

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

The Directors present their report and the annual financial report for the BTIM Group for the 2017 Financial Year.

The Directors of the Company during the 2017 Financial Year and up to the date of this report are:

DIRECTOR	DATE OF APPOINTMENT	PERIOD
James Evans	Appointed to the Board on 2 June 2010. Appointed Chairman on 6 December 2013	Full year
Emilio Gonzalez	Appointed Managing Director & Chief Executive Officer on 22 January 2010	Full year
Meredith Brooks	1 April 2013	Full year
Andrew Fay	1 October 2011	Full year
Kathryn Matthews	1 December 2016	Part year. Appointed on 1 December 2016
Deborah Page AM	7 April 2014	Full year
Les Vance	1 March 2016	Part year. Retired on 16 June 2017

Details of the qualifications, experience and responsibilities of the current Directors are set out below:



James Evans
BEC CA F Fin FAICD

Independent Non-executive Chairman

Board Committees: Nil

James Evans has over 40 years of corporate experience. His most recent executive role, which he held from 2003 to 2008, was as the Chief Risk Officer, Wealth Management at the Commonwealth Bank of Australia. As part of this role, James held various directorships in the Commonwealth Bank's funds management, general insurance, life insurance and lease financing businesses. James also held a number of other senior executive roles with the Commonwealth Bank in the areas of finance, accounting, business development and strategy.

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

James is currently the Chairman of J O Hambro Capital Management Holdings Limited and Suncorp Portfolio Services Limited, and a non-executive director of Investa Wholesale Funds Management Limited and ICPF Holdings Limited. James previously served as a non-executive director of Australian Infrastructure Fund Limited (2010-2013) and Hastings Funds Management Limited (2009 - May 2016).

Directorships of other listed entities over the past three years: Nil



Emilio Gonzalez
BCom (Ec) CFA

Group CEO & Managing Director

Board Committees: Nil

Emilio Gonzalez is the Group's Managing Director & Chief Executive Officer. He was appointed a member of the BTIM Group's Global Executive Committee on its establishment on 1 May 2016.

Prior to joining BTIM, Emilio was Group Executive, Global Equities at Perpetual Limited. Prior to this role, he was the Chief Investment Officer for seven years. During his early tenure at Perpetual, Emilio was responsible for establishing and running a currency program, tactical asset allocation strategies, Perpetual's diversified and balanced funds, as well as being Head of Research.

Prior to joining Perpetual, Emilio worked as the Chief Dealer at Nikko Securities (Australia) Limited and as a retail client adviser at Norths Stockbroking Limited.

Emilio is a director and chairman of BTIMFS and BTIMI and a director of BTIM UK Limited, J O Hambro Capital Management Holdings Limited and JOHCM (USA) Inc. Emilio is also a Director of The Banking and Finance Oath Limited.

Directorships of other listed entities over the past three years: Nil



Meredith Brooks
BA FIAA

Independent Non-executive Director

Board Committees: Chair of the Remuneration & Nominations Committee

Meredith Brooks has over 30 years' experience in the financial services industry, including extensive experience in funds management both in Australia and overseas.

Meredith held the position of Managing Director, US Institutional Investment Services at Russell Investment Management, based in New York between 2000 and 2004. Prior to that, she held a number of other senior positions at Russell Investment Management, including Managing Director, Australasia (1996-2000) and Director, European Funds (1991-1996), in London.

Meredith is currently a non-executive director of J O Hambro Capital Management Holdings Limited, General Reinsurance Australia Limited and General Reinsurance Life Australia Limited, the Chair of Critical Path Inc and a council member of Glaucoma Australia.

Meredith has previously been a non-executive director of Perpetual Limited (2004 to 2011), the Chair of Balmain Investment Management Limited (2012-2015) and a member of the Industry Advisory Board for the Faculty of Business and Economics at Macquarie University (2009-2016).

Directorships of other listed entities over the past three years: Nil



Andrew Fay
BAGec (Hons) A Fin

Independent Non-executive Director

Board Committees: Member of the Audit & Risk Management Committee and the Remuneration & Nominations Committee

Andrew Fay has over 25 years' experience in the financial services sector and was Chief Executive Officer at Deutsche Asset Management (Australia) Limited from 2005 to 2008 and Chief Investment Officer from 2000 to 2008. Prior to that, he held a number of other senior investment roles at Deutsche Asset Management and previously at AMP Capital. From 1998 to 2006, he was a member of the Investment Board Committee of the Financial Services Council.

Andrew is currently a non-executive director of J O Hambro Capital Management Holdings Limited, Gateway Lifestyle Operations Limited, Spark Infrastructure RE Limited, South Australia Power Networks Pty Limited and National Cardiac Pty Limited.

Andrew has previously served as the Chairman of Deutsche Asset Management (Australia) Limited, Deutsche Managed Investments Limited and Tasman Lifestyle Continuum Limited.

Directorships of other listed entities over the past three years: Nil



Kathryn Matthews
BSc BEc

Independent Non-executive Director

Board Committees: Member of the Audit & Risk Management Committee and the Remuneration & Nominations Committee

Kathryn Matthews, who is based in the United Kingdom, has 35 years' experience in the financial services industry. She has held executive positions in global asset management businesses in the UK and Hong Kong, including Chief Investment Officer, Asia Pacific ex Japan at Fidelity International based in Hong Kong and Head of Portfolio Strategies Group & Global Equities Team at Fidelity Investments in the UK. She commenced her career at Baring Asset Management, holding a broad range of roles over sixteen years, including as the Head of Institutional Business, Europe and UK.

Kathryn is currently a non-executive Director of J O Hambro Capital Management Holdings Limited as well as the following UK based companies: Rathbone Brothers, JP Morgan Chinese Investment Trust and APERAM Plc. Kathryn is also a member of the Council and Chairman of Pension Trustees for the Duchy of Lancaster, the private estate of the British sovereign, and a member of the Board of Trustees for The Nuffield Trust.

Directorships of other listed entities over the past three years: Nil



Deborah Page AM
BEc FCA FAICD

Independent Non-executive Director

Board Committees: Chair of the Audit & Risk Management Committee

Deborah Page is an experienced company director and Chartered Accountant. Deborah has worked exclusively as a non-executive director since 2001 across a range of industries including insurance, financial services, property, manufacturing and energy.

Deborah has held senior executive roles with the Commonwealth Bank, Allen Allen & Hemsley and the Lend Lease Group. Prior to undertaking those roles, she was a Partner at KPMG Peat Marwick/Touche Ross.

Deborah is currently a non-executive director of J O Hambro Capital Management Holdings Limited, Brickworks Limited, Service Stream Limited and GBST Holdings Limited.

Her previous listed roles include Chairman of Investa Office Fund from 2011 to 2016, non-executive director of Australian Renewable Fuels Limited from 2012 to 2015 and non-executive director of Investa Property Group from 2001 to 2007.

Directorships of other listed entities over the past three years:

Australian Renewable Fuels Limited (2012 - 2015)

Chairman, Investa Office Fund (2011 – 2016)

Group Company Secretary & Head of Corporate Governance

Joanne Hawkins
BCom LLB Grad Dip CSP FGIA GAICD

Joanne Hawkins joined BTIM in March 2017 and is responsible for Company Secretarial and Corporate Governance functions for all entities across the BTIM Group.

Joanne has extensive experience in corporate governance within the funds management industry. Joanne started her career as a solicitor at a major law firm and then held in-house and legal roles in New Zealand and Solomon Islands. Most recently Joanne held the role of Company Secretary at Perpetual Limited, which included responsibility for the Legal, Compliance and Company Secretariat functions across the Perpetual group of companies.

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Directors' meetings

The number of meetings of the Board and of each Board Committee held during the 2017 Financial Year and the number of meetings attended by each Director during that year are set out in the following table:

DIRECTOR	BOARD		AUDIT & RISK MANAGEMENT COMMITTEE		REMUNERATION & NOMINATIONS COMMITTEE	
	A	B	A	B	A	B
James Evans	8	8	1	1	-	-
Emilio Gonzalez	8	8	-	-	-	-
Meredith Brooks	8	8	-	-	6	6
Andrew Fay	8	8	5	5	4	4
Kathryn Matthews	6	6	1	1	4	4
Deborah Page AM	8	8	5	5	2	2
Leslie Vance	5	5	3	3	2	2

A Meetings eligible to attend as a member of the Board or Committee.

B Meetings attended as a member of the Board or Committee.

Global Executive Committee

On 1 May 2016, the BTIM Group established a Global Executive Committee. The current members of Global Executive Committee are:

NAME OF GROUP EXECUTIVE	POSITION	JOINED THE BTIM GROUP	APPOINTED TO CURRENT POSITION
Emilio Gonzalez	Group Chief Executive Officer	2010	2016
Michael Bargholz	Chief Executive Officer, BTIM Australia	2016	2016
Ken Lambden	Chief Executive Officer, JOHCM Group	2016	2016
Cameron Williamson	Group Chief Financial Officer	2008	2016

Details of the qualifications, experience and responsibilities of the members of the Global Executive Committee are set out below:



Emilio Gonzalez

BCom (Ec) CFA

Group Chief Executive Officer and Acting Group Chief Risk Officer

Refer to Directors' biographies.

Emilio is acting in the role of Group Chief Risk Officer until such time as the recruitment for the Group Chief Risk Officer is completed.



Michael Bargholz

BEc (Hons) CFA

Chief Executive Officer, BTIM Australia

Michael Bargholz was appointed Chief Executive Officer, BTIM Australia with effect from 26 October 2016.

Michael has more than 25 years' experience in financial markets. Prior to joining BTIM, Michael was the Managing Director Australia for Fidelity International and has previously served as Chief Executive Officer and Managing Director Australia for AllianceBernstein and Managing Director for AXA Investment Management, New Zealand.

Michael was an Investment Strategist and Chief Economist at AXA Australia and commenced his career at the Australian Treasury as an Economist.



Ken Lambden

BCom

Chief Executive Officer, JOHCM Group

Ken Lambden was appointed Chief Executive Officer, J O Hambro Capital Management with effect from 3 October 2016.

Ken has over 30 years' investment experience across a number of asset management businesses in Australia and the UK. Ken spent over 15 years at Schroders, the latter 9 of which were as Global Head of Equities. Prior to that he was Chief Executive of Schroders Investment Management Australia. Before joining J O Hambro Capital Management, Ken was Chief Investment Officer of Baring Asset Management.



Cameron Williamson

BAcc CA

Group Chief Financial Officer

Cameron Williamson was appointed BTIM's Chief Financial Officer in February 2010, having joined BTIM in 2008. He was appointed Group Chief Financial Officer and a member of the Global Executive Committee on its establishment, on 1 May 2016.

With more than 20 years' experience in financial markets, Cameron is responsible for the BTIM Group's overall financial operations and reporting, business planning, taxation and investor relations.

Cameron is also a director of BTIMFS, BTIMI and BTIM UK Limited.

Prior to joining BTIM, Cameron held Chief Financial Officer and Company Secretary responsibilities at Clairvest Group, a mid-market private equity group in Toronto.

His previous positions also included senior finance roles with Franklin Templeton and CIBC World Markets in Toronto, UBS in the UK and KPMG in Australia.

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Principal activities

The principal activity of the BTIM Group during the 2017 Financial Year was the provision of investment management services. There has been no significant change in the nature of this activity during the year ended 30 September 2017.

Operating and Financial Review

The Operating and Financial Review ("OFR") containing the information on the operations and financial position of the BTIM Group is set out in the Chairman's Letter, Group CEO's Report and Operating Review on pages 2 to 17 of this annual report. These pages also deal with the BTIM Group's business strategies and prospects for future financial years.

Since acquiring J O Hambro Capital Management Limited ("JOHCM") in 2011, the BTIM Group operates under two operating segments comprising the investment management business in Australia (BTIM Australia) and outside of Australia (BTIM International). The statutory net profit after tax (NPAT)¹ of the BTIM Group for the 2017 Financial Year was \$147,455,203 (2016: \$142,025,538).

The BTIM Group's cash net profit after tax (Cash NPAT)¹ for the 2017 Financial Year was \$173,050,005 (2016: \$156,049,624). The 10.9% increase on the prior year is predominantly a result of higher funds under management (FUM) and lower employee costs which has offset the impacts of lower performance fee revenue and a stronger Australian Dollar.

Reconciliation of statutory NPAT to Cash NPAT ¹	2017 \$'000	2016 \$'000
Statutory NPAT	147,455	142,026
Add back: amortisation of employee equity grants	53,672	58,125
Deduct: cash cost of ongoing equity grants	(38,842)	(49,305)
Add back: amortisation and impairment of intangibles ²	7,838	9,891
Add back/(deduct): tax effect	2,927	(4,687)
Cash NPAT	173,050	156,050

Notes:

- 1 NPAT includes accounting adjustments required under International Financial Reporting Standards for amortisation of employee equity grants, amortisation and impairment of intangible assets, and the fair value adjustments on equity-settled converting notes. These non-cash charges are not considered by the Directors to be part of the underlying earnings for the year and therefore the Directors believe that Cash NPAT is a more suitable measure of profitability. Cash NPAT comprises NPAT before amortisation of employee equity grants less the after-tax cash costs of grants made in respect of the current year, together with the after-tax amortisation and impairment of intangible assets recognised and the fair value adjustment on equity-settled converting notes issued as a result of the JOHCM acquisition.
- 2 Amortisation and impairment of intangibles relates to fund and investment management contracts.

Funds under management at 30 September 2017 was \$95.8 billion, an increase of 14.0% from the FUM of \$84.0 billion at 30 September 2016. The movement for the full year ended 30 September 2017 has been a result of positive market and investment performance of \$7.2 billion, net inflows of \$4.7 billion offset by currency movements which had the effect of reducing FUM by \$0.1 billion.

Dividends

The Directors have resolved to pay a final dividend of 26.0 cents (25% franked³) per share, (2016: 24.0 cents per share 35% franked) on ordinary shares. The amount of dividend which has not been recognised as a liability at 30 September 2017 is \$79.8 million (2016: \$73.1 million). The Company paid an interim dividend of 19.0 cents per share (\$54.7 million) on 5 July 2017.

Equity dividends on ordinary shares	2017 \$'000	2016 \$'000
(a) Dividends declared and paid during the Financial Year		
Final 35% franked ³ dividend for the 2016 Financial Year: 24.0 cents per share (2015 Financial Year: 20.0 cents per share 40% franked)	71,365	57,206
Interim 30% franked ³ dividend for the 2017 Financial Year: 19.0 cents per share (2016 Financial Year: 18.0 cents per share 40% franked)	54,653	52,521
	126,018	109,727

- 3 The whole of the unfranked amount of the dividend will be Conduit Foreign Income, as defined in the Income Tax Assessment Act 1997.

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Equity dividends on ordinary shares		2017 \$'000	2016 \$'000
(b)	Dividends proposed to be paid subsequent to the end of the Financial Year and not recognised as a liability		
	Final dividend for the 2017 Financial Year 26.0 cents (25% franked ⁴) per share (2016 Financial Year: 24.0 cents per share 35% franked)	79,761	73,140

Dividend-linked coupons on converting notes ⁵		2017 \$'000	2016 \$'000
Coupons paid during the Financial Year			
	Final coupon for the 2016 Financial Year: Nil converting notes (2015 Financial Year: 20.0 cents per converting note (40% franked ⁴))	–	627
	Interim coupon for the 2017 Financial Year: Nil converting notes (2016 Financial Year: 18.0 cents per converting note (40% franked ⁴))	–	564
		–	1,191

4 The whole of the unfranked amount of the dividend will be Conduit Foreign Income, as defined in the Income Tax Assessment Act 1997.

5 Converting notes were issued on 26 October 2011 as part of the acquisition of JOHCM and were fully converted by 4 November 2016.

Significant changes in the state of affairs

On 25 May 2017, The Westpac Group sold part of its investment in the BTIM Group. As a result of the sell down The Westpac Group's holding reduced from 29% of BTIM's issued capital to its current holding of 10%. The reduced ownership has resulted in The Westpac Group ceasing to be a related party of the BTIM Group effective 25 May 2017.

There have been no other significant changes in the state of affairs of the BTIM Group during the 2017 Financial Year.

Matters subsequent to the end of the financial year

A final dividend of 26.0 cents (25% franked⁴) per share on ordinary shares is to be paid on all ordinary shares at the record date.

Effective 31 October 2017, there are participants in the Fund Linked Equity scheme that have awards that are subject to mandatory conversion. It is expected that approximately 1.2 million shares will be issued in late November 2017 to satisfy the conversion.

There are no other matters or circumstance which are not otherwise reflected in this Financial Report that have arisen subsequent to the balance date, which have significantly affected or may significantly affect the operations of the BTIM Group, the results of those operations or the state of affairs of the BTIM Group in subsequent financial periods.

Likely developments and expected results of operations

The OFR sets out the information on the business strategies and prospects for future financial years (refer to our Chairman's Letter, Group CEO's Report and Operating Review on pages 2 to 17 of the Annual Report accompanying this Directors' Report). Information in the OFR is provided to enable shareholders to make an informed assessment about the business strategies and prospects for future financial years of the BTIM Group.

Environmental regulations

The operations of the BTIM Group are not subject to any particular or significant environmental regulation under any law of the Commonwealth of Australia or of any state or territory thereof.

The BTIM Group has not incurred any liability (including rectification costs) under any environmental legislation.

Indemnities and insurance

In accordance with the provisions of the *Corporations Act 2001*, the BTIM Group has insurance policies covering directors' and officers' liabilities. Under the terms of the policies, disclosure of the amount of cover and premiums paid is prohibited.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

INTRODUCTION TO THE 2017 REMUNERATION REPORT

The Directors are pleased to present the Remuneration Report for the year ended 30 September 2017.

Global Group Structure and KMP

Since the acquisition of J O Hambro Capital Management (JOHCM) in 2011, BTIM has transformed into a global asset management business, which is reflected in its increased scale, its global footprint and its amplified complexity. Now, over half of funds under management and approximately three quarters of profits are generated outside of Australia.

In response, BTIM has established a Global Executive Committee and with the increasing dominance of the international business and global expansion, the decision was made to have all board members become board members of the JOHCM entity.

In the 2017 Financial Year, BTIM NEDs were appointed to the board of JOHCM Holdings (JOHCMH) to support the Company's global governance framework. It should be noted that Jamie Hambro is a member of the JOHCMH Board. BTIM and JOHCMH Board and committee meetings are now conducted in an omnibus arrangement which ensures one global governing body provides oversight and governance of the Company.

The new Global Executive Committee has assumed responsibility for developing and executing the global strategy. Group Finance and the Risk functions are now managed centrally. Acknowledging the complexity of operating in multiple and often complex jurisdictions, Joanne Hawkins was appointed to the role of Group Company Secretary and Head of Corporate Governance. This role does not form part of the Global Executive Committee. It should be noted that recruitment for the Group Chief Risk Officer is currently underway and Emilio Gonzalez is acting in this role until recruitment is finalised.

The CEOs for BTIM Australia (BTIMA) and the JOHCM Group maintain operational responsibility for their respective businesses.

The new Global Executive Committee structure is shown below with further detail on key accountabilities of the Global Executive Committee.

BTIM Group Structure and Accountabilities

Global Board
James Evans (Chair), Emilio Gonzalez, Meredith Brooks, Andrew Fay, Kathryn Matthews, Deborah Page

One governing body that is responsible for overseeing activities and providing governance across all group entities relating to global strategies and structure, financial management, risk management, leadership and culture.

Global Executive Committee
Emilio Gonzalez Group Chief Executive Officer & Managing Director

Sets, executes and monitors Global Group strategy, financial and investment performance, structure, risk management, leadership and culture.

Michael Bargholz Chief Executive Officer, BTIM Australia	Ken Lambden Chief Executive Officer, JOHCM Group	Cameron Williamson Group Chief Financial Officer	Emilio Gonzalez Acting Group Chief Risk Officer
Lead BTIMA Business Strategy and input into Global Strategy	Lead JOHCM Business Strategy and input into Global Strategy	Global Finance and Reporting Strategy and Management	Group Risk Strategy
Revenue Growth and Investment Performance	Revenue Growth and Investment Performance	Capital management allocation	Oversee implementation of Global Risk Model
Brand and Client Management	Brand and Client Management	Global Treasury and Transfer Pricing	Global Risk Reporting
Leadership and Culture	Leadership and Culture	Leadership and Culture	Leadership and Culture
Risk Management	Risk Management	Investor Relations	Input into Global Strategy

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

The Remuneration Report includes remuneration information for the Company's Key Management Personnel (KMP) and insights into how fund managers, sales teams and other corporate employees are rewarded.

KEY MANAGEMENT PERSONNEL

KMP are defined as those persons who have authority and responsibility for planning, directing and controlling the activities of the BTIM Group. The Global Executive Committee holds such authority within BTIM and are the reportable executives for the 2017 Financial Year.

From 1 October 2016 to 30 September 2017, the KMP for the BTIM Group were the Non-executive Directors of BTIM and the members of the Global Executive Committee.

Non-executive Directors during the 2017 Financial Year

Name	Position	Term as KMP
James Evans	Chairman	Full year
Meredith Brooks	Director	Full year
Andrew Fay	Director	Full year
Kathryn Matthews	Director	1 December 2016 to 30 September 2017
Deborah Page	Director	Full year
Les Vance	Director	1 October 2016 to 16 June 2017

Global Executive Committee during the 2017 Financial Year

Name	Position	Term as KMP
Emilio Gonzalez ¹	Group Chief Executive Officer	Full Year
Michael Bargholz	Chief Executive Officer, BTIM Australia	26 October 2016 to 30 September 2017
Ken Lambden	Chief Executive Officer, JOHCM Group	3 October 2016 to 30 September 2017
Gavin Rochussen ²	Group Executive, International	1 October 2016 to 17 July 2017
Cameron Williamson	Group Chief Financial Officer	Full Year

Notes:

- 1 Emilio Gonzalez continued to fulfil the responsibilities of the CEO, BTIM Australia role up until Michael Bargholz's commencement on 26 October 2016.
- 2 Gavin Rochussen continued to fulfil the responsibilities of the CEO, JOHCM Group role whilst recruitment for this role was being carried out. His appointment to Group Executive, International role took effect on 3 October 2016. Gavin resigned during the 2017 Financial Year. The accountabilities for the role of Group Executive, International have been absorbed by the Global Executive Committee.

Auditing of the Remuneration Report

The information provided in this Remuneration Report has been audited by the Company's auditors, PricewaterhouseCoopers, as required by section 308(3C) of the *Corporations Act 2001*.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

REPORT STRUCTURE

The Remuneration Report is structured in the following sections:

Section	Page
A message from the Chair of the Remuneration & Nominations Committee	43
Global Remuneration Framework	44
Group CEO's Remuneration Structure	46
Fund Manager Remuneration	49
Sales Remuneration	51
Link between Remuneration Outcomes and Group Performance	52
Details of Equity Based Remuneration	55
Oversight and Governance of Remuneration	56
Group CEO and other Global Executive Committee Members' Performance Outcomes in the 2017 Financial Year	58
Global Executive Committee Members' Employment Agreements	66
Non-executive Director Remuneration	68
Director and Global Executives' Holdings	70

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

A MESSAGE FROM THE CHAIR OF THE REMUNERATION & NOMINATIONS COMMITTEE

BTIM has transformed over the past ten years to become a truly global asset management business. The establishment of the Global Group structure, including the Global Executive Committee and Global Board, is an important milestone as we develop our business to deliver sustainable growth to shareholders.

Our business model continues to rely on attracting, retaining and equitably rewarding a uniquely talented team of fund managers and finance industry professionals. Our remuneration policies are designed to strike a balance between rewarding the talent at the core of our value proposition, safeguarding the interests of our clients and delivering sustainable returns to shareholders. All of our employees, business leaders, fund managers and support staff, are prospective or current shareholders.

Our Vision is clear: to be a global asset management business that delivers exceptional investment returns to clients by attracting and retaining superior investment talent. As a global investment manager, we need to have in place a reward framework that supports our business model and reinforces our vision, strategic enablers and values.

It is evident that our BTIM Global Reward Framework and policies have supported our exceptional business performance over the past five years and facilitated the attraction and retention of high calibre talent across the business. This has been achieved in a volatile economic and political environment.

As you will read further in the report, our Global Reward Framework is made up of three principles that are directly aligned to our business strategy. Firstly, remuneration is weighted towards medium and long term rewards because we want our employees to be aligned to our shareholders and have an ownership mindset. Secondly, recruiting exceptional talent relies on market benchmarking and competitive positioning, paying for skills and reflecting responsibilities. The third principle is performance accountability for delivering annual business results. This is reflected in our performance management practices and how we generate annual incentive pools. Incentive pools are directly linked to financial outcomes with due reference to risk management. The Board and Group Chief Executive Officer (Group CEO) play an active role in determining key financial and conduct expectations for the business and employees.

The 2017 Remuneration Report continues to provide shareholders with insights into our remuneration approach and extends beyond minimum legislated requirements.

The UK and Europe continues to come under significant regulatory scrutiny and our approach is to continue to monitor our remuneration and make changes where necessary to ensure compliance in the jurisdictions we operate in. To ensure our remuneration structures continue to support our business objectives, in the 2017 Financial Year, we:

- Finalised the review and adjusted the Group CEO pay structure;
- Completed the review of the NED fee structure following the implementation of the new Global Group governance structure and subsequent review of both the BTIM and JOHCM Board and Committee structure and NED participation;
- Approved conversions under the Fund Linked Equity Scheme;
- Approved the conversion of the 2013 performance share rights applicable to eligible participants including the Group CEO and other Global Executive Committee members in October 2016;
- Continued to evaluate the consequences of the introduction of the UK regulation UCITS V Directive for the Group and are well advanced in identifying various remuneration policy adjustments needed to comply; and
- Reviewing the consequences of the EU's Markets in Financial Instruments Directive (MiFID) and Senior Managers Regime.

We will continue to review and refine our remuneration arrangements to ensure they deliver on our goals, accounting for the ever-changing business environment, legislative reform and to reflect your feedback.



Meredith Brooks

Chair of the Remuneration & Nominations Committee

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

GLOBAL REWARD FRAMEWORK

BTIM's remuneration approach is directly aligned to our Corporate Vision and Strategic Drivers. The success of our reward framework is evidenced by both our business growth and ongoing performance over the past ten years and the attraction and retention track record of our investment, sales and corporate employees. Below is further detail of our framework and link to strategy. Further in the report there are illustrations of our ten year results for Total Shareholder Return (TSR) and Cash Earning Per Share (Cash EPS). It is clearly noted that over the past five years the hurdles in our Long Term Incentive Plan have directly delivered to both our shareholders and our employees at a time of ongoing industry volatility.



Fixed Remuneration

- Set to attract exceptional talent
- Benchmarked to market and rewards individuals for the skills, attributes and accountabilities in the role and includes salary, benefits and any statutory entitlements

Considerations

- Scope of individual's role, level of knowledge, skills and expertise
- Individual performance
- Market benchmarking
- Internal relativities

Long Term Incentive (LTI) – Performance Reward Scheme (PRS)

- Further detail to be found in pages 53-54
- On invitation basis only
- Performance share rights are issued for no consideration
- Two equally weighted hurdles measured against the S&P/ASX 200 Accumulation Index, measured over three years

Performance Conditions

- Long term targets
- Performance hurdles equally weighted between relative TSR performance and Cash EPS growth



Short Term Incentives (STI) Cash

- Board sets annual performance expectations for payment of bonuses and determines bonus pools
- Payments are funded by business performance
- Individual STI target range is determined by role

Performance Conditions

- Objectives are set to deliver annual operating plans and progress against strategy. They are clearly defined, measurable and are agreed at the beginning of the year. Measures include:
 - Group or market NPAT
 - Net FUM
 - Fund or Asset Class Performance
 - Client Retention
 - Progress against strategy
 - Risk Management
 - Leadership and Culture

Short Term Incentives Deferral

- Aligned to employee ownership and shareholder alignment. Subject to quantum up to fifty percent of the annual STI is delivered in BTIM shares with vesting periods of up to five years
- This element of reward represents a significant deferral of annual remuneration and it is designed to foster sustainable growth and sound financial, operational and risk management practices

Performance Conditions

- Time based and encourages long term decision making

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Risk Management is a serious consideration for BTIM when determining variable remuneration outcomes. BTIM ensures that risk management is a key performance metric and aligned to variable remuneration. Sound risk management practices include:

- employees being ineligible for a variable remuneration payment if they exhibit poor risk behaviours;
- incorporating risk management performance measures in all Global Executive Committee members' scorecards;
- reviewing the alignment between remuneration outcomes and performance achievement for incentive plans on an annual basis;
- deferring a significant portion of variable remuneration in BTT performance share rights and restricted shares to align remuneration;
- assessing outcomes with longer term Company performance;
- an ability for the Board to adjust incentive payments downwards, if required;
- a provision for the Board to lapse variable remuneration (Share rights and Restricted shares) in certain circumstances: and
- continuous monitoring of remuneration outcomes by the Board, to ensure that results are promoting behaviours that support BTIM's long term financial position and the desired culture.

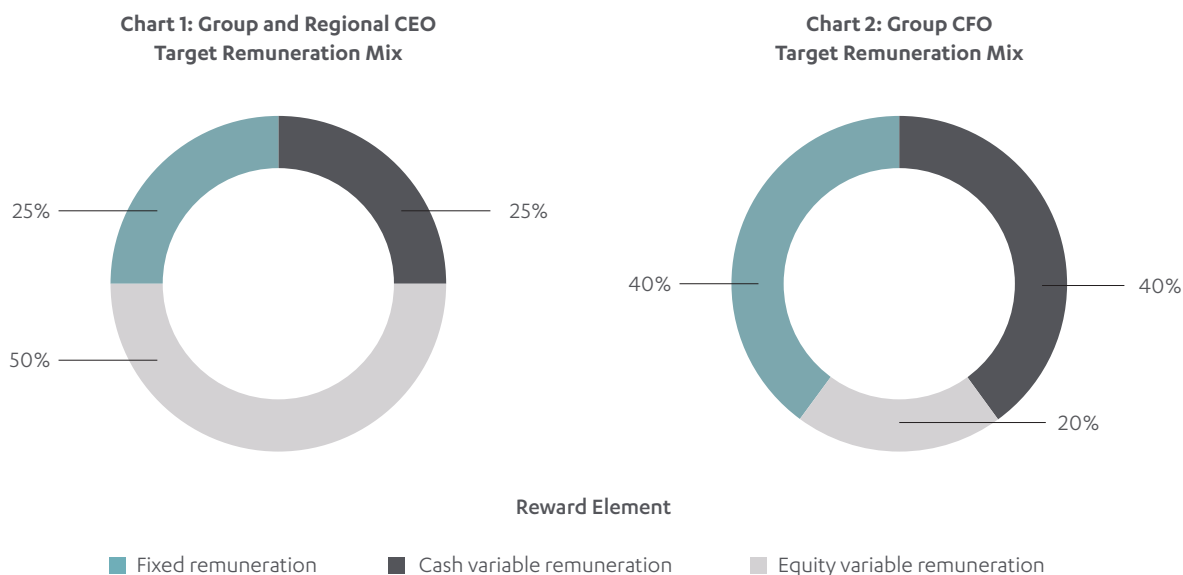
Target remuneration mix

The Remuneration & Nominations Committee sets a target remuneration mix. The elements are set referring to market benchmarking and are designed to attract and retain the calibre of executives required to drive BTIM's strategic outcomes.

Charts 1 and 2 below outline target remuneration mix. Actual variable remuneration outcomes will depend on achievement against performance measures of both short and long term incentives. The cash portion of STI awards are paid to members of the Global Executive Committee in December.

Details of the remuneration components for the 2017 Financial Year for the Global Executive Committee are included in Table 7a (i) and 7a (ii).

Charts 1 and 2: Global Executive Committee – Target Remuneration Mix



Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

GROUP CEO REMUNERATION STRUCTURE REVIEW

Following the establishment of the new Global Executive Committee, the Board further reviewed the Group CEO's remuneration structure and total reward package.

As outlined earlier in the Remuneration Report, a guiding principle in BTIM's remuneration framework is to remunerate individuals for the scope of their role, levels of skill, knowledge, expertise and accountability and to do so fairly and equitably in comparison to peers in the market. The Board concluded that the Group CEO's remit has expanded significantly enough to require external benchmarking to ensure his remuneration is competitive, yet consistent with these principles.

Comparator peer groups selected for the review were:

- 14 CEOs from similar sized ASX listed finance sector companies
- Asset Management CEOs and Senior Executives from larger ASX companies
- 9 UK based CEOs from similarly sized UK listed asset management companies

BTIM Position Against Peer Groups

BTIM is currently positioned in the Upper Quartile against the Australian ASX benchmarks for market capitalisation amongst the Australian Asset Management peers. BTIM is placed closer to the Lower Quartile against the UK market. Graph 1 illustrates both market capitalisation and share price over time.

BTIM Group CEO Pay Position Against Peer Group

The market benchmarking review noted material differences between the reward of the peer groups and the Group CEO. As reported in the 2016 Remuneration Report, the most notable difference was the substantially lower Fixed Remuneration. Amongst peer CEOs and other senior executives of large ASX companies, Fixed Remuneration as a percentage of Total Annual Reward ranged from an average of 32% to 42%. Prior to the adjustment, the BTIM target Fixed Remuneration for the Group CEO was 20%. Post the adjustment described below, the Group CEO's new Fixed Remuneration target is 25% of Total Annual Reward. Further, material differences remained for total annual cash remuneration at target (base pay, statutory elements and target cash short-term incentive), falling below market median of the peer groups. Consequently, the Board concluded that an adjustment to the Fixed Remuneration and retention of the same Target STI addressed both of these shortfalls.

As a matter of principle, the Board decided to make it clear that the STI needs to be earned – it has a lower limit of zero – and offers considerable upside for excellent performance. It should be noted that the target STI is paid when the CEO has met his KPIs in aggregate.

The analysis confirmed that the LTI effectively aligned reward with shareholder returns over the medium term and that it remains appropriate to keep the performance conditions consistent with those used in the LTI scheme, which covers other Corporate employees.

BTIM Historical Group CEO Reward Movements Against Share Price and Market Capitalisation

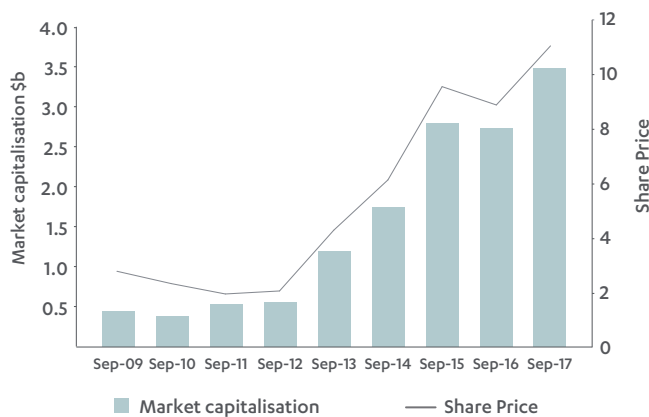
Graphs 1 and 2 below outline BTIM's Group CEO's Total Annual Reward since he joined the organisation relative to share price growth and market capitalisation. It bears noting that BTIM did not have a LTI scheme for the Group CEO until the 2012 Financial Year, when it was introduced in response to shareholder feedback. The introduction of the Group CEO LTI required alignment with the intent of both short-term and long term incentives and with shareholder outcomes. On this basis, the STI component decreased, with the result that the Group CEO's remuneration opportunity reduced for three years until the first LTI vesting in 2014.

The Graphs illustrate strong share price and market capitalisation growth since the Group CEO's commencement with the Company. During this time, the Group has grown substantially by every measure and accordingly, the Group CEO's remit has transformed in scale and complexity and has an increasing global focus. Except for some minor adjustments to reflect Superannuation Guarantee legislation increases, the Fixed Remuneration element for the Group CEO has remained unchanged since his commencement in 2010, until 1 January this year, when it was increased as outlined in this Remuneration Report.

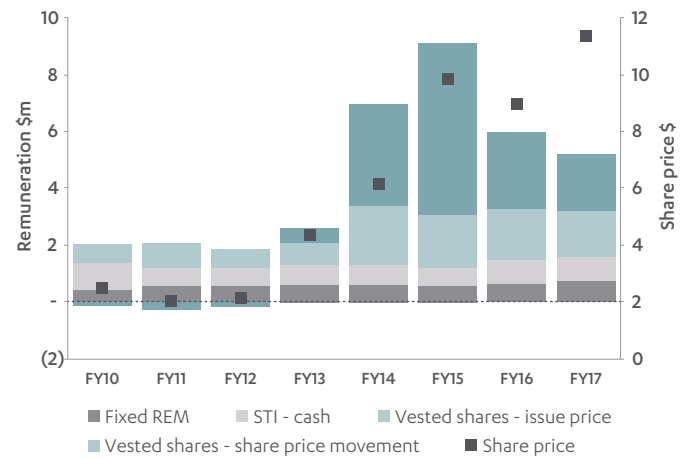
Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Graph 1: Share Price and Market Capitalisation Growth over time



Graph 2: Group CEO's Total Remuneration over time



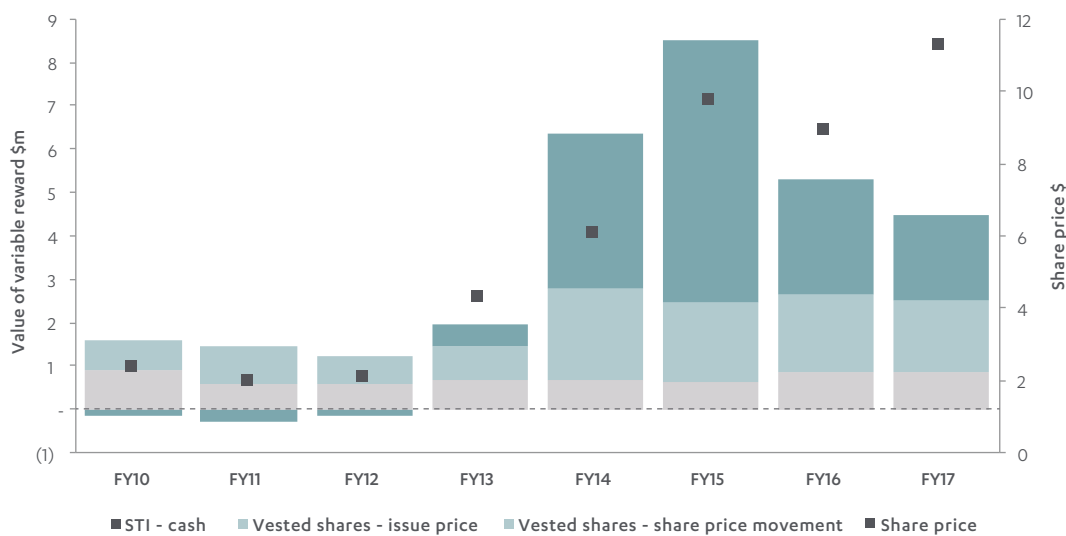
Outcomes of the Group CEO Remuneration Structure Review

The review resulted in a total increase to the Group CEO's Target Annual Reward of 6.6%. More specifically, the following remuneration components were put in place:

- Fixed Remuneration was increased to \$800,000;
- A new STI range was also introduced in 2017. Target remained unchanged at \$1.4m with a STI floor of \$0 and a maximum range of \$2.8m for performance that exceeds aggregate Key Performance Indicators; and
- LTI opportunity also remained unchanged for 2017.

The actual outcome reflects the Board's assessment against clearly specified performance indicators. Performance indicators are designed to create sustainable shareholder value and scaled to reflect profit outcomes. The Group CEO's LTI (and the component of STI deferred into equity) provides a direct link to real earnings and shareholder value creation in the medium to long term. A significant proportion of the Group CEO's variable reward is therefore impacted by increases and decreases in the share price over time as illustrated in Graph 3 below and predominately evident in the LTI component of his remuneration that has vested over the last four years.

Graph 3: Group CEO's Variable Reward Over Time



Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Table 1 outlines the Group CEO's remuneration structure for the 2017 Financial Year.

Table 1: Group CEO Remuneration Structure

Remuneration component	Description																				
Fixed Remuneration	Consists of base salary (and includes any fringe benefits and applicable taxes) as well as employer contributions to superannuation.																				
Target STI	<p>The Group CEO's target STI opportunity is determined annually by the Board with reference to external market benchmarking. The Group CEO's target STI for the 2017 Financial Year was \$1.4m with a STI floor of \$0 and a maximum range of \$2.8m for performance that exceeds aggregate Key Performance Indicators.</p> <p>The Board has the discretion to vary the Group CEO's awarded STI outcome (up or down) with consideration to the Group's financial performance and the Group CEO's overall performance.</p> <p>The Group CEO's awarded STI outcome is approved annually by the Board. 50% of the awarded STI is delivered as cash, with the remaining 50% deferred into restricted shares that vest over five years.</p> <p>For the 2017 Financial Year the Group CEO's Key Performance Indicators included the following and performance against these objectives has been outlined on page 58:</p> <table border="1"> <thead> <tr> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Financial</td> <td>Cash NPAT Net FUM Base Management Fee Revenue (targets previously agreed with Board)</td> </tr> <tr> <td>Global Strategy and Execution</td> <td>Progress against Strategic Objectives previously approved by the Board</td> </tr> <tr> <td>Global Leadership</td> <td>New Global Executive team working collaboratively and effectively Material progress in global transformation of organisation</td> </tr> <tr> <td>Risk Management, Investment & Operational Effectiveness</td> <td>Competitive investment performance Governance Structure Operational risk management policies and procedures</td> </tr> </tbody> </table>			Financial	Cash NPAT Net FUM Base Management Fee Revenue (targets previously agreed with Board)	Global Strategy and Execution	Progress against Strategic Objectives previously approved by the Board	Global Leadership	New Global Executive team working collaboratively and effectively Material progress in global transformation of organisation	Risk Management, Investment & Operational Effectiveness	Competitive investment performance Governance Structure Operational risk management policies and procedures										
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LTI grant	<p>The Group CEO is granted performance share rights to BTT shares for no consideration. The Group CEO's LTI opportunity represents the maximum incentive opportunity under the award and is determined with reference to market benchmarking. The award is subject to two equally weighted hurdles, measured over three years:</p> <ol style="list-style-type: none"> 50% subject to relative TSR performance, and 50% subject to Cash EPS growth. <p>Hurdles designed to be reasonably stable over the cycle.</p> <p>TSR performance hurdle</p> <p>The TSR portion of awards vests as follows, subject to relative performance against the constituents of the S&P/ASX 200 Accumulation Index.</p> <table border="1"> <thead> <tr> <th>TSR performance</th> <th>Percentage of TSR-tested award to vest</th> </tr> </thead> <tbody> <tr> <td>Below weighted median</td> <td>Nil</td> </tr> <tr> <td>At weighted median</td> <td>50%</td> </tr> <tr> <td>Between the weighted median and top quartile</td> <td>Straight line between 50% and 100%</td> </tr> <tr> <td>At or above top quartile</td> <td>100%</td> </tr> </tbody> </table> <p>Cash EPS performance hurdle</p> <p>The Cash EPS portion of awards vests as follows, based on compounded annual growth rate (CAGR) performance.</p> <table border="1"> <thead> <tr> <th>Cash EPS CAGR</th> <th>Percentage of cash EPS-tested award to vest</th> </tr> </thead> <tbody> <tr> <td>Less than or equal to 5% CAGR</td> <td>Nil</td> </tr> <tr> <td>Above 5% CAGR</td> <td>50%</td> </tr> <tr> <td>Above 5% CAGR but less than 10% CAGR</td> <td>Vesting occurs on a straight-line basis from 50% to 100%</td> </tr> <tr> <td>At or above 10% CAGR</td> <td>100%</td> </tr> </tbody> </table> <p>Invested performance share rights do not carry any dividend or voting rights. However, dividend-equivalent payments will be made for the portion of performance share rights that ultimately vest at the end of the performance period. The payment will be cash settled and paid on or around the date of vesting.</p>	TSR performance	Percentage of TSR-tested award to vest	Below weighted median	Nil	At weighted median	50%	Between the weighted median and top quartile	Straight line between 50% and 100%	At or above top quartile	100%	Cash EPS CAGR	Percentage of cash EPS-tested award to vest	Less than or equal to 5% CAGR	Nil	Above 5% CAGR	50%	Above 5% CAGR but less than 10% CAGR	Vesting occurs on a straight-line basis from 50% to 100%	At or above 10% CAGR	100%
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Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

FUND MANAGER REMUNERATION

This section describes our approach to Fund Manager remuneration to provide shareholders with further insight into our business model.

Fund Managers are provided fixed remuneration at market competitive rates, approved at the beginning of the financial year by the relevant CEO.

In Australia, variable remuneration is based on a revenue share approach. Our funds management teams are not awarded a set percentage of profits. Each team negotiates an arrangement with the CEO upon joining the Group. Our bespoke approach makes sure that the variable reward delivered to teams and Fund Managers reflects the value each team adds to the Group and its shareholders.

Where revenue is directly attributable to the skill and efforts of the funds management team (e.g. performance fees) this will generally attract a greater profit share percentage. Conversely, assets which have come from the Group attract a lower profit share.

Outside Australia, the revenue share arrangements with Fund Managers within the JOHCM Group are based on a slightly different formula and differ between more established funds and newer investment strategies. Performance fees similarly attract a greater revenue share and so JOHCM Fund Manager total remuneration will vary over time, dependent on the source of funds and performance.

How Fund Managers earn equity in the business

The Group seeks to align Fund Manager remuneration with longer term shareholder interests without compromising client outcomes. For teams managing funds in the growth phase, remuneration arrangements have a greater focus on rewarding business-building outcomes such as growth in FUM. For teams managing established funds, remuneration arrangements focus more on rewarding long term investment performance, and thus FUM retention. Equity in the Group is only earned when the investment strategies of funds management teams have been successful in raising FUM that results in revenue generation for the business.

The Fund Manager remuneration schemes provide two plans depending on the lifecycle of the fund, the internal nature of the team structure and the market in which it operates. Fund Managers can participate in one of the two plans, outlined below.

Plan 1 – Variable reward in BTT shares

For teams managing established funds, a portion of the variable reward is mandatorily deferred into BTT shares and vests over five years. The deferred shares are not subject to any additional performance conditions, beyond continued employment. Participants receive dividends and voting rights from the time of grant.

Plan 2 – Fund Linked Equity (FLE) Scheme

To attract new teams and reward for value creation in newly established strategies, JOHCM operates an FLE Scheme that rewards Fund Managers with BTT equity as a result of growing FUM.

The FLE Scheme has been a successful part of the JOHCM Group business model in attracting investment talent to the firm.

The FLE Scheme was introduced in the 2009 Financial Year, prior to JOHCM joining the BTIM Group. The FLE Scheme runs for seven years from product launch and participating Fund Managers have the right to partly convert the revenue generated by the investment strategy into BTT equity over time, with full conversion required by the end of the seven year period. The conversion formula takes revenue generated by the FUM linked to the strategy, applies an after-tax operating margin and then applies a multiple to determine an implied market value of the investment strategy. This capitalised value is shared between the managers and the Company and delivered to Fund Managers in the form of BTT equity. The benefit of the model for shareholders is that no equity is granted until FUM and revenue is generated by the strategy. The FLE conversions that fell due in the 2017 Financial Year have been fully converted.

When the FLE is converted to BTT equity, the revenue share to which the Fund Managers are entitled decreases in exchange for the equity grant which has a positive contribution to the future earnings of the Group. If shares are issued to satisfy the equity grant, the net result is designed to be broadly Cash EPS neutral provided FUM is maintained. In a scenario where FUM declines post issuance of the grant, the Cash EPS outcome may be adversely affected. The shares are subject to time vesting restrictions of up to five years as a retention mechanism. As the BTT equity is considered to have been earned, it is not subject to further performance hurdles and attracts dividends and voting rights from the time of issuance.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Table 2 below summarises the operation of the FLE scheme and how it interacts with Fund Manager remuneration and key Group metrics.

Table 2: Operation of Fund Linked Equity Scheme

	Year 0 through to Year 3	Year 3 through to 7
Funds Under Management	FUM growth over time.	Revenue from FUM raised in the investment strategy is used as the basis to determine rights to BTT equity (i.e. through the conversion ratio).
Profit Share	Fund Managers remunerated through a profit-share arrangement, based on a pre-determined percentage.	On election by Fund Managers, a proportion of profit share can be taken in the form of BTT equity (with vesting restrictions over a period of four or five years). Conversion into BTT equity reduces the Fund Manager's profit share percentage and is designed to be broadly Cash EPS neutral. Full conversion is required by the end of the seven year period.
Equity	No BTT equity granted during the period as the profit share is delivered in cash.	Equity awarded on FLE conversion approximates the market value for the FLE based on revenue generated by the fund (and other market factors). The award of equity results in the decrease in revenue share percentage for the Fund Manager and the Group retains a higher proportion of the fund's revenue. Note that restricted BTT shares issued on conversion vest equally over a period of 4 or 5 years.
Cash Earnings Per Share	Reflected in earnings as a result of growth in FUM.	Due to the reduction in Fund Manager revenue share, Cash EPS should be broadly neutral, provided FUM is maintained.

Participation in the FLE

During the 2017 Financial Year 3,950,793 BTT shares were issued to satisfy the remaining conversion of the FLE applicable to two participating investment teams.

Post the 2017 conversions, investment strategies participating in the FLE Scheme represents FUM of \$8.4 billion as at 30 September 2017. These investment strategies have been supporting the strong growth in the business. Based on the FUM at 30 September 2017, the value of BTT equity that would be granted to participants in the FLE Scheme is approximately \$53.1m over future years. The value of BTT equity to be granted under the FLE Scheme will vary from year to year based on market movements, FUM growth, management fee margins, foreign currency, and new teams participating in the FLE Scheme.

If shares are issued to meet the delivery of the \$53.1m in BTT equity, this would equate to 4.9m newly issued shares based on a theoretical BTT share price of \$10.68 in accordance with the FLE Scheme rules. The 4.9m shares would increase the fully diluted share count by 1.6%.

Assuming other remaining FLE rights are converted into BTT equity at the end of year 7, the estimated number of BTT shares to be issued over the coming years is outlined in Table 3 below.

Table 3: Investment Strategies participating in the FLE scheme

Financial years	2018	2019	2020	2021-2022
Estimated number of shares to be issued (m)	1.2	3.1	-	0.6

Notwithstanding the share issuance under the FLE, shareholders' portion of revenue from the investment strategies increases (as Fund Manager share of revenue is reduced) such that Cash EPS should be broadly neutral, provided FUM is maintained post issuance.

It is expected that as new investment teams and strategies are added to our business and improve our growth prospects, the program will expand. For every \$1 billion in FUM raised under the FLE Scheme, this would equate to approximately 1.2 m newly issued shares based on the 30 September 2017 BTT share price in accordance with the FLE Scheme rules.

Sourcing of equity issued to employees

For employee incentive arrangements other than FLE, BTT equity has been delivered by either purchasing shares on market, accessing shares from employees selling post restrictions, or through the Dividend Re-investment Plan (DRP). In the case of the FLE Scheme, significant equity requirements are planned to be delivered by way of new shares. Shares issued under the FLE Scheme are designed to be broadly Cash EPS neutral as they are offset by a reduction in the revenue share that the Fund Managers earn on their investment strategies.

Benefits of our Fund Manager remuneration approach in our business model

Our business model is designed to provide 'the best of both worlds' where Fund Managers operate in an environment that is investment-led with independence, where they share in economic value created, have creative independence and an absence of bureaucratic structures combined with the strengths of a significant institution that provides a strong operational platform (i.e. brand, distribution, compliance, back-office).

The result for Funds Management teams is that their income each year is a direct function of the financial success of their own efforts while their longer term wealth is driven by the success of the overall Group.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

As a result of our approach, our senior Fund Managers have a significant shareholding in the Group which produces strong alignment between the interests of Fund Managers and shareholders. Consequently, Fund Managers also have a keen interest in the Group's dividends and earnings per share performance.

By providing equity in a listed entity (i.e. BTIM), equity value can be tracked on a daily basis and value can be realised over time.

With respect to the FLE Scheme, the capitalised value is shared between Fund Managers and the Group when the FLE is converted into BTT equity. Further, no equity is granted until FUM and revenue are generated.

We believe this approach cultivates a performance oriented and stable environment that aligns fund managers to the business that is desirable for our clients when determining a suitable Fund Manager.

Further, we have been careful to mitigate against an asset gathering mentality that would likely impact investment performance. Specifically:

- Investment performance, and the individual contribution to it, is a key factor in how the pool for the fund management team is divided up;
- There is no evidence of an asset-gathering mentality – indeed every fund management team has voluntarily imposed capacity constraints where appropriate on some or all of their products. In the case of JOHCM, every product has a stated capacity agreed with the fund managers; and
- Interests are aligned by earning performance fees on certain fund returns that exceed benchmarks.

SALES REMUNERATION

Business Development Managers within our retail and institutional sales teams are provided market competitive fixed and variable remuneration. Consistent with other employee groups, fixed remuneration is reviewed at the beginning of each financial year.

Variable remuneration is derived from the actual sales performance of individual members of the sales teams according to an agreed formula which is based on FUM flows generating fee revenue. There is also a variable component expressed as a percentage of fixed remuneration that is determined by non-sales factors such as team cooperation, business profitability, client retention and sales support.

The formula is different for the institutional sales channels versus the retail channels (in Australia the wholesale channel, OEICS in Europe and mutual funds in the US). In line with Fund Managers and other employees, sales employees are required to take a portion of their variable remuneration in the form of deferred equity, vesting between three and five years.

The time horizon of payments for the revenue generation scheme varies between one to three years. Typically, payment outcomes are provided over shorter time horizons to reinforce the link between revenue generation and reward.

UK Sales remuneration is currently under review as a result of regulatory changes taking place in the UK.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

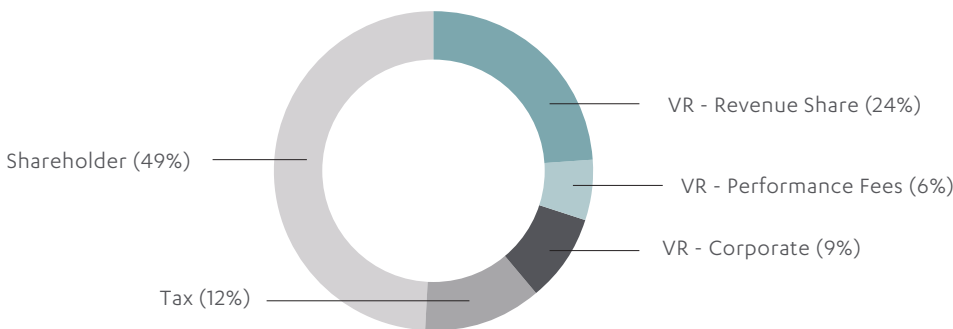
LINK BETWEEN REMUNERATION OUTCOMES AND GROUP PERFORMANCE

How the Share of Profits (Pre-tax Pre-Variable Reward) is divided

As part of BTIM Group's remuneration philosophy, our business model involves sharing profits amongst Fund Managers, generated by the efforts and skill of the funds management teams with the support of Corporate employees, and between shareholders and employees via the variable reward schemes. These schemes vary for different groups of employees to reward outcomes and behaviours appropriate to their roles and responsibilities.

The allocation of profits attributed to both shareholders and employees is outlined in Chart 3. This is calculated taking into account all of the variable remuneration schemes across the business as described above, when the share of pre-tax pre-variable reward profits (revenue less operating costs of running the business prior to distribution of variable reward and profits to shareholders) is assessed.

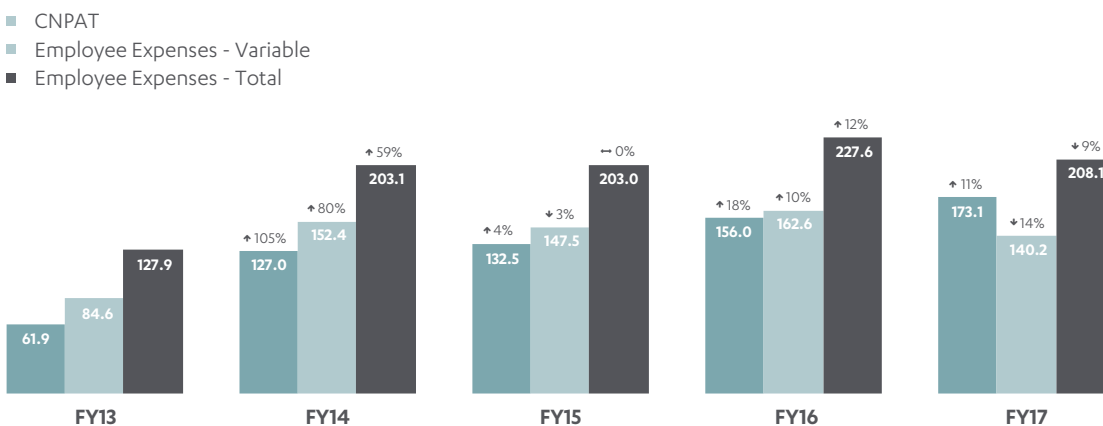
Chart 3: Actual Share of profits (pre-tax pre-variable reward)



Graph 4 demonstrates the linkage between Group performance (i.e. Cash NPAT) and overall remuneration outcomes (i.e. variable reward and total employee expenses) over the last five years.

Remuneration outcomes and Company performance is linked primarily via the contracted revenue scheme for the Fund Managers and the variable reward schemes for Corporate employees including the Group CEO and other Global Executive Committee members. The schemes link variable remuneration to either a change in revenue (as is the case for the Fund Managers under a revenue sharing agreement) or a change in Company profitability (in the case of corporate employees). The 2017 Financial Year variable remuneration was impacted by FLE conversions that occurred during the year and a decrease in performance fees.

Graph 4: VR Outcomes compared to Company performance over the last five years



Directors' Report – Remuneration Report

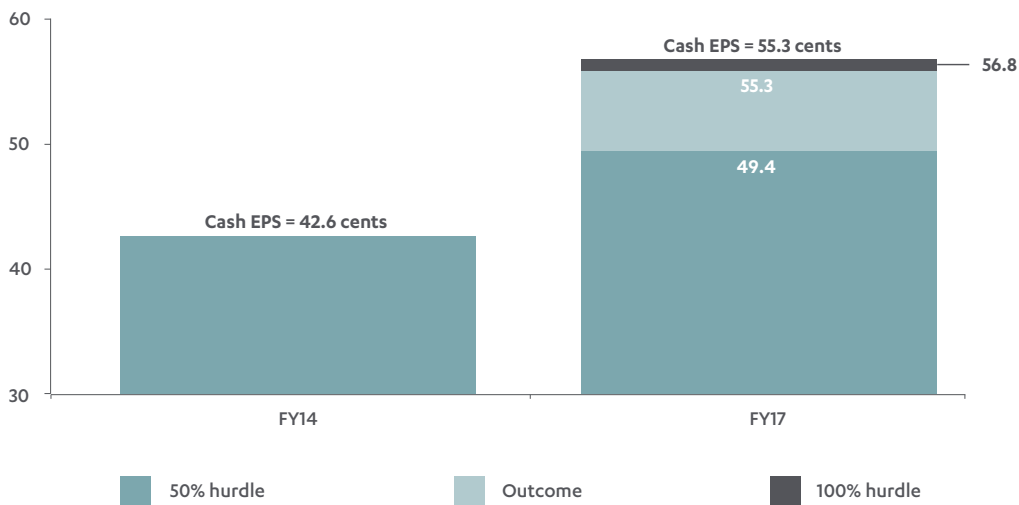
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Vesting of LTI grants

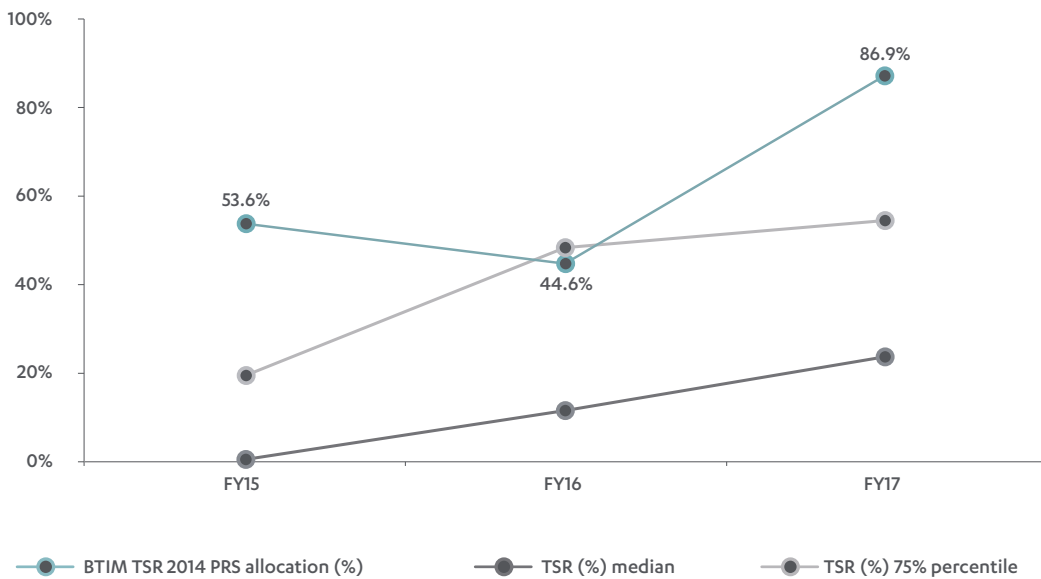
The 2014 Financial Year LTI grant to the Group CEO represents 163,829 shares on conversion (based on a face value of \$1,000,000 and share price of \$6.10 at the date of grant). LTI grants were also awarded to other Global Executive Committee members under the Performance Reward Scheme (PRS). The LTI grants were subject to two performance hurdles, TSR and Cash EPS, and is the fourth grant to mature under this PRS. Charts 5a and 5b illustrate the performance of the hurdles during the three year period as follows:

1. **TSR: 50% of award.** BTIM's TSR over the three-year performance period of 86.9% was in the top quartile of the ASX 200 comparator group and so 100% of the relative TSR portion of the award will vest.
2. **Cash EPS growth: 50% of award.** Target range of greater than 5% to 10% annual compound growth. Cash EPS over the three year performance period has been achieved at 9.037%, therefore 90.37% of the Cash EPS portion of the award will vest.

Graph 5a: Performance Reward Scheme – Cash EPS outcomes over the three year performance period



Graph 5b: Performance Reward Scheme – TSR % outcomes over each three year performance period



Directors' Report – Remuneration Report

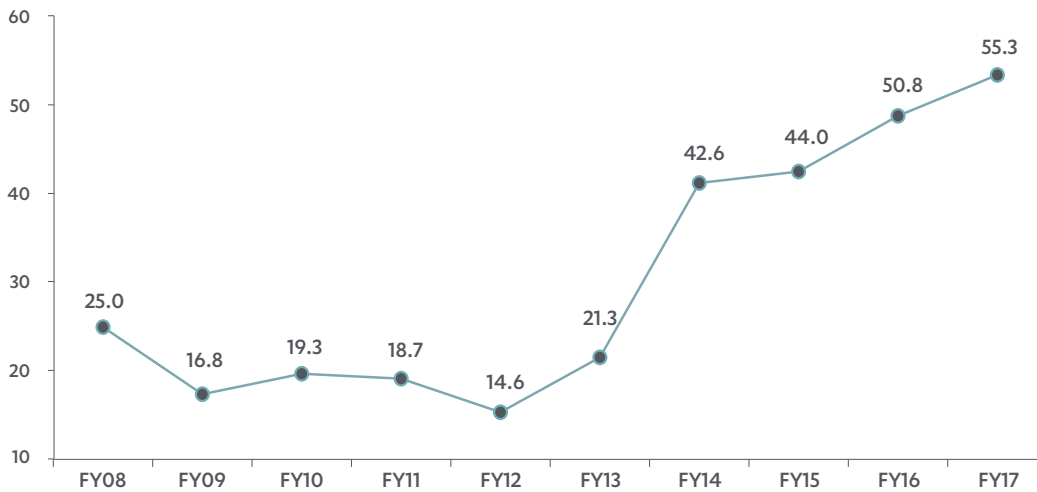
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Vesting of LTI grants and link to BTIM Performance

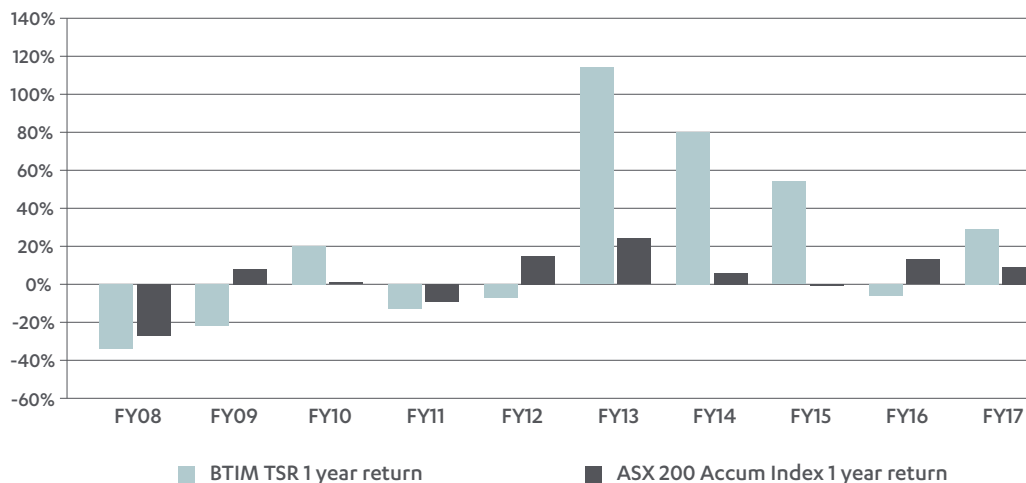
Why relative TSR and Cash EPS hurdles?

The TSR hurdle of 50-100% is aligned with common market practice to ensure an equitable reward for executives to peer executives assessed on a similar basis. The Cash EPS hurdle of 5-10% has been set by the Board's requirement that management builds a business that is sustainable through various economic cycles, irrespective of whether the markets are up or down. The Board set the 5-10% band for Cash EPS vesting by considering the evidence and expectations for reasonable long term earnings growth. The goal is to maintain a consistent hurdle across the market cycle so that the goals are very clear for management and shareholders, to be realistically achievable but not easy, and to represent a result that would produce a healthy investment for shareholders. Graphs 6a and 6b below provide a ten year historical overview of BTIM's Cash EPS and TSR relative performance against the S&P/ASX 200 Accumulation Index. As illustrated in the graphs below, the Company has recently achieved the target comfortably, but this has not always been the case. In light of the excellent recent growth of the Company, the Board continues to regard these targets as sufficiently challenging for the future.

Graph 6a: BTIM Cash EPS (cps) over time



Graph 6b: BTIM TSE and S&P/ASX 200 Accumulation Index over time



Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

DETAILS OF EQUITY BASED REMUNERATION

Details of the various equity-based reward plans are noted in Table 4a below. As at 30 September 2017, approximately 14% of the share register represents employee interests. From a governance and administration perspective, external Trustees are responsible for managing the two employee equity plan trusts which the Company uses to facilitate the acquisition and holding of shares for employee incentive arrangements.

In accordance with the disclosure requirements under Listing Rule 4.10.22, during the 2017 Financial Year, it should be noted that the Trustees of the BTIM Employee Equity Plan and the Employee Benefit Trust (for JOHCM employees) acquired a total of 4,499,154 BTT shares at an average price of \$9.47 totalling \$42.6 million. These securities were acquired to satisfy BTIM's obligations under various employee equity plans. The value of the equity award an individual employee receives is divided by the average price the equity was acquired to determine the number of shares allocated at the grant date. BTIM estimates that for the 2018 Financial Year its share requirements will be up to \$43.5 million which will be acquired via on market purchasing and employee share sales throughout the year, with the exception of the FLE shares which are issued. It should be noted that shares issued to fulfil the FLE Scheme do not impact EPS and is designed to be EPS neutral, provided FUM is maintained post issuance.

Table 4a: Equity-based employee reward schemes/plans

Variable Reward Scheme/Plan	Description	Participants
BTIM Australia Corporate Variable Reward (VR) Scheme, CEO, BTIM Australia VR Plan, JOHCM Senior Staff Bonus Scheme and General Staff Bonus Scheme	<p>The four schemes are designed to reward performance specifically for senior and general employees (including the CEO, BTIM Australia and CEO, JOHCM Group) who work within the BTIMA and JOHCM corporate support teams and who do not participate in a revenue share arrangement. The variable component for each individual employee is set annually and is based on regular analysis of competitor market data for each role.</p> <p>The schemes are linked to the performance of BTIMA and JOHCM through the creation of variable pools from which employees are paid their variable outcomes. The size of the variable pool for each of the three schemes is based on performance against their financial objectives. Compulsory deferral into BTT equity applies to these plans.</p>	Corporate roles including Global Executives Committee members
Sales Incentive Plans	<p>The Sales Incentive Plans are designed to reward performance specifically for business development managers who work within the BTIMA and JOHCM sales teams.</p> <p>The pool is derived from the actual sales performance of individual members of the sales teams according to an agreed formula, based on a percentage of net flows. Compulsory variable reward deferral applies to these plans.</p>	Sales roles
BTIM Australia and JOHCM Performance Reward Schemes (PRS)	<p>The PRS was implemented in 2012 and is a broad-based LTI program which provides all eligible corporate employees with an amount of equity aimed at rewarding success.</p> <p>Performance conditions are tailored for employee groups and are either cash EPS, TSR, or linked to revenue. PRS awards vest at the end of a three-year performance period.</p> <p>Awards granted in 2014 were tested against performance at the end of the 2017 Financial Year. Vesting outcomes for 2014 PRS awards are set out in Charts 6a and 6b above.</p>	Corporate roles including the Group CEO and other Global Executive Committee members
BTIM Australia Boutique Variable Reward (VR) Scheme	<p>The Boutique VR Scheme is a scheme to reward performance specifically for investment employees who are in boutiques on a revenue share arrangement. For the 2017 Financial Year, the Equity Strategies, Income & Fixed Interest and Global Equities boutiques operated under their own arrangements, as per the Boutique VR Scheme. The VR pool for each boutique is based on an agreed formula that accounts for profit share directly attributable to the boutique. Compulsory deferral into BTT equity applies to these plans.</p>	Fund Managers
Fund Manager Remuneration Schemes (FMRS)	<p>The FMRS are designed to recognise and reward Fund Managers for fund performance and asset/client retention. The FMRS cater for two plans including a legacy plan and the FLE Scheme.</p> <p>Investment professionals managing more established funds receive a variable reward opportunity as part of the profit share arrangement, with a portion of the variable reward deferred into BTT equity with a vesting period of up to five years.</p> <p>Investment professionals managing new funds are eligible to participate in the FLE Scheme that rewards for business building outcomes measured through FUM. Fund Managers can choose not to participate in the FLE Scheme. Further detail on the FLE Scheme is outlined in the Fund Manager Remuneration section.</p>	Fund Managers
JOHCM Long Term Retention Equity	<p>An LTI plan has been put in place to provide long term retention of certain Fund Managers which is linked to individual performance.</p> <p>Part of the LTI plan is time-based where a portion of the variable reward is issued as equity and vests over a period up to six years. Selected employees were also issued retention equity which vests over a specified holding period or after cessation of employment, provided certain conditions have been satisfied.</p>	Fund Managers

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

OVERSIGHT AND GOVERNANCE

The Board, through its Remuneration & Nominations Committee and its subsidiary JOHCM Remuneration Committee (together, the Remuneration Committees), provides oversight of remuneration and incentive policies. This includes specific recommendations on remuneration packages and other terms of employment for Executive Directors, Senior Executives, Non-executive Directors (NEDs) and Fund Managers.

In summary, the Remuneration Committees are responsible for the following functions and responsibilities:

- Review and make recommendation to the Board in relation to remuneration arrangements and policies for the Group CEO and other Global Executive Committee members as well as other Senior Executives and appointments;
- Approve Group equity allocations and Group VR pools;
- Significant changes in remuneration policy and structure, including employee equity plans and benefits;
- Review and make recommendations to the Board in relation to the succession plans for the Group CEO and review succession plans for other Global Executive Committee members;
- Provide oversight over the Company's strategic human resource initiatives, including diversity, culture and leadership;
- Assess the collective skills required to effectively discharge the Board's duties, having regard to the Company's performance, financial position, strategic direction and performance of Directors;
- Review the composition, functions, responsibilities, size of the Board and Director tenure; and
- Consider the suitability of candidates and make recommendations to the Board for the appointment of directors, director appointment criteria and succession planning.

During the 2017 Financial Year, the Board and Remuneration Committees actioned the following significant items in relation to remuneration arrangements as outlined in Table 5 below.

Table 5: Significant issues considered during the 2017 Financial Year

Approved conversions of various Equity schemes	Approved conversions under the FLE Scheme; and Approved the conversion of the 2013 performance share rights applicable to eligible participants including the Group CEO and other Global Executive Committee members in October 2016;
Completed the review of the Group CEO's remuneration	The review of the Group CEO's remuneration was completed and the outcome of the review has been disclosed on page 47 of this Report.
Approved remuneration of incoming executives	Approved the appointment and remuneration arrangements for the Group Company Secretary, Head of Corporate Governance and heads of new specialist investment teams.
Continued evaluation on the consequences of UCITS V, MiFID and Senior Managers Regime for the Group	The evaluation of the UCITS V Directive for the Group is well advanced in identifying the various policy adjustments needed to comply. This work is ongoing and will be completed in the 2018 Financial Year; and The impacts of MiFID and the Senior Managers Regime are currently being assessed.
Recruited UK based Director	In the 2015 Financial Year the Board identified the need for an additional Director with direct experience in the UK market and this search was successfully completed following the appointment of Kathryn Matthews to the Board earlier in the year.
Updated Board skills matrix	The Board skills matrix was reviewed and updated to reflect the cross section of skills across the Board.
Completed a review of NED fee structure	A review of the NED fee structure was completed and became effective 1 January 2017. (Refer to Review of NED fee structure on page 68).

Engagement of remuneration consultants

The Remuneration & Nominations Committee has a Charter in place that acknowledges its obligations under the *Corporations Act 2001* in respect of remuneration advice or remuneration recommendations for KMP. This includes:

- Committee approval is required to appoint any remuneration consultant to advise in relation to KMP remuneration;
- Any advice from the remuneration consultant must be provided directly to the Chair of the Committee and not to management; and
- Dialogue between KMP to whom the advice relates and the remuneration consultant is precluded and a declaration of their independence from the KMP to whom their recommendations relate. Confirmation that the Remuneration & Nominations Committee's conditions of engagement have been observed is also required.

By observing these requirements, the Remuneration & Nominations Committee receives assurance that the remuneration advice and recommendations provided by remuneration consultants are independent from management.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Independent Board advice and services

Guerdon Associates continues to act as the Remuneration & Nominations Committee's appointed remuneration adviser.

No consultants were engaged to provide recommendations to the Remuneration & Nomination Committee in relation to KMP remuneration that fit within the definition of a 'remuneration recommendation' under the *Corporations Amendment (Improving Accountability on Directors and Executive Remuneration) Act 2011*.

Services provided to management and the Committee

The following organisations provided management with remuneration benchmarking data for employees:

- Financial Institutions Remuneration Group (FIRG)
- McLagan
- Mercer-Kepler
- Egan Associates

The following organisations provided management with assistance on assessment of regulatory impacts as it relates to remuneration arrangements:

- Allen and Overy
- Tapestry Global Compliance Partners
- McFarlanes
- Ernst & Young (EY)

EY also provided management updates on legislative and regulatory developments in the financial services industry.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

GROUP CEO AND OTHER GLOBAL EXECUTIVE COMMITTEE MEMBERS' PERFORMANCE OUTCOMES IN THE 2017 FINANCIAL YEAR

Group CEO Performance and Short Term Incentive Outcome

The Group CEO remuneration structure that applied in the 2017 Financial Year is in line with the remuneration structure as set out earlier in the report.

The 2017 Financial Year short term incentive outcome of \$1.4 million reflects the Boards assessment of the Group CEO's performance against the Key Performance Indicators (KPIs) including financial and non-financial measures as outlined in Table 6 below.

Table 6: Group CEO Performance Against KPIs and Remuneration Outcomes

	DESCRIPTION OF KEY PERFORMANCE INDICATORS AND PERFORMANCE			
	PERFORMANCE MEASURE	KEY PERFORMANCE INDICATORS	WEIGHTING	FY17 PERFORMANCE AGAINST KPIs
Short Term Incentive \$1.4 million	Financial	Cash NPAT	20%	Record profit year despite lower performance fees
		Net FUM		Strong inflows, but with some significant realised and imminent redemptions
		Base Management Fee Revenue		Solid earnings with good cost control, but assisted by non-recurring items
		(targets previously agreed with Board)		Overall above target
Global Strategy and Execution	Progress against Strategic Objectives previously approved by the Board	30%	Expanded Investment capabilities with new hires.	
			Global structure developing.	
			Successful year in US, but more work to be done to build a robust long-term position	
			Launched new investment vehicles in key markets	
Global Leadership	New Global Executive team working collaboratively and effectively	30%	Build out of distribution capability in progress	
			Overall slightly behind target	
			Global Executive Committee implemented and making good progress. One hire yet to be filled	
			Collaboration across offices developing effectively	
Risk Management, Investment & Operational Effectiveness	Material progress in global transformation of organisation	20%	Market positioning project for global organisation underway	
			Overall on target	
			Competitive investment performance	Long term fund performance good. Some strategies underperforming in the short term
			Governance Structure	Globalised governance structure. New structure working effectively
Risk Management, Investment & Operational Effectiveness	Operational risk management policies and procedures	20%	Reviewed policies and procedures to reflect new and upcoming regulatory requirements across impacted jurisdictions	
			Current open compliance matters	
			Overall on target	

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Other Global Executive Committee Members' Performance

Each year the Group CEO, taking into account market data and the scope of the role, considers the appropriate variable reward target for each member of the Global Executive Committee. The recommendations are presented to the Remuneration & Nominations Committee who discuss and approve the remuneration package for each individual. Changes in company profitability that impact the size of the Corporate VR pool are an important determinant in each Global Executive Committee members' variable reward outcomes with non-financial factors, including risk management, also having an influence. Financial performance indicators considered include Company profitability, expense management and sales performance.

In the establishment of the Global Executive Committee in the financial year 2017, the Group CEO transitioned his responsibilities for the Australian business to the new CEO, BTIM Australia. Furthermore, he determined a set of priorities and key deliverables for the rest of the Global Executives that align with the goals of the business. The Group CEO undertakes a review with each Global Executive and conducts a formal discussion with them about their key achievements, during the performance year, and identifies areas for improvement and focus going forward. The non-financial measures that are incorporated will differ from one Global Executive to the next depending on the role but are made up of business critical objectives such as business strategy, people management, quality and delivery of project work, client satisfaction, support to the boutiques, ability to resolve issues and risk management.

Once the objectives are agreed, the Group CEO meets regularly with his direct reports to assess progress and adjust or change priorities depending on the needs of the business. A more formal review of achievements and an assessment against objectives is carried out twice per year. The Group CEO reviews the performance of the Global Executive Committee members annually with the Committee.

Details of the Global Executive Committee Remuneration Outcomes

The following section contains both statutory (in accordance with applicable accounting standards and regulations) and voluntary disclosures of awarded remuneration for KMP. The differences between Tables 7a, 7b and 7c are largely in relation to the treatment of share-based payments:

- Table 7a (i) and 7a (ii): Voluntary disclosure outlining remuneration awarded in the current financial year comprising fixed pay and the grant of share-based payments under short- and long term equity awards. The amounts represent the actual cash cost to the Company and are charged to Cash NPAT. The number of shares granted to each KMP is determined by the amount paid by the Company and acquired by each Group Employee Equity Trust through a combination of on market and off market purchases. The benefit shown is based on the market value of shares at the date of award and, in the case of the long term equity payments assumes the satisfaction of all performance hurdles;
- Table 7b: Voluntary disclosure outlining remuneration awarded in the current financial year, comprising fixed pay and the vested value of share-based payments under the short- and long term equity awards (i.e. the realised value of equity awards based on current performance; a "cash" table – this relates to 2017 Financial Year STI awards and LTI awards granted in 2014). This table highlights equity forfeited by Gavin Rochussen on date of separation as a result of his resignation. It should be noted that Gavin was not awarded any payments following resignation; and
- Table 7c: Mandatory disclosure of statutory remuneration including the amortised value (in accordance with AASB2) of share-based payments under the short- and long term equity awards for the current financial year. This table highlights equity forfeited by Gavin Rochussen on date of separation as a result of his resignation. It should be noted that Gavin was not awarded any payments following resignation.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Table 7a (i): Voluntary disclosure of awarded remuneration for Global Executive Committee in the 2017 and 2016 Financial Years, based on the grant value of long term equity payments

Employment benefits

FY	SHORT TERM				LONG TERM SHARE-BASED PAYMENTS				Total \$
	Salary & fees \$	Super-annuation benefits \$	Total fixed remuneration ^{4&5} \$	Cash component of VR ¹ \$	Non-monetary benefits ³ \$	Long term equity payments ⁶ \$	Other ⁷ \$		
KMP									
Emilio Gonzalez ²	17	718,491	32,500	750,991	700,000	12,502	1,000,000	137,954	2,601,447
	16	592,300	35,000	627,300	850,000	12,983	1,000,000	241,311	2,731,594
Michael Bargholz	17	490,962	20,962	511,924	300,000	-	600,000	970,000	2,381,924
	16	-	-	-	-	-	-	-	-
Ken Lambden	17	549,817	-	549,817	769,743	9,628	1,166,278	-	2,495,466
	16	-	-	-	-	-	-	-	-
Gavin Rochussen ³	17	462,026	-	462,026	-	12,544	-	-	474,570
	16	672,384	-	672,384	954,980	15,425	-	-	1,642,789
Cameron Williamson	17	403,104	28,750	431,854	280,040	-	175,000	20,693	907,587
	16	403,480	30,000	433,480	220,020	-	175,000	24,131	852,631
Total Global Executive Committee Remuneration	17	2,624,400	82,212	2,706,612	2,049,783	34,674	2,941,278	1,128,647	8,860,994
	16	1,668,164	65,000	1,733,164	2,025,000	28,408	1,175,000	265,442	5,227,014

Notes to Table 7a (i):

- The cash component of VR represents the award for performance during the 2017 Financial Year and will be paid in December 2017. These projected amounts were determined on 26 September 2017 and 3 November 2017, after performance reviews were completed, and approved by the Board. It should be noted there may be changes to these figures following final approval of the relative proportions of cash and equity as part of the annual remuneration review cycle.
- The non-monetary benefits for Emilio Gonzalez include salary sacrifice benefits which are accessible by all employees and may include but are not limited to car parking, novated leases and/or computers etc.
- The non-monetary benefits provided to Ken Lambden and Gavin Rochussen include healthcare coverage, life cover and long term disability cover.
- Ken Lambden and Gavin Rochussen are remunerated in Pounds Sterling. An average exchange rate of 0.6002 for 2017 (2016:0.5131) has been applied to convert their remuneration to Australian dollars. Ken's remuneration package consists of a fixed remuneration component of £330,000 and Gavin's remuneration package consists of a fixed remuneration package of £350,000 and awards under equity schemes; namely the Senior Staff Bonus Scheme, CEO Award, Senior Management Award and the CEO Performance Award.
- It should be noted that Gavin Rochussen's total fixed remuneration represents a pro-rata amount from 1 October 2016 to his date of separation on 17 July 2017. The total fixed remuneration for both Michael Bargholz and Ken Lambden have been pro-rated to reflect their respective start dates.
- All LTI awards granted to Senior Executives are subject to performance hurdles. The amounts shown in Table 7a (i) represent the face value of the grants at time of allocation. Actual outcomes may differ materially from the values shown, depending on the extent to which the relevant performance hurdles are met and the BTT share price at the time of vesting.
- Other payment for Emilio Gonzalez and Cameron Williamson represents the dividend equivalent payment made in relation to the 2012 and 2013 performance share rights that vested in October 2015 and 2016. Other payments for Michael Bargholz represent a combination of cash and equity make-good payments paid following commencement.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Table 7a (ii): Voluntary disclosure of Short Term Equity Payments awarded to the Global Executive Committee in the 2017 and 2016 Financial Years

KMP	FY	Cost of Short Term Equity Payments ^{1&2} (\$)	Closing share price at 30 September 2017 ³ (\$)	Allocation price for FY16 Short term equity Awards ⁴ (\$)	Estimated Number of shares ⁵ (#)	Estimated Value of award at 30 September 2017 (\$)
Emilio Gonzalez	17	700,000	11.05		63,348	699,995
	16	850,000		10.40	81,714	902,939
Michael Bargholz	17	840,000	11.05		84,143	929,780
	16	-			-	-
Ken Lambden	17	329,890	11.05		29,854	329,887
	16	-			-	-
Gavin Rochussen	16	409,277		10.28	39,817	439,977
Cameron Williamson	17	119,960	11.05		10,856	119,959
	16	79,980		10.40	7,688	84,952
Total	17	1,989,850	11.05		188,201	2,079,621
	16	1,339,257			129,219	1,427,868

Notes to Table 7a (ii):

- Equity-based remuneration in table 7a (ii) represents the actual short term equity awarded for performance for the 2017 Financial Year. These projected amounts were determined on 26 September 2017 and 3 November 2017, after performance reviews were completed, and approved by the Board. It should be noted there may be immaterial changes to these figures following final approval of the relative proportions of cash and equity as part of the annual remuneration review cycle.
- The equity-based remuneration for Michael Bargholz also includes an equity award of \$540,000 as part of his contracted arrangements upon commencement.
- The closing share price for 30 September 2017 of \$11.05 has been used to illustrate the value of awards within this table.
- Allocation price for the 2017 Financial Year STI equity awards will be finalised closer to the 8 December 2017 allocation date.
- It should be noted that the actual number of shares allocated for the 2017 Financial Year award will be determined closer to the allocation date on 8 December 2017.

Table 7b: Voluntary disclosure of awarded remuneration for the Global Executive Committee in the 2017 Financial Year based on the value of vested short term and long term equity payments

KMP	FY	EMPLOYMENT BENEFITS										Total \$
		SHORT TERM				SHARE-BASED PAYMENTS						
		Salary & fees \$	Super-annuation benefits \$	Total fixed remuneration ⁴ \$	Cash component of VR ¹ \$	Non-Monetary benefits ⁵ \$	Long Service Leave ⁶ \$	STI equity payments ^{2a&b,3} \$	LTI equity payments ⁷ \$	Equity forfeited ⁸ \$	Other ⁹ \$	
Emilio Gonzalez	17	718,491	32,500	750,991	700,000	12,502	24,580	1,823,950	1,722,118	-	137,954	5,172,095
Michael Bargholz	17	490,962	20,962	511,924	300,000	-	5,719	258,385	-	-	970,000	2,046,028
Ken Lambden	17	549,817	-	549,817	769,743	9,628	-	-	-	-	-	1,329,188
Gavin Rochussen	17	462,026	-	462,026	-	12,544	-	-	-	(22,076,217)	-	(21,601,647)
Cameron Williamson	17	403,104	28,750	431,854	280,040	-	4,935	241,786	301,370	-	20,693	1,280,678
Total Global Executive Committee Remuneration	17	2,624,400	82,212	2,706,612	2,049,783	34,674	35,234	2,324,121	2,023,488	(22,076,217)	1,128,647	(11,773,658)

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Table 7c: Mandatory disclosure of statutory remuneration for the Global Executive Committee in the 2017 and 2016 Financial Years

FY	SHORT TERM					LONG TERM						Total \$
	Salary & fees \$	Super-annuation benefits \$	Total fixed remuneration ⁴ \$	Cash component of VR ¹ \$	Non-monetary benefit ⁵ \$	Long service leave ⁶ \$	STI Equity payments ^{2a&b,3} \$	LTI Equity payments ⁷ \$	Equity Forfeited ⁸ \$	Other ⁹ \$		
Emilio Gonzalez	17	718,491	32,500	750,991	700,000	12,502	24,580	1,038,503	809,533	-	137,954	3,474,063
	16	592,300	35,000	627,300	850,000	12,983	1,821	1,016,325	801,370	-	241,311	3,551,110
Michael Bargholz	17	490,962	20,962	511,924	300,000	-	5,719	575,950	163,557	-	970,000	2,527,150
	16	-	-	-	-	-	-	-	-	-	-	-
Ken Lambden	17	549,817	-	549,817	769,743	9,628	-	156,273	324,630	-	-	1,810,091
	16	-	-	-	-	-	-	-	-	-	-	-
Gavin Rochussen	17	462,026	-	462,026	-	12,544	-	-	-	(7,274,060)	-	(6,799,490)
	16	672,384	-	672,384	954,980	15,425	-	474,761	3,586,843	-	-	5,704,393
Cameron Williamson	17	403,104	28,750	431,854	280,040	-	4,935	139,952	141,664	-	20,693	1,019,138
	16	403,480	30,000	433,480	220,020	-	5,126	154,989	133,626	-	24,131	971,372
Total Global Executive Committee Remuneration	17	2,624,400	82,212	2,706,612	2,049,783	34,674	35,234	1,910,678	1,439,384	(7,274,060)	1,128,647	2,030,952
	16	1,668,164	65,000	1,733,164	2,025,000	28,408	6,947	1,646,075	4,521,839	-	265,442	10,226,875

Notes to Table 7b and 7c:

- The cash component of VR represents the award for performance during the 2017 Financial Year and will be paid in December 2017. These projected amounts were determined on 26 September 2017 and 3 November 2017, after performance reviews were completed, and approved by the Board. It should be noted there may be changes to these figures following final approval of the relative proportions of cash and equity as part of the annual remuneration review cycle.
- Equity-based remuneration in Tables 7b and 7c are represented differently and as follows:
 - In Table 7b the equity awards that vested on 1 October 2017 have been treated as vesting in the 2017 Financial Year. The equity value has been calculated as the number of securities that vested during the year ended 30 September 2017, multiplied by the five day volume weighted average price of BTT Ordinary shares at the time they vested.
 - In Table 7c equity-based remuneration represents the amortisation of 'fair value' at grant over the vesting period of all grants allocated up to the year ended 30 September 2017, and does not represent the vested portions of the grant (refer to Table 9). 'Fair value' is determined as required by accounting standards as 'the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged'. Accounting standards set out specific requirements in relation to the calculation of fair value of equity-based remuneration. BTIM complies with all relevant requirements.
- The equity component of the VR outcome for KMPs for the 2017 Financial Year is not included in Tables 7b and 7c as the equity was not granted in the 2017 Financial Year and will be reported in the 2018 Financial Year. Table 9 includes equity that vested on 1 October 2017.
- Ken Lambden and Gavin Rochussen are remunerated in Pounds Sterling. An average exchange rate of 0.6002 for 2017 (2016:0.5131) has been applied to convert their remuneration to Australian dollars. Ken's remuneration package consists of a fixed remuneration component of £330,000 and Gavin's remuneration package consists of a fixed remuneration package of £350,000 and awards under equity schemes; namely the Senior Staff Bonus Scheme, CEO Award, Senior Management Award and the CEO Performance Award.
- The non-monetary benefit for Emilio Gonzalez is a salary sacrifice benefit which is accessible to all employees and includes but is not limited to car parking, novated leases and/or computers, etc. The non-monetary benefits provided to Ken Lambden and Gavin Rochussen includes healthcare coverage, life cover and long term disability cover.
- Although long service leave benefits continue to accumulate, the amount recognised in the financial statements for such benefits has been re-valued during the 2017 Financial Year in accordance with actuarial-based valuation methodologies.
- Long term equity payments in Tables 7b and 7c are represented differently and as follows:
 - In Table 7b the LTI equity that vested on 1 October 2017 has been treated as vesting in the 2017 Financial Year. The equity value has been calculated as the number of securities that vested during the year ended 30 September 2017, multiplied by the five day volume weighted average price of BTT ordinary shares at the time they vested.
 - In Table 7c the LTI equity has been valued independently by Orient Capital using Binomial/Monte-Carlo simulation models which take into account the performance hurdles relevant to the issue of those equity instruments. The share-based payment remuneration in relation to the LTI equity is the amount expensed in the financial statements for the year and includes adjustments to reflect the expectation as at 30 September 2017 of the likely level of vesting of LTI grants with non-market hurdles. For grants with non-market conditions including EPS hurdles, the number of shares expected to vest is estimated at the end of each reporting period and the amount to be expensed is adjusted accordingly. For grants with market conditions such as TSR, the number of shares expected to vest is included in the estimated fair value of securities at grant date in accordance with AASB2, and is not adjusted during the life of the grant. The accounting treatment of non-market and market conditions is in accordance with Accounting Standards.
- Gavin Rochussen forfeited equity following his resignation and subsequent separation on 17 July 2017.
- Other payment for Emilio Gonzalez and Cameron Williamson represents the dividend equivalent payment made in relation to the 2012 and 2013 performance share rights that vested in October 2015 and 2016. Other payments for Michael Bargholz represent a combination of cash and equity make-good payments paid following commencement.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Table 8 illustrates the relative proportions of fixed, cash VR and equity remuneration in the relevant financial year (calculated based on statutory accounting disclosures; i.e. Table 7c) as a percentage of total remuneration. Table 8 differs to Charts 1 and 2 on page 45 which are based on the target equity-based remuneration.

Table 8: 2017 and 2016 Financial Years fixed and variable remuneration as a proportion of total remuneration

	FIXED REMUNERATION AS A PERCENTAGE OF TOTAL REMUNERATION ¹		CASH VR AS A PERCENTAGE OF TOTAL REMUNERATION		EQUITY AS A PERCENTAGE OF TOTAL REMUNERATION ²	
	2017 %	2016 %	2017 %	2016 %	2017 %	2016 %
Global Executive Committee						
Emilio Gonzalez	23	18	20	24	57	58
Michael Bargholz	20	n/a	12	n/a	68	n/a
Ken Lambden	31	n/a	42	n/a	27	n/a
Gavin Rochussen	100	12	n/a	17	n/a	71
Cameron Williamson	43	45	27	23	30	32

Notes to Table 8:

- 1 Non-monetary benefits and long service leave have been included in the fixed remuneration calculation, if applicable.
- 2 The equity component represented in this table includes the equity-based remuneration awarded for the 2017 and 2016 Financial Years and long term incentives.

Share based-payments

Details of the shares in BTIM granted as compensation to the Group CEO and other Global Executive Committee members under the Employee Equity Plan during the reporting period are set out below.

Table 9: Group CEO and other Global Executive Committee members short term equity allocations

	Date of grant	Number of shares granted (#)	Value of award at grant (\$ per award)	Number of shares vested ¹ 1 Oct 2017	Proportion of award vested (%)	Proportion of award forfeited (%)
Group CEO						
Emilio Gonzalez	6-Dec-12	301,265	2.20	60,253	100	-
	5-Dec-13	214,822	4.86	42,964	80	-
	4-Dec-14	133,328	6.78	26,666	60	-
	3-Dec-15	94,638	13.01	18,926	40	-
	8-Dec-16	81,714	10.82	16,343	20	-
Other Global Executive Committee Members						
Michael Bargholz	23-Nov-16	56,994	11.30	23,396	41	-
Ken Lambden	N/A					
Gavin Rochussen	6-Dec-12	61,407	2.20	-	80	20
	5-Dec-13	105,979	4.86	-	60	40
	4-Dec-14	59,585	6.78	-	40	60
	3-Dec-15	49,636	13.01	-	20	80
	8-Dec-16	39,815	10.82	-	-	100
Cameron Williamson	6-Dec-12	31,375	2.20	6,275	100	-
	5-Dec-13	32,919	4.86	6,584	80	-
	4-Dec-14	22,030	6.78	4,406	60	-
	3-Dec-15	15,457	13.01	3,093	40	-
	8-Dec-16	7,688	10.82	1,538	20	-

Notes to Table 9:

- 1 The shares allocated for deferred VR, sign on and retention vest over five years with vesting dates of 1 October each year in most cases.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

The Group's remuneration outcomes also focus on driving performance and creating shareholder alignment in the longer term. We do this by providing our Global Executive Committee members with LTI awards in the form of performance share rights and performance shares with three and five year vesting periods. Table 10 below provides an overview of the Group CEO and other Global Executives' current LTI awards which have not yet vested.

Table 10 – Group CEO and other Global Executive Committee members long term incentive awards

FY17	Commencement of Test Period for Grant ³	Award vehicle ²	Award granted	Value of award at grant TSR Hurdle ¹ \$	Value of award at grant Non TSR Hurdle ¹ \$	Date of vesting	Vested during the year	Lapsed during the year	Balance as at 01 Oct 2017
Emilio Gonzalez	1-Oct-14	Performance Share Rights	163,829	3.68	6.05	1-Oct-17	155,932	7,897	-
	1-Oct-15	Performance Share Rights	103,997	5.92	9.73	1-Oct-18	-	-	103,997
	1-Oct-16	Performance Share Rights	111,873	5.68	8.94	1-Oct-19	-	-	111,873
Michael Bargholz	1-Oct-16	Performance Share Rights	67,123	5.68	8.94	1-Oct-19	-	-	67,123
Ken Lambden	1-Oct-16	Performance Share Rights	133,227	5.68	8.94	1-Oct-19	-	-	133,227
Gavin Rochussen ⁴	1-Oct-13	Performance Shares	922,154	n/a	6.13	1-Oct-17	-	922,154	-
	1-Oct-13	Performance Shares	204,923	n/a	6.13	1-Oct-18	-	204,923	-
	1-Oct-13	Performance Shares	717,230	n/a	6.13	1-Oct-19	-	717,230	-
Cameron Williamson	1-Oct-14	Performance Share Rights	28,670	3.68	6.05	1-Oct-17	27,288	1,382	-
	1-Oct-15	Performance Share Rights	18,199	5.92	9.73	1-Oct-18	-	-	18,199
	1-Oct-16	Performance Share Rights	19,577	5.68	8.94	1-Oct-19	-	-	19,577

Notes to Table 10:

- Table 10 outlines the fair value of the performance share rights which has been based on Australian Accounting Standards and has been independently calculated using Binomial/Monte-Carlo simulation models. For further details on the fair value methodology, refer to Note D2 within the financial statements.
- The LTIs are subject to performance hurdles which are tested at the end of three years for performance shares.
- The performance share rights allocated to the Global CEO and other Global Executive Committee members with a test period commencement date of 1 October 2014 have met performance hurdles on a partial basis and are treated as having partially vested in this table.
- Gavin Rochussen's performance shares have been included in this table for completeness but were forfeited following separation of employment.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Table 11 below outlines VR deferred to equity that has been awarded to the Group CEO and other Global Executive Committee members with an associated vesting schedule for the 2017 Financial Year. The shares vest over a period of up to five years, provided the vesting conditions are met. No shares will vest if the vesting conditions are not satisfied and the minimum value of the shares yet to vest is nil. The maximum value of the shares yet to vest has been determined as the market value of the shares at grant as reflected in the table below.

Table 11: Equity components of variable remuneration

Global Executive Committee	FY of grant	Value of equity grants at grant \$	Minimum total value of grant yet to vest \$	MAXIMUM COST OF EQUITY GRANTS ALLOCATED BY THE COMPANY THAT MAY VEST IN FUTURE YEARS ^{1&2}				
				FY18 \$	FY19 \$	FY20 \$	FY21 \$	FY22 onwards \$
Emilio Gonzalez	13	662,783	Nil	132,557	-	-	-	-
	14	1,044,035	Nil	208,805	208,805	-	-	-
	15	903,964	Nil	180,789	180,789	180,789	-	-
	15	797,028	Nil	797,028	-	-	-	-
	16	1,231,240	Nil	246,253	246,253	246,253	246,253	-
	16	813,778	Nil	-	813,778	-	-	-
	17	884,145	Nil	176,831	176,831	176,831	176,831	176,820
	17	817,793	Nil	-	-	817,793	-	-
Michael Bargholz	17	644,032	Nil	264,375	264,375	115,283	-	-
	17	490,671	Nil	-	-	490,671	-	-
Ken Lambden	17	973,891	Nil	-	-	973,891	-	-
Cameron Williamson	13	69,025	Nil	13,805	-	-	-	-
	14	159,986	Nil	31,993	31,993	-	-	-
	15	149,363	Nil	29,873	29,873	29,873	-	-
	15	139,480	Nil	139,480	-	-	-	-
	16	201,096	Nil	40,214	40,214	40,214	40,214	-
	16	142,405	Nil	-	142,405	-	-	-
	17	83,184	Nil	16,641	16,641	16,641	16,641	16,620
	17	143,106	Nil	-	-	143,106	-	-

Notes to Table 11:

- 1 The equity grants comprise shares and performance share rights. The equity grants issued vest over three or five years with vesting dates of 1 October each year in most cases.
- 2 The vesting schedule for a component of the VR equity for the Group CEO and other Global Executive Committee members differs from the standard vesting schedule, whereby shares vest equally over five years.

Loans to KMP and their related parties

No loans were provided to KMP or their related parties during the year or as at the date of this report.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

GLOBAL EXECUTIVE COMMITTEE MEMBERS' EMPLOYMENT AGREEMENTS

Remuneration and other terms of employment for the Group CEO and other Global Executive Committee members are also formalised in employment agreements. Each of these agreements takes into consideration the provision of fixed remuneration (which is reviewed annually), performance-based cash incentives, other benefits, and participation, when eligible, in relevant equity-based plans. The employment agreements for the Group CEO and other Global Executive Committee members are currently open-ended, permanent, full time, common law employment agreements.

Other significant provisions of the agreements relating to remuneration are set out in Tables 12 and 13.

Table 12: Summary of notice periods

Name	Notice period
Emilio Gonzalez	6 months
Michael Bargholz	6 months
Ken Lambden	6 months
Gavin Rochussen	6 months
Cameron Williamson	3 months

Table 13: Summary of termination entitlements

Term	Who	Conditions
Termination with notice	Emilio Gonzalez	<p>Any amount payable on the termination of employment will be made up of the following components:</p> <ul style="list-style-type: none"> • accrued but unpaid fixed remuneration as at the date of termination of employment (Termination Date); • accrued but unused annual leave and long service leave as at the Termination Date; • any vested portion of any Equity Grants, will be released in accordance with the Equity Plan Rules; • all unvested shares will be determined by the Board at its discretion; • any payment of a variable reward in the year of termination, including cash and/or equity, will be determined by the Board at its discretion; and • BTIM retains the right to bring the employment to an immediate end and pay an amount in lieu of notice, equal to the fixed remuneration that would have applied during the notice period.
	Michael Bargholz	<p>Any amount payable on the termination of employment will be made up of the following components:</p> <ul style="list-style-type: none"> • accrued but unpaid fixed remuneration up to the Termination Date; • accrued but unused annual leave and long service leave as at the Termination Date; • any vested portion of any Equity Grants or Make Good Equity Grant, will be released in accordance with the Equity Plan Rules; • any portion of any Equity Grant that has not vested as at the Termination Date will be treated in accordance with the Equity Plan Rules or PRS (as the case may be) unless the Board determines otherwise in its absolute discretion; and • any variable reward, whether in respect of the Financial Year in which the Notice Date or the Termination Date occurs or any prior Financial Year will be determined by the Company and or Board in its absolute discretion (and may be determined by the Company and or Board to be nil).
	Ken Lambden	<p>Any amount payable on the termination of employment will be made up of the following components:</p> <ul style="list-style-type: none"> • accrued but unpaid base salary as at the Termination Date; • any accrued but unused holiday and cost to the Company of providing company benefits as at the Termination Date; • any vested entitlement of equity grants which have been allocated as at the Termination Date will be released in accordance with the relevant Equity Plan Rules; • any unvested equity grants which have been allocated as at the Termination Date will be subject to the relevant Equity Plan Rules; and • any payment of a variable reward in the year of termination, including cash and/or equity, will be determined by the Group CEO and Board at its discretion.
	Gavin Rochussen	<p>Any amount payable on the termination of employment will be made up of the following components:</p> <ul style="list-style-type: none"> • accrued but unpaid fixed remuneration as at the date of termination of employment; • any payment of a variable reward in the year of termination, including cash and/or equity, will be determined by the Board at its discretion; • if employment ceases on the grounds of redundancy, ill-health/disability or death, the BTT equity subject to an LTI award, which has not reached the vesting dates, will be subject to Board approval; and • BTIM retains the right to bring the employment to an immediate end and pay an amount in lieu of notice, equal to the fixed remuneration that would have applied during the notice period.
	Cameron Williamson	<p>Any amount payable on the termination of employment will be made up of the following components:</p> <ul style="list-style-type: none"> • accrued but unpaid fixed remuneration package as at the Termination Date;

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Term	Who	Conditions
		<ul style="list-style-type: none"> • accrued but unused annual leave and long service leave as at the Termination Date; • any vested portion of any Equity Grants, will be released in accordance with the Equity Plan Rules; • any payment of variable reward in the year of termination, including cash and/or equity, and all unvested equity entitlements relating to grants as at the Termination Date will be determined in accordance with the relevant plan rules; and • BTIM retains the right to bring the employment to an immediate end and pay an amount in lieu of notice, equal to the fixed remuneration that would have applied during the notice period.
Termination for cause	Emilio Gonzalez	<p>Any amount payable on the termination of employment will be made up of the following components:</p> <ul style="list-style-type: none"> • accrued but unpaid fixed remuneration package as at the date of termination of employment (Termination Date); • accrued but unused annual leave and long service leave as at the Termination Date; • any vested portion of any Equity Grants, will be released in accordance with the Equity Plan Rules; and • no entitlement to any variable reward for the year in which termination occurs or to any unvested equity grants.
	Michael Bargholz	<p>Any amount payable on the termination of employment will be made up of the following components:</p> <ul style="list-style-type: none"> • accrued but unpaid fixed remuneration package as at the Termination Date; • accrued but unused annual leave and long service leave as at the Termination Date; • any vested entitlement of equity grants which have been allocated as at the Termination Date will be released in accordance with the Equity Plan Rules; and • no entitlement to any variable reward for the year in which termination occurs or to any unvested equity grants.
	Ken Lambden	<p>Any amount payable on the termination of employment will be made up of the following components:</p> <ul style="list-style-type: none"> • accrued but unpaid base salary package as at the Termination Date; • accrued but unused annual leave as at the Termination Date; • any vested entitlement of equity grants which have been allocated as at the Termination Date will be released in accordance with the relevant Equity Plan Rules; • any unvested equity grants which have been allocated as at the Termination Date will be subject to the relevant Equity Plan Rules; and • no entitlement to any variable reward for the year in which termination occurs or to any unvested equity grants.
	Gavin Rochussen	<p>Any amount payable on the termination of employment will be made up of the following components:</p> <ul style="list-style-type: none"> • accrued but unpaid fixed remuneration as at the Termination Date; and • any payment of a variable reward in the year of termination, including cash and/or equity, and all unvested equity entitlements relating to grants as at the Termination Date will be determined in accordance with the relevant plan rules.
	Cameron Williamson	<p>Any amount payable on the termination of employment will be made up of the following components:</p> <ul style="list-style-type: none"> • accrued but unpaid fixed remuneration package as at the Termination Date; • accrued but unused annual leave and long service leave as at the Termination Date; • any vested portion of any Equity Grants, will be released in accordance with the Equity Plan Rules; and • any payment of a variable reward in the year of termination, including cash and/or equity, and all unvested equity entitlements relating to grants as at the Termination Date will be determined in accordance with the relevant plan rules.

Post-employment restraint

Employment agreements for the Group CEO and other Global Executive Committee members include a post-employment restraint clause which provides that for a period of six months, with the exception of Cameron Williamson, Group CFO who has three months. After cessation of employment, there is a prohibition during that period on soliciting employees or clients of the Company.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

NON-EXECUTIVE DIRECTOR REMUNERATION

NED Fees

The total NED fee pool for the 2017 Financial Year was \$1.6 million, which was approved by shareholders at the 2015 AGM.

NEDs are paid a fixed fee for their service on the Board. NEDs (with the exception of the Chairman of the Board) also receive additional fees for their service on the Board's committees. In addition to these fixed fees, NEDs receive superannuation contributions that are made in accordance with legislative requirements. NEDs do not receive performance-based remuneration and are not eligible to participate in any BTIM Group share plan or other incentive arrangements.

A summary of the fees payable to NEDs during the 2017 Financial Year are set out in Table 14 below.

Table 14: Non-executive director fees

BTIM Global Board fees	Fee policy (A\$'000s)	Fee Policy (GBP£'000s)
Board Chairman	400	
Other Non-executive Directors	160	110

BTIM Board Committee fees	Fee policy (\$'000s)	
Audit & Risk Management Committee – Chairman	40	
Audit & Risk Management Committee – Member	20	15
Remuneration & Nominations Committee – Chair	40	
Remuneration & Nominations Committee – Member	20	15

Note new fees were effective 1 January 2017.

NED Remuneration in the 2017 Financial Year

The annual fees payable to NEDs are set out in Table 14 above.

NED Annual Fee Pool

At the AGM on 8 December 2015, shareholders approved the current aggregate NED fee pool of \$1.6 million. For the 2017 Financial Year, \$1,164,982 (73%) of the annual fee pool was used.

Review of NED fee structure

As previously highlighted in the 2016 Annual Report, in October 2016 the Company commenced the process of aligning and simplifying the corporate governance of the Group across its multiple jurisdictions to one governing Board. This was in response to the materiality of Group earnings outside Australia and the need for increased focus, visibility and insight into a global business with increased complexity. Consequently, all the BTIM NEDs were appointed to the board of JOHCMH, and Board and Committee meetings have been conducted in an omnibus arrangement, which was determined to be a more efficient and cost effective model compared to employing a number of additional NEDs to cover the various Boards and Committees. Most importantly, having one global governing body ensures consistent application of decision making, a common set of values, and maximising diversification of skills and expertise. The change to the omnibus structure has involved considerable increases in time and travel commitments for each NED to attend related board meetings.

Effective 1 January 2017, individual NED fees have been adjusted to reflect the increased time and travel commitment of serving on both Boards (and respective committees). Fees were adjusted on the basis of detailed comparisons with peer organisations both in Australia and the UK. These fees are captured as part of the NED annual fee pool.

Retirement allowances

No allowance is payable on the retirement of NEDs. Superannuation payments are made in line with legislative requirements.

NED Director shareholdings

NEDs (including the Chairman) are expected to hold a minimum number of shares in the Company that is equal to the value of the Director's annual base fee. Newly appointed NEDs are expected to reach the minimum shareholding within three years of their appointment to the Board.

The number of BTIM securities held by each NED is set out in Table 16.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

NED employment agreements

On appointment to the Board, all NEDs enter into an employment agreement with BTIM in the form of a letter of appointment. The letter summarises the Board policies in relation to tenure, remuneration and other matters relevant to the office of the NED.

Remuneration for NEDs

The fees paid to NEDs in the 2017 and 2016 Financial Years are shown in Table 15.

Table 15: 2017 & 2016 Financial Year Non-executive director remuneration

2017 Financial Year	Notes	Fees ¹ \$	Superannuation \$	Total \$
Non-Executive directors				
James Evans	2017	366,858	19,657	386,515
	2016	282,586	20,056	302,642
Meredith Brooks	2017	181,533	15,893	197,426
	2016	134,483	12,776	147,259
Andrew Fay ²	2017	201,763	19,014	220,777
	2016	217,242	20,056	237,298
Kathryn Matthews ³	2017	161,355	-	161,355
	2016	-	-	
Deborah Page	2017	182,797	16,112	198,909
	2016	139,655	13,267	152,922
Les Vance ⁴	2017	-	-	-
	2016	-	-	
Total	2017	1,094,306	70,676	1,164,982
	2016	773,966	66,155	840,121

Notes to Table 15:

- 1 The revised Director fees took effect from 1 January 2017 and therefore the previous fees were applied for three months and new fees for nine months of the 2017 Financial Year.
- 2 The fee for Andy Fay includes an additional pro-rata fee of \$70,000 paid in relation to his service as a NED and Chairman of the Audit & Risk Committee of JOHCMH that applied prior to the omnibus structure being implemented.
- 3 Kathryn Matthews commenced her term on 1 December 2016 and therefore her fees represent a pro-rata portion of her annual fees.
- 4 Les Vance did not receive additional remuneration as a NED of BTIM.

Directors' Report – Remuneration Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

DIRECTOR AND GLOBAL EXECUTIVES' HOLDINGS

The table below outlines all holdings, including holdings not yet vested. For vesting, refer to Table 11.

Table 16: Director and Global Executives' holdings

IN THE 2017 FINANCIAL YEAR:						
	Type of holding	Equity held at 1 October 2016	Number of securities acquired	Number of securities granted as remuneration	Net change other ¹	Equity held at 30 September 2017
Non-executive Directors						
James Evans	Ordinary	32,218	5,000	-	-	37,218
Meredith Brooks	Ordinary	14,533	5,763	-	-	20,296
Andrew Fay	Ordinary	33,609	-	-	-	33,609
Kathryn Matthews	Ordinary	-	5,000	-	-	5,000
Deborah Page	Ordinary	19,586	1,415	-	-	21,001
Les Vance	Ordinary	-	2,803	-	(2,803)	-
Total for Non-executive Directors		99,946	19,981	-	(2,803)	117,124
Global Executive Committee						
Emilio Gonzalez	Ordinary	1,993,692	228,618	81,714	(970,179)	1,333,845
	Performance share rights	496,444	-	111,873	(228,618)	379,699
Michael Bargholz	Ordinary	-	-	56,994	-	56,994
	Performance share rights	-	-	67,123	-	67,123
Ken Lambden	Ordinary	-	-	-	-	-
	Performance share rights	-	-	133,227	-	133,227
Cameron Williamson	Ordinary	182,481	34,292	7,688	(55,017)	169,444
	Performance share rights	81,161	-	19,577	(34,292)	66,446
Gavin Rochussen	Ordinary	195,524	-	39,815	(235,339)	-
	Converting Notes	968,728	-	-	(968,728)	-
	Performance shares	2,049,230	-	-	(2,049,230)	-
Total for Global Executive Committee		5,967,260	262,910	518,011	(4,541,403)	2,206,778

Notes to Table 16:

¹ Net change other relates to the conversion of performance share rights to ordinary shares, sale of shares, shares forfeited and change of Director during the year.

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Rounding of amounts

Amounts in this report and the accompanying Financial Report have been rounded to the nearest thousand dollars, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise stated.

Loans to Directors and Senior Executives

There were no loans made to, nor are there any outstanding loans with, Directors or Senior Executives.

2017 Corporate Governance Statement

BTIM's 2017 Corporate Governance Statement can be viewed on BTIM's website at www.btim.com.au/about/corporate-governance/.

Auditors

Non-audit services

The Company may decide to employ the external auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the BTIM Group are important.

Details of the amounts paid or payable to the external auditor, PricewaterhouseCoopers (PwC), for non-audit services provided during the year are set out below.

The Directors are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act for the following reasons:

- all non-audit services have been reviewed by the Audit & Risk Management Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the 2017 Financial Year the following fees were paid or payable for non-audit services provided by the BTIM Group's auditor, and its related practices:

	2017 \$	2016 \$
Other assurance services		
PricewaterhouseCoopers – Australia	14,000	22,000
PricewaterhouseCoopers – outside of Australia	–	21,266
Total remuneration for non-audit services	14,000	43,266

Partner rotation extension

In accordance with section 324DAA of the *Corporations Act 2001* (*Corporations Act*), the Group's lead audit partner must be rotated every five years unless the Board grants approval to extend the term for up to a further two years.

During the year, the Board on the recommendation of the Audit and Risk Management Committee and with the consent of PwC, granted approval to extend the term of the current lead audit partner, Ms Voula Papageorgiou, for one further year to the financial year ending 30 September 2018. The Board was satisfied that given the impact of the recent changes in the Group's governance structure together with the ongoing global expansion of the business, Ms Papageorgiou's retention on the audit is consistent with maintaining the quality of the audit and would not give rise to a conflict of interest situation as defined in the *Corporations Act*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act* is set out on page 72.

This Directors' Report is made in accordance with a resolution of Directors.



James Evans
Chairman
8 November 2017



Emilio Gonzalez
Managing Director
8 November 2017

Auditor's Independence Declaration

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017



Auditor's Independence Declaration

As lead auditor for the audit of BT Investment Management Limited for the year ended 30 September 2017, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of BT Investment Management Limited and the entities it controlled during the period.

A handwritten signature in blue ink that reads 'V. Papageorgiou'.

Voula Papageorgiou
Partner
PricewaterhouseCoopers

Sydney
8 November 2017

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