Invesco Ltd.
Form DEF 14A
March 25, 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.

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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 Le 19 avenue Kleber 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 25, 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

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. 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. 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. 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: 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] 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] 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] 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. Continued to make progress toward our commitment to improve diversity at all levels and in all functions across our global business. 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

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.

Director qualifications

Name	**Age**	**Director since**	**Other public boards**	**Committee memberships A**	**C**	**NCG**
Sarah E. Beshar Former Partner, Davis Polk	60	2017		M	M	M
Joseph R. Canion Former CEO, Compaq Computer Corporation	74	1997				Ch
Martin L. Flanagan President and CEO, Invesco Ltd.	58	2005				
C. Robert Henrikson Former President and CEO, MetLife, Inc. and Metropolitan Life Insurance Company	71	2012		M	Ch	M

Denis Kessler Chairman and CEO, SCOR SE	67	2002	2	M	M	M
Sir Nigel Sheinwald Former United Kingdom Senior Diplomat	65	2015	1	M	M	M
G. Richard Wagoner, Jr. Former Chairman and CEO, General Motors Corporation	66	2013	1	M	M	M
Phoebe A. Wood Former Vice Chairman and CFO, Brown-Forman Corporation	65	2010	3	Ch	M	M
Ben F. Johnson III[1] Former Managing Partner, 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

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 25, 2019 and principal occupations for the past five years of the director nominees.

Director nominees for 2019

Sarah E. Beshar

Non-executive director

Age	**Tenure**
60	2 Years

Committees:

- Audit
- Compensation
- Nominating and Governance

Qualifications:

- Industry expertise
- Legal expertise

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

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

Age	**Tenure**
58	14 Years

Qualifications:

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

co-president, chief operating officer, chief financial officer and senior vice president from 1993 - 2003. Mr. Flanagan served as director, 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).

Director qualifications

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
67	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 Wagoner, Jr.** 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	**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 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

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.

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.

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:

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:

- Directors
- Independent search firms

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 Board has no formal policy regarding diversity, it is anticipated that as the Board reviews its needs for additional directors, the Board will consider women and diverse candidates.

Due diligence is conducted, including soliciting feedback on potential candidates from persons outside the Company. Qualified candidates are presented to the Board of Directors.

Three new directors since 2013 adding the following skills and traits to our Board:

- Gender and geographic diversity
- Public Company CEO
- Industry experience
- Non-U.S. Directors
- Legal Experience

- Global business leadership	- Executive leadership
- Government experience	
- 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

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.

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.

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.

Our management team provides candid and fulsome feedback to our full Board of these meetings.

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.

Based upon our outreach to shareholders consistently each year for many years, we have instituted numerous changes, including:

- Adopted proxy access

- Declassified our Board

- Established incentive targets for our CEO and each of our senior managing directors

- Established quantitative measures for company performance

- Added relative total shareholder return as a second measure for performance-based awards

- Added a robust compensation timeline that highlights our compensation committee s responsibilities and the alignment between pay and performance to enhance transparency

- Enhanced our proxy disclosures regarding risk management, ESG and strategic planning

- 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

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

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

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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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Information About the Board and Its Committees

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).

Members:

Sarah E. Beshar

C. Robert Henrikson

Ben F. Johnson III

Denis Kessler

Sir Nigel Sheinwald

G. Richard Wagoner, Jr.

Phoebe A. Wood (Chair)

The Audit 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 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**.

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 and Head of EMEA **Age** **Tenure** 44 11 Years	

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 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 Managing Director and	**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 OppenheimerFunds and the succession of Mr. Schlossberg into Mr. Taylor s former role with the company. Previously, he served as senior managing 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

Head of the Americas) **Age** **Tenure** 64 20 Years	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 President and Chief Executive Officer (CEO)	**Loren M. Starr** Senior Managing Director and Chief Financial Officer	**Andrew T.S. Lo** Senior Managing Director and Head of Asia Pacific
Gregory G. McGreevey Senior Managing Director, Investments	**Philip A. Taylor** 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.

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 to clients 30%; and organizational strength 20% Our scorecard shown below provides further detail on each category.
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. For example, applying the 2018 performance results on a three-year average basis would result in a vesting percentage of 33% with respect to the performance based awards granted in respect to 2018 **a meaningful impact on our NEOs compensation outcomes.**
4	**Improved transparency regarding our robust compensation timeline** - 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

35 1 As of October 31, 2018

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Scorecoard for assessing company performance

Category	Objective	Quantitative measures	Weighting (%)
Financial performance Alignment with long-term shareholder interests	- Deliver strong operating results and financial outcomes - Cash management - Drive efficiency and effectiveness - Increase shareholder returns	- Adjusted diluted earnings per share[1] - Adjusted operating income[1] - Credit ratings (Moody s, S&P and Fitch) - Leverage ratio (adjusted debt/EBITDA) - Adjusted operating margin[1] - Net revenue yield[1] - Dividend growth; stock repurchasses - Cumulative capital returned to shareholders (5 year period) - Total shareholder return vs. total returns of S&P 500 and our peer group over various time frames	50
Delivering to clients Alignment with long-term client interests	- Achieve strong investment performance and advocate responsible investment practices	- Quality and breadth of investment capabilities on a 3- and 5-year basis - Sustainable responsible investment and corporate stewardship commitment (Principles for Responsible Investment (PRI) rating)	30
Organizational strength Ensuring sustainability of shareholder and client outcomes and creating alignment with employee interests	- Ensure organizational health and high performance culture - Promote sound risk management practices	- Thoroughness of talent management and development - Foster and build a diverse and inclusive culture - Succession planning - Sustainable employee engagement scores - Employee retention (employee turnover rate)	20

		- Leadership and management practices - Diligence and mitigation of risks, including cyber-risk

1 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.

These enhancements to our executive compensation program further align executive compensation outcomes with our shareholder interests. We continue to support our purpose-driven commitment to deliver an investment experience that helps people get more out of life and our multi-year strategic objectives to drive meaningful growth.

The committee applies its **qualitative assessment** in setting final compensation in order to ensure that outcomes are sound and align with shareholder interests.

We do not rely heavily on measures of return on equity (ROE) or return on assets (ROA), which are not as relevant in the success of a pure asset manager like Invesco. Our business relies on client assets under management (or AUM), which are held in custody by third parties and are not owned by the company, to generate revenue. We believe that AUM along with adjusted operating income, adjusted operating margin, adjusted diluted earnings-per-share and long-term organic growth are more reflective of our performance. Furthermore, US GAAP rules on consolidation requires us to consolidate certain investment product assets and liabilities which significantly distort our balance sheet and the associated financial metrics of ROE and ROA. As a result, several of the key indicators of our performance are non-GAAP measures. See Appendix B for additional information regarding Non-GAAP financial measures.

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Aligning compensation with shareholder value

Our compensation program for NEOs continues to include base salary, annual incentive awards (cash bonus and deferred stock) and long-term equity awards. Our focus on total compensation supports how we manage the business and aligns our employees with the overall outcomes of the firm (for definitions of each pay element and their purpose see pages 42-43).

Incentive targets for CEO and senior managing directors

New for 2018, we have established incentive targets for our CEO and senior managing directors which apply to cash bonus + annual deferral + long-term equity. Actual incentive awards range from 0% up to a maximum of 130% of the target amount based on company and individual performance. See the table below for the 2018 incentive target for each NEO.

Name	Current title	2018 Incentive target
Martin L. Flanagan	President and CEO	$13,000,000
Loren M. Starr	Senior Managing Director and Chief Financial Officer	$3,100,000
Andrew T. S. Lo	Senior Managing Director and Head of Invesco Asia Pacific	$4,000,000
Gregory G. McGreevey	Senior Managing Director, Investments	$4,600,000
Philip A. Taylor	Vice Chair	$6,700,000

Invesco 2018 performance

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.

1 JP Morgan asset managers CEO forum, December 2018

2 Invesco data as of December 31, 2018

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Organic growth	Earnings growth
Assets under management declined by 5% in 2018 due to net outflows and market declines - Total net outflows were -$29.0B - Total net revenue[1] increased 2% from 2017 due to higher average assets under management throughout the year	Adjusted diluted earnings[1] per share of $2.43 declined 10% from 2017 - Despite the decline from a record high in 2017, adjusted diluted earnings per share[1] in 2018 was 8% higher than in 2016

Operating leverage	Capital management
Adjusted operating income[1] and adjusted operating margin[1] declined from 2017 as growth in operating expenses of 7% outpaced a 2% increase in net revenue	Cash dividends increased 3% versus 2017 to $1.19 per share

1 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.

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NEO total annual compensation summary

The committee conducted its **quantitative assessment** of company performance using the scorecard on page 36. The committee discussed the substantial progress of the firm in respect of our multi-year strategic objectives as discussed on page 2 under the heading **2018 achievements** and considered the company s challenging 2018 financial performance (as well as short-term financial impacts to shareholders as evidenced by the underperformance of Invesco s stock relative to our peers).

Based on 2018 performance in each of the three quantitative categories, the committee measured company performance as effective.

Category	Weighting (%)	Outcome
Financial performance	50	Effective
Delivering to clients	30	Effective
Organizational strength	20	Effective
Overall Score	**100**	**Effective**

In determining Mr. Flanagan s compensation, the committee took into consideration

the positive achievements with respect to the company s multi-year strategic objectives as discussed on page 2 (including the CEO s leadership of the successful integration of Guggenheim and Intelliflo and the announced Oppenheimer transaction) and the effective rating of the company s **quantitative measures** as discussed on page 36 and immediately above,

the company s disappointing 2018 financial performance and short-term financial impact to shareholders (including the underperformance of Invesco s stock relative to our peers) as discussed in the letter from the Chairperson and CEO and further on page 1, and

overall market dynamics.

The 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.

The committee applied the same disciplined approach in determining the compensation for the other NEOs and considered individual achievements and new responsibilities. (For more information regarding the compensation outcomes for our CEO and other NEOs, please refer to pages 48 through 53.)

2018 NEO total compensation

Name	Base salary ($)	Cash bonus ($)	Stock deferral ($)	Long-term equity ($)	Total compensation ($)	YOY % change	Performance-based ($)
Martin L. Flanagan	790,000	3,300,000	1,350,000	5,560,000	11,000,000	-20.1%	3,455,000
Loren M. Starr	450,000	911,976	396,879	1,641,000	3,399,855	-3.3%	1,018,940
Andrew T. S. Lo	457,978	1,337,213	529,197	2,200,000	4,524,387	1.4%	1,364,598
Gregory G. McGreevey	450,000	1,800,610	674,390	2,075,000	5,000,000	0.0%	1,374,695
Philip A. Taylor	492,444	2,234,856	945,516	3,337,960	7,010,776	-2.3%	2,141,738

As shown below, incentive compensation for the CEO and the other NEOs is within the range of 0% to 130% of each executive s incentive target.

Name	2018 Incentive target (in millions $)	2018 Final incentive compensation (in millions $)[1]	Outcome
Martin L. Flanagan	13.00	10.21	Below target
Loren M. Starr	3.10	2.95	Below target
Andrew T.S. Lo	4.00	4.07	Above target
Gregory M. McGreevey	4.60	4.55	Below target
Philip A. Taylor	6.70	6.52	Below target

1 Incentive compensation includes bonus + short-term deferral + long-term equity.

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Caps

For the CEO, the annual cash bonus is capped at $10.0M and annual total compensation is capped at $25.0M.

Performance-based incentives

Fifty percent of the combined value of the annual stock deferral and long-term incentive awards is performance-based. New for performance-based equity awards granted in February 2019, vesting is tied to adjusted operating margin over a three-year period and three-year average of TSR of the company and the constituents of the S&P 500 asset management sub-index (Relative TSR). See page 47 for a current listing of Relative TSR peers.

Pay for performance compensation structure for NEOs

Our annual compensation structure reflects our commitment to pay for performance. As noted below, 87% - 93% of our NEO compensation is variable. Compensation mix percentages shown below are based on compensation decisions by the committee with respect to 2018.

Cash bonus, stock deferral and long-term equity awards were earned in 2018 and paid/granted in 2019. In accordance with SEC requirements, the **Summary Compensation Table** on page 58 reports equity in the year granted, but cash in the year earned. The Summary Compensation Table reports All Other Compensation, which is not part of the committee s compensation determinations.

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2 Our Compensation Program

Compensation philosophy

Invesco s compensation program is designed to support our multi-year strategic objectives and desire to reward the behaviors and discipline that generate strong, investment performance for our clients and shareholders over the long-term by:

- aligning the interests of our senior-level employees and NEOs with those of clients and shareholders through long-term awards and accumulation of meaningful share ownership positions;
- balancing pay-for-performance with economic outcomes such that compensation is affordable to Invesco and its shareholders while fair to employees;
- reinforcing our commercial viability by closely linking rewards to Invesco, business unit and individual results and performance;
- attracting, recognizing and retaining the best talent in the industry by ensuring a meaningful mix of cash and deferred compensation; and
- discouraging excessive risk-taking that would have a material adverse impact on our clients, shareholders or company.

Compensation components

We utilize the following compensation components in our executive compensation program to achieve our objectives:

Component	Purpose	Description
Base salary Cash	Provides fixed pay for the performance of day-to-day job duties	Based on knowledge, skills, experience and scope of responsibility Relatively small portion of total annual compensation Evaluated on an annual basis; generally, remains static unless there is a promotion or adjustment needed due to economic trends in the industry

Annual incentive award Cash bonus and stock deferral	Recognizes current year achievement of goals and objectives Aligns with company, business unit and individual performance Deferral portion aligns executive with client and shareholder interests and encourages retention by vesting over time	Based upon assessment of company performance and individual performance When mandated by local regulatory requirements, we grant awards denominated in our product fund offerings in lieu of annual stock deferral awards Our annual deferral awards generally vest over four years in equal annual increments of 25% per year
Long-term incentive award Equity	Recognizes potential for future contributions to the company s long-term strategic objectives Aligns executive with client and shareholder interests and encourages retention by vesting over time	Based upon assessment of company performance and individual performance Time-based and generally vest over four years in equal annual increments of 25% per year

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Component	Purpose	Description
Performance shares Equity	Aligns executive with client and shareholder interests	Fifty percent of the combined value of the annual stock deferral and long-term incentive awards is performance-based. For 2018 awards granted in February 2019, vesting is tied to adjusted operating margin and Relative TSR
	Encourages retention by vesting based on time and performance measures	Our performance-based equity awards have a three-year performance period and three-year cliff vesting

Emphasis on deferrals

The committee has designed our executive compensation program so a significant portion of an executive s compensation is in the form of deferred incentives. The committee believes this appropriately aligns our executive s interests with our shareholders as it focuses on long-term shareholder value creation.

Approximately, 60% - 69% of incentive compensation of our CEO and each of our senior managing directors is deferred. The committee has no pre-established policy or target on the compensation mix between pay elements.

Performance-based equity awards

Fifty percent of the combined value of the annual deferral award and the long-term equity award is performance-based. New for 2018 awards to be granted in February 2019, the committee approved the following two performance measures **adjusted operating margin** (current) and **Relative TSR** (new) over a three-year period.

The committee believes tying vesting to adjusted operating margin and relative TSR over a multi-year period aligns with shareholder interests and the following goals with respect to performance-based awards:

Relative TSR

tracks value created for shareholders as a quantitative measure aligns with shareholder interests

Adjusted operating margin (AOM)

focuses discipline in corporate investments, initiatives and capital allocation

is consistent with the way the business is managed

is an important measure of overall strength of an asset manager

aligns with Invesco s shareholder value framework

is a primary measure of focus of industry analysts

is improved through effective management over the long term

more effectively avoids conflicts of interest with clients

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Performance award vesting matrix

In response to shareholder feedback, the committee added a second performance measure for performance-based equity awards. The number of shares that vest will equal the target amount multiplied by the vesting percentage associated with the Average AOM and Relative TSR ranking on the chart below. Vesting to range from 0% to 150%. We believe that the linked vesting performance thresholds adds to the significant rigor of our incentive program as payouts are not a range of outcomes but represent specific performance levels.

The company s adjusted operating margin for 2018 was 36.5% and its Relative TSR was in the bottom quartile. Applying the 2018 performance results on a three-year average basis would result in a vesting percentage of 33% in respect to the 2018 performance-based awards a meaningful impact on the compensation outcomes for our NEOs.

	Relative TSR				
Average AOM (%)	£ 25th%ile	> 25th%ile and < 55th%ile	55th%ile	> 55th%ile and < 75th%ile	³ 75th%ile
≤ 44.5	100	113	125	138	150
42.5	83	101	117	129	142
40.5	67	88	108	121	133
38.5	50	75	100	113	125
36.5	33	58	83	101	117
34.5	17	42	68	88	108
£ 28.0	0	25	50	75	100

As noted above, if Invesco s Relative TSR is equal to or below the 25th percentile and average adjusted operating margin is 28.0% or less, then our CEO and each of our senior managing directors will not be entitled to a distribution of any shares or accrued dividends.

The rigor of the thresholds, as well as the partial vesting of awards for failure to meet the target range and an upside opportunity for performance beyond the target range, align with the committee s belief that the company s performance-based awards demonstrate our pay-for-performance philosophy.

Below is a summary of the features of our performance awards:

Performance-based award features	
Performance period	Three years
Performance metrics	Adjusted operating margin and Relative TSR
Performance vesting range	0% - 150%; straight line interpolation used for actual result
Vesting	3-year cliff
Dividends	Deferred and paid only to the extent an award vests

Settlement	Shares
Clawback	Subject to clawback policy in the event of fraudulent or willful misconduct

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3 Compensation Determination Process

Determining NEO compensation

Below is our 4-step timeline that describes the committee s year-long compensation responsibilities and process for determining executive compensation, including individual NEO compensation. In making compensation decisions, the committee makes a quantitative assessment of company performance (as described on pages 35-36) and a qualitative assessment of individual performance. As noted, the committee reviews firm and peer financial data as well as progress against our annual operating plan. The committee s philosophy demonstrates alignment with our executive compensation outcomes and our annual financial performance and multi-year strategic objectives. See **NEO Compensation and Performance Summaries** starting on page 48 for a description of NEO achievements in the context of quantitative company performance.

1	**Step one l January - February** Confirm strategic objectives and establish operating plan
	Review annual plan and set CEO goals and objectives The Board reviews and affirms the firm s multi-year strategic objectives. The Board establishes an annual operating plan, including financial planning and operational performance based upon the multi-year-strategic objectives. The committee approves the CEO s performance goals, which are the firm s annual operating plan. The Board and the committee are regularly updated on progress against our strategic objectives and operating plan which provides the context for performance evaluations at year-end.
2	**Step two l March January of the following year** Review financials and other firm data
	Review company performance (financial performance, delivery to clients and organizational strength) and other firm data The committee and executives review the firm s performance against the annual operating plan within the context of the multi-year strategic objectives and projected financial information. Throughout the year, the Board reviews strategic plans, financial and business results, talent development and succession planning, as well as other areas relevant to the firm s performance.
3	**Step three l October January of the following year** Assess preliminary performance

	Review firm and peer market data Management reports to the Board and the committee on absolute and relative performance metrics compared to its peers, including financial performance, delivering to clients and organizational strength.
	Review consultant s reports on compensation During an executive session, the committee s independent consultant reports on publicly disclosed financial and compensation information for the firm s peers and provides general market trends and recommendations regarding the firm s approach to compensation.
	Discuss preliminary NEO performance and pay During an executive session, the CEO and Head of Human Resources meet with the committee to discuss a preliminary assessment of the performance of each NEO (other than the CEO) against company performance. During a later part of this executive session that excludes the CEO, the committee and Head of Human Resources engage in a preliminary assessment of the performance of the CEO against the firm s annual operating plan. Company performance is assessed on a scorecard of three quantitative measures (financial performance, delivery to clients and organizational strength).

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4	**Step four I December February of the following year** Establish annual incentive pool; assess final performance; and determine compensation
	Establish annual incentive pool The committee establishes a company-wide annual incentive pool using a range of 34-48% of pre-tax bonus operating income (PCBOI). The committee may go outside the range in circumstances it deems exceptional. Linking the aggregate incentive compensation pool to a defined range of PCBOI ensures incentive compensation is paid only when the company is generating operating income. The final pool is based on a review of full year financial information as well as peer compensation data and input from the committee s independent consultant.
	Determine executive compensation During an executive session attended by the committee s independent consultant, the committee reviews each NEO s performance against individual goals and company performance and determines compensation based upon each NEO s compensation target. Company performance is assessed based on a scorecard of three quantitative measures (financial performance, delivery to clients and organizational strength).
	The committee reviews and confirms compensation targets for each NEO for the upcoming year as well as setting the terms of the time-based and performance-based equity awards. See pages 42-43 for information about each of Invesco s elements of pay and their purpose.

Role of the compensation committee

The committee s responsibilities include:

reviewing and making recommendations to the Board about the company s overall compensation philosophy;

approving the aggregate compensation pool;

evaluating the performance of, and setting the compensation for, the CEO; and

overseeing management s annual process for evaluating the performance of, and approving the compensation for, all other executive officers.

Role of the independent compensation consultant

The committee has engaged Johnson Associates, an independent consulting firm, to advise it on director and executive compensation matters. Johnson Associates assists the committee throughout the year by:

providing analysis and evaluation of our overall executive compensation program, including compensation paid to our directors and NEOs;

attending certain meetings of the committee and periodically meeting with the committee without members of management present;

providing the committee with market data and analysis that compares executive compensation paid by the company with that paid by other firms in the financial services industry, which we consider generally comparable to us; and

providing commentary regarding market conditions, market impressions and compensation trends.

Under the terms of its engagement with the committee, Johnson Associates does not provide any other services to the company unless the committee has approved such services. No such other services were provided in 2018. The committee has considered various factors as required by NYSE rules as to whether the work of Johnson Associates with respect to director and executive compensation-related matters raised any conflict of interest. The committee has determined no conflict of interest was raised by the engagement of Johnson Associates.

Role of the executive officers

Our chief executive officer meets with the non-executive directors throughout the year to discuss executive performance and compensation matters, including proposals on compensation for individual executive officers (other than himself). Our chief executive officer and head of human resources work with the committee to implement our compensation philosophy. They also provide to the committee information regarding financial and investment performance of the company as well as our progress toward our long-term strategic objectives. Our chief financial officer assists as needed in explaining specific aspects of the company s financial performance.

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Market data

The market data provided by the committee s independent consultant includes performance and pay practices of firms in the financial services industry, which we consider generally comparable to us. This group, as described below, includes a mix of publicly traded US and global asset management firms and banks.

The reference material provided by the committee s independent consultant assists the committee in gaining an awareness of industry compensation standards, practices and trends and informs the committee s compensation determinations for our executive officers, including our NEOs.

The committee does not target a percentile of market or the peer group with respect to total pay packages or any individual components. Individual NEO compensation decisions are primarily based on the committee s assessment of company and individual performance.

Peer group composition compensation

In determining executive compensation, the committee reviews the executive compensation practices and levels of our industry peer companies, which consists of:

US focused (7 peers)		
- Affiliated Managers Group	- Eaton Vance	- TD Ameritrade
- Ameriprise Financial	- Federated Investors	- T. Rowe Price
- Charles Schwab		
Global (6 peers)		
- AB	- Franklin Resources	- Lazard
- BlackRock	- Legg Mason	- Principal Financial Group
Custody and trust banks (3 peers)		
- Bank of New York Mellon	- Northern Trust	- State Street

Peer group composition performance-based awards

In determining vesting for 2018 performance-based awards granted in February 2019, Relative TSR will be calculated based on the TSR of the company and the constituents of the S&P 500 asset management sub-index for the performance measurement period. The committee believes that the S&P 500 asset management sub-index, although small, reflects the company s core business activities. The committee will evaluate, from time to time, the appropriateness of this peer group. The current firms (other than Invesco) that comprise the S&P 500 asset management sub-index are:

US focused (3 firms)		
- Affiliated Managers Group	- Ameriprise Financial	- T. Rowe Price
Global (2 firms)		

- BlackRock	- Franklin Resources	
Custody and trust banks (1 firm)		
- Bank of New York Mellon		

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4 NEO Compensation and Performance Summaries

Linking pay and performance

Below is a summary of 2018 NEO compensation and material accomplishments the committee considered when determining compensation for 2018.

	2018 Compensation (in 000s)		Responsibilities
Martin L. Flanagan President and CEO	Base salary	$790	Mr. Flanagan is President and CEO. He develops, guides and oversees execution of Invesco s long-term strategic prioritie to deliver value for clients and shareholders over the long-term.
	Annual incentive award - Cash	$3,300	
	Annual incentive award - Stock deferral	$1,350	
	Long-term equity award	$5,560	Mr. Flanagan is responsible for senior leadership development and succession planning, defining and reinforcing Invesco s purpose and engaging with ke clients, industry leaders, regulators and policy makers.
	Total annual compensation	$11,000	

In determining Mr. Flanagan s compensation, the committee took into consideration (i) the positive achievements with respect to the company s multi-year strategic objectives as discussed on page 2 and the effective rating of the company s quantitative measures as discussed on pages 36 and 40, (ii) the company s disappointing 2018 financial performance and short-term financial impact to shareholders (including the underperformance of Invesco s stock relative to our peers) as discussed in the letter from the Chairperson and CEO and further on page 1, and (iii) overall market dynamics.

The 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 Key achievements

- Mr. Flanagan led the planned acquisition of MassMutual s asset management affiliate, OppenheimerFunds, which is expected 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 products. This strategic transaction is expected to bring Invesco s total AUM to more than $1.1 trillion.

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

- Under Mr. Flanagan s leadership, the firm completed the acquisition of Guggenheim Investments exchange-traded funds (ETF) and Intelliflo, the No. 1 technology platform[1] for financial advisors in the UK. The Guggenheim acquisition strengthened Invesco s market-leading ETF capabilities as well as the firm s efforts to meet the needs of institutional and retail clients in the U.S. and across the globe. Intelliflo builds on the 2016 acquisition of Jemstep to enable an advisor-focused digital platform that enhances the firm s ability to meet evolving client needs.

- Invesco launched a fixed income fund for investors to invest in China s Belt and Road (B&R) initiative.

- Invesco Great Wall experienced strong growth. In June, Invesco Great Wall s Jingyi Money Market Fund was selected as one of seven money market funds to be included in the money market program, Yu E Bao, administered by Ant Financial, an affiliate of Alibaba. In addition, Invesco Great Wall won numerous industry awards sponsored by the Asset Management Association of China.

- Invesco won the 2018 Multi Asset Manager of the year award sponsored by the LAPF Investment Awards and was named best-performing ETF in the U.S. Small Cap Healthcare and Software categories.

- Invesco earned an A+ rating in PRI (Principles for Responsible Investment) for its overall approach to responsible investment for the second consecutive year.

- Mr. Flanagan continued to champion our corporate culture and provide development opportunities for our talented professionals across the globe. We continued to make progress toward our commitment to improve diversity across our global business.

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

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

CEO pay and financial performance

The below charts demonstrate that over the last five years the committee has ensured that the CEO s compensation has aligned closely with the financial outcomes of the firm.

1 Consists of salary, annual cash bonus, annual stock deferral award and long-term equity award (50% of the combined value of the annual stock deferral and long-term equity awards is performance based for 2017 and 2018). See note on page 41 regarding differences from the summary compensation table.

2 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.

The table below shows the year-over-year change in adjusted operating income, adjusted operating margin and CEO compensation:

	2014	2015	2016	2017	2018
Adjusted operating income[1]	+16%	-0.5%	-13%	+14%	-6%
Adjusted operating margin[1]	+4	-1	-6	+3	-8%
CEO total incentive compensation[2]	+7%	-6%	-11%	+3%	-21%

1 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.

2 Consists of annual cash bonuses, annual stock deferral awards and long-term equity awards.

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Other NEO pay and performance

Loren M. Starr
Senior Managing Director

and Chief Financial Officer

2018 Compensation	
(in 000s)	
Base salary	$450
Annual incentive award - Cash	$912
Annual incentive award - Stock deferral	$397
Long-term equity award	$1,641
Total annual compensation	$3,400

Responsibilities

Mr. Starr serves as Senior Managing Director and Chief Financial Officer.

Mr. Starr is responsible for planning, implementing, managing and controlling all corporate financial-related activities of the firm, including forecasting, strategic planning, capital allocations and expense management. He also oversees corporate finance, accounting, investor relations and corporate strategy.

Based on the quantitative outcome of Invesco s performance and a qualitative review of Mr. Starr s individual performance, our committee determined that Mr. Starr s total incentive compensation should be $2.95 million, which is 95.2% of his incentive target of $3.1 million. Mr. Starr s total 2018 compensation was down 3.3% from 2017.

2018 Key achievements

- Mr. Starr was responsible for identifying funding to support investments in long-term, strategic initiatives (the growth initiatives), which include ETFs, factor-based investing, solutions capabilities, expansion in China and our digital platforms.

- Mr. Starr assisted in the planning and execution of the Guggenheim and Intelliflo acquisitions. Mr. Starr was responsible for obtaining the funding, managing the synergies and delivering positive shareholder impacts for these transactions. Mr. Starr played a critical role in the planned acquisition of OppenheimerFunds, which is expected to close the second quarter of 2019.

- Under Mr. Starr s leadership, the firm saved approximately $35 million through the elective application of the US Tax Reform opportunities and VAT refunds.

- In 2018, Mr. Starr took on the responsibility of client reporting for the Private Markets Investment Services Platform thereby creating a centralized approach to reporting and servicing clients across the private markets, including direct real estate, Invesco private capital and collateralized loan obligations.

- Mr. Starr 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.

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Andrew T. S. Lo

Senior Managing Director

and Head of Asia Pacific

2018 Compensation

(in 000s)	
Base salary	$458
Annual incentive award - Cash	$1,337
Annual incentive award - Stock deferral	$529
Long-term equity award	$2,200
Total annual compensation	$4,524

Responsibilities

Mr. Lo is Senior Managing Director and Head of Asia Pacific.

Mr. Lo is responsible for the firm s operation in the Asia Pacific region where he endeavors to address the large and growing needs of our investors in the region. He works with clients to understand their issues and objectives and finding solutions for them.

Based on the quantitative outcome of Invesco s performance and a qualitative review of Mr. Lo s individual performance, our committee determined that Mr. Lo s total incentive compensation should be $4.1 million, which is 101.7% of his incentive target of $4.0 million. Mr. Lo s total 2018 compensation was up 1.4% from 2017.

2018 Key achievements

- Under Mr. Lo s leadership, the Asia-Pacific region experienced strong investment results with 66%, 79% and 78% of assets above peers on a 1-, 3- and 5-year basis, respectively. AUM exceeded $104.5 billion, a record high for the region, representing a year-over-year growth of 17.4%, with 2018 net inflows of $13.4 billion.

- Mr. Lo led the initiative to accelerate our China growth opportunities. China-sourced AUM grew from $28 billion to $36.8 billion and net inflows increased by $14.0 billion. Growth of Invesco Great Wall s e-commerce business accelerated in 2018, with a 2014 - 2018 compound annual growth rate of 548% in money market funds, 48% in equity and 133% in fixed income. The e-commerce business has transformed the digital distribution engagement with key online platforms in China, accounting for 44% of total Invesco Great Wall AUM as of the end of 2018. Invesco Great Wall is ranked amongst the top fund management firms on Ant Financials E-commerce platform, in terms of growth and number of clients, with AUM of $11.1 billion. Additionally, Invesco s investment performance in China was recognized by numerous awards, including Excellent FMC & Management Leadership and Excellent Portfolio Management & Team by Asset Management Association of China.

- Mr. Lo assisted with expanding the firm s relevance in Australia by creating and launching specialized and differentiating strategies; AUM grew over 60% in 2018.

- Mr. Lo s continued success in delivering Invesco s global capabilities to meet clients needs grew gross sales in the region by $29.6 billion.

- Under Mr. Lo s leadership, the firm has seen success with Invesco s growth initiatives - winning the first factor mandate and assisting with positioning Invesco as the number one fixed maturity products provider in Taiwan.

- Mr. Lo received the Lifetime Achievement Award in 2018 by Asia Asset Management.

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Gregory G. McGreevey

Senior Managing Director,

Investments

2018 Compensation (in 000s)	
Base salary	$450
Annual incentive award - Cash	$1,801
Annual incentive award - Stock deferral	$674
Long-term equity award	$2,075
Total annual compensation	$5,000

Responsibilities

Mr. McGreevey serves as Senior Managing Director, Investments. He has responsibility for certain of Invesco s global investment teams trading, Global Performance and Risk Group and investment administration.

Based on the quantitative outcome of Invesco s performance and a qualitative review of Mr. McGreevey s individual performance, our committee determined that Mr. McGreevey s total incentive compensation should be $4.55 million, which is 98.9% of his incentive target of $4.6 million. Mr. McGreevey s total 2018 compensation was unchanged from 2017.

2018 Key achievements

- The fixed income teams under his direction maintained strong investment performance with 64%, 72%, and 74% of assets in the top quartile of peer groups on a 1-, 3-, and 5-year basis, respectively.

- Mr. McGreevey advanced the firm s global leadership in factor investing by creating the Office of Global Factor Investing. He reinitiated the Factor Research Forum to ensure Invesco maintains the highest quality factor research within the organization. He also grew the Invesco Solutions team globally, adding expertise in Advisory, Analytics, and Portfolio Management. He led the establishment of the Solutions client engagement model, developing capabilities to reach retail and institutional clients in all regions.

- Mr. McGreevey advanced our global ESG presence. He played a key role in accepting the CIO Industry Innovation Award by advancing Invesco s global ESG presence. The award recognizes Invesco as a global advocate for sustainability and leadership in sustainability reporting.

- Mr. McGreevey played a key role in driving diversity of thought among investors by forming the Global Investments Council and holding Invesco s first annual Global Investors Forum Summit to foster strong relationships among the various investment teams through collaboration. The council encourages greater connectivity and improved access to team research. In addition, Mr. McGreevey is leading the effort to innovate across investment teams by creating two investment-led innovation focus groups (Research and Implementation) to facilitate innovative capabilities that generate alpha and close technology gaps among current investment processes.

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Philip A. Taylor

Vice Chair (formerly Senior Managing Director and Head of the Americas)

2018 Compensation	
(in 000s)	
Base salary	$492
Annual incentive award - Cash	$2,235
Annual incentive award - Stock deferral	$946
Long-term equity award	$3,338
Total annual compensation	$7,011

Responsibilities

Mr. 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 OppenheimerFunds and the succession of Mr. Schlossberg as senior managing director and head of the Americas.

Previously, Mr. Taylor served as senior managing director and head of Invesco s Americas business and had responsibility for the firm s exchange-traded funds capabilities globally, corporate communications and for human resources.

Mr. Taylor s compensation is based on his separation agreement entered into with the company in 2018. See page 56 for further details regarding 2019 payments required pursuant to Canadian employment law.

2018 Key achievements in prior role as Senior Managing Director and Head of the Americas

- Under Mr. Taylor s leadership, the BulletShares ETFs line-up, acquired through the Guggenheim acquisition, saw $2.1 billion net inflows during 2018.

- Mr. Taylor played a key role in the expected acquisition of OppenheimerFunds, anticipated to close in second quarter 2019, which is expected to increase AUM by $213 billion and strengthen Invesco s distribution capabilities.

- Mr. Taylor s leadership increased distribution excellence in the Americas by creating a Distribution Lab to test and explore a variety of strategies utilizing data from the data analytics team created in 2017. The marketing team onboarded new automation capabilities to help increase recommendation lists, model placements and deepen platform intelligence.

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5 Compensation Policies and Practices

Summary of executive compensation practices

Our executive compensation program reflects our commitment to responsible financial and risk management and is demonstrated by the following policies and practices:

What we do	What we don t do
Align pay with performance	X Pay dividends or dividend equivalents on unvested performance-based awards
Link incentive compensation to the firm s performance	X Provide tax gross ups
Emphasize deferred compensation with long vesting periods in order to align executives with client and shareholder interests	X Allow short selling, hedging or pledging of company stock by insiders
Require 50% of equity awards to be performance based	X Permit share recycling on stock options and stock appreciation rights
Maintain a clawback policy allowing for the recoupment of performance-based compensation in the event of a material restatement of our financial results	X Provide supplemental retirement benefits or retirement arrangements
Engage in frequent outreach in order to provide shareholders with opportunities to provide feedback and insights on our executive compensation program	
Ensure executives meet our significant stock ownership guidelines	
Maintain a cap on CEO cash bonus and total compensation	
Utilize double triggers for vesting of equity awards in the event of a change in control	

- Retain an independent compensation consultant to assess our executive compensation program
- Limit perquisites
- Monitor risk by regularly reviewing incentive compensation program and practices

Stock ownership policy

Our Executive Officer Stock Ownership Policy requires the CEO to hold at least 250,000 shares of Invesco common stock. All other NEOs must hold at least 100,000 shares of Invesco common stock.

All of our NEOs have exceeded the stock ownership requirements.

Clawback policy

All performance-based equity awards of our executives are subject to forfeiture or clawback provisions, which provide that any vested or unvested shares, any dividends and the proceeds from any sale of such shares, are subject to recovery by the company in the event that:

- the company issues a restatement of financial results to correct a material error;
- the committee determines that fraud or willful misconduct on the part of the employee was a significant contributing factor; and
- some or all of the shares granted or received prior to such restatement would not have been granted or received based upon the restated financial results.

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Benefits

All NEOs are entitled to receive medical, life and disability insurance coverage and other corporate benefits available to most of the company s employees working in the same country. NEOs are also eligible to participate in the Employee Stock Purchase Plan on the same terms as the company s other employees. In addition, the NEOs may participate in the 401(k) plan or similar plans in the NEO s home country.

Perquisites

The company provides limited perquisites to its NEOs to aid the executives in their execution of company business. The committee believes the value of perquisites are reasonable in amount and consistent with its overall compensation plan.

Mr. Flanagan has personal use of company-provided aircraft. The company leases an airplane for which it pays direct operating expenses, monthly lease payments and management fees.

The compensation attributed to our NEOs for 2018 perquisites is included in the **All Other Compensation** Table for 2018 on page 59.

Tax reimbursements

Invesco did not provide tax reimbursements for any perquisites or other compensation paid to our NEOs.

Tax deductibility of compensation

With respect to tax years prior to 2018, Section 162(m) of the Internal Revenue Code generally limited the deductibility of annual compensation paid in any tax year to covered employees of publicly held corporations to $1 million per executive, unless such compensation qualified as performance-based. Covered employees include the chief executive officer and chief financial officer and the next three highest paid executive officers.

The Tax Cuts and Jobs Act, which was signed into law on December 22, 2017, substantially modified Section 162(m) and eliminated the performance-based exception to the $1 million deduction limit effective January 1, 2018. As a result, equity awards granted, or other compensation provided under arrangements entered into or materially modified after November 2, 2017 generally will not be deductible to the extent they result in compensation to certain executives that exceeds $1 million in any one year for such executive, whether or not it is performance-based. In addition, covered employees will include any individual who served as chief executive officer or chief financial officer at any time during the tax year and the three other most highly compensated officers (other than the chief executive officer and chief financial officer) for the tax year. Once an individual becomes a covered employee during any tax year beginning after December 31, 2016, that individual will remain a covered employee for all future tax years, including following any termination of employment.

The Tax Cuts and Jobs Act includes a transition relief rule under which the changes to Section 162(m) described above will not apply to compensation payable pursuant to a written binding contract that was in effect on November 2, 2017 and is not materially modified after that date. However, because of uncertainties as to the application and interpretation of the transition relief rule, no assurances can be given at this time that our existing contracts and awards, even if in place on November 2, 2017, will meet the requirements of the transition relief rule.

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Employment agreements

Martin L. Flanagan Our CEO has an employment agreement with the company. Under the employment agreement, Mr. Flanagan is employed as President and Chief Executive Officer of the company. The agreement terminates upon the earlier of December 31, 2025 (the year in which Mr. Flanagan reaches age 65) or the occurrence of certain events, including death, disability, termination by the company for cause or termination by Mr. Flanagan for good reason.

The terms of Mr. Flanagan s amended employment agreement provide:

an annual base salary of not less than $790,000;

the opportunity to receive an annual cash bonus award based on the achievement of performance criteria;

the opportunity to receive share awards based on the achievement of performance criteria;

eligibility to participate in incentive, savings and retirement plans, deferred compensation programs, benefit plans, fringe benefits and perquisites and paid vacation, all as provided generally to other U.S.-based senior executives of the company;

post-employment compensation of one times the sum of base, bonus and share awards, subject to certain agreed minimums described below; and

certain stipulations regarding termination of employment that are described in **Potential Payments Upon Termination or Change in Control.**

In the event of his termination without cause or resignation for good reason he is entitled to receive the following payments and benefits (provided he has not breached certain restrictive covenants):

his then-effective base salary through the date of termination;

a prorated portion of the greater of $4,750,000 or his most recent annual cash bonus;

immediate vesting and exercisability of all outstanding share-based awards;

any compensation previously deferred under a deferred compensation plan (unless a later payout date is stipulated in his deferral arrangements);

a cash severance payment generally equal to the sum of (i) his base salary; (ii) the greater of $4,750,000 or his most recent annual cash bonus; and (iii) his most recently made annual equity grant (unless the value thereof is less than 50% of the next previously-made grant, in which case the value of the next previously-made grant will be used);

continuation of medical benefits for him, his spouse and his covered dependents for a period of up to 36 months following termination;

any accrued vacation; and

any other vested amounts or benefits under any other plan or program.

Philip Taylor - On November 20, 2018, the company announced the planned departure of Mr. Taylor at the end of 2019. Mr. Taylor and the company entered into a separation agreement, which provides for certain payments as outlined below:

Continuation of current monthly salary until Mr. Taylor s departure date;

For 2018, a cash bonus of $2,117,232, annual deferral award of $895,752 and long-term equity of $3,337,960;[1]

For 2019, a cash bonus of $1,459,090 as compensation for continuing to oversee activities in connection with the planned acquisition of OppenheimerFunds and the succession of Mr. Schlossberg as senior managing director and head of the Americas.

Pursuant to applicable Canadian employment laws, required termination payments equal to (i) two years of salary and cash bonuses in the amount of $5,463,983; (ii) a cash payment of $1,058,428 equal to the amount of annual stock deferred awards and long-term restricted stock awards that would vest during a two-year term; and (iii) two years of group retirement savings plan benefits in the amount of $20,576; and

Acceleration of vesting of all unvested annual stock deferral awards and long-term equity awards given Mr. Taylor s 20 years of valuable service to the company.

1 For 2018, Mr. Taylor s actual cash bonus, annual deferred award and long-term equity were nominally larger to reflect the size of the final incentive pool. See page 53 for Mr. Taylor s 2018 compensation outcomes.

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Other NEOs Our other NEOs are parties to employment arrangements that create salary continuation periods of six or twelve months in the event of voluntary termination of service or involuntary termination of service without cause or unsatisfactory performance. See Potential Payments Upon Termination or Change in Control below.

Potential payments upon termination or change in control

Generally, all participants who hold equity awards, including our NEOs, are eligible, under certain circumstances, for accelerated vesting in the event of a change of control of the company that is followed by involuntary termination of employment other than for cause or unsatisfactory performance or by voluntary termination for good reason . Philip Taylor has entered into an agreement with the company regarding his departure from the company at the end of 2019. This agreement is described in detail above.

Compensation Committee report

The compensation committee has reviewed and discussed with management the Compensation Discussion and Analysis included in this Proxy Statement. Based on this review and discussion, the compensation committee has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2018.

Respectfully submitted by the compensation committee:

C. Robert Henrikson (Chairperson)
Sarah E. Beshar
Ben F. Johnson III
Denis Kessler
Sir Nigel Sheinwald
G. Richard Wagoner, Jr.
Phoebe A. Wood

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Summary compensation table for 2018

The following table sets forth information about compensation earned by our named executive officers during 2016, 2017 and 2018 in accordance with SEC rules. The information presented below may be different from compensation information presented in this Proxy Statement under the caption **Executive compensation Compensation discussion and analysis**, as such section describes compensation decisions made in respect of the indicated fiscal year, regardless of when such compensation was actually paid or granted. For an explanation of the principal differences between the presentation in the Compensation discussion and analysis and the table below, please see the note on page 41.

Name and Principal Position	Year	Salary ($)[1]	Share awards ($)[2]	Non-equity incentive plan compensation ($)[3]	All other compensation ($)[4]	Total ($)
Martin L. Flanagan	2018	790,000	8,714,708	3,300,000	116,901	12,921,609
President and Chief	2017	790,000	8,622,702	4,268,003	124,490	13,805,195
Executive Officer	2016	790,000	9,644,970	4,045,500	126,585	14,607,055
Loren M. Starr	2018	450,000	2,072,928	911,976	30,830	3,465,734
Senior Managing Director	2017	450,000	2,050,470	991,278	29,709	3,521,457
and Chief Financial Officer	2016	450,000	2,293,987	939,600	28,374	3,711,961
Andrew T.S. Lo	2018	457,978	2,628,842	1,337,213	63,570	4,487,603
Senior Managing Director	2017	460,419	2,549,447	1,371,500	66,011	4,447,377
and Head of Invesco Asia Pacific	2016	462,062	2,782,980	1,300,000	68,656	4,613,698
Gregory G. McGreevey[5]	2018	450,000	2,632,942	1,800,610	29,349	4,912,901
Senior Managing Director, Investments	2017	450,000	3,274,988	1,917,000	27,861	5,669,849
Philip A. Taylor	2018	492,444	4,333,222	2,234,856	18,617	7,079,139
Vice Chair	2017	491,458	4,034,918	2,352,480	16,579	6,895,435
	2016	481,346	4,519,953	2,262,000	17,494	7,280,793

1 For each of the named executive officers, includes salary that was eligible for deferral, at the election of the named executive officer, under our 401(k) plan or similar plan in the named executive officer s country. For each of the named executive officers, salary is unchanged from 2017.

For Messrs. Lo and Taylor, base salary is converted to U.S. dollars using an average annual exchange rate, which accounts for the different salary amounts shown despite the fact neither has experienced a salary change during the period shown.

2 For share awards granted in 2018, includes (i) time-based equity awards that generally vest in four equal annual installments on each anniversary of the date of grant; and (ii) performance-based awards, which are subject to a three-year performance period (2018-2020) and vest on February 28, 2021; except that, with respect to Mr. Taylor, the performance-based equity award is subject to a 33-month performance period (January 1, 2018 - September 30, 2020) and vests on December 15, 2020. The value of performance-based awards is based on the grant date value and reflects the probable outcome of such conditions and represents the target level (100%) of achievement. See **Grants of plan-based share awards for 2018** below for information about the number of shares underlying each of the time-based equity awards.

Grant date fair values were calculated in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 718 Compensation Stock Compensation (ACS 718). The grant date fair value was calculated by multiplying the target number of shares granted by the closing price of the company s common shares on the date of grant. The amounts disclosed do not reflect the value actually realized by the named executive officers. For additional information, please see Note 11 Share-Based Compensation to the financial statements in our 2018 Annual Report on Form 10-K.

3 Reflects annual cash bonus award earned for the fiscal year by the named executive officers and paid in February of the following year.

4 The table below reflects the items that are included in the All Other Compensation column for 2018.

5 Mr. McGreevey became an executive officer in 2017.

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All other compensation table for 2018

Name	Insurance premiums ($)	Company contributions to retirement and 401(k) plans ($)[1]	Tax consultation ($)	Perquisites ($)[2]	Total all other compensation ($)
Martin L. Flanagan	7,698	23,625		85,578	116,901
Loren M. Starr	7,205	23,625			30,830
Andrew T.S. Lo	6,323	52,872	4,375		63,570
Gregory G. McGreevey	5,724	23,625			29,349
Philip A. Taylor	3,518	10,419	4,680		18,617

1 Amounts of matching contributions paid by the company to our retirement plans are calculated on the same basis for all plan participants, including the named executive officers.

2 Perquisites include the following:

With respect to Mr. Flanagan, includes $85,578 for his personal use of company-provided aircraft. The company leases an airplane for which it pays direct operating expenses and monthly lease payments and management fees. We calculate the aggregate incremental cost to the company for personal use based on the average variable costs of operating the airplanes. Variable costs include fuel, repairs, travel expenses for the flight crews and other miscellaneous expenses. This methodology excludes fixed costs that do not change based on usage, such as depreciation, maintenance, taxes and insurance. Mr. Flanagan s total also includes certain amounts for technology support and fees paid by the company for his and his spouse s recreational activities in conjunction with a company-sponsored off-site business meeting.

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Grants of plan-based share awards for 2018

The compensation committee granted equity awards to each of the named executive officers during 2018. Equity awards are subject to transfer restrictions and are generally subject to forfeiture prior to vesting upon a recipient s termination of employment. All equity awards immediately become vested upon the recipient s termination of employment during the 24-month period following a change in control (i) by the company other than for cause or unsatisfactory performance, or (ii) by the recipient for good reason.

The following table presents information concerning plan-based awards granted to each of the named executive officers during 2018.

					Estimated future payout under equity incentive plan awards					
Name	Grant date	Committee action date	Type of award[1]	Vesting[2]	Threshold (#)[3]	Target (#)[3]	Maximum (#)[3]	All other share awards (#)[4]	Closing market price on date of grant ($/Share)	Grant date fair value of share awards ($)[5]
Martin L. Flanagan	02/28/18	02/08/18	Time	4-year ratable				133,909	32.54	4,357,399
	02/28/18	02/08/18	Performance	36-month cliff		133,909	200,864		32.54	4,357,399
Loren M. Starr	02/28/18	02/08/18	Time	4-year ratable				31,852	32.54	1,036,464
	02/28/18	02/08/18	Performance	36-month cliff		31,852	47,778		32.54	1,036,464
Andrew T.S. Lo	02/28/18	02/08/18	Time	4-year ratable				40,394	32.54	1,314,421
	02/28/18	02/08/18	Performance	36-month cliff		40,394	60,591		32.54	1,314,421
Gregory G. McGreevey	02/28/18	02/08/18	Time	4-year ratable				40,457	32.54	1,316,471
	02/28/18	02/08/18	Performance	36-month cliff		40,457	60,686		32.54	1,316,471
Philip A. Taylor	02/28/18	02/08/18	Time	3-year ratable				49,937	32.54	1,624,950
	02/28/18	02/08/18	Time	4-year cliff				16,646	32.54	541,661

	02/28/18	02/08/18	Performance	33-month cliff		66,583	99,875		32.54	2,166,611

1 Time-based equity awards and performance-based awards were granted under the 2016 Global Equity Incentive Plan.

2 **Time-based equity awards.** For each of the named executive officers other than Mr. Taylor, time-based equity awards are four-year awards that vest 25% each year on the anniversary of the date of grant. With respect to Mr. Taylor, time-based equity awards are comprised of (i) a 3-year award that vests ratably on the first and second anniversary of the grant date and on December 15 of the second calendar year after the grant date and (ii) a 4-year award that vests 100% on the fourth anniversary of the date of grant.

Performance-based equity awards. For each of the named executive officers other than Mr. Taylor, performance-based equity awards are subject to a three-year performance period (2018-2020) and vest on February 28, 2021. With respect to Mr. Taylor, the performance-based equity award is subject to a 33-month performance period (January 1, 2018 - September 30, 2020) and vests on December 15, 2020.

3 Performance-based equity awards are tied to the achievement of specified levels of adjusted operating margin. Vesting ranges from 0 to 150%; straight line interpolation to be used for actual results. Dividend equivalents are deferred for such performance-based equity awards and will be paid at the same rate as on our shares if and to the extent an award vests. The threshold, target and maximum financial measures for the performance-based equity awards granted in 2018 are illustrated below.

Adjusted operating margin	**Vesting Name**	**Vesting %**
Equal to or less than 28%	Threshold	0%
Between 36-44%	Target	100%
Equal to or greater than 54%	Maximum	150%

It should be noted that beginning in 2019, performance-based awards will have the following two performance measures: adjusted operating margin and relative TSR. See **Performance-based equity awards** above.

4 Dividends and dividend equivalents on unvested time-based equity awards are paid at the same time and rate as on our shares.

5 The grant date fair value is the total amount that the company will recognize as expense under applicable accounting requirements if the share awards fully vest. This amount is included in our Summary Compensation Table each year. Grant date fair values were calculated in accordance with ASC 718. The grant date fair value is calculated by multiplying the number of shares granted by the closing price of our common shares on the day the award was granted. With respect to the performance-based equity awards, the grant date fair value also represents the probable outcome of such performance conditions and represents the target (100%) level of achievement.

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Outstanding share awards at fiscal year-end for 2018

The following table provides information as of December 31, 2018 about the outstanding equity awards held by our named executive officers.

Name	Footnotes	Date of grant	Number of shares or units that have not vested (#)	Market value of shares or units that have not vested ($)	Equity incentive plan awards that have not vested (#)	Equity incentive plan awards that have not vested ($)
Martin L. Flanagan	1	02/28/15	38,227	639,920		
	2	02/28/15			25,624	428,946
	3	02/28/16	106,734	1,786,727		
	4	02/28/16			71,218	1,192,189
	5	02/28/17	119,961	2,008,147		
	6	02/28/17			107,921	1,806,598
	7	02/28/18	133,909	2,241,637		
	8	02/28/18			133,909	2,241,637
Loren M. Starr	1	02/28/15	9,033	151,212		
	2	02/28/15			5,960	99,770
	3	02/28/16	25,498	426,837		
	4	02/28/16			16,827	281,684
	5	02/28/17	28,651	479,618		
	6	02/28/17			25,498	426,837
	7	02/28/18	31,852	533,202		
	8	02/28/18			31,852	533,202
Andrew T.S. Lo	1	02/28/15	10,448	174,900		
	2	02/28/15			6,829	114,317
	3	02/28/16	31,052	519,810		
	4	02/28/16			20,295	339,738
	5	02/28/17	35,694	597,518		
	6	02/28/17			31,609	529,135
	7	02/28/18	40,394	676,196		
	8	02/28/18			40,394	676,196
Gregory G. McGreevey	1	02/28/15	9,623	161,089		
	9	12/15/15	7,977	133,535		
	3	02/28/16	47,048	787,584		
	5	02/28/17	53,006	887,320		
	10	03/15/17			30,769	515,073
	7	02/28/18	40,457	677,250		
	8	02/28/18			40,457	677,250

Philip A. Taylor	1	02/28/15	18,186	304,434		
	2	02/28/15			11,050	184,977
	11	02/28/16	25,922	433,934		
	5	02/28/17	58,154	973,498		
	6	02/28/17			47,809	800,323
	7	02/28/18	66,583	1,114,599		
	8	02/28/18			66,583	1,114,599

1 February 28, 2015. Share award vests in four equal installments. As of December 31, 2018, the unvested share award represents 25% of the original grant.
2 February 28, 2015. Performance-based share award vests in four equal installments. As of December 31, 2018, the unvested share award represents 25% of the target award.
3 February 28, 2016. Share award vests in four equal installments. As of December 31, 2018, the unvested share award represents 50% of the original grant.
4 February 28, 2016. Performance-based share award vests in one installment. As of December 31, 2018, the unvested share award represents 100% of the target award.
5 February 28, 2017. Share award vests in four equal installments. As of December 31, 2018, the unvested share award represents 75% of the original grant.
6 February 28, 2017. Performance-based share award vests in one installment. As of December 31, 2018, the unvested share award represents 100% of the target award.
7 February 28, 2018. Share award vests in four equal installments. As of December 31, 2018, the unvested share award represents 100% of the original grant.
8 February 28, 2018. Performance-based share award vests in one installment. As of December 31, 2018, the unvested share award represents 100% of the target award.
9 December 15, 2015. Share award vests in four equal installments. As of December 31, 2018, the unvested share award represents 25% of the original grant.
10 March 15, 2017. Performance-based share award vests in one installment. As of December 31, 2018, the unvested share award represents 100% of the target award.
11 February 28, 2016. Share award vests in four equal installments. As of December 31, 2018, the unvested share award represents 25% of the original grant.

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Shares vested for 2018

The following table provides information about equity awards held by our named executive officers that vested in 2018.

	Share awards	
Name	**Number of shares acquired on vesting**	**Value realized on vesting ($)**
Martin L. Flanagan	299,376	9,451,379
Loren M. Starr	70,518	2,294,656
Andrew T.S. Lo	84,165	2,738,729
Gregory G. McGreevey	70,089	2,156,335
Philip A. Taylor	166,951	4,536,266

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Potential payments upon termination or change in control for 2018

The following tables summarize the estimated payments to be made under each agreement, plan or arrangement in effect as of December 31, 2018 which provides for payments to a named executive officer at, following or in connection with a termination of employment or a change in control. However, in accordance with SEC regulations, we do not report any amount to be provided to a named executive officer under any arrangement which does not discriminate in scope, terms or operation in favor of our named executive officers and which is available generally to all salaried employees. In accordance with SEC regulations, this analysis assumes that the named executive officer s date of termination is December 31, 2018, and the price per share of our common shares on the date of termination is the closing price of our common shares on the NYSE on that date, which was $16.74.

Potential payments upon termination or change in control of the company

Benefit and payments upon termination[1]	Voluntary termination without good reason ($)	Termination by executive for good reason or involuntary termination by the company without cause ($)	Death or disability ($)	Change in control ($)[2]	Qualified termination following change in control ($)[3]
Martin L. Flanagan					
Annual cash bonus[4]	4,750,000	4,750,000	4,750,000	4,750,000	4,750,000
Cash severance[5]		14,254,798			14,254,798
Value of equity acceleration		12,345,800	12,345,800	12,345,800	12,345,800
Value of benefits[6]		66,415			66,415
Loren M. Starr					
Value of equity acceleration		2,932,363	2,932,363	2,932,363	2,932,363
Andrew T.S. Lo					
Value of equity acceleration		3,627,809	3,627,809	3,627,809	3,627,809
Gregory G. McGreevey					
Value of equity acceleration		3,839,101	3,839,101	3,839,101	3,839,101
Philip A. Taylor					
Value of equity acceleration		4,926,364	4,926,364	4,926,364	4,926,364

1 Under the terms of the employment agreement with Mr. Flanagan (the Flanagan Agreement), Mr. Flanagan is entitled to certain benefits upon termination of employment. Following any notice of termination, Mr. Flanagan would continue to receive salary and benefits compensation, and the vesting periods with respect to any outstanding share awards would continue to run, in the normal course until the date of termination. See **Employment agreements and Potential payments upon termination or a change in control** above.

Under the terms of an agreement with Mr. Taylor, Mr. Taylor is entitled to certain benefits to be paid in 2019 or 2020 in connection with his termination of employment. See **Employment agreements and Potential payments upon termination or a change in control** above.

Each of Messrs. Starr, Lo, McGreevey and Taylor is a party to an agreement that provides for a termination notice period of either six or twelve months. Following any notice of termination, the employee would continue to receive salary and benefits compensation, and the vesting periods with respect to any outstanding share awards would continue to run, in the normal course until the date of termination.

In accordance with SEC rules, the information presented in this table assumes a termination date of December 31, 2018 and that the applicable notice had been given prior to such date.

2 Payment would only be made in the event that the share award was not assumed, converted or replaced in connection with a change in control. We do not provide excise tax gross up.

3 Assumes termination for good reason or a termination by the company other than for cause or unsatisfactory performance following a change in control. We do not provide excise tax gross up.

4 Under the Flanagan Agreement, Mr. Flanagan is entitled to an annual cash bonus that is equal to the greater of $4,750,000 or his most recent annual cash bonus upon certain terminations of employment.

5 Under the Flanagan Agreement, Mr. Flanagan s severance payment is equal to the sum of (i) his base salary; (ii) the greater of $4,750,000 or his most recent annual cash bonus; and (iii) the fair market value at grant of his most recent equity award.

6 Under the Flanagan Agreement, Mr. Flanagan and his covered dependents are entitled to medical benefits for a period of 36 months following termination. Represents cost to the company for reimbursement of such medical benefits.

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CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K of the Exchange Act, we are providing the following information about the relationship of the annual total compensation of Mr. Martin L. Flanagan, our Chief Executive Officer (our CEO), and our employees (other than our CEO):

For 2018, our last completed fiscal year:

- the annual total compensation of our median employee (other than our CEO), was $119,367; and
- the annual total compensation of our CEO was $12,921,609.

For 2018, the ratio of the annual total compensation of our CEO to the annual total compensation of our median employee (other than our CEO) was 108 to 1.

Our CEO to median employee pay ratio is calculated in accordance with the SEC requirements. As of October 1, 2018, we identified a new median employee since the median employee identified in 2017 based on 2016 total compensation is no longer with the company. The 2016 compensation for this employee was substantially similar in value to the median employee identified in 2017. We examined 2016 total compensation for all individuals, excluding our CEO. We included all employees who were employed by us during all of 2016 (our base fiscal year) and included base salary, cash bonus, commissions, overtime, performance fees and deferred incentive compensation. We did not make any assumptions, adjustments or estimates with respect to compensation, and we did not annualize the compensation for any employees.

After identifying the median employee, we calculated 2018 annual total compensation for such employee and the CEO using the same methodology we use for our named executive officers as set forth in the 2018 Summary Compensation table in this proxy statement.

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Compensation Committee Interlocks and Insider Participation

During fiscal year 2018, the following directors served as members of the compensation committee: C. Robert Henrikson (Chairperson), Sarah E. Beshar, Ben F. Johnson III, Denis Kessler, Sir Nigel Sheinwald, G. Richard Wagoner, Jr. and Phoebe A. Wood. No member of the compensation committee was an officer or employee of the company or any of its subsidiaries during 2018, and no member of the compensation committee was formerly an officer of the company or any of its subsidiaries or was a party to any disclosable related person transaction involving the company. During 2018, none of the executive officers of the company has served on the board of directors or on the compensation committee of any other entity that has or had executive officers serving as a member of the Board of Directors or compensation committee of the company.

Certain Relationships and Related Transactions

Share repurchases

In order to pay withholding or other similar taxes due in connection with the vesting of equity awards granted under our incentive plans, employee participants, including our executive officers, may elect the net shares method whereby the company purchases from the participant shares equal in value to an approximation of the tax withholding liability in connection with vesting equity awards. Under the net shares method, the price per share paid by the company for repurchases is the closing price of the company s common shares on the NYSE on the vesting date. During 2018, the company repurchased common shares from the executive officers for the aggregate consideration shown in the following table.

Name and current title	**Number of shares repurchased (#)**	**Aggregate consideration ($)**
Kevin M. Carome Senior Managing Director and General Counsel	24,431	794,985
Gregory M. McGreevey Senior Managing Director, Investments	31,788	977,977
Colin D. Meadows Senior Managing Director and Head of Private Markets and Global Institutional	34,526	1,123,476

Andrew R. Schlossberg Senior Managing Director and Head of the Americas	15,386	451,931
Loren M. Starr Senior Managing Director and Chief Financial Officer	31,948	1,039,588
Philip A. Taylor Vice Chair	89,374	2,428,419

Interests in or alongside certain Invesco-sponsored private funds

Some of our employees, including our executive officers, their spouses, related charitable foundations or entities they own or control are provided the opportunity to invest in or alongside certain Invesco-sponsored private funds that we offer to independent investors. We generally limit such investments to employees that meet certain accreditation requirements. Employees who make such investments usually do not pay management or performance fees charged to independent investors. In addition, certain of our employees, including some of our executive officers, receive

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the right to share in performance fees earned by Invesco in connection with our management of Invesco-sponsored private funds. Messrs. Flanagan, Carome, Schlossberg and Starr have made investments in or alongside Invesco-sponsored private funds. Distributions exceeding $120,000 from Invesco-sponsored private funds during the fiscal year ended December 31, 2018 made to our executive officers (or persons or entities affiliated with them) consisting of profits, other income, return of capital and performance fees, as applicable, are as follows: Martin L. Flanagan - $151,976 and Loren M. Starr - $120,174.

Other

A relative of Mr. Flanagan was an employee in our US business during part of 2018 and earned $238,184 in total compensation during the fiscal year ended December 31, 2018. His compensation was established in accordance with the company s employment and compensation practices applicable to employees with equivalent qualifications and responsibilities and holding similar positions.

Related Person Transaction Policy

Management is required to present for the approval or ratification of the audit committee all material information regarding an actual or potential related person transaction.

The Board of Directors has adopted written Policies and Procedures with Respect to Related Person Transactions to address the review, approval, disapproval or ratification of related person transactions. Related persons include the company s executive officers, directors, director nominees, holders of more than five percent (5%) of the company s voting securities, immediate family members of the foregoing persons and any entity in which any of the foregoing persons is employed, is a partner or is in a similar position, or in which such person has a 5% or greater ownership interest. A related person transaction means a transaction or series of transactions in which the company participates, the amount involved exceeds $120,000 and a related person has a direct or indirect interest (with certain exceptions permitted by SEC rules).

Management is required to present for the approval or ratification of the audit committee all material information regarding an actual or potential related person transaction. The policy requires that, after reviewing such information, the disinterested members of the audit committee will approve or disapprove the transaction. Approval will be given only if the audit committee determines that such transaction is in, or is not inconsistent with, the best interests of the company and its shareholders. The policy further requires that in the event management becomes aware of a related person transaction that has not been previously approved or ratified, it must be submitted to the audit committee promptly.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires certain officers, directors and persons who beneficially own more than 10% of the company s common shares to file reports of ownership and reports of changes in ownership with the SEC. The reporting officers, directors and 10% shareholders are also required by SEC rules to furnish the company with copies of all Section 16(a) reports they file. Based solely on its review of copies of such reports, the company believes that all Section 16(a) filing requirements applicable to its directors, reporting officers and 10% shareholders were complied with during 2018 with the exception of a late amendment to a Form 4 filing on behalf of Annette Lege due to an administrative error initially under reporting the number of shares granted in March 2018. This amendment was filed as soon as the error was identified.

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Security Ownership of Principal Shareholders

The following table sets forth the common shares beneficially owned as of February 15, 2019 by each shareholder known to us to beneficially own more than five percent of the company s outstanding common shares. The percentage of ownership indicated in the following table is based on 396,981,176 common shares outstanding as of February 15, 2019.

Name and address of beneficial owner	Amount and nature of beneficial ownership[1]	Percent of class (%)
The Vanguard Group 100 Vanguard Boulevard, Malvern, Pennsylvania 19355	44,448,872[2]	11.2
BlackRock, Inc. 55 East 52nd Street, New York, NY 10055	34,987,872[3]	8.8

1 Except as described otherwise in the footnotes to this table, each beneficial owner in the table has sole voting and investment power with regard to the shares beneficially owned by such owner.

2 On February 11, 2019, The Vanguard Group, on behalf of itself and certain of its affiliates (collectively, Vanguard) filed a Schedule 13G/A with the SEC indicating that Vanguard had sole voting power with respect to 480,791 common shares, shared voting power with respect to 109,169 common shares, sole dispositive power with respect to 43,880,369 common shares and shared dispositive power with respect to 568,503 common shares, of Invesco.

3 On February 4, 2019, BlackRock, Inc., on behalf of itself and certain of its affiliates (collectively, BlackRock) filed a Schedule 13G/A with the SEC indicating that BlackRock had sole voting power with respect to 31,186,040 common shares and sole dispositive power with respect to 34,987,298 common shares, of Invesco.

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Security Ownership of Management

The following table lists the common shares beneficially owned as of February 15, 2019 by (i) each director; (ii) each executive officer named in the Summary Compensation Table above; and (iii) all current directors and executive officers as a group. The percentage of ownership indicated below is based on 396,981,176 of the company s common shares outstanding on February 15, 2019.

Beneficial ownership reported in the below table has been determined according to SEC regulations and includes common shares that may be acquired within 60 days after February 15, 2019, but excludes deferred shares which are disclosed in a separate column. Unless otherwise indicated, all directors and executive officers have sole voting and investment power with respect to the shares shown. No shares are pledged as security. As of February 15, 2019, no individual director or named executive officer owned beneficially 1% or more of our common shares, and our directors and executive officers as a group owned approximately 1.9% of our outstanding common shares.

Name	Common shares beneficially owned	Deferred share awards[1]	Total
Sarah E. Beshar	15,331		15,331
Joseph R. Canion	64,451	5,925	70,376
Martin L. Flanagan[2]	3,614,959	313,048	3,928,007
C. Robert Henrikson	30,332		30,332
Ben F. Johnson III	42,953		42,953
Denis Kessler	54,598		54,598
Sir Nigel Sheinwald	18,081		18,081
G. Richard Wagoner, Jr.[3]	33,983		33,983
Phoebe A. Wood	35,108		35,108
Andrew T. S. Lo	408,192	216,715	624,907
Gregorgy G. McGreevey	390,717	71,226	461,943
Loren M. Starr	545,640	74,177	619,817

Philip A. Taylor	237,385	294,287	531,672
All Directors and Executive Officers as a Group (17 persons)[4]	6,358,666	1,198,721	7,557,387

1 For Mr. Canion, represents deferred shares awarded under our legacy Deferred Fees Share Plan. For the named executive officers, represents restricted stock units under the 2011 Global Equity Incentive Plan and 2016 Global Equity Incentive Plan. None of the shares subject to such awards may be voted or transferred by the participant.

2 For Mr. Flanagan, includes an aggregate of 3,190,004 shares held in trust and 400 shares held by Mr. Flanagan s spouse. Mr. Flanagan has shared voting and investment power with respect to these shares.

3 For Mr. Wagoner, includes 5,000 shares held in trust via a defined benefit account. Mr. Wagoner has sole voting and investment power with respect to these shares.

4 For one of the executive officers of the group, the executive officer has shared voting and investment power with respect to 68,758 shares.

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Proposal 2

Advisory Vote to Approve the Company s Executive Compensation

General

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd Frank Act) enables our shareholders to vote to approve, on an advisory (nonbinding) basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with the SEC s rules. This proposal, commonly known as a say-on-pay proposal, gives our shareholders the opportunity to express their views on our named executive officer compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement.

We are asking our shareholders to vote FOR the following resolution at the Annual General Meeting:

RESOLVED, that the Company s shareholders approve, on an advisory (non-binding) basis, the compensation of the named executive officers, as disclosed in the Company s Proxy Statement for the 2019 Annual General Meeting of Shareholders pursuant to the Securities and Exchange Commission s compensation disclosure rules, including the Compensation Discussion and Analysis, the compensation tables and related narrative discussion.

Invesco s compensation programs, particularly our annual incentive pools, are tied to the achievement of our multi-year strategic objectives and financial results and our success in serving our clients and shareholders interests, as further described in **Executive Compensation** above. In considering their vote, we urge shareholders to review the information included in this proxy statement in **Executive Compensation**. The extent there is any significant vote against the named executive officer compensation as disclosed in this proxy statement, we will consider our shareholders concerns, and the compensation committee will evaluate whether any actions are necessary to address those concerns. Under the Board s current policy, shareholders are given an opportunity to cast an advisory vote on this topic annually.

Recommendation of the board

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT

PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SEC. This proposal requires the affirmative vote of a majority of votes cast at the Annual General Meeting.

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Proposal 3

Amendment of Company s Third Amended and Restated Bye-Laws to Eliminate Certain Super Majority Voting Standards

General

Our Board of Directors is committed to good corporate governance and has carefully considered the advantages and disadvantages of the various voting standards contained in our Bye-Laws. In general, our Bye-Laws require matters submitted for a shareholder vote to receive affirmative approval of a majority of the shares voting on the matter. However, certain provisions include a higher voting standard, as follows:

Modification of Rights. Our Bye-Laws currently provide that modifying the rights of a class of shares requires the approval of not less than three-quarters of the issued shares of the applicable class.

Certain Business Combinations. Our Bye-Laws currently provide that certain business combinations with interested shareholders require, among other things, the approval of two-thirds of the outstanding voting shares not beneficially owned by the interested shareholder.

Bye-Law Amendments. Our Bye-Laws currently require the approval of not less than three-quarters of the outstanding voting power to amend certain provisions of the Bye-Laws, including with respect to the size of the board, board tenure, shareholder proposals, proxy access, removal of directors, board vacancies, written resolutions, rights of shares, certain business combinations and Bye-Law amendments.

Actions with Respect to Directors. Our Bye-Laws currently require that a majority of our outstanding voting shares approve the removal of directors for cause and approve the filling of vacancies resulting from such removal.

Supermajority voting requirements are intended to facilitate corporate governance stability by requiring broad shareholder consensus to effect certain changes. However, evolving corporate governance practices have come to view supermajority voting provisions as conflicting with principles of good corporate governance. After careful deliberation, and after discussions held with a number of our largest shareholders in the fall and winter of 2018 representing approximately 19% of our outstanding shares as of October 31, 2018 who are supportive of the following proposed changes, the Board has determined that the elimination of certain of the supermajority voting provisions from our Bylaws is in the best interests of Invesco and its shareholders. The Board has determined that it is in the best interests of Invesco and its shareholders to revise the voting standards under the Bye-Laws to require:

Modification of Rights. The proposed amended Bye-Laws would provide that modification of the rights of (1) common shares requires approval by a majority of the votes cast by the holders of common shares and (2) preference shares requires approval by two-thirds of the outstanding shares of the applicable class of preference shares (or such lower threshold as may be set forth in the instrument defining the rights of the applicable class of preference shares).

Certain Business Combinations. The proposed amended Bye-Laws would require a majority of the votes cast by holders of shares not beneficially owned by the interested shareholder for approving certain business combinations with interested shareholders.

Bye-Law Amendments and Actions with Respect to Directors. The proposed amended Bye-Laws would require a majority of the votes cast to approve Bye-Law amendments (other than certain amendments relating to the preference share provisions addressed above, which would utilize the same standard applicable to modifying the rights of preference shares), removal of directors for cause and filling vacancies resulting from the removal of such directors.

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Appendix A shows the proposed changes to the relevant Bye-Laws implementing the above revisions to our voting standards and other clean up revisions regarding the list of defined terms, with deletions indicated by strikeouts and additions indicated by underlining. You are urged to read the revised Bye-Laws provisions in their entirety.

The affirmative vote of at least three-fourths of the issued and outstanding shares of stock is required to approve this Proposal. This means that if you abstain from voting on this Proposal, your vote will count against this Proposal. If approved by the requisite shareholder vote, the proposed changes to the Bye-Laws will become effective and will be set forth in amended and restated Bye-Laws. If this Proposal is not approved, the proposed amendments to our Bye-Laws will not be made and the existing provisions will remain in effect.

Recommendation of the board

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF THE AMENDMENTS TO THE BYE-LAWS.

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Proposal

4

To amend the Invesco Ltd. 2016 Global Equity Incentive Plan (the 2016 Equity Plan) to increase the number of shares authorized for issuance under the plan

General

We are asking our shareholders to approve an amendment to the 2016 Equity Plan (the 2016 Equity Plan Amendment) to approve an additional 9.7 million shares for issuance under the 2016 Equity Plan. As of March 1, 2019, 5.6 million shares remained available for grant under the 2016 Equity Plan. The 2016 Equity Plan is our primary equity compensation plan for our employees and non-executive directors.

The Board and the compensation committee are mindful of their responsibility to our shareholders to exercise judgment in granting equity-based awards. Upon recommendation of the compensation committee, the Board adopted the 2016 Equity Plan Amendment on February 7, 2019, subject to shareholder approval. The Board recommends that shareholders approve the 2016 Equity Plan Amendment to permit the Company s continued use of equity-based compensation awards. The material terms of the 2016 Equity Plan, as amended, are described below. The complete text of the 2016 Equity Plan Amendment is attached as Annex D to this Proxy Statement.

Why should you vote FOR approval of the 2016 Equity Plan Amendment?

Under NYSE rules, listed companies such as Invesco are generally not permitted to grant shares of common stock as compensation except under a plan that is approved by shareholders. Equity awards are an important part of our pay-for-performance compensation program. The Board recommends a vote FOR the approval of the 2016 Equity Plan Amendment because it will continue to allow Invesco to achieve important business objectives in ways that are consistent with our shareholders interests.

Equity compensation facilitates alignment of employee and shareholder interests. Consistent with industry practice and accepted good governance standards, a significant portion of compensation for our executive officers is delivered in the form of company equity. Further, our compensation philosophy reflects our belief that equity compensation is a critical means of aligning the interests of employees with those of our shareholders. In recent years, all equity awards have been made in the form of restricted stock and restricted stock units that generally vest over a four-year period. We believe that this is the best and simplest way to align the interests of our employees with the interests of our shareholders, giving our employees a significant incentive to appropriately increase shareholder value.

Equity compensation is an important tool to recruit and retain talent. Our competitors in the industry routinely use equity awards to compensate employees, and we believe that employees place a high value on equity compensation. Our equity compensation awards are an important component of our compensation program and play a significant role in our ability to attract and retain talented employees and senior management. Approximately 28% of our employee population hold equity awards.

Use of full-value awards. Our equity compensation program favors the use of full-value awards (as opposed to appreciation awards, such as stock options or stock appreciation rights). This can mitigate the potential dilutive effect of equity compensation, because the same value can be delivered in the form of a stock award using fewer shares than would be needed if delivered in the form of a stock option. Invesco has not granted employee stock options since 2005 and has never granted stock appreciation rights.

The 2016 Equity Plan has key features that serve shareholder interests. The 2016 Equity Plan includes best practices with respect to governance and administration of equity compensation programs described in more detail below in below Key Features.

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Following our annual grant of equity awards in February 2019, approximately 5.6 million shares were available for grant under the 2016 Equity Plan. If this proposal is not approved, the 2016 Equity Plan will remain in effect although the remaining shares will be insufficient to maintain our current approach to employee compensation. We believe that this change would adversely affect shareholders and shareholder value and negatively impact the alignment between employee and shareholder interests. Without an equity plan under which Invesco can issue additional shares, we would need to reduce significantly, or eliminate entirely, compensation that is paid in a form other than cash. In addition, if our shareholders do not approve the 2016 Equity Plan Amendment, we believe such action will impair our ability to compete for and retain our most talented employees.

Key features of the 2016 Equity Plan, as amended

The 2016 Equity Plan, as amended, includes a number of features that promote best practices and protect shareholders interests, including:

Key data

The compensation committee regularly reviews run rate, overhang and dilution impact associated with our equity compensation plans, including the proposed 2016 Equity Plan Amendment. We believe that our historical share usage and proposed 2016 Equity Plan are prudent and in the best interests of our shareholders.

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Run rate

Run rate provides a measure of our annual share utilization relative to the number of shares outstanding. As shown in the following table, the company s three-year average run rate was 1.5%.

(share amounts in millions)	2018	2017	2016
Granted during the year[1]	6.1	5.6	6.9
Weighted average shares outstanding (basic)	412.4	409.4	414.7
Run rate	1.5%	1.4%	1.7%

1 Represents time-based and performance-based awards as reported in Note 12 of our Annual Report on Form 10-K for the year ended December 31, 2018.

Overhang and unvested share awards

Overhang refers to potential shareholder dilution represented by outstanding employee equity awards and shares available for future grant. Overhang is equal to the sum of all outstanding awards plus shares available for grant, divided by common shares outstanding.

(share amounts in millions)	Outstanding awards[1]	Shares available for grant[2]	Common shares outstanding[3]	Overhang
As of December 31, 2018	13.5	15.2	412.4	7.0%
As of March 1, 2019	18.4	7.1	412.4	6.2%

1 The company has no outstanding stock options or stock appreciation rights. Represents time-based and performance-based awards.

2 Represents 5.6 million shares available for grant under the 2016 Equity Plan and 1.5 million shares available for grant under the 2010 Global Equity Incentive Plan (ST).

3 Represents basic weighted average shares outstanding.

Information regarding equity compensation plans

The following table sets forth information about common shares that may be issued under our existing equity compensation plans as of December 31, 2018.

Name of plan	Approved by security holders[1]	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding outstanding options)
2016 Global Equity Incentive Plan	ü	N/A	N/A	13,732,511
2012 Employee Stock Purchase Plan	ü	N/A	N/A	1,924,071
2010 Global Equity Incentive Plan (ST)		N/A	N/A	1,474,340
Total		**N/A**	**N/A**	**17,130,922**

1 With respect to the 2010 Global Equity Incentive Plan (ST), shares are issued only as employment inducement awards in connection with a strategic transaction and, as a result, do not require shareholder approval under the rules of the New York Stock Exchange or otherwise.

Impact on dilution

The 2016 Equity Plan currently authorizes the issuance of up to 21.7 million shares. As noted above, the 2016 Equity Plan Amendment will approve an additional 9.7 million shares. If the 2016 Equity Plan Amendment is approved by our shareholders, the 2016 Equity Plan will authorize the issuance of 31.4 million shares of which 15.4 million shares will be available for grant. The Board believes that the potential dilution resulting from these additional shares is reasonable and that the issuance of these additional shares will provide an appropriate incentive for employees to increase the value of the company for shareholders. Based on historical grant levels and the company s current stock price, the company anticipates that the shares available for grant under the 2016 Equity Plan after the 2016 Equity Plan Amendment becomes effective will be sufficient to provide projected equity incentives to our employees until our 2020 Annual General Meeting.

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Summary of terms of 2016 equity plan, as amended

The following summary of the material features of the 2016 Equity Plan, as amended by the 2016 Equity Plan Amendment, does not purport to be complete and is qualified by the specific provisions of the 2016 Equity Plan and the 2016 Equity Plan Amendment, copies of which are available to any shareholder of the company upon written request to the Corporate Secretary of the company at Company s principal executive offices.

Requests for copies should be addressed to:

E-mail: company.secretary@invesco.com

Mail: Invesco Ltd.

1555 Peachtree Street N.E.

Atlanta, Georgia 30309

Attn: Office of the Secretary

The 2016 Equity Plan was originally approved by our shareholders in May 2016. A copy of the 2016 Equity Plan also is included as Appendix A to the Company s Proxy Statement filed with the SEC on March 24, 2016. Please also see Annex D to this proxy statement for a copy of the 2016 Equity Plan Amendment.

General. Under the terms of the 2016 Equity Plan, the compensation committee will have the authority to grant restricted stock, restricted stock units, stock options, stock appreciation rights (SARs) and other stock-based awards. We anticipate that we will continue our current equity compensation practice of granting only restricted stock, restricted stock units and other stock-based awards. We have not granted stock options since 2005 and have never granted SARs.

Shares subject to the 2016 Equity Plan. As noted above, an aggregate of 21.7 million common shares currently is authorized for issuance under the 2016 Equity Plan. As of March 1, 2019, awards representing 18.3 million common shares were outstanding under the 2016 Equity Plan and 5.6 million common shares remained available for grant. We are asking our shareholders to approve an additional 9.7 million shares under the 2016 Equity Plan.

Shares delivered in connection with awards under the 2016 Equity Plan may be shares that are authorized but unissued shares, shares held by the company as treasury shares or, if required by local law, shares delivered from a trust established pursuant to applicable law.

The number of common shares authorized for issuance under the 2016 Equity Plan, as well as the number of shares subject to outstanding awards and the annual limitation on grants to any single individual, are subject to equitable adjustment upon the occurrence of any stock dividend or other distribution, recapitalization, stock split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase or share exchange or other similar corporate transaction or event.

Share counting. Under the following circumstances, shares that are subject to awards granted under the 2016 Equity Plan shall not be counted for purposes of the limits on the total number of shares that can be issued under the 2016 Equity Plan or the number of shares that can be issued as incentive stock options in the following circumstances:

The award is forfeited, canceled or terminates, expires or lapses without shares having been delivered;

The award is settled in cash; or

The shares are withheld by the company to satisfy all or part of any tax withholding obligation related to an award of restricted stock or restricted stock units.

Shares tendered or withheld by the company in payment of the exercise price of stock options or SARs or to satisfy all or part of any tax withholding obligation related to such stock option or SAR shall be counted as shares that were issued under the 2016 Equity Plan.

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Limits on incentive stock options. The total number of shares that can be issued pursuant to incentive stock options cannot exceed six million under the 2016 Equity Plan.

Eligibility. As of December 31, 2018, (i) approximately 7,400 employees of the company were eligible for awards under the 2016 Equity Plan, of which 2,100 had outstanding awards, and (ii) all of our non-executive directors were eligible for awards under the 2016 Equity Plan, all of whom receive quarterly compensation in the form of equity awards granted under the 2016 Equity Plan.

Types of awards. The 2016 Equity Plan authorizes awards in the form of restricted stock, restricted stock units, stock options, SARs and other stock-based awards.

Restricted Stock and Restricted Stock Units. Awards of restricted stock are actual shares of common stock that are issued to a participant. An award of a restricted stock unit represents the right to receive cash or common stock at a future date. In each case, the award is subject to restrictions on transferability and such other restrictions, if any, as the compensation committee may impose at the date of grant. The restrictions may lapse separately or in combination at such times, under such circumstances, including, without limitation, a specified period of employment or the satisfaction of pre-established performance goals, in such installments, or otherwise, as the compensation committee may determine. Except to the extent provided in the applicable award agreement, a participant granted restricted stock will have all of the rights of a shareholder, including, without limitation, the right to vote and the right to receive dividends. If provided in the applicable award agreement, a holder of restricted stock units will be entitled to dividend equivalents with respect to such restricted stock units.

Upon termination of employment or other service relationship during the applicable restriction period, shares of restricted stock and restricted stock units that are subject to restrictions will be forfeited unless the award agreement provides otherwise.

Other stock-based awards. The 2016 Equity Plan provides for the award of company shares and other awards that are valued by reference to our shares. Other stock-based awards may only be granted in lieu of compensation that would otherwise be payable to the participant. Non-executive director awards are considered a form of other stock-based awards. Each year, the committee establishes the value of such stock-based awards for non-executive directors for the upcoming year. Such awards are subject to the non-executive director stock ownership policy.

Stock options and SARs. A stock option is an award that gives the participant the right, but not the obligation, to purchase a specified number of company shares at a specified price for a stated period of time. Stock options may be granted in the form of incentive stock options, which are intended to qualify for favorable treatment for the recipient under U.S. federal tax law, or as nonqualified stock options, which do not qualify for this favorable tax treatment. SARs represent the right to receive an amount in cash, shares or both equal to the fair market value of the shares subject to the award on the date of exercise minus the exercise price of the award.

As noted above, the 2016 Equity Plan provides for stock options even though the company has not granted stock options since 2005. The 2016 Equity Plan also provides for SARs, although the company has never granted SARs. If stock options or SARs are granted under the 2016 Equity Plan, they will be subject to the following limitations:

No discounted stock options or SARs All stock options and SARs must have an exercise price that is not less than the fair market value of the underlying shares on the date of grant.

No reloads The grant of a stock option will not be conditioned on the delivery of shares to the company in payment of an exercise price or satisfaction of a withholding or other payment obligation (i.e., a reload option).

No repricing Repricing of stock options or SARs is not permitted without shareholder approval.

Term The term of a stock option or SAR cannot exceed 10 years.

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No liberal share recycling Share recycling for stock options and SARs is prohibited.

Minimum vesting requirements The 2016 Equity Plan provides a minimum vesting period of one year for stock options and SARs.

Minimum vesting requirements

Restricted stock and restricted stock units. Except with respect to the death, disability or involuntary termination (other than for cause or unsatisfactory performance) of a participant or the occurrence of a corporate transaction (including a change of control) or special circumstances determined by the committee, an award of restricted stock or restricted stock units subject solely to continued services shall have a minimum vesting period of not less than two years from the date of grant (permitting pro rata vesting over such time). In recent years, restricted stock awards and restricted stock units generally vest over a four-year period. Our executive officers performance-based equity awards are subject to 3-year cliff vesting.

Stock options and SARs. Stock options and SARs are subject to a one year minimum vesting period. The company has not granted stock options since 2005 and has never granted SARs.

Performance-based awards. To the extent the compensation committee grants an award under the 2016 Equity Plan with payment or vesting based on the attainment of one or more performance goals, such payment or vesting is permitted if, and only to the extent that, the performance goals established by the compensation committee are met.

The performance goals may relate to the performance of the company or the performance of the company relative to a pre-established group. The performance goals may include a threshold level of performance below which no payment will be made, levels of performance at which specified payments will be made and a maximum level of performance above which no additional payment will be made. The performance measure or measures and the performance goals established by the compensation committee may be different for different fiscal years. With respect to 2018 performance-based awards that were granted in February 2019, the compensation committee designated the following performance goals: adjusted operating margin and relative TSR.

Termination of employment/services. Except as otherwise provided in an award agreement, all unvested awards under the 2016 Equity Plan are forfeited when a participant terminates employment with, or ceases performing services for, the company.

Effect of a change of control. Awards that are not assumed in connection with a change of control will immediately vest at 100 percent. In the event of a change of control, with respect to awards that are assumed by the acquirer, then upon the participant s termination of employment during the 24 months following a change in control (i) by the company (other than for cause or unsatisfactory performance) or (ii) by the participant for good reason (as defined in the 2016 Equity Plan), awards will vest at 100 percent unless otherwise provided in an award agreement.

Changes in capitalization and other corporate events. In the case of events affecting the capital structure of the company or certain corporate events such as a merger, the committee shall make adjustments and substitutions to shares reserved for issuance, awards limits, the number of shares subject to outstanding awards and the exercise price of outstanding awards under the 2016 Equity Plan as it deems equitable and appropriate. The committee may also adjust performance goals to reflect unusual or non-recurring events and extraordinary items and for other similar reasons, but only to the extent that such adjustments would not cause awards that are intended to be exempt from Section 162(m) of the Code to lose that exemption.

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Non-transferability. Awards under the 2016 Equity Plan cannot be sold, assigned, transferred, pledged or otherwise encumbered, except by will and the laws of descent and distribution.

Tax withholding; no gross ups. The participant is responsible for all taxes legally due from a participant. Except as otherwise provided in an award agreement, withholding obligations under the 2016 Equity Plan may be settled in shares.

Plan amendments and changes. The Board of Directors or the compensation committee may amend, alter or discontinue the 2016 Equity Plan, but no change is permitted without a participant s consent to the extent that it would materially impair the participant s rights under an outstanding award unless the change is made to comply with applicable law or stock exchange rules or to prevent adverse tax consequences to the company or a participant. In addition, no amendment will be made without the approval of the company s shareholders if approval is required by applicable law or the listing standards of an applicable exchange.

Effective date. The 2016 Equity Plan Amendment will be effective on of the date that it is approved by our shareholders, as requested herein, and will terminate on the tenth anniversary of the effective date of the 2016 Equity Plan.

Securities registration. We intend to file with the SEC an amendment to our registration statement of Form S-8 covering the increase in the number of shares of common stock authorized for issuance under the 2016 Equity Plan, as amended.

Certain U.S. federal income tax consequences

The following discussion is intended only as a general summary of the material U.S. federal income tax consequences of awards issued under the 2016 Equity Plan for the purposes of shareholders considering how to vote on this proposal. It is not intended as tax guidance to participants in the 2016 Equity Plan. This summary does not take into account certain circumstances that may change the income tax treatment of awards for individual participants, and it does not describe the state or local income tax consequences of any award or the taxation of awards in jurisdictions outside of the U.S.

Restricted stock awards and restricted stock units. The fair market value of stock granted under a restricted stock award is generally includable by the participant as ordinary income when the award vests. In the case of restricted stock unit awards, any cash and the fair market value of any stock issued as payment under the awards is includible as ordinary income when paid. Any dividends or dividend equivalents paid on unvested restricted stock and restricted stock units are treated as ordinary income when paid.

Stock options and SARs. The grant of a stock option or SAR generally has no tax consequences for a participant or the company. The exercise of an incentive stock option generally does not have tax consequences for a participant or the company, except that it may result in an item of adjustment for alternative minimum tax purposes for the participant. If a participant holds the shares acquired through the exercise of an incentive stock option for the time specified in the Code, any gain or loss arising from a subsequent disposition of the shares will be taxed as long-term capital gain or loss. If the shares are disposed of before the holding period is satisfied, the participant will recognize ordinary income equal to the lesser of (1) the amount realized upon the disposition and (2) the fair market value of such shares on the date of exercise minus the exercise price paid for the shares.

A participant recognizes ordinary income upon the exercise of a nonqualified stock option equal to the fair market value of the shares minus the exercise price for the shares. Upon the exercise of a SAR, the participant recognizes ordinary income equal to the amount paid to the participant, in cash and shares that represents the excess of the fair market value of a SAR over its exercise price. Any subsequent disposition of shares acquired through the exercise of a nonqualified stock option or a SAR will generally result in capital gain or loss, which may be short- or long-term, depending upon the holding period for the shares.

Deductions by the company. Except as explained below, the company generally is entitled to a deduction equal to the amount included in the ordinary income of participants and does not receive a deduction for amounts that are taxable to participants as capital gain.

Section 409A. The grant of certain types of incentive awards under the 2016 Equity Plan, may be subject to the requirements of Section 409A of the Code. If an award is subject to Section 409A, and if the requirements of Section 409A are not met, a participant may be subject to tax on all or a portion of the award earlier than the times described above, and additional taxes, penalties and interest could apply. Stock options, SARs and restricted stock awards that comply with the terms of the 2016 Equity Plan are intended to be exempt from the requirements of Section 409A. Restricted stock units granted under the 2016 Equity Plan may be subject to the requirements of Section 409A but are intended to comply with those requirements to avoid early taxation, additional taxes, penalties and interest. Notwithstanding the foregoing, the company is not responsible for any taxes, penalties or interest imposed with respect to any awards granted under the 2016 Equity Plan, including taxes, penalties or interest imposed under Section 409A.

New plan benefits. Future grants under the 2016 Equity Plan will be made at the discretion of the compensation committee and, accordingly, are not yet determinable. In addition, benefits under the 2016 Equity Plan will depend on a number of factors, including fair market value of the common shares on future dates. Consequently, it is not possible to determine the benefits that might be received by participants under the 2016 Equity Plan.

For information relating to grants under the 2016 Equity Plan for the last fiscal year to our named executive officers, see **Grants of Plan-based Share Awards for 2018** table on page 60.

The closing price of our shares on the New York Stock Exchange on March 11, 2019 was $18.97 per share.

Recommendation of the board

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF 2016 EQUITY PLAN AMENDMENT. This proposal requires the affirmative vote of a majority of votes cast at the Annual General Meeting.

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Proposal

5

Appointment of Independent Registered Public Accounting Firm

General

The audit committee of the Board has proposed the appointment of PricewaterhouseCoopers LLP (PwC) as the independent registered public accounting firm to audit the company s consolidated financial statements for the fiscal year ending December 31, 2019 and to audit the company s internal control over financial reporting as of December 31, 2019. During and for the fiscal year ended December 31, 2018, PwC audited and rendered opinions on the financial statements of the company and certain of its subsidiaries. PwC also rendered an opinion on the company s internal control over financial reporting as of December 31, 2018. In addition, PwC provides the company with tax consulting and compliance services, accounting and financial reporting advice on transactions and regulatory filings and certain other services not prohibited by applicable auditor independence requirements. See **Fees Paid to Independent Registered Public Accounting Firm** below. Representatives of PwC are expected to be present at the Annual General Meeting and will have the opportunity to make a statement if they desire to do so. It is also expected that they will be available to respond to appropriate questions.

Recommendation of the board

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPOINTMENT OF PWC AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019. This proposal requires the affirmative vote of a majority of votes cast at the Annual General Meeting. If the appointment is not approved, the audit committee will reconsider the selection of PwC as the company s independent registered public accounting firm.

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Fees Paid to Independent Registered Public Accounting Firm

The audit committee of the Board, with the approval of the shareholders, engaged PwC to perform an annual audit of the company s consolidated financial statements for fiscal year 2018. The following table sets forth the approximate aggregate fees billed or expected to be billed to the company by PwC for fiscal year 2018 and 2017, for the audit of the company s annual consolidated financial statements and for other services rendered by PwC in 2018 and 2017.