Mr. Sharp joined Invesco in 2008 and has served in multiple leadership roles across the company, including his previous role as the Head of EMEA Retail. Prior to that, he ran Invesco s Cross Border retail business, as well as serving as the Head of Strategy and Business Planning and as Chief Administrative Officer for Invesco s US institutional business. Mr. Sharp joined Invesco from the strategy consulting firm McKinsey & Company, where he served clients in the financial services, energy and logistics sectors. Mr. Sharp earned an M.B.A. from the Tuck School of Business at Dartmouth College, a master s degree in accounting from Georgia State University and a B.A. in economics from McGill University. |

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| **Loren M. Starr** | |
|---|---|
| Senior Managing Director | |
| and Chief Financial Officer | |
| **Age** | **Tenure** |
| 57 | 14 Years |

**Loren M. Starr**

Loren Starr has served as senior managing director and chief financial officer of our company since 2005. His current responsibilities include finance, accounting, tax, investor relations, corporate strategy and Invesco s private markets platform. Prior to joining Invesco, he served from 2001 to 2005 as senior vice president and chief financial officer of Janus Capital Group Inc., after working as head of corporate finance from 1998 to 2001 at Putnam Investments. Prior to these positions, Mr. Starr held senior corporate finance roles with Lehman Brothers and Morgan Stanley & Co. He served as a past Chairperson of the Association for Financial Professionals and is the Chairman of the Georgia Leadership Institute for School Improvement. Mr. Starr also serves on the boards of the Atlanta Track Club and the Woodruff Arts Center. Mr. Starr was named one of the best US CFOs by Institutional Investor magazine. He earned a B.A. in chemistry and B.S. in industrial engineering from Columbia University, as well as an M.B.A. from Columbia and an M.S. in operations research from Carnegie Mellon University.

| **Mark Giuliano** | |
|---|---|
| Chief Administrative | |
| Officer | |
| **Age** | **Tenure** |
| 57 | 3 Years |

**Mark Giuliano**

Mark Giuliano has served as chief administrative officer since November 2018 and has served as Invesco s Chief Security Officer since 2016. He was previously Managing Director and Global Head of Security, Technology and Operations. His responsibilities include overseeing Technology, Investment Operations, North America Transfer Agency, Global Security, Global Corporate Services and Invesco Trust Company Departments. Mr. Giuliano joined Invesco in 2016 after serving over 28 years with the Federal Bureau of Investigation (FBI). While at the FBI, Mr. Giuliano served in a number of leadership roles, including Special Agent in charge of the Atlanta division and executive assistant director of the National Security Branch, before retiring as the Deputy Director and Chief Operating Officer. Mr. Giuliano earned a degree in business economics from the College of Wooster.

**Departing Executive Officer**

| **Philip A. Taylor** |
|---|
| Vice Chair |
| (formerly Senior |

**Philip A. Taylor**

Philip Taylor has served as vice chair since March 2019. In his role as vice chair, Mr. Taylor continues to oversee activities in connection with the planned acquisition of Oppenheimer Funds and the succession of Mr. Schlossberg into Mr. Taylor s former role with the company. Previously, he served as senior managing

| | |
|---|---|
| Managing Director and<br><br>Head of the Americas)<br><br><br><br>**Age** **Tenure**<br><br>64 Years 20 | director and head of Invesco s Americas business from 2012 to March 2019 and had responsibility for the firm s exchange-traded funds capabilities globally and for human resources. Prior to becoming Head of Americas, Mr. Taylor served as Head of Invesco s North American Retail business since 2006. He joined Invesco Canada in 1999 as senior vice president of operations and client services and later became executive vice president and chief operating officer. He was named chief executive officer of Invesco Canada in 2002. Mr. Taylor is a member of the dean s advisory council of the Schulich School of Business and is involved in a number of music, arts and cultural activities in Canada. Mr. Taylor received a Bachelor of Commerce degree from Carleton University and an M.B.A. from the Schulich School of Business at York University. |

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Executive Compensation

**Compensation discussion and analysis**

This Compensation Discussion and Analysis ( CD&A ) provides information about Invesco s business, 2018 financial performance, our disciplined approach to compensation and 2018 compensation decisions for our Named Executive Officers ( NEOs ) listed below.

| | | |
|---|---|---|
| **Martin L. Flanagan**<br>President and Chief Executive Officer ( CEO ) | **Loren M. Starr**<br>Senior Managing Director and Chief Financial Officer | **Andrew T.S. Lo**<br>Senior Managing Director and Head of Asia Pacific |
| **Gregory G. McGreevey**<br>Senior Managing Director, Investments | **Philip A. Taylor**<br>Senior Managing Director and Head of the Americas | |

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1 Introduction

**Invesco shareholder value framework**

Invesco is committed to creating long-term shareholder value. While our financial results are affected by global capital market conditions that are beyond our control, our executives are able to directly influence key drivers that create long-term shareholder value.

Invesco s framework for long-term shareholder value creation is based on:

Invesco s commitment to delivering shareholder value is aligned with the Purpose-driven way we manage our business. To meet the needs of our clients, we focus on delivering strong, long-term investment performance, providing a comprehensive range of investment capabilities, seeking to ensure deep and stable investment teams, and running a disciplined global business. Our focus on delivering the outcomes our clients seek enables us to grow our business by attracting new assets under management ( AUM ) and retain the AUM of our existing clients, resulting in positive **organic revenue growth** over the longer term.

Investing for the long-term is an important element of our strategy. Our diversified investment capabilities in terms of investment objectives, styles, client types, and geographies enable us to meet client needs through differing market cycles across the globe. We also strive to give clients greater value for their money, which, first and foremost, means competitively priced products, as well as investor education, thought leadership, digital platforms and other value adds that create an enhanced client experience.

Our strong global operating platform allows us to operate effectively and efficiently and is an important driver of **our operating leverage** that benefits clients and shareholders. We take advantage of our operating leverage in numerous areas of our business and most notably in our client, operational and technology focused support areas. By doing so we are able to meet current client demands, invest for future growth and consistently create value for our shareholders over the long-term.

Invesco strives to maintain our financial strength through disciplined **capital management** and return capital to shareholders on a consistent and predictable basis.

All of this and the combined efforts of our highly collaborative teams across Invesco put us in a strong competitive position to help us continue to deliver value to our clients and our shareholders.

**Shareholder engagement on executive compensation**

The Annual General Meeting of Shareholders provides our shareholders with the opportunity to:

- evaluate our executive compensation philosophy, policies and practices;
- assess the alignment of executive compensation with Invesco s results; and
- cast an advisory vote to approve the company s executive compensation.

At the 2018 Annual General Meeting of Shareholders, the say-on-pay advisory vote received shareholder support with 62% of the votes cast in favor of our executives compensation.

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Invesco s Board recognizes the importance of executive compensation decisions to our shareholders and encourages open and constructive dialogue. Each year, Invesco engages with key shareholders to solicit insights on executive compensation.

In response to our 2018 say-on-pay vote, we expanded our shareholder outreach to include our top 30 shareholders representing approximately 55% of our outstanding shares[1] to engage with us regarding, among other topics, our executive compensation program. In the fall and winter of 2018, we held telephonic meetings with all shareholders who accepted our invitation 11 of our shareholders representing approximately 19% of our outstanding shares.[1] Based upon these discussions

These shareholders affirmed their support for our compensation philosophy, programs and pay outcomes. They validated the disciplined approach of our compensation programs that utilize performance measures,

While none of these shareholders advocated that we make significant changes to our executive compensation program, they identified opportunities to meaningfully enhance the effectiveness of the pay-for-performance component of our executive compensation program by providing greater rigor with respect to our performance-based awards and adding a second performance measure,

We have provided for greater alignment of executive compensation with relative shareholder returns, and

We have provided more transparency regarding our compensation programs and pay outcomes.

**2018 Executive compensation program enhancements**

In response to the most recent shareholder outreach described above, the committee, in conjunction with its independent consultant and senior management, engaged in an extensive dialogue about the effectiveness of our executive compensation program. The committee affirmed our compensation philosophy and made the following meaningful program enhancements:

1

**Incentive targets for CEO and senior managing directors**

Established in the fall of 2018 **incentive targets** for 2018 pay decisions for our CEO and senior managing directors, which include our NEOs. (For subsequent years incentive targets are established in February of each year.)

Incentive compensation payouts (cash bonus + stock deferral + long-term equity) to range from **0% to 130%** of target

2

**Incentive awards scorecard of quantitative measures for company performance**

Established a framework that combines a scorecard of quantitative measures for assessing company performance and a qualitative assessment for determining incentive awards for our CEO and each of our senior managing directors

Scorecard of quantitative company performance is **based on 3 objective categories:** financial performance 50%; delivering