

Invesco Ltd.
Form DEF 14A
April 01, 2013
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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)

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Invesco Ltd.

Two Peachtree Pointe

1555 Peachtree Street N.E.

Atlanta, Georgia 30309

April 1, 2013

Dear Fellow Shareholder,

You are cordially invited to attend the 2013 Annual General Meeting of Shareholders of Invesco Ltd., which will be held on Thursday, May 16, 2013 at 1:00 p.m., Eastern Time, in the Appalachians Room, 18th Floor, at Invesco's Global Headquarters, located at Two Peachtree Pointe, 1555 Peachtree Street N.E., Atlanta, Georgia 30309. Details of the business to be presented at the meeting can be found in the accompanying Notice of Annual General Meeting and Proxy Statement.

We are pleased to once again this year furnish proxy materials to our shareholders via the Internet. The e-proxy process expedites shareholders receipt of proxy materials and lowers the costs and reduces the environmental impact of our Annual General Meeting. On April 1, 2013, we mailed to our shareholders a Notice of Internet Availability of Proxy Materials (Notice). The Notice contained instructions on how to access our 2013 Proxy Statement, Annual Report on Form 10-K and other soliciting materials and how to vote. The Notice also contains instructions on how you can request a paper copy of the Proxy Statement and Annual Report if you so desire.

We hope you are planning to attend the meeting. **Your vote is important and we encourage you to vote promptly. Whether or not you are able to attend the meeting in person, please follow the instructions contained in the Notice on how to vote via the Internet or via the toll-free telephone number, or request a paper proxy card to complete, sign and return by mail so that your shares may be voted.**

On behalf of the Board of Directors and the management of Invesco, I extend our appreciation for your continued support.

Yours sincerely,

Rex D. Adams

Chairman

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NOTICE OF 2013 ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Be Held May 16, 2013

NOTICE IS HEREBY GIVEN that the 2013 Annual General Meeting of Shareholders of Invesco Ltd. will be held on Thursday, May 16, 2013, at 1:00 p.m., Eastern Time, in the Appalachians Room, 18th Floor, at Invesco's Global Headquarters, located at Two Peachtree Pointe, 1555 Peachtree Street N.E., Atlanta, Georgia 30309, for the following purposes:

1. To elect three (3) directors to the Board of Directors to hold office until the annual general meeting of shareholders in 2016;
2. To hold an advisory vote on executive compensation;
3. To approve the Invesco Ltd. Amended and Restated Executive Incentive Bonus Plan;
4. To appoint PricewaterhouseCoopers LLP as the company's independent registered public accounting firm for the fiscal year ending December 31, 2013; and
5. To consider and act upon such other business as may properly come before the meeting or any adjournment thereof.

During the Annual General Meeting, management also will present Invesco's audited consolidated financial statements for the fiscal year ended December 31, 2012.

Only holders of record of Invesco common shares on March 18, 2013 are entitled to notice of and to attend and vote at the Annual General Meeting and any adjournment or postponement thereof. **Whether or not you are able to attend in person, please vote via the Internet or the toll-free telephone number, or request a paper proxy card to complete, sign and return by mail so that your shares may be voted.** Invesco shareholders of record who attend the meeting may vote their common shares in person, even though they have sent in proxies.

By Order of the Board of Directors,

Kevin M. Carome, Company Secretary

April 1, 2013

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ADMISSION TO THE 2013 ANNUAL GENERAL MEETING

An admission ticket (or other proof of share ownership) and some form of government-issued photo identification (such as a valid driver's license or passport) will be required for admission to the Annual General Meeting. **Only shareholders who own Invesco common shares as of the close of business on March 18, 2013 and invited guests will be entitled to attend the meeting. An admission ticket will serve as verification of your ownership.**

If your Invesco shares are registered in your name and you received or accessed your proxy materials electronically via the Internet, click the appropriate box on the electronic proxy card or follow the telephone instructions when prompted and an admission ticket will be held for you at the check-in area at the Annual General Meeting.

If your Invesco shares are held in a bank or brokerage account, contact your bank or broker to obtain a written legal proxy in order to vote your shares at the meeting. If you do not obtain a legal proxy from your bank or broker, you will not be entitled to vote your shares, but you can still attend the Annual General Meeting if you bring a recent bank or brokerage statement showing that you owned Invesco common shares on March 18, 2013.

No cameras, recording devices or large packages will be permitted in the meeting room.

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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 16, 2013, at 1:00 p.m. Eastern Time. In this Proxy Statement, we may refer to Invesco Ltd. as the company, Invesco, we, us or our.

QUESTIONS AND ANSWERS ABOUT VOTING YOUR COMMON SHARES

Why did I receive this Proxy Statement?

You have received these proxy materials because Invesco's Board of Directors is soliciting your proxy to vote your shares at the Annual General Meeting on May 16, 2013. This proxy statement includes information that is designed to assist you in voting your shares and information that we are required to provide to you under the rules of the Securities and Exchange Commission (SEC).

What is a proxy?

A proxy is a written authorization from you to another person that allows such person (the proxy holder) to vote your shares on your behalf. The Board of Directors is asking you to allow any of the following persons to vote your shares at the Annual General Meeting: Rex D. Adams, Chairman of the Board of Directors; Martin L. Flanagan, President and Chief Executive Officer; Loren M. Starr, Senior Managing Director and Chief Financial Officer; Colin D. Meadows, Senior Managing Director and Chief Administrative Officer and Kevin M. Carome, Senior Managing Director and General Counsel.

Why did I not receive my proxy materials in the mail?

As permitted by rules of the SEC, Invesco is making this Proxy Statement and its Annual Report on Form 10-K for the fiscal year ended December 31, 2012 (Annual Report) available to its shareholders electronically via the Internet. The e-proxy process expedites shareholders' receipt of proxy materials and lowers the costs and reduces the environmental impact of our Annual General Meeting.

On April 1, 2013, we mailed to shareholders of record as of the close of business on March 18, 2013 (Record Date) a Notice of Internet Availability of Proxy Materials (Notice) containing instructions on how to access this Proxy Statement, our Annual Report and other soliciting materials via the Internet. If you received a Notice by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the Notice instructs you on how to access and review all of the important information contained in the Proxy Statement and Annual Report. The Notice also instructs you on how you may submit your proxy. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions included in the Notice for requesting such materials.

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If you are delivering proxy

materials via the Internet,

why did I receive my proxy

materials in the mail?

Who is entitled to vote?

What is the difference between

holding shares as a shareholder

of record and as a beneficial owner ?

Certain regulations that apply to the Invesco 401(k) Plan and the Invesco Money Purchase Plan require us to send copies of the proxy materials to persons who have interests in Invesco common shares through participation in those plans. These individuals are not eligible to vote directly at the Annual General Meeting. They may, however, instruct the trustees or plan administrators of these plans how to vote the common shares represented by their interests.

Each holder of record of Invesco common shares on the Record Date for the Annual General Meeting is entitled to attend and vote at the Annual General Meeting.

Shareholders of Record. You are a shareholder of record if at the close of business on the Record Date your shares were registered directly in your name with Computershare, our transfer agent.

Beneficial Owner. You are a beneficial owner if at the close of business on the Record Date your shares were held by a brokerage firm or other nominee and not in your name. Being a beneficial owner means that, like most of our shareholders, your shares are held in street name. As the beneficial owner, you have the right to direct your broker or nominee how to vote your shares by following the voting instructions your broker or other nominee provides. If you do not provide your broker or nominee with instructions on how to vote your shares, your broker or nominee will be able to vote your shares with respect to some of the proposals, but not all. Please see *What if I return a signed proxy or voting instruction card, but do not specify how my shares are to be voted?* for additional information.

Invesco has requested banks, brokerage firms and other nominees who hold Invesco common shares on behalf of beneficial owners of the common shares as of the close of business on the Record Date to forward the Notice to those beneficial owners. Invesco has agreed to pay the reasonable expenses of the banks, brokerage firms and other nominees for forwarding these materials.

How many votes do I have?

Every holder of a common share on the Record Date will be entitled to one vote per share for each Director to be elected at the Annual General Meeting and to one vote per share on each other matter presented at the Annual General Meeting. A poll will be taken on each proposal voted upon at the Annual General Meeting. On the Record Date there were 444,202,695 common shares outstanding and entitled to vote at the Annual General Meeting.

What proposals are being

presented at the Annual

General Meeting?

Invesco intends to present proposals numbered one through four for shareholder consideration and voting at the Annual General Meeting. These proposals are for:

1. Election of three (3) members of the Board of Directors;
2. Advisory vote to approve executive compensation;

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3. Approval of the Invesco Ltd. Amended and Restated Executive Incentive Bonus Plan; and

4. Appointment of PricewaterhouseCoopers LLP as the company's independent registered public accounting firm.

Other than the matters set forth in this Proxy Statement and matters incident to the conduct of the Annual General Meeting, Invesco does not know of any business or proposals to be considered at the Annual General Meeting. If any other business is proposed and properly presented at the Annual General Meeting, the proxies received from our shareholders give the proxy holders the authority to vote on such matter in their discretion.

How does the Board of Directors recommend that I vote?

The Board of Directors recommends that you vote:

FOR the election of the three (3) directors nominated by our Board and named in this proxy statement;

FOR the approval, on an advisory basis, of the compensation of our named executive officers;

FOR approval of the Invesco Ltd. Amended and Restated Executive Incentive Bonus Plan; and

FOR appointment of PricewaterhouseCoopers LLP as the company's independent registered public accounting firm.

How do I attend the Annual

General Meeting?

All shareholders are invited to attend the Annual General Meeting. An admission ticket (or other proof of share ownership) and some form of government-issued photo identification (such as a valid driver's license or passport) will be required for admission to the Annual General Meeting. Only shareholders who own Invesco common shares as of the close of business on the Record Date and invited guests will be entitled to attend the meeting. An admission ticket will serve as verification of your ownership. Registration will begin at 12:00 p.m. Eastern Time and the Annual General Meeting will begin at 1:00 p.m. Eastern Time.

If your Invesco shares are registered in your name and you received or accessed your proxy materials electronically via the Internet, click the appropriate box on the electronic proxy card or follow the telephone instructions when prompted and an admission ticket will be held for you at the check-in area at the Annual General Meeting.

If you received your proxy materials by mail and voted by completing your proxy card and checked the box indicating that you plan to attend the meeting, an admission ticket will be held for you at the check-in area at the Annual General Meeting.

If your Invesco shares are held in a bank or brokerage account, contact your bank or broker to obtain a written legal proxy in order to vote your shares at the meeting. If you do not obtain a legal proxy from your bank or broker, you will not be entitled to vote your shares, but you can still attend the Annual General Meeting if you bring a recent bank or brokerage statement showing that you owned Invesco common shares on March 18, 2013. You should report to the check-in area for admission to the Annual General Meeting.

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How do I vote and what are the voting deadlines?

You may vote your shares in person at the Annual General Meeting or by proxy. There are three ways to vote by proxy:

Via the Internet: You can submit a proxy via the Internet until 11:59 p.m. Eastern Time on May 15, 2013, by accessing the web site at <http://www.investorvote.com/IVZ> and following the instructions you will find on the web site. Internet proxy submission is available 24 hours a day. You will be given the opportunity to confirm that your instructions have been properly recorded.

By Telephone: You can submit a proxy by telephone until 11:59 p.m. Eastern Time on May 15, 2013, by calling toll-free 1-800-652-VOTE (8683) (from the U.S. and Canada) and following the instructions.

By Mail: If you have received your proxy materials by mail, you can vote by marking, dating and signing your proxy card and returning it by mail in the enclosed postage-paid envelope. If you hold your common shares in an account with a bank or broker (*i.e.*, in street name), you can vote by following the instructions on the voting instruction card provided to you by your bank or broker. Proxy cards returned by mail must be received no later than the close of business on May 15, 2013.

Even if you plan to be present at the Annual General Meeting, we encourage you to vote your common shares by proxy using one of the methods described above. Invesco shareholders of record who attend the meeting may vote their common shares in person, even though they have sent in proxies.

What if my common shares are held in an Invesco retirement plan?

For participants in the Invesco 401(k) Plan and the Invesco Money Purchase Plan (collectively, the Retirement Plans), your shares will be voted as you instruct the trustees or plan administrators of the Retirement Plans. There are three ways to vote: via the Internet, by telephone or by returning your voting instruction card. Please follow the instructions included on your voting instruction card on how to vote using one of the three methods. Your vote will serve as voting instructions to the trustees or plan administrators of the Retirement Plans for shares allocated to your account, as well as a proportionate share of any unallocated shares and unvoted shares. If you do not vote shares allocated to your account held in the Retirement Plans, the trustee or plan administrator will vote your shares in the same proportion as the shares for which instructions were received from all other holders of common shares in the Retirement Plan. You cannot vote your Retirement Plan shares in person at the meeting. **To allow sufficient time for voting by the trustees and plan administrators of the Retirement Plans, the trustees and plan administrators must receive your vote by no later than 5:00 p.m. Eastern Time on May 13, 2013.**

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What if I hold restricted shares?

For participants in the Invesco Global Stock Plan, the 2008 Global Equity Incentive Plan, 2010 Global Equity Incentive Plan (ST) and 2011 Global Equity Incentive Plan who hold Restricted Share Awards through the company's stock plan administrator, your restricted shares will be voted as you instruct the custodian for such shares, Invesco Ltd. (the Custodian). There are three ways to vote: via the Internet, by telephone or by returning your voting instruction card. Please follow the instructions included on your voting instruction card on how to vote using one of the three methods. Your vote will serve as voting instructions to the Custodian for your restricted shares. If you do not provide instructions regarding your restricted shares, the Custodian will not vote them. You cannot vote your restricted shares in person at the meeting. **To allow sufficient time for voting by the Custodian, the Custodian must receive your vote by no later than 11:59 p.m. Eastern Time on May 10, 2013.**

May I change or revoke my vote?

Yes. You may change your vote in one of several ways at any time before it is exercised:

Grant a subsequent proxy via the Internet or telephone;

Submit another proxy card (or voting instruction card) with a date later than your previously delivered proxy;

Notify our Secretary in writing before the Annual General Meeting that you are revoking your proxy or, if you hold your shares in street name, follow the instructions on the voting instruction card; or

If you are a shareholder of record, or a beneficial owner with a proxy from the shareholder of record, vote in person at the Annual General Meeting.

What will happen if I do not vote my shares?

Shareholders of Record. If you are the shareholder of record of your shares and you do not vote in person at the Annual General Meeting, or by proxy via the Internet, by telephone, or by mail, your shares will not be voted at the Annual General Meeting.

Beneficial Owners. If you are the beneficial owner of your shares, your broker or nominee may vote your shares only on those proposals on which it has discretion to vote. Under the rules of the New York Stock Exchange (NYSE), your broker or nominee has discretion to vote your shares on routine matters, such as Proposal 4, but does not have discretion to vote your shares on non-routine matters, such as Proposals 1, 2 and 3. Therefore, if you do not instruct your broker as to how to vote your shares on Proposals 1, 2 or 3, this would be a broker non-vote, and your shares would not be counted as having been voted on the applicable proposal. **We therefore strongly encourage you to instruct your broker or nominee on how you wish to vote your shares.**

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What is the effect of a broker

non-vote or abstention?

Under NYSE rules, brokers or other nominees who hold shares for a beneficial owner have the discretion to vote on a limited number of routine proposals when they have not received voting instructions from the beneficial owner at least ten days prior to the Annual General Meeting. A broker non-vote occurs when a broker or other nominee does not receive such voting instructions and does not have the discretion to vote the shares. Pursuant to Bermuda law, broker non-votes and abstentions are not included in the determination of the common shares voting on such matter, but are counted for quorum purposes.

What if I return a signed proxy or voting instruction card, but do not specify how my shares are to be voted?

Shareholders of Record. If you are a shareholder of record and you submit a proxy, but you do not provide voting instructions, all of your shares will be voted FOR Proposals 1, 2, 3 and 4.

Beneficial Owners. If you are a beneficial owner and you do not provide the broker or other nominee that holds your shares with voting instructions, the broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. Under NYSE rules, brokers and other nominees have the discretion to vote on routine matters, such as Proposal 4, but do not have discretion to vote on non-routine matters, such as Proposals 1, 2 and 3. Therefore, if you do not provide voting instructions to your broker or other nominee, your broker or other nominee may only vote your shares on Proposal 4 and any other routine matters properly presented for a vote at the Annual General Meeting.

What does it mean if I receive more than one Notice of Internet Availability of Proxy Materials?

It means you own Invesco common shares in more than one account, such as individually and jointly with your spouse. **Please vote all of your common shares.** Beneficial owners sharing an address who are receiving multiple copies of the Notice or the proxy materials may contact their broker, bank or other nominee to request that only a single copy of such document(s) be mailed to all shareholders at the shared address in the future. In addition, if you are the beneficial owner, your broker, bank or other nominee may deliver only one copy of the Notice or the proxy materials to multiple shareholders who share an address unless that broker, bank or other nominee has received contrary instructions from one or more of the beneficial owners. Invesco will deliver promptly, upon request, a separate copy of the Notice or other proxy materials to a shareholder at a shared address to which a single copy of such document(s) was delivered. Shareholders who wish to receive a separate written copy of such documents, now or in the future, should submit their request to our Secretary via e-mail to: company.secretary@invesco.com or by writing Invesco Ltd., Attn: Office of the Secretary, 1555 Peachtree Street N.E., Atlanta, Georgia 30309.

What is a quorum?

A quorum is necessary to hold a valid meeting. The presence, in person, of two or more persons representing, in person or by proxy, more than fifty percent (50%) of the issued and outstanding common shares entitled to vote at the meeting as of the Record Date constitutes a quorum for the conduct of business.

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What vote is required in

order to approve each

proposal?

For each proposal, the affirmative vote of a majority of the votes cast on such proposal at the Annual General Meeting is required. Under our Bye-Laws, a majority of the votes cast means the number of shares voted for a proposal must exceed 50% of the votes cast with respect to such proposal. Votes cast include only votes cast with respect to shares present in person or represented by proxy and excludes broker non-votes and abstentions.

How will voting on any other business be conducted?

Other than the matters set forth in this Proxy Statement and matters incident to the conduct of the Annual General Meeting, we do not know of any business or proposals to be considered at the Annual General Meeting. If any other business is proposed and properly presented at the Annual General Meeting, the persons named as proxies will vote on the matter in their discretion.

What happens if the Annual General Meeting is adjourned or postponed?

Your proxy will still be effective and will be voted at the rescheduled Annual General Meeting. You will still be able to change or revoke your proxy until it is voted.

Who will count the votes?

A representative of Computershare, our transfer agent, will act as the inspector of election and will tabulate the votes.

How can I find the results of the Annual General Meeting?

Preliminary results will be announced at the Annual General Meeting. Final results will be published in a Current Report on Form 8-K that we will file with the SEC within four (4) business days after the Annual General Meeting.

Who is paying for the costs of this proxy solicitation?

We will bear the expense of soliciting proxies. We have retained MacKenzie Partners, Inc. to solicit proxies for a fee of approximately \$30,000 plus a reasonable amount to cover expenses. Proxies may also be solicited in person, by telephone or electronically by Invesco personnel who will not receive additional compensation for such solicitation. Copies of proxy materials and our Annual Report will be supplied to brokers and other nominees for the purpose of soliciting proxies from beneficial owners, and we will reimburse such brokers or other nominees for their reasonable expenses.

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PROPOSAL NO. 1

ELECTION OF DIRECTORS

GENERAL

Our Board of Directors currently has ten directors. The Board of Directors is divided into three classes. The Class I directors are serving a term of office expiring at the annual general meeting of shareholders in 2014, the Class II directors are serving a term of office expiring at the annual general meeting of shareholders in 2015, and the Class III directors are serving a term of office expiring at the annual general meeting of shareholders in 2013. At each annual general meeting of shareholders, successors to the class of directors whose term expires at such annual general meeting will be elected for a three-year term. A director holds office until the annual general meeting of shareholders for the year in which his or her term expires, and until such director's successor has been duly elected and qualified or until such director is removed from office under our Bye-Laws or such director's office is otherwise earlier vacated. Following the resignation of a Class III director in February 2013, the Board by resolution reduced its size to ten members.

The Board has nominated Joseph R. Canion, Edward P. Lawrence and Phoebe A. Wood for election as directors of the company for a term ending at the 2016 annual general meeting. Messrs. Canion and Lawrence, and Ms. Wood are current directors of the company. Each nominee has indicated to the company that he or she would serve if elected. We do not anticipate that Messrs. Canion, Lawrence or Ms. Wood would 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 candidate 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 votes and at least a majority of the votes cast in person or by proxy.

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 pursuant to applicable NYSE or other rules. A material relationship can include, but is not limited to, commercial, industrial, banking, consulting, legal, accounting, charitable and family relationships. 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 directors are independent and do not have a material relationship with the company: Rex D. Adams, Sir John Banham, Joseph R. Canion, C. Robert Henrikson, Ben F. Johnson, III, Denis Kessler, Edward P. Lawrence, J. Thomas Presby and Phoebe A. Wood.

RECOMMENDATION OF THE BOARD

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION TO THE BOARD OF EACH OF THE DIRECTOR NOMINEES. The voting requirements for this proposal are described above and in the Questions and Answers About Voting Your Common Shares section.

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INFORMATION ABOUT DIRECTOR NOMINEES AND DIRECTORS CONTINUING IN OFFICE

Listed below are the names, ages as of April 1, 2013, and principal occupations for the past five years of the director nominees and directors continuing in office.

Nominees for re-election to the Board of Directors for a three year term expiring in 2016

Joseph R. Canion (68) Non-Executive Director

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 has been a leading figure in the technology industry after co-founding Compaq Computer Corporation in 1982 and serving 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. Mr. Canion received a B.S. and M.S. in electrical engineering from the University of Houston. He is on the board of directors of ChaCha Search, Inc. and is an advisory director of Encore Health Resources and Dynamics, Inc. From 2008 to 2011 he was a member of the board of Auditude.

Edward P. Lawrence (71) Non-Executive Director

Edward Lawrence has served as a non-executive director of our company since October 2004. He was a partner of Ropes & Gray, a Boston law firm, from 1976 to December 2007. He currently is a retired partner of Ropes & Gray and a member of the investment committee of the firm's trust department. Mr. Lawrence is a graduate of Harvard College and earned a J.D. from Columbia University Law School. He is chairman of Partners Health Care System, Inc. and chairman of Dana-Farber Partners Cancer Center. From 1995 to 2011 he was a trustee (and chairman from 1999 to 2008) of the Board of the Massachusetts General Hospital and was a trustee of McLean Hospital in Belmont, Massachusetts from 2000 to 2011.

Phoebe A. Wood (59) Non-Executive Director

Phoebe Wood has served as a non-executive director of our company since January 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 Directors of Leggett & Platt, Incorporated (audit and compensation committees), Coca-Cola Enterprises Inc. (audit and affiliated transaction committees), as well as on the boards of trustees for the University of Louisville, the Gheens Foundation and the American Printing House for the Blind. From 2001 to 2011 Ms. Wood was a member of the board of trustees for Smith College. Ms. Wood received her A.B. degree from Smith College and her M.B.A. from University of California Los Angeles.

Directors Continuing in Office Terms Expiring in 2014

Rex D. Adams (72) Chairman and Non-Executive Director

Rex Adams became chairman of the company on April 27, 2006. He has served as a non-executive director of our company since November 2001 and as chairman of the Nomination and Corporate Governance Committee since January 2007. Mr. Adams was dean of the Fuqua School of Business at Duke University from 1996 to 2001 following a 30-year career with Mobil Corporation. He joined Mobil International in London in 1965 and served as vice president of administration for Mobil Corporation from 1988 to 1996. Mr. Adams was previously a

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director and member of the audit committee at Vintage Petroleum. Mr. Adams received a B.A. from Duke University. He was selected as a Rhodes Scholar in 1962 and studied at Merton College, Oxford University. Mr. Adams serves on the Board of Directors of Alleghany Corporation and formerly served as chairman of the Public Broadcasting Service (PBS) and a trustee of Duke University.

Sir John Banham (72) Non-Executive Director

Sir John Banham has served as a non-executive director of our company since 1999 and as chairman of the Compensation Committee since January 2007. Sir John was director general of the Confederation of British Industry from 1987 to 1992, a director of National Power and National Westminster Bank from 1992 to 1998, chairman of Tarmac PLC from 1994 to 2000, chairman of Kingfisher PLC from 1995 to 2001, chairman of Whitbread PLC from 2000 to 2005, chairman of Geest plc from 2002 to 2005 and chairman of Spacelabs Healthcare Inc. from 2005 to 2008. He was the chairman of Johnson Matthey plc from 2006 to 2011. He is currently chairman of Sultan Scientific Limited and of the UK Future Homes Commission, and an independent director of Cyclacel Pharmaceuticals Inc. Sir John is a graduate of Cambridge University and has been awarded honorary doctorates by four leading U.K. universities.

Denis Kessler (61) Non-Executive Director

Denis Kessler has served as a non-executive director of our company since March 2002. A noted economist, Mr. Kessler is chairman and chief executive officer of SCOR SE. He is chairman of the Boards of Directors of SCOR GLOBAL LIFE SE and SCOR GLOBAL P&C SE, chairman of the Supervisory Board of SCOR GLOBAL INVESTMENTS SE and serves as a member of the Boards of Directors of BNP Paribas SA, Bolloré, Dassault Aviation and Fonds Stratégique d Investissement. He is member of the Supervisory Board of Yam Invest N.V. Mr. Kessler received a *diplôme* from the Paris Business School (HEC) and *Doctorat d Etat* in economics from the University of Paris.

Directors Continuing in Office Terms Expiring in 2015

Martin L. Flanagan, CFA, CPA (52) President and Chief Executive Officer of Invesco Ltd.

Martin Flanagan has been a director and president and chief executive officer of Invesco since August 2005. He is also a trustee and vice-chairman of the Invesco Family of Funds. Mr. Flanagan joined Invesco from Franklin Resources, Inc., where he was president and co-chief executive officer from January 2004 to July 2005. Previously he had been Franklin's co-president from May 2003 to January 2004, chief operating officer and chief financial officer from November 1999 to May 2003, and senior vice president and chief financial officer from 1993 until November 1999. 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. Mr. Flanagan received a B.A. and BBA from Southern Methodist University (SMU). He is a CFA charterholder and a certified public accountant. He serves on the Board of Governors and as a member of the Executive Committee for the Investment Company Institute, and is a former chairman. He also serves as a member of the executive board at the SMU Cox School of Business and a member of various civic organizations in Atlanta.

C. Robert Henrikson (65) Non-Executive Director

Robert Henrikson has served as a non-executive director of our company since January 2012. Mr. Henrikson was president and chief executive officer of MetLife, Inc. and Metropolitan Life Insurance Company from March 2006 through May 2011, and he served as a director of MetLife, Inc. from April 2005, and as chairman from April 2006, through December 31, 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. In July 2010,

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Mr. Henrikson was appointed by President Barack Obama to the President's Export Council, the principal national advisory committee on international trade. Mr. Henrikson is a former chairman of the American Council of Life Insurers, a former chairman of the Financial Services Forum, a director emeritus of the American Benefits Council, chairman of the board of the Wharton School's S.S. Huebner Foundation for Insurance Education, and a trustee of the American Museum of Natural History. He also serves on the Board of Trustees of Emory University and the boards of directors of The New York Philharmonic, The New York Botanical Garden, and the Partnership for New York City. Mr. Henrikson received a bachelor's degree from the University of Pennsylvania and a law degree from Emory University School of Law. In addition, he is a graduate of the Wharton School's Advanced Management Program.

Ben F. Johnson, III (69) Non-Executive Director

Ben Johnson has served as a non-executive director of our company since January 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 received his B.A. degree from Emory University and his J.D. degree from Harvard Law School. He serves as Chair of the Board of Trustees of Emory University and Atlanta's Woodward Academy and is the immediate past chair of the Atlanta Symphony Orchestra. Mr. Johnson also serves as a Trustee of The Carter Center and the Charles Lorigans Foundation. He is chair and a non-executive director of Summit Industries, Inc.

J. Thomas Presby, CPA (73) Non-Executive Director

Thomas Presby has served as a non-executive director of our company since November 2005 and as chairman of the Audit Committee since April 2006. Over a period of thirty years as a partner in Deloitte, he held many positions in the United States and abroad, including Global Deputy Chairman and Chief Operating Officer. Currently he is a director of the following other public companies where he also chairs the audit committees: First Solar, Inc., World Fuel Services Corp. and ExamWorks Group Inc. From 2003 to 2009, Mr. Presby was a director of Turbochef Technologies, Inc., from 2005 to 2011 he was a director of American Eagle Outfitters, Inc., and from 2003 to 2012 he was a director of Tiffany & Co. He is a board member of the New York chapter of the National Association of Corporate Directors and a trustee of Montclair State University (N.J.). He previously served as a trustee of Rutgers University and as a director and chairman of the audit committee of The German Marshall Fund of the USA. He received a B.S. in electrical engineering from Rutgers University and an MBA degree from the Carnegie Mellon University Graduate School of Business. Mr. Presby is a certified public accountant in New York and Ohio and a holder of the NACD Certificate of Director Education. He was named by the NACD as one of the Top 100 directors of 2011.

Director and Nominee Qualifications to Serve on our Board

As described in greater detail below, the Board believes that there are certain minimum qualifications that each director nominee must satisfy in order to be suitable for a position as a director. (See below under the caption "THE NOMINATION AND CORPORATE GOVERNANCE COMMITTEE.") The Board believes that, consistent with these requirements, each member of our Board displays a high degree of personal and professional integrity, an ability to exercise sound business judgment on a broad range of issues, sufficient experience and background to have an appreciation of the issues facing our company, a willingness to devote the necessary time to Board duties, a commitment to representing the best interests of the company and its shareholders and a dedication to enhancing shareholder value. The Board does not consider individual directors to be responsible for particular areas of the Board's focus or specific categories of issues that may come before it. Rather, the Board seeks to assemble a group of directors that, as a whole, represents a mix of experiences and skills that allows appropriate deliberation on all issues that the Board might be likely to consider. Set forth below is a brief description of the particular experience or skills of each director that led the Board to conclude that such person should serve as a director in light of our business and structure.

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Rex D. Adams Rex Adams has broad international experience in senior management of one of the world's largest public companies, as well as substantial insight on a variety of business management issues from an academic perspective. His nearly decade of service on our Board has given him a deep understanding of the variety of issues encountered by investment management companies throughout the business cycle.

Sir John Banham Sir John Banham brings to the Board a very broad appreciation for international business issues garnered over an extraordinary career in a variety of industries, including financial services. From 2006 to 2011 he was chairman of a successful global manufacturing company. As past director general of the Confederation of British Industry, he represented the views of British business to relevant governments and regulators. Sir John's experience across a substantial spectrum of industries and companies within the United Kingdom gives him unique insight into the needs of our business in one of Invesco's most significant and successful markets.

Denis Kessler Denis 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. Further, his experience as a director of a variety of international public companies in several industries has enabled him to provide effective counsel to our board on many issues of concern to our management.

Martin L. Flanagan Martin Flanagan has spent nearly 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, with over seven years spent as a CEO. Mr. Flanagan also obtained extensive financial accounting experience with a major international accounting firm. He also is a Chartered Financial Analyst. Through his decades of involvement, including as past chairman of our industry's principal trade association, the Investment Company Institute, he has amassed a broad understanding of the larger context of investment management that has guided the Board during many critical junctures.

C. Robert Henrikson Robert Henrikson's nearly 40 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.

Ben F. Johnson, III Ben Johnson brings to the Board 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 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.

J. Thomas Presby Thomas Presby has amassed considerable experience at the highest levels of finance and accounting, having served for three decades as a partner, as well as in positions of senior management (including chief operating officer), at one of the world's largest accounting firms. In keeping with his experience, Mr. Presby has been sought by leading companies in a variety of industries to chair the audit committee, a role which he also fulfills for Invesco, where he is additionally recognized by the Board as one of our audit committee financial experts as defined under SEC rules.

Joseph R. Canion Joseph 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 1991 through 1997 when Invesco acquired AIM. Mr. Canion additionally 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 the entirety of its business lifecycle has given him a wide-ranging understanding of the types of issues faced by private and public companies.

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Edward P. Lawrence Edward Lawrence has over thirty years' experience as a corporate and business lawyer in a major Boston law firm, which has given him a very substantial understanding of the business issues facing large financial services companies such as Invesco. In particular, Mr. Lawrence specialized in issues arising under the Investment Company Act of 1940 and the Investment Advisers Act of 1940 which provide the Federal legal framework for the company's U.S. investment management business. This background gives Mr. Lawrence an understanding of the potential legal ramifications of Board decisions which is particularly valuable to the Board's functioning on many of the decisions it is called upon to take. As a member of his law firm's trust investment practice and as member of investment committees of numerous entities, he also has had frequent interaction with investment advisers located throughout the country, giving him an opportunity to view a wide range of investment styles and practices.

Phoebe A. Wood Phoebe Wood has extensive experience as both a director and a member of senior financial management of public companies in a variety of industries. Her significant accounting, financial, and business expertise have made her a particularly valuable addition to our directors' mix of skills, and she has been designated as one of our audit committee's financial experts, as defined under SEC rules.

INFORMATION ABOUT THE EXECUTIVE OFFICERS OF THE COMPANY

In addition to Martin Flanagan, whose information is set forth above, 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 Chief Executive Officer.

G. Mark Armour (59) Senior Managing Director and Head of EMEA

Mark Armour has served as head of EMEA (which includes the UK, continental Europe and the Middle East) since February 2013. In addition, Mark serves as senior managing director and head of Invesco Institutional, a position he has held since January 2007. Previously, Mr. Armour served as head of sales and service for Invesco's institutional operations. He was chief executive officer of Invesco Australia from September 2002 to July 2006. Prior to joining Invesco, Mr. Armour held significant leadership roles in the funds management business in both Australia and Hong Kong. He previously served as chief investment officer for ANZ Investments and spent almost 20 years with the National Mutual/AXA Australia Group, where he was chief executive, Funds Management, from 1998 to 2000. Mr. Armour received a bachelor of economics from La Trobe University in Melbourne, Australia.

Kevin M. Carome (56) Senior Managing Director and General Counsel

Kevin Carome has served as general counsel of our company since January 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) in Boston where he was senior vice president and general counsel from August 2000 through December 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 as an associate at Ropes & Gray in Boston. He received two degrees, a B.S. in political science and a J.D., from Boston College. He is a trustee of the U.S. Powershares ETFs and a director of ICI Mutual Insurance Company, the investment management industry capital insurer.

Karen Dunn Kelley (52) Senior Managing Director, Investments

Karen Dunn Kelley has served as senior managing director, Investments, since 2011. Ms. Dunn Kelley joined Invesco in 1989 as a money market portfolio manager. In 1992, she was named chief money market and government officer. In April 2007, she was named head of Invesco's newly combined fixed income and cash management teams. Ms. Dunn Kelley has been in the investment business since 1982 and began her career at

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Drexel Burnham Lambert on the Fixed Income High Grade Retail Desk. Ms. Dunn Kelley graduated with a B.S. from Villanova University College of Commerce and Finance.

Andrew T. S. Lo (51) Senior Managing Director and Head of Invesco Asia Pacific

Andrew Lo has served as head of Invesco Asia Pacific since February 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 chairman 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 received a B.S. and an MBA from Babson College in Wellesley, Massachusetts.

Colin D. Meadows (42) Senior Managing Director and Chief Administrative Officer

Colin Meadows has served as chief administrative officer of Invesco since May 2006 with responsibility for business strategy, human resources, and communications. In September 2008 he expanded his role with responsibilities for operations and technology. 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 received a B.A. in economics and English literature from Andrews University and a J.D. from Harvard Law School.

Loren M. Starr (51) Senior Managing Director and Chief Financial Officer

Loren Starr has served as senior managing director and chief financial officer of our company since October 2005. His current responsibilities include finance, accounting, investor relations and corporate services. Previously, 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 received a B.A. in chemistry and B.S. in industrial engineering, from Columbia University, as well as an MBA, also from Columbia, and an M.S. in operations research from Carnegie Mellon University. Mr. Starr is a certified treasury professional. He is a past chairman of the Association for Financial Professionals, and he currently serves on the boards of Georgia Leadership Institute for School Improvement (GLISI) and the Georgia Council for Economic Education (GCEE).

Philip A. Taylor (58) Senior Managing Director and Head of the Americas

Philip Taylor became head of Invesco's Americas business in 2012. He had previously served as head of Invesco's North American Retail business since 2006. He joined Invesco Canada in 1999 as senior vice president of operations and client services, and later became executive vice president and chief operating officer. He was named chief executive officer of Invesco Canada in 2002. Prior to joining Invesco, Mr. Taylor was president of Canadian retail broker Investors Group Securities, and co-founder and managing partner of Meridian Securities, an execution and clearing broker. He held various management positions with Royal Trust, now part of Royal Bank of Canada. Mr. Taylor began his career in consumer brand management in the U.S. and Canada with Richardson-Vicks, now part of Procter & Gamble. He received a Bachelor of Commerce (honours) degree from Carleton University and an M.B.A. from the Schulich School of Business at York University. Mr. Taylor is a member of the dean's advisory council of the Schulich School of Business. He serves on the board of overseers for the Curtis Institute of Music and on the board of the Royal Conservatory of Music.

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CORPORATE GOVERNANCE

Corporate Governance Guidelines. The Board has adopted Corporate Governance Guidelines (Guidelines) and Terms of Reference for our chairman and chief executive officer, each of which is available in the corporate governance section of the company's Web site at www.invesco.com (the company's Web site). The Corporate Governance 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 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 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 chairman positions. The separation of these roles: (i) allows the Board to more effectively monitor and objectively evaluate 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 chairman 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 our company's Web site. 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 our Web site. 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.

Our risk management framework provides the basis for consistent and meaningful risk dialogue up, down and across the company. Our Global Performance Measurement and Risk group assesses core investment risks. Our Corporate Risk Management Committee assesses strategic, operational and all other business risks. A network of business unit, functional and geographic risk management committees under the auspices of the Corporate Risk Management Committee maintains an ongoing risk assessment process that provides a bottom-up perspective on the specific risk areas 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 Investment Performance Measurement and Risk group 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 has also reviewed and approved risk tolerance guidelines. By receiving these regular reports, the Board maintains a practical understanding of the risk philosophy and risk tolerance of the

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company. 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.

The Board, with the assistance of the Compensation Committee, has evaluated our compensation policies and practices for all employees and has concluded that such policies and practices do not create risks that are reasonably likely to have a material adverse effect on the company. In reaching this conclusion, we undertook the following process to evaluate our compensation policies and practices:

A working group comprised of representatives from our risk management, human resources, and legal departments was established to review the potential risks associated with Invesco's compensation policies and practices. The group first created a framework for the risk assessment that incorporated certain focus areas (*e.g.*, performance measures, measurement period, etc.) that we had identified through internal and external sources.

Members of the group then reviewed each of Invesco's compensation plans (formulaic bonus payment plans for investment professionals, equity-based plans, and sales commission plans), applying the established framework. Each item was assessed and classified as low risk potential, medium risk potential or high risk potential.

After reviewing each item and the cumulative assessment for each plan, the working group determined to recommend to Invesco's Compensation Committee its conclusion that none of our compensation policies or practices were reasonably likely to have a material adverse effect on the Company.

These results were summarized and presented to the Compensation Committee, which in turn recommended this finding to the Board.

The Board reviewed the recommendation of the Compensation Committee and concluded that none of Invesco's compensation policies or practices were reasonably likely to have a material adverse effect on the Company.

The Audit Committee routinely receives reports from the control functions of finance, legal and compliance and internal audit. The Head of Internal Audit reports to the Chairman 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.

INFORMATION ABOUT THE BOARD AND ITS COMMITTEES

BOARD MEETINGS AND ANNUAL GENERAL MEETING OF SHAREHOLDERS

During the calendar year ended December 31, 2012, the Board held nine 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 the total number of meetings held by all committees of the Board on which he or she served during 2012. The Board does not have a formal policy regarding Board member attendance at shareholder meetings. All of our directors attended the 2012 annual general meeting. The non-executive directors (those directors who are not officers or employees of the company) meet in executive session at least once per year during a regularly scheduled Board meeting without management. Rex D. Adams, a non-executive and independent director, presides at the executive sessions of the non-executive directors.

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The current committees of the Board are the Audit Committee, the Compensation Committee and the Nomination and Corporate Governance Committee. The table below provides current membership information.

	Nomination and Corporate Governance		
	Audit	Compensation	Governance
Rex D. Adams		M	C
Sir John Banham	M	C	M
Joseph R. Canion			M
Martin L. Flanagan			
C. Robert Henrikson	M	M	M
Ben F. Johnson, III	M	M	M
Denis Kessler	M	M	M
Edward P. Lawrence	M	M	M
J. Thomas Presby	C		M
Phoebe A. Wood	M	M	M

M Member

C Chairman

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

THE AUDIT COMMITTEE

The Audit Committee is chaired by Mr. Presby and consists additionally of Messrs. Banham, Henrikson, Johnson, Kessler and Lawrence and Ms. Wood. The committee met fifteen times during 2012. (The frequency of the committee's meetings is due to its practice of separately considering certain matters, such as dividend declaration and pre-filing review of quarterly reports, among others, in order to devote ample time for discussion and consideration. In addition, in 2012 the committee held two special meetings devoted to an RFP process for the role of the company's independent auditor.) 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 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, wherever it deems appropriate to fulfill its duties, and

reports to the Board regularly.

The committee's charter is available on the company's Web site. The charter sets forth the committee's responsibilities, which include:

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,

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compliance with legal and regulatory requirements,

evaluating the independent auditor's qualifications and independence and the performance of the company's internal audit function and independent auditor,

making recommendations to the shareholders regarding the appointment of the independent auditor and for pre-approval of its engagement to provide any audit or permitted non-audit services under agreed policies and procedures,

establishing hiring policies for current or former employees of its independent auditor,

annually reviewing the independent auditor's report and evaluating its qualifications, performance and independence,

monitoring and reviewing the effectiveness of the company's internal audit function,

reviewing and discussing with management and the independent auditor (i) the company's audited financial statements and related disclosures, (ii) its earnings press releases and periodic filings, (iii) its critical accounting policies, (iv) the quality and adequacy of its internal controls over financial reporting, disclosure controls and procedures, and accounting procedures, and (v) any audit problems or difficulties,

assisting the Board in overseeing the company's legal and regulatory compliance, and

preparing the annual report of the Audit Committee presented in the company's proxy statement.

The committee has adopted policies and procedures for pre-approving all audit and non-audit services provided by our independent auditors. The policy is designed to ensure that the auditor's independence is not impaired. The policy provides that, before the company engages the independent auditor to render any service, the engagement must either be specifically approved by the Audit Committee or fall into one of the defined categories that have been pre-approved. (See the section of this Proxy Statement below entitled "PRE-APPROVAL PROCESS AND POLICY.")

The Board has determined that all committee members are financially literate under the NYSE listing standards. The Board has further determined that each of Mr. Presby and Ms. Wood qualifies as an "audit committee financial expert" (as defined under the SEC's rules and regulations), that each has "accounting or related financial management expertise" and that each is "independent" of the company under SEC rules and the NYSE listing rules. The Board has also determined that Mr. Presby's service on the audit committees of more than three public companies does not impair his ability to effectively serve on the Audit Committee.

THE COMPENSATION COMMITTEE

The Compensation Committee is chaired by Sir John Banham and consists additionally of Messrs. Adams, Henrikson, Johnson, Kessler, Lawrence and Ms. Wood. The committee met five times during 2012. 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 quarterly, and

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

The committee's charter is available on the company's Web site. The charter sets forth the committee's responsibilities, which include:

annually overseeing the establishment of goals and objectives related to the chief executive officer's compensation, evaluating the performance of the chief executive officer and determining the amount of his compensation,

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reviewing and making recommendations to the Board concerning the company's overall compensation philosophy,

annually approving the compensation structure for, and reviewing and approving the compensation of, senior officers, and overseeing the annual process for evaluating their performance,

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

assisting the Board with executive succession planning,

determining the compensation, including deferred compensation arrangements, for the company's non-executive directors,

preparing the annual report on executive officer compensation for the company's proxy statement,

reviewing and discussing with management the proposed Compensation Discussion and Analysis disclosure, and

determining whether to recommend the Compensation Discussion and Analysis disclosure to the Board for inclusion in the company's proxy statement.

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. The nature and scope of the consultant's assignment is set by the committee. The committee currently engages Johnson Associates, Inc. (Johnson Associates) as its third-party consultant for this review. For a more detailed discussion of the determination of executive compensation and the role of the third-party compensation consultant, please see the section of this Proxy Statement below entitled EXECUTIVE COMPENSATION Compensation Discussion and Analysis.

The committee meets at least annually to review and determine the compensation of the company's non-executive directors. In reviewing and determining non-executive director compensation, the Committee considers, among other things, the following policies and principles:

that the 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 for Board or committee purposes if director compensation exceeds customary levels.

As a part of its review, the committee periodically engages Johnson Associates as a third-party consultant to report on comparable non-executive director compensation practices and levels. No executive officer of the company is involved in determining or recommending non-executive director compensation levels. See the section of this Proxy Statement entitled DIRECTOR COMPENSATION below, for a more detailed discussion of compensation paid to the company's directors during 2012.

THE NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

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The Nomination and Corporate Governance Committee is chaired by Mr. Adams and consists additionally of Messrs. Banham, Canion, Henrikson, Johnson, Kessler, Lawrence, Presby and Ms. Wood. The committee met five times during 2012. 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,

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members are appointed and removed by the Board,

is required to meet at least quarterly, 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 is available on the company's Web site. The charter sets forth the committee's responsibilities, which include:

establishing a policy setting forth the specific, minimum qualifications that the committee believes must be met by a nominee recommended for a position on the Board, and describing any specific qualities or skills that the committee believes are necessary for one or more of the directors to possess. Such qualifications include the requirements under NYSE and SEC rules, as well as consideration of the individual skills, experience and perspectives that will help create an effective Board,

establishing procedures for identifying and evaluating potential nominees for director and for recommending to the Board potential nominees for election. Candidates for election to the Board are considered in light of their background and experience using the extensive personal knowledge of current directors or through the recommendations of various advisors to the company, and

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

The candidates proposed for election in Proposal No. 1 of this Proxy Statement were unanimously recommended by the committee to the Board.

The committee will consider candidates recommended for nomination to the Board by shareholders of the company. Shareholders may nominate candidates for election to the Board under Bermuda law and our Bye-Laws. Under our Bye-Laws, notice of such a proposal must generally be provided to the Company Secretary not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual general meeting. In addition, our Bye-Laws contain additional requirements applicable to any shareholder nomination, including a description of the information that must be included with any such proposal. For further information regarding deadlines for shareholder proposals, please see the section of this proxy statement below entitled "ADDITIONAL INFORMATION - Shareholder Proposals for the 2014 Annual General Meeting." The manner in which the committee evaluates candidates recommended by shareholders would be generally the same as any other candidate. However, the committee would also seek and consider information concerning any relationship between a shareholder recommending a candidate and the candidate to determine if the candidate can represent the interests of all of the shareholders. The committee would not evaluate a candidate recommended by a shareholder unless the shareholder's proposal provides that the potential candidate has indicated a willingness to serve as a director, to comply with the expectations and requirements for Board service as publicly disclosed by the company and to provide all of the information necessary to conduct an evaluation.

The 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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In considering candidates for director nominee, the committee generally assembles all information regarding a candidate's background and qualifications, evaluates a candidate's mix of skills and qualifications and determines the contribution that the candidate could be expected to make to the overall functioning of the Board, giving due consideration to the Board balance of diversity of perspectives, backgrounds and experiences. While the committee routinely considers diversity as a part of its deliberations, it has no formal policy regarding diversity. With respect to current directors, the committee considers past participation in and contributions to the activities of the Board. The committee recommends director nominees to the Board based on its assessment of overall suitability to serve in accordance with the company's policy regarding nominations and qualifications of directors.

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. Directors do not receive any meeting or attendance fees.

The Compensation Committee approved the following fee arrangements for non-executive directors for 2012, with each fee component to be paid in quarterly installments in arrears:

Basic Cash Fee Non-executive directors (other than the Chairman of the Board) receive an annual basic fee paid in cash in the amount of \$120,000.

Basic Shares Fee Non-executive directors also receive an annual award of shares in the aggregate amount of \$95,000. Each installment is paid on the second business day following the public announcement of the company's quarterly earnings results. (By way of example, the payment for the fourth quarter is paid in the first quarter of the following year after publication of the earnings release for the fourth quarter.)

Chairman Fee In lieu of the above basic cash fee, the Chairman of the Board receives an annual cash fee of \$400,000.

Audit Committee Chairman The chairman of the Audit Committee receives an additional annual cash fee of \$50,000.

Compensation and Nomination and Corporate Governance Committee Chairmen The chairman of the Compensation Committee and the chairman of the Nomination and Corporate Governance Committee each receive an additional 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.

The Compensation Committee determined in December 2012 that fees for non-executive directors will remain the same for 2013.

Stock Ownership Policy for Non-Executive Directors All shares awarded to our non-executive directors are subject to the Non-Executive Director Stock Ownership Policy, which was adopted by the Board of Directors in December 2010. The policy generally requires each non-executive director to achieve an ownership level of at least 18,000 shares within seven years of the later of the effective date of the policy and the date of such director's first appointment as a non-executive director. Until such ownership level is achieved, each non-executive director is required to continue to hold 100% of the shares received as compensation from the company prior to the policy's effective date and to retain at least 50% of all shares received as compensation from the company following such date.

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The following table shows as of December 31, 2012 the status of our non-executive directors meeting the requirements of the policy.

Name	Year Service Commenced	Total Shares Held (#)	Share Ownership Goal Met(1)
Rex D. Adams	2001	61,117	Ö
Sir John Banham	2007	27,836	Ö
Joseph R. Canion	1997	33,364	Ö
C. Robert Henrikson	2012	3,320	
Ben F. Johnson, III	2009	15,342	
Denis Kessler	2002	27,586	Ö
Edward P. Lawrence	2004	26,439	Ö
J. Thomas Presby	2005	19,062	Ö
Phoebe A. Wood	2010	12,037	

- (1) Based on current compensation levels, it is anticipated that Messrs. Henrikson and Johnson and Ms. Wood will attain their share ownership goal within the time period prescribed by the policy.

Director Compensation Table for 2012

The following table sets forth the compensation paid to our non-executive directors for services during 2012.

Name	Fees Earned or		
	Paid in Cash	Share Awards	Total
	(\$)(1)	(\$)(2)	(\$)
Rex D. Adams	415,000	94,969	509,969
Sir John Banham	135,000	94,969	229,969
Joseph R. Canion	120,000	94,969	214,969
C. Robert Henrikson	90,000	71,221	161,221
Ben F. Johnson, III	120,000	94,969	214,969
Denis Kessler	120,000	94,969	214,969
Edward P. Lawrence	120,000	94,969	214,969
J. Thomas Presby	170,000	94,969	264,969
Phoebe A. Wood	120,000	94,969	214,969

- (1) Includes the annual basic fee and, as applicable, Chairman of the Board fee and committee chairman fees.
- (2) Reflects the grant date fair value for each share award. Share awards are 100% vested as of the date of grant.

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The following table presents the grant date fair value for each share award made to each non-executive director during 2012.

Name	Date of Grant				Total Grant
	Date of Grant	Date of Grant	Date of Grant	Date of Grant	Date Fair
	1/27/12	4/27/12	7/27/12	11/2/12	Value
	(\$)	(\$)	(\$)	(\$)	(\$)
Rex D. Adams	23,749	23,745	23,735	23,741	94,969
Sir John Banham	23,749	23,745	23,735	23,741	94,969
Joseph R. Canion	23,749	23,745	23,735	23,741	94,969
C. Robert Henrikson		23,745	23,735	23,741	71,221
Ben F. Johnson, III	23,749	23,745	23,735	23,741	94,969
Denis Kessler	23,749	23,745	23,735	23,741	94,969
Edward P. Lawrence	23,749	23,745	23,735	23,741	94,969
J. Thomas Presby	23,749	23,745	23,735	23,741	94,969
Phoebe A. Wood	23,749	23,745	23,735	23,741	94,969

The aggregate number of share awards outstanding as of December 31, 2012 for each of our non-executive directors was as follows:

Name	Shares Outstanding (#)	Deferred Shares Outstanding (#)	Total Share Awards Outstanding (#)
Rex D. Adams	26,507		26,507
Sir John Banham	26,439		26,439
Joseph R. Canion	26,439	5,925	32,364
C. Robert C. Henrickson	2,992		2,992
Ben F. Johnson III	15,342		15,342
Denis Kessler	26,486		26,486
Edward P. Lawrence	26,439		26,439
J. Thomas Presby	19,062		19,062
Phoebe A. Wood	11,561		11,561

- (1) For Mr. Canion, represents deferred shares awarded under our legacy Deferred Fees Share Plan.

Table of Contents**SECURITY OWNERSHIP OF PRINCIPAL SHAREHOLDERS**

The following table sets forth the common shares beneficially owned as of February 15, 2013 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 440,106,856 common shares outstanding as of February 15, 2013.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class
T. Rowe Price Associates, Inc., 100 E. Pratt Street, Baltimore, Maryland 21202	55,018,325(2)	12.5%
JPMorgan Chase & Co., 270 Park Avenue, New York, NY 10017	27,026,437(3)	6.1%
BlackRock, Inc., 40 East 52 nd Street, New York, NY 10022	23,653,668(4)	5.4%

- (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 12, 2013, T. Rowe Price Associates, Inc., on behalf of itself and certain of its affiliates (collectively, "Price Associates") filed a Schedule 13G/A with the SEC indicating that T. Rowe Price had sole voting power with respect to 16,759,224 common shares, and sole investment power with respect to 54,977,425 common shares, of Invesco. These securities are owned by various individual and institutional investors for which Price Associates serves as an investment advisor with power to direct investments and/or sole power to vote the securities. For the purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.
- (3) On February 5, 2013, JPMorgan Chase & Co. on behalf of itself and its wholly-owned subsidiaries (collectively, "JPMorgan Chase & Co.") filed a Schedule 13G with the SEC indicating that they shared voting power with respect to 117,524 common shares, and shared investment power with respect to 228,426 common shares, of Invesco.
- (4) On February 4, 2013, BlackRock, Inc., on behalf of itself and certain of its affiliates (collectively, "BlackRock") filed a Schedule 13G with the SEC indicating that BlackRock had sole voting and investment power with respect to 23,653,668 common shares of Invesco.

Table of Contents**SECURITY OWNERSHIP OF MANAGEMENT**

The following table lists the common shares beneficially owned as of February 15, 2013 by (1) each director and director nominee, (2) each executive officer named in the Summary Compensation Table below, and (3) all current directors, director nominees and executive officers as a group. The percentage of ownership indicated in the following table is based on 440,106,856 of the company's common shares outstanding on February 15, 2013.

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, 2013, upon the exercise of outstanding share options, but excludes deferred shares which are disclosed in a separate column. Unless otherwise indicated, all directors, director nominees 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, 2013, no individual director, director nominee or named executive officer owned beneficially 1% or more of our common shares, and our directors, director nominees 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
	Owned Shares	Share Options		
Rex D. Adams	61,972			61,972
Sir John Banham	28,691			28,691
Joseph R. Canion	28,294		5,925	34,219
Martin L. Flanagan(2)	3,510,468			3,510,468
C. Robert Henrikson	4,175			4,175
Ben F. Johnson, III	16,197			16,197
Denis Kessler	28,441			28,441
Edward P. Lawrence	27,294			27,294
J. Thomas Presby(3)	19,917			19,917
Phoebe A. Wood(4)	12,893			12,893
G. Mark Armour	96,633		349,546	446,179
James I. Robertson(5)	913,930	50,000	149,137	1,113,067
Loren M. Starr	359,874			359,874
Philip A. Taylor	426,931		322,957	749,888
All Directors and Executive Officers as a Group (18 persons)	7,247,413	212,775	1,101,370	8,561,558

- (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 2008 Global Equity Incentive Plan and 2011 Global Equity Incentive Plan, as applicable. None of the shares subject to such awards may be voted or transferred by the participant.
- (2) For Mr. Flanagan, includes 2,689,569 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. Presby, includes 17,944 shares held in trust via a defined benefit account. Mr. Presby has sole voting and investment power with respect to these shares.
- (4) Ms. Wood has shared voting and investment power with respect to 64 shares.
- (5)

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For Mr. Robertson, includes 7,986 shares held in the Invesco 401(k) Plan. Mr. Robertson resigned from the Board of Directors and as an executive officer effective February 11, 2013.

Table of Contents**EXECUTIVE COMPENSATION****Compensation Discussion and Analysis****Executive Summary****Introduction**

This section presents a discussion and analysis of the philosophy and objectives of our Board's Compensation Committee (the committee) in designing and implementing compensation programs for our executive officers. In addition, this section describes and analyzes the 2012 compensation determinations relating to our chief executive officer, chief financial officer, and the next three most highly compensated executive officers (our named executive officers or NEOs) who for 2012 were:

Name	Title
Martin L. Flanagan	President and Chief Executive Officer
Loren M. Starr	Senior Managing Director and Chief Financial Officer
G. Mark Armour	Senior Managing Director and Head of EMEA
James I. Robertson	Former Senior Managing Director and Head of UK and Continental Europe ¹
Philip A. Taylor	Senior Managing Director and Head of the Americas

Invesco's compensation programs, particularly our annual incentive pools, are tied to the achievement of our strategic and financial results and our success in serving our clients' and shareholders' interests. As further described below, despite continued global market volatility, Invesco performed well in 2012. By delivering strong investment performance to clients, long-term net flows to our business grew by \$12.4 billion during the year. At the same time, adjusted operating income for 2012² fell 2.2% from the prior year as a result of our continued reinvestment in the business and a shift in client demand to products with lower-fee rates.

While our financial results were solid, and we continued to make substantial progress against our strategic objectives, the committee determined that our company-wide cash bonus pool should be decreased in light of the decrease in adjusted operating income. The committee also determined that the equity pool should remain generally unchanged from last year on an average per person basis, as an investment in the future of our business and to continue to tie the interests of our employees to the long-term interests of our shareholders.

Within these pools, the committee determined that compensation for our named executive officers should decrease in light of the decrease in the company-wide cash bonus pool and also based on changes in individual circumstances. Salaries were unchanged.

Despite the decrease in the company-wide cash bonus pools, Invesco's total employee compensation expense increased by approximately 4.1% for 2012, as compared to 2011. The principal drivers for this change included an increase in deferred compensation partly resulting from the expensing of four (rather than three) equity award tranches, an increased use of deferred awards for employee retention, increases in sales commissions, increases in bonuses for certain investment teams linked to performance fee revenues and an increase in base salaries, partially offset by the reduction in annual cash bonuses, as compared to 2011. Further discussion of the changes in total

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employee compensation expense can be found below on page 31.

For more information regarding our incentive pools and how they are determined, see the caption *How Compensation is Determined for Our Executive Officers* below.

¹ Mr. Robertson resigned from the Board of Directors and as an executive officer effective February 11, 2013.

² Adjusted operating income is a non-GAAP financial measures. Please see pages 48 through 53 of our Annual Report on Form 10-K for fiscal 2012 for a presentation of, and reconciliation to, the most directly comparable GAAP measures.

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Our Compensation Practices

Below we highlight certain executive compensation practices that align executive pay with performance, ensure good governance, and serve our shareholders' long-term interests.

What We Do

Pay for performance. We tie pay to the performance of the company and the individual. The great majority of executive compensation is not guaranteed.

Strong emphasis on deferred compensation. Compensation for our executive officers is heavily weighted to deferred compensation (60-70%) and base salaries for our executive officers are limited to on average approximately 10% of their total annual compensation.

Performance-based long-term equity awards. 30% of long-term equity awards for executive officers is tied to the achievement of specified levels of adjusted operating margin or adjusted diluted earnings per share.³ For more information regarding long-term equity awards made to our executive officers, including our named executive officers, see the caption *About Our Equity Awards* below.

Long vesting periods. Our equity awards generally vest in annual tranches over a four year period.

Linkage of incentive compensation pools to PCBOI. We have a history of disciplined decision-making over multiple years, including directly linking incentive compensation pools to a defined range of our pre-cash bonus operating income (PCBOI); thereby ensuring incentive compensation is paid only when we are generating operating income.

Clawback policy. In 2012, the committee adopted a clawback policy applicable to our executive officers performance-based long-term equity awards, as described in detail below, which permits the company to recover compensation in the event of fraudulent or willful misconduct.

Share ownership guidelines. We maintain robust share ownership guidelines for our executive officers, creating a further link between management interests, company performance and shareholder value. Shares must be held until share ownership guidelines are met. All of our executive officers have exceeded the ownership requirements.

Double triggers. We maintain the requirement of double triggers on the vesting of equity awards in the event of a change in control, meaning that an equity award holder must actually be terminated following the change in control before vesting will be accelerated.

Modest perquisites. We provide modest perquisites that provide a sound benefit to the company's business.

Independent compensation committee consultant. Our independent compensation consultant, Johnson & Associates, Inc., is retained directly by the committee and performs no other services for the company.

What We Don't Do

No dividends or dividend equivalents on unearned performance-based awards. No dividends or dividend equivalents are paid on performance-based awards during the vesting period. Rather, dividends are deferred and will be paid based on performance achieved, with no premiums.

³ Adjusted operating margin and adjusted diluted earnings per share are non-GAAP financial measures. Please see pages 48 through 53 of our Annual Report on Form 10-K for fiscal 2012 for a presentation of, and reconciliation to, the most directly comparable GAAP measures.

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No gross ups. We do not generally provide excise tax gross ups, other than in the case of certain relocation expenses, consistent with our relocation policy.

No short selling or hedging. Our insider trading policy prohibits short selling, dealing in publicly-traded options and hedging or monetization transactions in our common shares.

No option re-pricing. Our equity incentive plans contain certain provisions prohibiting option re-pricing absent approval of our shareholders.

**Results of 2012
Say-on-Pay Vote
and Our Investor
Outreach
Program**

At the 2012 Annual General Meeting of Shareholders, 96.43% of the votes cast were in favor of the advisory proposal to approve our NEO compensation, (the Say-on-Pay advisory proposal). Although we believe that the 2012 vote conveyed our shareholders' strong support of the committee's decisions and the existing executive compensation programs, during 2012, we continued to actively seek investor input to obtain ongoing feedback concerning our compensation programs. In 2012, we held meetings with a significant number of our largest shareholders. While all of the shareholders we spoke with agree on the importance of pay and performance alignment, there was no consensus among these shareholders on how alignment should be measured. These shareholders affirmed the importance of clear disclosure and transparency regarding the decision making process undertaken by the committee.

Based on this feedback the committee determined to continue our current compensation practices as described in this Compensation Discussion and Analysis.

**2012 Financial
Performance**

Invesco continued to deliver strong, long-term investment performance to clients during 2012 while making further progress against our multi-year strategic objectives. Additionally, we continued to invest in our business and took advantage of opportunities to further strengthen our competitive and financial position.

Key measures of our 2012 financial performance are shown below.

Measure ¹	2012 Actual Results	Change from 2011	2011 Actual Results	2010 Actual ² Results
Assets Under Management (AUM) as of December 31	\$687.7B	+10.0%	\$625.3B	\$616.5B
Adjusted Operating Income	\$1,045.1M	-2.2%	\$1,068.9M	\$897.7M
Adjusted Operating Margin	35.3%	-1.6 pts.	36.9%	35.6%
Adjusted Diluted EPS	\$1.71	+1.8%	\$1.68	\$1.38

In addition, we returned \$554 million of capital to our shareholders in 2012 in the form of dividends and share repurchases.

**2012 Progress
Against Our
Strategic
Objectives**

Throughout the year, we continued to make substantial progress against our long-term strategic objectives. Significant achievements across all areas of our business further positioned us for growth and long-term success, including:

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Achieve strong investment performance Continued to build our investment culture while delivering strong investment performance to our clients, and leveraged our global Investors Forum to promote greater connectivity among our investors.

- ¹ Adjusted operating income, adjusted operating margin and adjusted diluted earnings per share are non-GAAP financial measures. Please see pages 48 through 53 of our Annual Report on Form 10-K for fiscal 2012, for a presentation of, and reconciliation to, the most directly comparable GAAP measures.
- ² The 2010 results include seven months of activity following the June 1, 2010 acquisition of the Morgan Stanley retail asset management business. Subsequent years' results include a full year of activity for the acquired business.

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Be instrumental in our clients' success Strengthened and deepened relationships with our clients, and enhanced our ability to better understand and meet client needs by expanding our broad range of capabilities in areas of significant investor demand.

Harness the power of our global platform Further strengthened our global platform and implemented a number of continuous improvement initiatives across the firm to achieve greater efficiencies and cost effectiveness. Further leveraged our global workforce by expanding local roles and functions to work more effectively within regions and around the world.

Perpetuate a high-performance organization Successfully implemented key organizational changes to better align us with future growth opportunities; increased collaboration across regions, and significantly reinvested in employee talent through additional focus on performance leadership and succession planning.

**Summary of
Named Executive
Officer
Compensation**

Our chief executive officer's total annual compensation for 2012 was reduced through 10% decrease in his cash bonus. While our financial results were strong in 2012, and we continued to make substantial progress against our strategic objectives, the committee reduced the CEO's cash bonus in light of the decrease in the firm-wide cash bonus pool for 2012 on an average per person basis for management and staff, as compared to 2011.

Total annual compensation for 2012 for our other named executive officers ranged from flat to down significantly based on individual circumstances. For more information regarding annual compensation for each named executive officer, see the caption *2012 Named Executive Officer Compensation* below.

**How
Compensation is
Determined for
Our Executive
Officers**

The committee utilizes the following compensation principles in its decision-making process.

Our compensation programs are designed, structured and implemented at every level to align with our long-term strategic objectives. Specifically, we:

align incentive awards with client and shareholder success;

provide competitive compensation tied to strategic and financial results;

differentially reward high performers; and

provide an appropriate mix of cash and deferred compensation.

We recognize that our employees are critical to our success. We benefit from a stable management team which has guided our company through several years of global financial market uncertainty and volatility. As an investment management firm, one of our greatest assets is the skill and experience of our employees. It is critical that we are able to attract, retain and motivate talented professionals while aligning their incentives with the interests of our clients and shareholders. A significant portion of compensation of our portfolio managers is delivered through deferred compensation.

The dominant portion of an executive officer's compensation should be variable, reflecting the company's results on an annual basis and over multi-year periods. Share ownership by our executive officers, as well as linking the vesting of a portion of equity awards to targeted financial results, creates a clear tie between management interests, company performance and shareholder value.

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In determining executive compensation, the committee reviews the executive compensation programs of our industry peer companies as well as other comparable investment management reference companies. Our industry peers (see box below) consist of companies in the S&P 500 and S&P 400 that are also in the Asset Management and Custody Bank sub-index, plus AllianceBernstein L.P., another global asset manager followed by industry analysts.

Information provided by the committee's consultant. Johnson Associates advises the committee on director and executive officer compensation by, among other things:

providing the committee with certain information comparing the compensation of our executive officers to that of comparable positions at our industry peer companies and selected private companies or divisions of broader financial services firms;

adjusting compensation data for differences in company size and the scope of executive roles; and

providing guidance on market trends and environment within investment management industry.

The committee uses such data as reference material to assist it in maintaining a general awareness of industry compensation standards and trends. The market data does not formulaically determine the committee's compensation decisions for any particular executive officer. The committee does not target a particular percentile of the peer group with respect to total pay packages or any individual component of pay.

The company establishes two company-wide incentive pools (cash and deferred compensation) within established guidelines to ensure that compensation is aligned with our financial and strategic results. All 2012 awards, including NEO awards, were paid

out of these award pools. As part of the committee's oversight of compensation, the committee annually approves two company-wide award pools:

a cash bonus pool; and

a deferred compensation pool, to be utilized for annual stock deferral awards and long-term equity awards.

At regular intervals during the year, the Committee examines the company's progress on multiple financial measures, including pre-cash bonus operating income (PCBOI), adjusted operating margin, assets under management and adjusted

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diluted earnings per share, as well as non-quantitative measures, such as the company's progress toward achieving its strategic objectives. While each of these items is considered by the committee in determining the size of the two pools, the committee does not attempt to rank or assign relative weight to any factor but rather applies its judgment in considering them in their entirety.

The committee annually sets parameters, used consistently for many years, to guide the end-of-year decision-making process regarding incentive pool sizes. These parameters are expressed as a percentage of PCBOI. The committee uses a range of 34-48% of PCBOI, in the aggregate, in setting the company-wide incentive pools, though it maintains the flexibility to go outside either end of this range in circumstances that it deems exceptional. The range includes consideration of the cash bonus and deferred compensation pools, as well as sales commission plans, which plans are approved at the beginning of the year and are paid out

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throughout the year. Additionally, the range was determined based on historical data concerning the practices of our peer group as analyzed by Johnson Associates and based on data obtained from the McLagan and CaseyQuirk Performance Intelligence Study. Over the past five years, the aggregate incentive pools have averaged approximately 44% of PCBOI. Utilizing its judgment, and applying discretion based upon the company's financial results and progress toward strategic objectives during 2012, the committee set the two company-wide award pools, including the commission plans, for 2012, in aggregate, at approximately 45% of PCBOI (compared to 42% of PCBOI for 2011). The increase in the percentage of PCBOI was largely driven by higher levels of sales commissions resulting from increased sales during 2012. **The total incentive pools consisted of the cash bonus pool which decreased in light of the decrease in operating income, and an equity pool which remained generally unchanged from last year on an average per person basis, as an investment in the future of our business and to continue to tie the interests of our employees to the long-term interests of our shareholders.**

Despite the decrease in the company-wide cash bonus pools, Invesco's total employee compensation expense increased \$51.5 million (4.1%) to \$1,297.7 million in the year ended December 31, 2012 (year ended December 31, 2011: \$1,246.2 million). After allowing for foreign exchange rate changes, the increase in employee compensation was \$62.4 million. This includes an increase in deferred compensation of \$36.1 million, of which approximately \$18 million results from the impact of a previous change in our vesting service period from three to four years, which results in 2012 being the first year with four award tranches being expensed, as compared to three award tranches in previous years. The increase in deferred cash compensation also includes \$8.1 million from the appreciation of the deferred liability as the return to the employee is linked to specific investments, typically the funds managed by the employee. The remaining increase in deferred compensation costs reflects the increased use of deferred awards in recent years for staff retention purposes. Other changes in employee compensation include an increase in sales commissions of \$17.0 million, a \$4.6 million increase in bonuses linked to performance fee revenues, \$6.4 million increase in base salaries and a \$4.1 million reduction in annual cash bonuses during the year ended December 31, 2012 when compared to the year ended December 31, 2011. Employee compensation expenses in 2012 included termination costs of \$18.9 million.

Further discussion of the changes in employee compensation expense can be found in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, in our Annual Report on Form 10-K for 2012.

For more information regarding the company's financial results and our achievement of strategic objectives for 2012, see the captions *2012 Financial Performance* and *2012 Progress Against Our Strategic Objectives* above.

Based upon the above, the committee determines our named executive officers' annual variable compensation, consisting of:

an annual cash bonus,

annual stock deferral award, and

long-term equity award.

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The committee also reviews the salary of each named executive officer. Consistent with the compensation principles described above, the committee designates the majority of NEO pay as variable compensation. For more information on the above-mentioned components of compensation, please see the table on page 39 entitled *Components of Executive Compensation and Their Purpose*.

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The committee reviews the company's financial performance and progress against our strategic objectives and each named executive officer's specific goals and accomplishments in determining compensation. For more information regarding the goals and accomplishments of our named executive officers, see the caption "2012 Named Executive Officer Compensation" below.

The following chart shows the alignment of our NEO's total annual compensation for the last five years with the year-over-year change in our adjusted operating income.

The committee believes that the above trend line shows appropriate alignment of NEO compensation with the overall operating results of the company. For 2012, NEO compensation was reduced more than the decline in operating income.

For 2009, total compensation of our named executive officers rose due to an increase in the long-term equity award component. The committee approved this increase based on its determination that, in the wake of the significant acquisition of the retail asset management business of Morgan Stanley, our named executive officers should be further motivated to position the company for growth and to further align their interests with those of our shareholders.

The flowchart on the next page depicts the committee's compensation decision process and related judgments in determining the named executive officers' compensation for 2012.

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2012 Compensation Decision Process

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**2012 Named
Executive Officer
Compensation**

Set forth below is a summary of the material goals and accomplishments for 2012 of each named executive officer which the committee considered in determining each such officer's compensation for 2012. In addition, the following graphs show for each officer the ratio of 2012 cash compensation (salary and annual cash bonus) to deferred compensation (annual stock deferral award and long-term equity award). The tables set forth the elements of compensation paid to each such officer for 2012.

Note: The graphs and tables below depict how the committee viewed its compensation decisions for our NEOs, but they differ substantially from the Summary Compensation Table (SCT) on page 45 required by SEC rules and are not a substitute for the information presented in the SCT. There are two principal differences between the SCT and the presentation below:

The company grants both cash and equity incentive compensation after our earnings for a performance year have been announced. In both the presentation below and the SCT, cash incentive compensation granted in 2013 for 2012 performance is shown as 2012 compensation. Our presentation below treats equity awards similarly, so that equity awards granted in 2013 are shown as 2012 compensation. The SCT does not follow this treatment, however, and instead reports the value of equity awards in the year in which they are granted, rather than the year in which they were earned. As a result, equity awards granted in 2013 for 2012 performance are shown in our presentation below as 2012 compensation, but the SCT reports for 2012 the value of equity awards granted in 2012 in respect of 2011 performance.

The SCT reports All Other Compensation. These amounts are not part of the committee's compensation determinations and are not shown in the presentation below.

Martin L. Flanagan - President and Chief Executive Officer

Achieve strong investment performance Mr. Flanagan oversaw the company's continued focus on delivering investment excellence to clients and further enhanced the firm's strong investment culture. Investment performance across the company remained strong throughout 2012 in spite of continued volatility in the global markets.

Be instrumental to our clients' success Mr. Flanagan led initiatives to further strengthen and deepen client relationships through superior client engagement. He led the effort to better understand and meet client needs by sharpening product offerings and delivering capabilities globally to meet investor demand.

Harness the power of our global platform Mr. Flanagan oversaw efforts to further strengthen our global platform and achieve greater efficiencies and cost effectiveness. He expanded the firm's focus on continuous improvement and more effectively leveraging our global workforce by expanding local roles and functions to be more regional and global.

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Perpetuate a high-performance organization Mr. Flanagan successfully managed changes within the organization to drive increased collaboration across regions and more effectively leverage our investment capabilities globally. He oversaw efforts to significantly reinvest in employee talent through additional focus on performance leadership and succession planning.

Invesco is generally near the median of our peer group in terms of market capitalization and annual revenues. Our CEO's total compensation earned in 2011 was at approximately the 60th percentile of 2011 CEO total compensation of our industry peer companies (the latest year for which data was available). When comparing performance on a variety of financial measures, Invesco ranges between the 50th and 70th percentiles. Therefore, the committee believes that total compensation and performance are well aligned.

Approximately 67% of our CEO's total annual compensation is deferred, compared to an average CEO-deferral rate of approximately 56% for our industry peers for 2011 (the latest year for which information was available).

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2012 Total Compensation*		Change from Prior Year	
\$12,515,000		-3%	
<u>Base Salary</u>	2012 Annual <u>Cash Bonus</u>	2012 Annual Stock Deferral <u>Award</u>	2012 Long- Term Equity <u>Award</u>
\$ 790,000	\$ 3,750,000	\$ 1,500,000	\$ 6,850,000
Change from <u>Prior Year</u>	Change from <u>Prior Year</u>	Change from <u>Prior Year</u>	Change from <u>Prior Year</u>
0%	-10%	0%	0%

* Consists of salary, annual cash bonus, annual stock deferral award and long-term equity award (includes time-based and performance-based awards) earned in 2012- see note on page 34 regarding differences from the SCT.

Loren M. Starr Senior Managing Director and Chief Financial Officer

Generate capital planning efficiencies Mr. Starr decreased capital infusions to subsidiaries by tens of millions of dollars and thereby freed up millions of dollars in excess regulatory capital.

Improve debt position for the firm Mr. Starr guided the company in raising \$600 million in 10-year maturity low-cost debt (3.125% coupon) while retiring existing long-term bonds with 2013 and 2014 maturities (5.375% coupons).

Strengthen shareholder transparency Mr. Starr introduced improved disclosure to shareholders related to Invesco's balance sheet and statement of cash flow and drove our efforts to return capital to shareholders through dividends, which were increased 41% year-over-year.

Improve management financial forecasting and reporting Mr. Starr implemented a rolling quarterly forecasting process throughout the firm, improving the relevance, accuracy and accountability of our operating planning process.

Improve leadership, people development and training Mr. Starr devoted significant attention to people development in 2012, resulting in material improvement in employees' development, training and leadership skills.

2012 Total Compensation*		Change from Prior Year	
\$3,428,500		-3%	
<u>Base Salary</u>	2012 Annual <u>Cash Bonus</u>	2012 Annual Stock Deferral <u>Award</u>	2012 Long- Term Equity <u>Award</u>

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\$ 450,000	\$ 859,950	\$ 368,550	\$ 1,750,000
Change from <u>Prior Year</u>	Change from <u>Prior Year</u>	Change from <u>Prior Year</u>	Change from <u>Prior Year</u>
0%	-9%	-9%	0%

* Consists of salary, annual cash bonus, annual stock deferral award and long-term equity award (includes time-based and performance-based awards) earned in 2012- see note on page 34 regarding differences from the SCT.

Table of Contents**G. Mark Armour – Senior Managing Director and Head of EMEA**

Maintain investment capabilities at high levels Mr. Armour further strengthened the investment culture and achieved solid results among the company's institutional investment capabilities.

Create and execute client engagement plans for consultants and plan sponsors to ensure client success. Mr. Armour led the effort to deepen relationships with clients and consultants and better understand their needs. As a result, the firm continued to deliver best-in-class product ratings and best practice sales and service management for the benefit of institutional clients.

Deliver the firm's investment capabilities to institutional clients globally. Mr. Armour continued his successful leadership of a strategic initiative to match the firm's investment capabilities to meet the particular needs of individual clients globally.

Strengthen and further develop the firm's alternative investment capabilities. Mr. Armour continued the development of our alternative investment capabilities, including real estate, direct private equity and private wealth management.

The scope of Mr. Armour's responsibilities narrowed in 2012, due to the transition of an investment center under his leadership to Karen Dunn Kelley, who assumed a broader role in representing investments across Invesco. Mr. Armour's responsibilities were also reduced by the transition of leadership for institutional sales to Philip A. Taylor, as Invesco streamlined the sales function in the Americas. Consequently, the committee determined that a reduced cash bonus was appropriate for Mr. Armour for 2012. In early 2013, Invesco announced that Mr. Armour would assume responsibility for Invesco's EMEA region (which includes the UK, continental Europe and the Middle East) from Mr. Robertson, in addition to his existing responsibilities.

2012 Total Compensation*	Change from Prior Year
\$3,640,660	-23%

	2012 Annual Cash Bonus	2012 Annual Stock Deferral Award	2012 Long- Term Equity Award
<u>Base Salary</u>			
\$ 440,969	\$ 874,691	\$ 575,000	\$ 1,750,000
Change from <u>Prior Year</u>	Change from <u>Prior Year</u>	Change from <u>Prior Year</u>	Change from <u>Prior Year</u>
-1%	-35%	-4%	-26%

* Consists of salary, annual cash bonus, annual stock deferral award and long-term equity award (includes time-based and performance-based awards) earned in 2012- see note on page 34 regarding differences from the SCT.

James I. Robertson – Former Senior Managing Director and Head of UK and Continental Europe

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Maintain high levels of performance of UK investment teams. Under Mr. Robertson's stewardship, the UK investment teams continued to deliver strong, long-term investment performance to clients in spite of challenging markets.

Achieve momentum with the firm's continental Europe business. In spite of a difficult operating environment in the region, Mr. Robertson continued to execute the firm's multi-year plan to position the firm for continued long-term success in continental Europe.

⁴ Mr. Robertson resigned from the Board of Directors and as an executive officer effective February 11, 2013.

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Extension of Invesco's successful multi-asset strategy. Mr. Robertson oversaw the successful creation of Invesco Perpetual's new multi-asset group as an integral part of the Invesco Perpetual investment team. The new group builds on Invesco's successful existing Atlanta-based global multi-asset capability.

Mr. Robertson has begun moving toward his planned retirement at the end of 2013, formally transitioning responsibilities to Mr. Armour in February 2013. As a result, the committee determined that Mr. Robertson would not be granted a long-term equity award in February 2013.

2012 Total Compensation*		Change from Prior Year	
\$2,104,306		-57%	
<u>Base Salary</u>	<u>2012 Annual Cash Bonus</u>	<u>2012 Annual Stock Deferral Award</u>	<u>2012 Long-Term Equity Award</u>
\$ 557,398	\$ 1,006,908	\$ 540,000	\$0
<u>Change from Prior Year</u>	<u>Change from Prior Year</u>	<u>Change from Prior Year</u>	<u>Change from Prior Year</u>
-1%	-31%	-10%	-100%

* Consists of salary, annual cash bonus, annual stock deferral award and long-term equity award (includes time-based and performance-based awards) earned in 2012- see note on page 34 regarding differences from the SCT.

Philip Taylor Senior Managing Director and Head of the Americas

Increase overall sales and distribution effectiveness Mr. Taylor directed the successful achievement of impactful sales initiatives for our largest and highest potential clients resulting in the Americas delivering strong sales and net flows. Mr. Taylor reorganized U.S. sales and distribution, which strengthened sales leadership's management, rigor and effectiveness. Independent research showed a general improvement in brand and attribute awareness.

Perpetuate a high-performance organization by sustaining a talented pool of investment professionals working within a resilient investment culture to generate strong investment performance over the long term Mr. Taylor directed the restructuring of certain investment teams, resulting in stronger leadership and management and deeper investment management talent. Investment performance was strong in both the U.S. and Canada.

Strengthen and focus investment products to offer compelling investment processes and strategies, reduce product overlap, ensure our products can be clearly distinguished and provide a foundation for future growth Mr. Taylor successfully completed the near-final phase of the multi-year consolidation and merger of numerous products resulting in a strengthened and more focused set of investment choices for our investors.

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2012 Total Compensation*		Change from Prior Year**	
\$6,814,294		-1%	
Base Salary	2012 Annual Cash Bonus	2012 Annual Stock Deferral Award	2012 Long-Term Equity Award
\$ 638,434	\$ 2,105,860	\$ 870,000	\$ 3,200,000
Change from <u>Prior Year</u>	Change from <u>Prior Year</u>	Change from <u>Prior Year</u>	Change from <u>Prior Year</u>
-1%	-1%	0%	0%

* Consists of salary, annual cash bonus, annual stock deferral award and long-term equity award (includes time-based and performance-based awards) earned in 2012 - see note on page 34 regarding differences from the SCT.

** All elements of compensation for 2012 remained unchanged from 2011. The slight decrease in US dollars is the result of foreign exchange differences for salary and annual cash bonus between periods.

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Components of Executive Compensation

The following table describes each component of executive compensation, as well as its purpose and key measures.

Compensation and Their Purpose

Incentive Type	Pay Element	What It Does	Key Measures
FIXED	Base salary	Provides competitive fixed pay	Experience, duties and scope of responsibility Internal and external market factors Reviewed annually
	Annual cash bonus	Provides a competitive annual incentive opportunity	Based upon company's annual financial results and progress against long-term strategic objectives
	Annual stock deferral award	Provides a competitive annual incentive opportunity	Based upon company's annual financial results and progress against long-term strategic objectives
VARIABLE		Aligns executive with shareholder interests	
		Encourages retention by vesting in annual increments over four years	
	Long-term equity awards (performance-based and time-based vesting)	Recognizes long-term potential for future contributions to company's long-term strategic objectives	Based upon company's annual financial results and progress against long-term strategic objectives
		Aligns executive with shareholder interests	30% performance vesting based upon measures of adjusted diluted EPS and adjusted operating margin
	Encourages retention by vesting in annual increments over four years	70% time-based vesting	

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**About Our
Equity Awards**

Beginning with awards granted in 2012, the vesting of thirty percent (30%) of long-term equity awards granted to our named executive officers has been conditioned upon achievement of certain financial measures. In order to further emphasize the importance of long-term performance, the committee implemented a modified long-term equity award structure for our executive officers, including our named executive officers. The committee believes that long-term equity awards should align employee and shareholder interests and that a portion of such awards should be paid only upon achievement of targeted company financial results. Therefore, the executive's ability to realize 30% of the long-term equity award is tied to the achievement each year of at least one of two performance measures:

adjusted operating margin of the company for the fiscal year, as set forth in the company's SEC reports, must exceed certain thresholds; or

adjusted diluted earnings per share of the company for the fiscal year, as set forth in the SEC reports, must exceed certain thresholds.

Long-term equity awards are four-year awards which vest in 25% increments each year. In the event either targeted financial measure is achieved at or above a vesting threshold for a particular year, the portion of the long-term equity award subject to targeted financial measures will vest proportionately between 0% and 100%, based upon the higher achieved level for that year. In addition, dividend equivalents will be deferred for such performance awards and will only be paid if and to the extent an award vests.

The targeted financial measures vesting thresholds for the long-term equity awards granted in February 2013 are illustrated below.

Vests proportionately between 0% and 100%, based on the higher achievement level for that year.

Our executive officers' long-term equity awards subject to achievement of target financial results are also subject to a clawback policy. In 2012, the committee enhanced our compensation practices by approving forfeiture or clawback provisions for all equity awards which are subject to achievement of target financial results in respect of our executive officers, including our named executive officers. The provision provides that any shares received (whether vested or unvested), any dividends or other earnings thereon, 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, in good faith, that fraud or willful misconduct on the part of the employee was a significant contributing factor to the need to issue such restatement; and

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some or all of the shares granted or received prior to such restatement would not have been granted or received, as determined by the committee in its sole discretion, based upon the restated financial results.

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All equity awards made to our executive officers are subject to our Executive Officer

Stock Ownership Policy. The

policy requires executive officers to

achieve a certain ownership level

within three years. Until such level is achieved,

each executive officer is

required to retain 100% of the shares received from our share incentive plans. All of our executive officers have achieved their respective ownership level requirements.

**Role of the
Compensation
Committee**

The committee has, among other duties, responsibility for determining the components and amounts of compensation paid to our executive officers, including our named executive officers. The committee's responsibilities include:

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

approving company-wide annual compensation pools;

evaluating the performance of, and setting the compensation for, the chief executive officer;

reviewing and overseeing management's annual process for evaluating the performance of, and approving the compensation for, all other executive officers, including the other named executive officers; and

overseeing the administration of the company's compensation programs.

The committee makes its compensation determinations in its discretion, without formulaically tying its determinations to specific targets, formulas or weightings. The achievement of any particular goal or objective, financial or individual, does not automatically result in any particular level of compensation. The committee believes that a flexible approach in aligning management and shareholder interests, which takes into account qualitative judgments tied to the achievement of financial results and progress against our long-term strategic objectives, is more effective than purely formulaic criteria.

**Use of
Compensation
Consultants**

The committee's charter gives it the authority to retain consultants and other advisors to assist it in performing its duties. The committee has engaged Johnson Associates, an independent consulting firm, to advise it on director and executive compensation matters. Johnson Associates:

attends certain meetings of the committee and periodically meets with the committee without members of management present;

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assists the committee throughout the year in its analysis and evaluation of our overall executive compensation programs;

assists the committee in its review of compensation paid to our directors and executive officers, including our named executive officers;

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

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estimates pay levels of comparable positions at comparable investment managers, both public and private (using data provided by Invesco regarding job titles and responsibilities of our executive officers);

provides commentary regarding market conditions, market impressions and compensation trends; and

applies its qualitative judgment to the data from these disparate sources and provides market consensus information to the committee, accompanied by oral commentary.

The committee uses such data as reference material to assist it in gaining a general awareness of industry compensation standards and trends. The market data, including performance and pay practices of the peer group, do not directly affect the committee's compensation determinations for our executive officers, including our named executive officers. Although we seek to offer to our executive officers a level of total compensation that is competitive, we do not target a particular percentile of market or the peer group with respect to total pay packages or any individual components thereof. The committee's consideration of the market compensation levels and performance constitutes only one of many factors reviewed and such market or peer group data is considered generally and not as a substitute for the committee's independent judgment in making compensation decisions regarding our executive officers.

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 2012. The company uses other compensation and benefits consultants to provide market practice data, actuarial services and/or advice relating to broad management employee programs in which named executive officers may participate.

Role of Executive Officers in Determining

Our chief executive officer meets with the non-executive directors (including the members of the committee) throughout the year to discuss executive performance and compensation matters, including proposals relative to compensation for individual executive officers (other than the chief executive officer). Our chief executive officer and chief administrative officer 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 and may, from time to time, provide an explanation of the appropriate accounting treatment relating to certain awards.

Executive Compensation

Award Maximums for Named Executive Officers

In determining compensation for the named executive officers, the committee considers the potential impact of Section 162(m) of the Internal Revenue Code. Section 162(m) generally disallows a tax deduction to public corporations for compensation greater than \$1 million paid per fiscal year to each of the corporation's covered employees (generally, the chief executive officer and the next three most highly compensated executive officers as of the end of any fiscal year). However, compensation which qualifies as performance-based is excluded from the \$1 million per executive officer limit if, among other requirements, the compensation is payable only upon attainment of pre-established, objective performance goals under a plan approved by the company's shareholders.

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As part of our compensation program for executive officers, the company maintains the Executive Incentive Bonus Plan (Bonus Plan). The Bonus Plan provides for annual performance-based awards to eligible employees. For each executive officer, the committee determines on an annual basis an award maximum under the Bonus Plan. Award maximums are expressed as a percentage of PCBOI an objectively determined performance criteria that is intended to qualify for the performance-based exemption to the \$1 million deduction limit under Section 162(m). Award maximums pertain to the cumulative value of an executive officer s annual variable compensation consisting of the annual cash bonus, annual stock deferral award and long-term equity award. In the event the committee determines to grant additional compensation that is not performance-based compensation to an executive subject to the provisions of Section 162(m), the additional compensation will be subject to the \$1 million deduction limitation.

In February 2012, the committee established three levels of award maximums in respect of our named executive officers one each for the chief executive officer, senior managing directors of business components, and senior managing directors of staff functions. The three levels of award maximums were established after consideration of:

prior-year compensation levels in light of the company s 2011 PCBOI;

projected maximum award levels based on the company s estimated 2012 PCBOI;

market data for industry comparative compensation levels; and

comparisons for job roles and levels of responsibility.

**Employment
Agreements,
Post-employment
Compensation and
Change-in-Control
Arrangements**

Employment Agreement of our Chief Executive Officer Our chief executive officer has an employment agreement with the company that was amended and restated as of January 1, 2011. Under the amended and restated employment agreement, Mr. Flanagan continues to be 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 \$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 below under the caption *Potential Payments Upon Termination or Change in Control for 2012*.

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Post-employment Compensation -

Chief Executive Officer Pursuant to Mr. Flanagan's amended and restated employment agreement, in the event of his termination without cause or resignation for good reason he is entitled to receive the following payments and benefits (provided that 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 (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 previously-made grant, in which case the value of the 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.

Other Named Executive Officers Our other named executive officers are parties to employment arrangements that create salary continuation periods of six or twelve months in the event of involuntary termination of service without cause. (See the section below entitled *Potential Payments Upon Termination or Change in Control for 2012.*)

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Change-in-Control Arrangements Generally, all participants who hold equity awards, including our named executive officers, 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 by voluntary termination for good reason.

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.

Respectfully submitted by the Compensation Committee

Sir John Banham (Chairman)

Rex D. Adams

C. Robert Henrikson

Ben F. Johnson, III

Denis Kessler

Edward P. Lawrence

Phoebe A. Wood

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The following table sets forth information about compensation earned by our named executive officers during 2010, 2011 and 2012 in accordance with SEC rules. The information presented below may be different from compensation information presented in this Proxy Statement under the caption 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 34.

Name and Principal Position	Year	Salary (\$ (1))	Share Awards (\$ (2))	Non-Equity Incentive Plan Compensation (\$ (3))	All Other Compensation (\$ (4))	Total (\$)
Martin L. Flanagan President and Chief Executive Officer	2012	790,000	8,349,969	3,375,000	728,966	13,243,935
	2011	790,000	8,349,978	3,750,000	530,480	13,420,458
	2010	790,000	6,508,494	3,750,000	459,908	11,508,402
Loren M. Starr Senior Managing Director and Chief Financial Officer	2012	450,000	2,154,972	859,950	149,516	3,614,438
	2011	450,000	2,154,984	945,000	117,622	3,667,606
	2010	450,000	1,685,992	945,000	101,180	3,182,172
G. Mark Armour Senior Managing Director and Head of EMEA	2012	440,969	2,849,983	874,691	223,981	4,389,624
	2011	443,670	3,099,993	1,350,000	238,918	5,132,581
	2010	400,000	2,919,988	1,400,000	292,010	5,011,998
James I. Robertson Former Senior Managing Director	2012	557,398	2,849,983	1,006,908	769,128	5,183,417
	2011	563,421	2,849,979	1,455,405	236,312	5,105,117
	2010	540,280	2,759,543	1,400,000	579,663	5,279,486
Philip A. Taylor Senior Managing Director and Head of Americas	2012	638,434	4,069,953	2,105,860	311,576	7,125,823
	2011	647,365	4,069,964	2,135,409	257,391	7,110,129
	2010	616,374	4,169,958	2,030,000	359,404	7,175,737

(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 Messrs. Armour, Robertson and Taylor, base salary is converted to U.S. dollars using an average annual exchange rate.

(2) For share awards granted in 2012, includes time-based and performance-based equity awards that generally vest in four equal annual installments on each anniversary of the date of grant. The value of performance-based awards is based on the grant date value and reflects the probable outcome of such conditions and represents the highest level of achievement. See, Grants of Plan-Based Share Awards for 2012 for information about the number of shares underlying each of the time-based and performance-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. The grant date fair value was calculated by multiplying the 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 12 Share-Based Compensation to the financial statements in our Annual Report.

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(3) Reflects annual cash bonus award earned for fiscal year by the named executive officers under the Executive Incentive Bonus Plan and paid in February of the following year. For 2012, for Messrs. Armour, Robertson and Taylor, annual cash bonus awards are converted to U.S. dollars using an average annual exchange rate.

(4) The following table reflects the items that are included in the All Other Compensation column for 2012.

All Other Compensation Table for 2012

Name	Dividends Paid on Unvested Stock Awards	Insurance Premiums	Company Contributions to Retirement and 401(k) Plans	Tax Gross Ups	Tax Consultation	Perquisites	Total All Other Compensation
	(\$ (1))	(\$)	(\$ (2))	(\$)	(\$)	(\$ (3))	(\$)
Martin L. Flanagan	471,763	4,398	21,750			231,055	728,966
Loren M. Starr	123,800	3,966	21,750				149,516
G. Mark Armour	204,456	7,159			12,365		223,981
James I. Robertson	208,720	3,069	44,533		37,196	475,610	769,128
Philip A. Taylor	238,088	2,363	13,508		6,721	50,895	311,576

(1) Dividends and dividend equivalents are paid on unvested awards at the same rate as on our other shares.

(2) 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.

(3) Perquisites include the following:

With respect to Mr. Flanagan, includes \$229,814 for his personal use of company-provided aircraft. The company pays certain hourly, monthly and annual fees for its use of a fractionally-owned airplane. The company also 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.

Fees paid by the company for the officer's and his family's and/or spouse's recreational activities in conjunction with a company-sponsored off-site business meeting.

With respect to Mr. Robertson, includes (i) \$102,746 for Mr. Robertson's corporate housing in connection with his work in the UK, consisting of rental and utility payments; (ii) \$372,000 for tax equalization payments; and (iii) fees paid by the company for the officer's and his family's and/or spouse's recreational activities in conjunction with a company-sponsored off-site business meeting.

With respect to Mr. Taylor, includes (i) \$46,789 for Mr. Taylor's corporate housing; (ii) work-related parking costs; and (iii) fees paid by the company for the officer's and his family's and/or spouse's recreational activities in conjunction with a company-sponsored off-site business meeting.

Grants of Plan-Based Share Awards for 2012

The committee granted share awards to each of the named executive officers during 2012. Share awards are subject to transfer restrictions and subject to forfeiture prior to vesting upon a recipient's termination of employment for any reason other than death, disability, involuntary termination without cause, or (in the case of Mr. Flanagan only) voluntary termination for good reason. All share awards immediately become

vested upon

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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 disability, 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 2012:

Name	Grant Date	Committee Action Date	Vesting	Estimated Future Payout Under Equity Incentive Plan Awards (1)		All Other Share Awards (#) (2)	Closing Market Price on Date of Grant (\$/Share)	Grant Date Fair Value of Share Awards (\$) (3)
				Threshold (#)	Maximum (#)			
Martin L. Flanagan	02/28/12	02/16/12	4-year ratable	0	82,331		24.96	2,054,982
	02/28/12	02/16/12	4-year ratable			252,203	24.96	6,294,987
Loren M. Starr	02/28/12	02/16/12	4-year ratable	0	21,033		24.96	524,984
	02/28/12	02/16/12	4-year ratable			65,304	24.96	1,629,988
G. Mark Armour	02/28/12	02/16/12	4-year ratable	0	28,245		24.96	704,995
	02/28/12	02/16/12	4-year ratable			89,943	24.96	2,244,977
James I. Robertson	02/28/12	02/16/12	4-year ratable	0	27,043		24.96	674,993
	02/28/12	02/16/12	4-year ratable			87,139	24.96	2,174,989
Philip A. Taylor	02/28/12	02/16/12	3-year ratable	0	28,846		24.96	719,996
	02/28/12	02/16/12	4-year cliff	0	9,615		24.96	239,990
	02/28/12	02/16/12	3-year ratable			93,449	24.96	2,332,487
	02/28/12	02/16/12	4-year cliff			31,149	24.96	777,479

(1) Performance-based Equity Awards. Performance-based equity awards were granted under the 2011 Global Equity Incentive Plan. For each of the named executive officers other than Mr. Taylor, performance-based equity awards are four-year awards that vest 25% each year. With respect to Mr. Taylor, performance-based equity awards are comprised of a 3-year award that vests 33% each year and a 4-year award that vests 100% on the fourth anniversary of the date of grant.

Performance-based equity awards are tied to the achievement of specified levels of adjusted operating margin or adjusted diluted earnings per share. In the event that either targeted financial measure is achieved at or above a vesting threshold for a particular year, the portion of the performance-based equity award subject to targeted financial measures will vest proportionately between 0% and 100% based upon the higher achieved level for that year. Please see below for detail regarding achievement of performance. Dividend equivalents will be deferred for such performance-based equity awards and will only be paid at the same rate as on our shares if and to the extent an award vests.

Vests proportionately between 0% and 100% based on the higher achievement level for that year.

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- (2) Time-based Equity Awards. Time-based equity awards were granted under the 2011 Global Equity Incentive Plan. For each of the named executive officers other than Mr. Taylor, time-based equity awards are four-year awards that vest 25% each year. With respect to Mr. Taylor, time-based equity awards are comprised of a 3-year award that vests 33% each year and a 4-year award that vests 100% on the fourth anniversary of the date of grant. Dividends and dividend equivalents are paid on unvested awards at the same time and rate as on our shares.
- (3) 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 Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 718 Compensation Stock Compensation. 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 highest level of achievement.

Table of Contents**Outstanding Share Awards at Fiscal Year-End for 2012**

The following table provides information as of December 31, 2012 about the outstanding share awards held by our named executive officers:

Name	Date of Grant	Option Awards			Option Exercise Price (\$)(1)	Option Expiration Date	Share Awards			
		Number of Securities		Number of Shares or Units of Stock that Have Not Vested (#)(2)			Market Value of Shares or Units of Stock that Have Not Vested (\$)(2)	Equity Incentive Plan Awards that Have Not Vested (#)	Equity Incentive Plan Awards that Have Not Vested (\$)	
		Underlying Options								
		Exercisable (#)	Unexercisable (#)							
Martin L. Flanagan	(2) 02/27/09					86,505	2,256,915			
	(3) 02/26/10					166,033	4,331,801			
	(4) 02/28/11					233,327	6,087,501			
	(5) 02/28/12					252,203	6,579,976			
	(6) 02/28/12							82,331	2,148,016	
Loren M. Starr	(2) 02/27/09					24,716	644,840			
	(3) 02/26/10					43,010	1,122,131			
	(4) 02/28/11					60,218	1,571,088			
	(5) 02/28/12					65,304	1,703,781			
	(6) 02/28/12							21,033	548,751	
G. Mark Armour	(2) 02/27/09					61,243	1,597,830			
	(3) 02/26/10					74,490	1,943,444			
	(4) 02/28/11					86,625	2,260,046			
	(5) 02/28/12					89,943	2,346,613			
	(6) 02/28/12							28,245	736,912	
James I. Robertson	12/31/04	50,000		10.33	12/30/14					
	(2) 02/27/09					78,740	2,054,327			
	(3) 02/26/10					70,397	1,836,658			
	(4) 02/28/11					79,638	2,077,755			
	(5) 02/28/12					87,139	2,273,457			
	(6) 02/28/12							27,043	705,582	
Philip A. Taylor	(7) 02/27/09					37,182	970,078			
	(7) 02/26/10					47,448	1,237,918			
	(4) 02/28/11					113,729	2,967,190			
	(5) 02/28/12					124,598	3,250,762			
	(6) 02/28/12							38,461	1,003,447	

- (1) Share options were granted in Pounds Sterling (£) and in this table have been converted to U.S. dollars using the exchange rate of \$1.62/£1 as of December 31, 2012.
- (2) February 27, 2009 award. Share award vests in four equal installments. As of December 31, 2012, the unvested share award represents 25% of the original grant.
- (3) February 26, 2010. Share award vests in four equal installments. As of December 31, 2012, the unvested share award represents 50% of the original grant.

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- (4) February 28, 2011. Share award vests in four equal installments. As of December 31, 2012, the unvested share award represents 75% of the original grant.
- (5) February 28, 2012. Share award vests in four equal installments. As of December 31, 2012, the unvested share award represents 100% of the original grant.
- (6) February 28, 2012. Performance based share award vests in four equal installments. As of December 31, 2012, the unvested share award represents maximum award (100% of the original grant).
- (7) February 27, 2009 and February 26, 2010 awards. Share awards each vest in one installment. As of December 31, 2012, the unvested share awards represent 100% of the original grant.

Table of Contents**Option Exercises and Shares Vested for 2012**

The following table provides information about share options exercised by the named executive officers during 2012 and equity awards held by our named executive officers that vested in 2012:

Name	Option Awards		Share Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Martin L. Flanagan			247,297	6,149,456
Loren M. Starr			66,292	1,648,232
G. Mark Armour			127,361	3,164,315
James I. Robertson (1)			140,484	3,488,704
Philip A. Taylor			148,113	3,720,043

(1) Mr. Robertson resigned from the Board of Directors and as an executive officer effective February 11, 2013.

Potential Payments Upon Termination or Change in Control for 2012

The following tables summarize the estimated payments to be made under each agreement, plan or arrangement in effect as of December 31, 2012 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, 2012, 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 \$26.09.

Martin L. Flanagan

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 (\$)	Involuntary Termination for Cause (\$)	Retirement (\$)(2)	Death or Disability (\$)	Change in Control (\$)(3)	Qualified Termination Following Change in Control (\$)(4)
Salary Continuation							
Annual Cash Bonus(5)	4,750,000	4,750,000			4,750,000		4,750,000
Severance Payment(6)		13,889,970					13,889,970
Share Awards		21,404,210			21,404,210	21,404,210	21,404,210
Options							
Welfare Benefits(7)		45,893					45,893

(1) Pursuant to the terms of the second amended and restated master employment agreement effective January 1, 2011 between the company and 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. In accordance with SEC rules, the information presented in this table assumes a termination date of December 31, 2012 and that the applicable notice had been given prior to

such date.

- (2) Pursuant to the terms of the 2008 Global Equity Incentive Plan, restricted stock units continue to vest provided the holding period is met. With respect to Mr. Flanagan's share awards, no benefit would be payable in the event of retirement.

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- (3) 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.
- (4) Assumes termination by Mr. Flanagan for good reason or a termination by the company other than for cause or disability following a change in control.
- (5) Pursuant to the terms of 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.
- (6) Pursuant to the terms of 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.
- (7) Pursuant to the terms of 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.

Loren M. Starr

	Voluntary Termination without Good Reason	Termination by Executive for Good Reason or Involuntary Termination by the Company without Cause	Involuntary Termination for Cause	Retirement	Death or Disability	Change in Control	Qualified Termination Following Change in Control
Benefit and Payments Upon Termination(1)	(\$)	(\$)	(\$)	(\$)(2)	(\$)	(\$)(3)	(\$)(4)
Salary Continuation							
Annual Cash Bonus							
Severance Payment							
Share Awards		5,590,591			5,590,591	5,590,591	5,590,591
Options							
Welfare Benefits							

G. Mark Armour

	Voluntary Termination without Good Reason	Termination by Executive for Good Reason or Involuntary Termination by the Company without Cause	Involuntary Termination for Cause	Retirement	Death or Disability	Change in Control	Qualified Termination Following Change in Control
Benefit and Payments Upon Termination(1)	(\$)	(\$)	(\$)	(\$)(2)	(\$)	(\$)(3)	(\$)(4)
Salary Continuation							
Annual Cash Bonus							
Severance Payment							
Share Awards		8,884,845			8,884,845	8,884,845	8,884,845
Options							
Welfare Benefits							

Table of Contents*James I. Robertson*⁵

Benefit and Payments	Voluntary Termination without Good Reason	Termination by Executive for Good Reason or Involuntary Termination by the Company without Cause	Involuntary Termination for Cause	Retirement	Death or Disability	Change in Control	Qualified Termination Following Change in Control
Upon Termination(1)	(\$)	(\$)	(\$)	(\$)(2)	(\$)	(\$)(3)	(\$)(4)
Salary Continuation							
Annual Cash Bonus							
Severance Payment							
Share Awards		8,947,748			8,947,748	8,947,748	8,947,748
Options	787,985	787,985		787,985	787,985	787,985	787,985
Welfare Benefits							

⁵ Mr. Robertson resigned from the Board of Directors and as an executive officer effective February 11, 2013.

Philip A. Taylor

Benefit and Payments	Voluntary Termination without Good Reason	Termination by Executive for Good Reason or Involuntary Termination by the Company without Cause	Involuntary Termination for Cause	Retirement	Death or Disability	Change in Control	Qualified Termination Following Change in Control
Upon Termination(1)	(\$)	(\$)	(\$)	(\$)(2)	(\$)	(\$)(3)	(\$)(4)
Salary Continuation							
Annual Cash Bonus							
Severance Payment							