UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-13908



Invesco Ltd.

(Exact Name of Registrant as Specified in Its Charter)

Bermuda	**98-0557567**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
1331 Spring Street, Suite 2500, Atlanta, GA	**30309**
(Address of Principal Executive Offices)	*(Zip Code)*

(404) 892-0896

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.20 par value	IVZ	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes ☐ No ☑

As of June 30, 2023, the most recent practicable date, the number of Common Shares outstanding was 448,620,544.

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We include cross references to captions elsewhere in this Quarterly Report on Form 10-Q, which we refer to as this "Report," where you can find related additional information. The following table of contents tells you where to find these captions.

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GLOSSARY OF DEFINED TERMS

APAC	—	Asia-Pacific
AUM	—	Assets under management
bps	—	Basis points
CEO	—	Chief Executive Officer
CIP	—	Consolidated investment products
CLOs	—	Collateralized loan obligations
Covenant Adjusted EBITDA	—	Earnings before income tax, depreciation, amortization, interest expense, common share-based compensation expense, unrealized (gains)/losses from investments, net, and unusual or otherwise non-recurring gains and losses as defined in our credit agreement
EMEA	—	Europe, Middle East and Africa
EPS	—	Earnings per common share
ETFs	—	Exchange-traded funds
IGW or Invesco Great Wall	—	Invesco Great Wall Fund Management Company Limited
LIBOR	—	The London Inter-Bank Offered Rate
MassMutual	—	Massachusetts Mutual Life Insurance Company
NAV	—	Net asset value
Report	—	this Form 10-Q
S&P	—	Standard & Poor's
SEC	—	U.S. Securities and Exchange Commission
SOFR	—	Secured Overnight Financing Rate
the company	—	Invesco Ltd. and its consolidated entities
the Parent	—	Invesco Ltd.
TRS	—	Total return swaps
UITs	—	Unit Investment Trusts
U.K.	—	United Kingdom
U.S. GAAP	—	Accounting principles generally accepted in the United States
VIEs	—	Variable interest entities

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

Invesco Ltd.
Condensed Consolidated Balance Sheets
(Unaudited)

$ in millions, except per share data	As of June 30, 2023	As of December 31, 2022
ASSETS		
Cash and cash equivalents	1,009.9	1,234.7
Accounts receivable	703.2	801.8
Investments	992.1	996.6
Assets of consolidated investment products (CIP):		
Cash and cash equivalents of CIP	277.2	199.4
Accounts receivable and other assets of CIP	197.6	203.7
Investments of CIP	8,611.3	8,531.4
Assets held for policyholders	444.0	668.7
Other assets	844.2	860.5
Property, equipment and software, net	585.3	561.1
Intangible assets, net	7,118.0	7,141.2
Goodwill	8,675.0	8,557.7
Total assets	29,457.8	29,756.8
LIABILITIES		
Accrued compensation and benefits	570.6	860.8
Accounts payable and accrued expenses	1,360.7	1,314.8
Liabilities of CIP:		
Debt of CIP	6,884.5	6,590.4
Other liabilities of CIP	357.3	329.6
Policyholder payables	444.0	668.7
Debt	1,488.6	1,487.6
Deferred tax liabilities, net	1,643.5	1,662.7
Total liabilities	12,749.2	12,914.6
Commitments and contingencies (See Note 10)		
TEMPORARY EQUITY		
Redeemable noncontrolling interests in consolidated entities	841.9	998.7
PERMANENT EQUITY		
Equity attributable to Invesco Ltd.:		
Preferred shares ($0.20 par value; $1,000 liquidation preference; 4.0 million authorized, issued and outstanding as of June 30, 2023 and December 31, 2022)	4,010.5	4,010.5
Common shares ($0.20 par value; 1,050.0 million authorized; 566.1 million shares issued as of June 30, 2023 and December 31, 2022)	113.2	113.2
Additional paid-in-capital	7,433.0	7,554.9
Treasury shares	(3,027.4)	(3,040.9)
Retained earnings	7,617.9	7,518.3
Accumulated other comprehensive income/(loss), net of tax	(818.3)	(942.4)
Total equity attributable to Invesco Ltd.	15,328.9	15,213.6
Equity attributable to nonredeemable noncontrolling interests in consolidated entities	537.8	629.9
Total permanent equity	15,866.7	15,843.5
Total liabilities, temporary and permanent equity	29,457.8	29,756.8

See accompanying notes.

Invesco Ltd.
Condensed Consolidated Statements of Income
(Unaudited)

$ in millions, except per common share data	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Operating revenues:				
Investment management fees	1,033.5	1,113.5	2,061.4	2,294.0
Service and distribution fees	342.3	353.8	676.5	732.8
Performance fees	19.6	9.2	25.2	10.2
Other	47.4	53.9	97.9	122.8
Total operating revenues	1,442.8	1,530.4	2,861.0	3,159.8
Operating expenses:				
Third-party distribution, service and advisory	462.5	475.0	917.6	987.6
Employee compensation	475.7	407.2	938.5	840.1
Marketing	29.0	33.8	54.0	55.5
Property, office and technology	137.1	135.0	271.5	267.0
General and administrative	121.6	119.7	197.3	221.9
Transaction, integration and restructuring	—	0.2	41.6	35.4
Amortization of intangibles	13.1	14.8	27.2	29.9
Total operating expenses	1,239.0	1,185.7	2,447.7	2,437.4
Operating income	203.8	344.7	413.3	722.4
Other income/(expense):				
Equity in earnings of unconsolidated affiliates	19.2	24.7	45.3	58.1
Interest and dividend income	7.1	2.1	15.7	3.3
Interest expense	(18.4)	(25.8)	(36.4)	(49.0)
Other gains/(losses), net	20.9	(90.0)	48.3	(135.5)
Other income/(expense) of CIP, net	(2.7)	26.2	(20.6)	2.9
Income before income taxes	229.9	281.9	465.6	602.2
Income tax provision	(65.5)	(63.0)	(135.4)	(145.8)
Net income	164.4	218.9	330.2	456.4
Net (income)/loss attributable to noncontrolling interests in consolidated entities	27.0	(38.7)	65.4	(19.3)
Dividends declared on preferred shares	(59.2)	(59.2)	(118.4)	(118.4)
Net income attributable to Invesco Ltd.	132.2	121.0	277.2	318.7
Earnings per common share:				
-basic	$0.29	$0.27	$0.61	$0.70
-diluted	$0.29	$0.26	$0.60	$0.69

See accompanying notes.

Invesco Ltd.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

$ in millions	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Net income	164.4	218.9	330.2	456.4
Other comprehensive income/(loss), net of tax:				
Currency translation differences on investments in foreign subsidiaries	63.8	(292.9)	118.9	(360.1)
Other comprehensive income/(loss), net of tax	0.8	0.3	5.2	0.5
Other comprehensive income/(loss)	64.6	(292.6)	124.1	(359.6)
Total comprehensive income/(loss)	229.0	(73.7)	454.3	96.8
Comprehensive loss/(income) attributable to noncontrolling interests in consolidated entities	27.0	(38.7)	65.4	(19.3)
Dividends declared on preferred shares	(59.2)	(59.2)	(118.4)	(118.4)
Comprehensive income/(loss) attributable to Invesco Ltd.	196.8	(171.6)	401.3	(40.9)

See accompanying notes.

Invesco Ltd.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six months ended June 30,	
$ in millions	**2023**	**2022**
Operating activities:		
Net income	330.2	456.4
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Amortization and depreciation	94.2	98.8
Common share-based compensation expense	69.8	57.1
Other (gains)/losses, net	(48.3)	135.5
Other (gains)/losses of CIP, net	120.0	66.7
Equity in earnings of unconsolidated affiliates	(45.3)	(58.1)
Distributions from equity method investees	6.5	70.3
Changes in operating assets and liabilities:		
(Purchase)/sale of investments by CIP, net	(164.3)	(299.7)
(Purchase)/sale of investments, net	5.8	(25.2)
(Increase)/decrease in receivables	397.0	509.3
Increase/(decrease) in payables	(533.2)	(1,263.4)
Net cash provided by/(used in) operating activities	232.4	(252.3)
Investing activities:		
Purchase of property, equipment and software	(84.8)	(57.1)
Purchase of investments by CIP	(1,190.9)	(1,709.2)
Sale of investments by CIP	1,251.7	1,653.9
Purchase of investments	(62.0)	(119.9)
Sale of investments	35.1	54.9
Capital distribution from equity method investees	12.3	16.9
Net cash inflows/(outflows) upon consolidation/deconsolidation of CIP	(10.6)	4.7
Net cash provided by/(used in) investing activities	(49.2)	(155.8)
Financing activities:		
Purchases of treasury shares	(179.2)	(234.4)
Dividends paid - preferred	(118.4)	(118.4)
Dividends paid - common	(177.6)	(163.4)
Third-party capital invested into CIP	51.5	446.8
Third-party capital distributed by CIP	(150.0)	(130.3)
Borrowings of debt of CIP	251.8	84.9
Repayments of debt of CIP	(27.7)	(2.8)
Net borrowings/(repayments) under credit facility	—	184.6
Repayments of senior notes	—	(600.0)
Net cash provided by/(used in) financing activities	(349.6)	(533.0)
Increase/(decrease) in cash and cash equivalents	(166.4)	(941.1)
Foreign exchange movement on cash and cash equivalents	18.2	(65.4)
Foreign exchange movement on cash and cash equivalents of CIP	1.2	(7.8)
Cash and cash equivalents, beginning of period	1,434.1	2,147.1
Cash and cash equivalents, end of period	1,287.1	1,132.8
Cash and cash equivalents	1,009.9	936.8
Cash and cash equivalents of CIP	277.2	196.0
Total cash and cash equivalents per condensed consolidated statement of cash flows	1,287.1	1,132.8

See accompanying notes.

Invesco Ltd.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

Three months ended June 30, 2023

	Equity Attributable to Invesco Ltd.									
$ in millions, except per share data	**Preferred Shares**	**Common Shares**	**Additional Paid-in-Capital**	**Treasury Shares**	**Retained Earnings**	**Accumulated Other Comprehensive Income/(Loss)**	**Total Equity Attributable to Invesco Ltd.**	**Nonredeemable Noncontrolling Interests in Consolidated Entities**	**Total Permanent Equity**	**Redeemable Noncontrolling Interests in Consolidated Entities Temporary Equity**
April 1, 2023	4,010.5	113.2	7,412.6	(2,888.0)	7,577.6	(882.9)	15,343.0	587.2	15,930.2	879.6
Net income	—	—	—	—	191.4	—	191.4	(13.9)	177.5	(13.1)
Other comprehensive income/(loss)	—	—	—	—	—	64.6	64.6	—	64.6	—
Change in noncontrolling interests in consolidated entities, net	—	—	—	—	—	—	—	(35.5)	(35.5)	(24.6)
Dividends declared - preferred ($14.75 per share)	—	—	—	—	(59.2)	—	(59.2)	—	(59.2)	—
Dividends declared - common ($0.20 per share)	—	—	—	—	(91.9)	—	(91.9)	—	(91.9)	—
Employee common share plans:										
Common share-based compensation	—	—	32.0	—	—	—	32.0	—	32.0	—
Vested common shares	—	—	(7.7)	7.7	—	—	—	—	—	—
Other common share awards	—	—	(3.9)	4.4	—	—	0.5	—	0.5	—
Purchase of common shares	—	—	—	(151.5)	—	—	(151.5)	—	(151.5)	—
June 30, 2023	4,010.5	113.2	7,433.0	(3,027.4)	7,617.9	(818.3)	15,328.9	537.8	15,866.7	841.9

Three months ended June 30, 2022

	Equity Attributable to Invesco Ltd.									
$ in millions, except per share data	**Preferred Shares**	**Common Shares**	**Additional Paid-in-Capital**	**Treasury Shares**	**Retained Earnings**	**Accumulated Other Comprehensive Income/(Loss)**	**Total Equity Attributable to Invesco Ltd.**	**Nonredeemable Noncontrolling Interests in Consolidated Entities**	**Total Permanent Equity**	**Redeemable Noncontrolling Interests in Consolidated Entities Temporary Equity**
April 1, 2022	4,010.5	113.2	7,547.0	(3,105.1)	7,287.9	(508.5)	15,345.0	641.2	15,986.2	801.1
Net income	—	—	—	—	180.2	—	180.2	60.9	241.1	(22.2)
Other comprehensive income/(loss)	—	—	—	—	—	(292.6)	(292.6)	—	(292.6)	—
Change in noncontrolling interests in consolidated entities, net	—	—	—	—	—	—	—	(21.0)	(21.0)	113.9
Dividends declared - preferred ($14.75 per share)	—	—	—	—	(59.2)	—	(59.2)	—	(59.2)	—
Dividends declared - common ($0.1875 per share)	—	—	—	—	(85.7)	—	(85.7)	—	(85.7)	—
Employee common share plans:										
Common share-based compensation	—	—	27.6	—	—	—	27.6	—	27.6	—
Vested common shares	—	—	(11.7)	11.7	—	—	—	—	—	—
Other common share awards	—	—	0.3	—	—	—	0.3	—	0.3	—
Purchase of common shares	—	—	—	(1.9)	—	—	(1.9)	—	(1.9)	—
June 30, 2022	4,010.5	113.2	7,563.2	(3,095.3)	7,323.2	(801.1)	15,113.7	681.1	15,794.8	892.8

See accompanying notes.

Invesco Ltd.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

Six months ended June 30, 2023

	Equity Attributable to Invesco Ltd.									
$ in millions, except per share data	**Preferred Shares**	**Common Shares**	**Additional Paid-in-Capital**	**Treasury Shares**	**Retained Earnings**	**Accumulated Other Comprehensive Income/(Loss)**	**Total Equity Attributable to Invesco Ltd.**	**Nonredeemable Noncontrolling Interests in Consolidated Entities**	**Total Permanent Equity**	**Redeemable Noncontrolling Interests in Consolidated Entities Temporary Equity**
January 1, 2023	4,010.5	113.2	7,554.9	(3,040.9)	7,518.3	(942.4)	15,213.6	629.9	15,843.5	998.7
Net income	—	—	—	—	395.6	—	395.6	(38.7)	356.9	(26.7)
Other comprehensive income/(loss)	—	—	—	—	—	124.1	124.1	—	124.1	—
Change in noncontrolling interests in consolidated entities, net	—	—	—	—	—	—	—	(53.4)	(53.4)	(130.1)
Dividends declared - preferred ($29.50 per share)	—	—	—	—	(118.4)	—	(118.4)	—	(118.4)	—
Dividends declared - common ($0.3875 per share)	—	—	—	—	(177.6)	—	(177.6)	—	(177.6)	—
Employee common share plans:										
Common share-based compensation	—	—	69.8	—	—	—	69.8	—	69.8	—
Vested common shares	—	—	(188.3)	188.3	—	—	—	—	—	—
Other common share awards	—	—	(3.4)	4.4	—	—	1.0	—	1.0	—
Purchase of common shares	—	—	—	(179.2)	—	—	(179.2)	—	(179.2)	—
June 30, 2023	4,010.5	113.2	7,433.0	(3,027.4)	7,617.9	(818.3)	15,328.9	537.8	15,866.7	841.9

Six months ended June 30, 2022

	Equity Attributable to Invesco Ltd.									
$ in millions, except per share data	**Preferred Shares**	**Common Shares**	**Additional Paid-in-Capital**	**Treasury Shares**	**Retained Earnings**	**Accumulated Other Comprehensive Income/(Loss)**	**Total Equity Attributable to Invesco Ltd.**	**Nonredeemable Noncontrolling Interests in Consolidated Entities**	**Total Permanent Equity**	**Redeemable Noncontrolling Interests in Consolidated Entities Temporary Equity**
January 1, 2022	4,010.5	113.2	7,688.0	(3,043.6)	7,169.2	(441.5)	15,495.8	672.2	16,168.0	510.8
Net income	—	—	—	—	437.1	—	437.1	52.7	489.8	(33.4)
Other comprehensive income/(loss)	—	—	—	—	—	(359.6)	(359.6)	—	(359.6)	—
Change in noncontrolling interests in consolidated entities, net	—	—	—	—	—	—	—	(43.8)	(43.8)	415.4
Dividends declared - preferred ($29.50 per share)	—	—	—	—	(118.4)	—	(118.4)	—	(118.4)	—
Dividends declared - common ($0.3575 per share)	—	—	—	—	(164.7)	—	(164.7)	—	(164.7)	—
Employee common share plans:										
Common share-based compensation	—	—	57.1	—	—	—	57.1	—	57.1	—
Vested common shares	—	—	(182.7)	182.7	—	—	—	—	—	—
Other common share awards	—	—	0.8	—	—	—	0.8	—	0.8	—
Purchase of common shares	—	—	—	(234.4)	—	—	(234.4)	—	(234.4)	—
June 30, 2022	4,010.5	113.2	7,563.2	(3,095.3)	7,323.2	(801.1)	15,113.7	681.1	15,794.8	892.8

See accompanying notes.

Invesco Ltd.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

1. ACCOUNTING POLICIES

Corporate Information

Invesco Ltd. (the Parent) and its consolidated entities (collectively, the company or Invesco) provide retail and institutional clients with an array of investment management capabilities. The company operates globally and its sole business is investment management.

Certain disclosures included in the company's annual report on Form 10-K for the year ended December 31, 2022 (annual report or Form 10-K) are not required to be included on an interim basis in the company's quarterly reports on Forms 10-Q (Report). The company has condensed or omitted these disclosures. Therefore, this Report should be read in conjunction with the company's annual report.

Basis of Accounting and Consolidation

The unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) for interim financial information and with rules and regulations of the U.S. Securities and Exchange Commission (SEC) and consolidate the financial statements of the Parent and all of its controlled subsidiaries. In the opinion of management, the Condensed Consolidated Financial Statements reflect all adjustments, consisting of normal recurring accruals, which are necessary for the fair presentation of the financial condition and results of operations for the periods presented. All significant intercompany transactions, balances, revenues and expenses are eliminated upon consolidation. The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Accounting Pronouncements Recently Adopted

None.

Pending Accounting Pronouncements

None.

2. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of financial instruments are presented in the below summary table. The fair value of financial instruments held by CIP are presented in Note 11, "Consolidated Investment Products". See the company's most recently filed Form 10-K for additional disclosures on valuation methodology and fair value.

	June 30, 2023	December 31, 2022
$ in millions	**Fair Value**	**Fair Value**
Cash and cash equivalents	1,009.9	1,234.7
Equity investments	282.9	325.0
Foreign time deposits [1]	15.1	25.7
Assets held for policyholders	444.0	668.7
Policyholder payables [1]	(444.0)	(668.7)
Total return swaps related to deferred compensation plans	19.3	(1.6)

(1) These financial instruments are not measured at fair value on a recurring basis. Foreign time deposits are measured at cost plus accrued interest, which approximates fair value, and are accordingly classified as Level 2 securities. Policyholder payables are indexed to the value of the assets held for policyholders and changes in fair value are recorded and offset to zero in other operating revenues.

The following table presents, by hierarchy levels, the carrying value of the company's assets and liabilities, including major security type for equity and debt securities, which are measured at fair value on the company's Condensed Consolidated Balance Sheets as of June 30, 2023 and December 31, 2022, respectively:

	As of June 30, 2023			
$ in millions	Fair Value Measurements	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents:				
Money market funds [1]	565.4	565.4	—	—
Investments: [2]				
Equity investments:				
Seed capital	96.2	96.2	—	—
Investments related to deferred compensation plans	185.8	185.8	—	—
Other equity securities	0.9	0.9	—	—
Assets held for policyholders [3]	444.0	444.0	—	—
Total return swaps related to deferred compensation plans	19.3	—	19.3	—
Total	1,311.6	1,292.3	19.3	—
Liabilities:				
Contingent consideration liability	(1.3)	—	—	(1.3)
Total	(1.3)	—	—	(1.3)

	As of December 31, 2022			
$ in millions	Fair Value Measurements	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents:				
Money market funds [1]	760.8	760.8	—	—
Investments [2]:				
Equity investments:				
Seed capital	177.9	177.9	—	—
Investments related to deferred compensation plans	146.1	146.1	—	—
Other equity securities	1.0	1.0	—	—
Assets held for policyholders [3]	668.7	668.7	—	—
Total	1,754.5	1,754.5	—	—
Liabilities:				
Total return swaps related to deferred compensation plans	(1.6)	—	(1.6)	—
Contingent consideration liability	(1.3)	—	—	(1.3)
Total	(2.9)	—	(1.6)	(1.3)

(1) The balance primarily represents cash held in affiliated money market funds.

(2) Foreign time deposits of $15.1 million (December 31, 2022: $25.7 million) are excluded from this table. Equity method and other investments of $669.5 million and $24.6 million, respectively, (December 31, 2022: $621.2 million and $24.7 million, respectively) are also excluded from this table. These investments are not measured at fair value, in accordance with applicable accounting standards.

(3) The majority of assets held for policyholders are held in affiliated funds.

Total Return Swaps (TRS)

In addition to holding equity investments, the company has TRS to hedge economically certain deferred compensation liabilities. The notional value of the TRS at June 30, 2023 was $389.2 million, and the fair value of the TRS was an asset of $19.3 million (December 31, 2022 notional value was $326.6 million and the fair value was a liability of $1.6 million). During the three months and six months ended June 30, 2023, market valuation gains related to the TRS of $7.3 million and $20.3 million were recognized in Other gains/(losses), net (three and six months ended June 30, 2022: $50.3 million and $72.1 million net losses).

3. INVESTMENTS

The disclosures below include details of the company's investments. Investments held by CIP are detailed in Note 11, "Consolidated Investment Products".

$ in millions	June 30, 2023	December 31, 2022
Equity investments:		
Seed capital	96.2	177.9
Investments related to deferred compensation plans	185.8	146.1
Other equity securities	0.9	1.0
Equity method investments	669.5	621.2
Foreign time deposits	15.1	25.7
Other	24.6	24.7
Total investments [1]	992.1	996.6

(1) The majority of the company's investment balances relate to balances held in affiliated funds and equity method investees.

Equity investments

The unrealized gains and losses for the three and six months ended June 30, 2023 that relate to equity investments still held at June 30, 2023, were a $9.6 million net gain and $22.9 million net gain (three and six months ended June 30, 2022: $40.6 million net loss and $69.7 million net loss).

4. DEBT

The disclosures below include details of the company's debt. Debt of CIP is detailed in Note 11, "Consolidated Investment Products".

	June 30, 2023		December 31, 2022	
$ in millions	**Carrying Value [3]**	**Fair Value**	**Carrying Value [3]**	**Fair Value**
$2.0 billion floating rate credit facility expiring April 26, 2028[1]	—	—	—	—
Unsecured Senior Notes: [2]				
$600 million 4.000% - due January 30, 2024	599.4	594.2	598.8	591.5
$500 million 3.750% - due January 15, 2026	498.2	483.7	497.9	486.4
$400 million 5.375% - due November 30, 2043	391.0	387.1	390.9	397.3
Debt	1,488.6	1,465.0	1,487.6	1,475.2

(1) On April 26, 2023, Invesco Ltd. and its indirect subsidiary, Invesco Finance PLC, amended and restated the $1.5 billion floating rate credit facility, increasing the facility's capacity to $2.0 billion, extending the expiration date from April 26, 2026 to April 26, 2028, and changing the base interest rate from LIBOR to SOFR.

(2) The company's senior note indentures contain certain restrictions on mergers or consolidations. Beyond these items, there are no other restrictive covenants in the indentures.

(3) The difference between the principal amounts and the carrying values of the senior notes in the table above reflect the unamortized debt issuance costs and discounts.

5. SHARE CAPITAL

The number of preferred shares issued and outstanding is represented in the table below:

	As of	
in millions	**June 30, 2023**	**December 31, 2022**
Preferred shares issued [1]	4.0	4.0
Preferred shares outstanding [1]	4.0	4.0

(1) Preferred shares are held by Massachusetts Mutual Life Insurance Company (MassMutual) and are subject to a lock-up period of five years, which prohibits the sale of the preferred shares by MassMutual until May 24, 2024.

The number of common shares and common share equivalents issued are represented in the table below:

	As of	
in millions	**June 30, 2023**	**December 31, 2022**
Common shares issued	566.1	566.1
Less: Treasury shares for which dividend and voting rights do not apply	(117.5)	(111.3)
Common shares outstanding	448.6	454.8

6. OTHER COMPREHENSIVE INCOME/(LOSS)

The components of accumulated other comprehensive income/(loss) were as follows:

$ in millions	For the three months ended June 30, 2023		
	Foreign currency translation	Employee benefit plans	Total
Other comprehensive income/(loss), net of tax:			
Currency translation differences on investments in foreign subsidiaries	63.8	—	63.8
Other comprehensive income/(loss), net	—	0.8	0.8
Other comprehensive income/(loss), net of tax	63.8	0.8	64.6
Beginning balance	(759.9)	(123.0)	(882.9)
Other comprehensive income/(loss), net of tax	63.8	0.8	64.6
Ending balance	(696.1)	(122.2)	(818.3)

$ in millions	For the three months ended June 30, 2022		
	Foreign currency translation	Employee benefit plans	Total
Other comprehensive income/(loss), net of tax:			
Currency translation differences on investments in foreign subsidiaries	(292.9)	—	(292.9)
Other comprehensive income/(loss), net		0.3	0.3
Other comprehensive income/(loss), net of tax	(292.9)	0.3	(292.6)
Beginning balance	(419.1)	(89.4)	(508.5)
Other comprehensive income/(loss), net of tax	(292.9)	0.3	(292.6)
Ending balance	(712.0)	(89.1)	(801.1)

$ in millions	For the six months ended June 30, 2023		
	Foreign currency translation	Employee benefit plans	Total
Other comprehensive income/(loss), net of tax:			
Currency translation differences on investments in foreign subsidiaries	118.9	—	118.9
Other comprehensive income/(loss), net	—	5.2	5.2
Other comprehensive income/(loss), net of tax	118.9	5.2	124.1
Beginning balance	(815.0)	(127.4)	(942.4)
Other comprehensive income/(loss), net of tax	118.9	5.2	124.1
Ending balance	(696.1)	(122.2)	(818.3)

$ in millions	For the six months ended June 30, 2022		
	Foreign currency translation	Employee benefit plans	Total
Other comprehensive income/(loss), net of tax:			
Currency translation differences on investments in foreign subsidiaries	(360.1)	—	(360.1)
Other comprehensive income/(loss), net		0.5	0.5
Other comprehensive income/(loss), net of tax	(360.1)	0.5	(359.6)
Beginning balance	(351.9)	(89.6)	(441.5)
Other comprehensive income/(loss), net of tax	(360.1)	0.5	(359.6)
Ending balance	(712.0)	(89.1)	(801.1)

7. REVENUE

The geographic disaggregation of revenue for the three and six months ended June 30, 2023 and 2022 are presented below. There are no revenues attributed to the company's country of domicile, Bermuda.

	For the three months ended June 30,	
$ in millions	**2023**	**2022**
Americas	1,108.1	1,183.3
Asia-Pacific (APAC)	63.7	70.3
Europe, Middle East and Africa (EMEA)	271.0	276.8
Total operating revenues	1,442.8	1,530.4

	For the six months ended June 30,	
$ in millions	**2023**	**2022**
Americas	2,191.5	2,428.1
Asia-Pacific (APAC)	133.6	155.5
Europe, Middle East and Africa (EMEA)	535.9	576.2
Total operating revenues	2,861.0	3,159.8

8. COMMON SHARE-BASED COMPENSATION

The company recognized total compensation expense of $69.8 million and $57.1 million related to equity-settled common share-based payment transactions in the six months ended June 30, 2023 and 2022, respectively.

Movements on employee common share awards during the periods ended June 30 are detailed below:

	For the six months ended June 30, 2023			For the six months ended June 30, 2022	
In millions of common shares, except fair values	**Time- Vested**	**Performance- Vested**	**Weighted Average Grant Date Fair Value ($)**	**Time- Vested**	**Performance- Vested**
Unvested at the beginning of period	10.3	2.1	19.03	13.5	1.9
Granted during the period	4.3	0.7	17.73	3.6	1.0
Forfeited during the period	(0.1)	(0.2)	15.90	(0.2)	(0.1)
Vested and distributed during the period	(4.8)	(0.5)	18.01	(5.1)	(0.4)
Unvested at the end of the period	9.7	2.1	19.02	11.8	2.4

The total fair value of common shares that vested during the six months ended June 30, 2023 was $91.3 million (six months ended June 30, 2022: $116.8 million). The weighted average grant date fair value of the U.S. dollar share awards that were granted during the six months ended June 30, 2023 was $17.73 (six months ended June 30, 2022: $21.23).

At June 30, 2023, there was $153.2 million of total unrecognized compensation cost related to non-vested common share awards; that cost is expected to be recognized over a weighted average period of 2.69 years.

9. EARNINGS PER COMMON SHARE

The calculation of earnings per common share (EPS) is as follows:

In millions, except per share data	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Net income attributable to Invesco Ltd.	132.2	121.0	277.2	318.7
Invesco Ltd:				
Weighted average common shares outstanding - basic	457.9	456.5	458.0	458.0
Dilutive effect of non-participating common share-based awards	0.9	3.0	0.9	2.7
Weighted average common shares outstanding - diluted	458.8	459.5	458.9	460.7
Earnings per common share:				
-basic	$0.29	$0.27	$0.61	$0.70
-diluted	$0.29	$0.26	$0.60	$0.69

See Note 8, "Common Share-Based Compensation," for a summary of common share awards outstanding under the company's common share-based payment programs. These programs could result in the issuance of common shares that would affect the measurement of basic and diluted EPS.

10. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies may arise in the ordinary course of business.

The company has committed to co-invest in certain investment products, which may be called in future periods. At June 30, 2023, the company's undrawn co-invest capital commitments were $453.1 million (December 31, 2022: $336.1 million).

Certain of our managed investment products have entered into revolving credit facilities with financial institutions. Pursuant to these arrangements, the company provided equity commitments and guarantees to certain of these investment products that are temporary in nature. The revolving credit facilities look first to the respective investment products for repayment and servicing. The company's equity commitment or guarantee would only be called in the event a particular investment product is unable to meet its obligation. The company believes the likelihood of being required to fund its equity commitments or guarantees under these arrangements to be remote. To date, the company has not been required to fund any equity commitments or guarantees under these arrangements. The maximum amount of future payments under the commitments is $274.9 million and under the guarantees is $30.0 million. The fair value of the guarantee liability is not significant to the consolidated financial statements.

The company and some of its subsidiaries have entered into agreements with financial institutions to guarantee certain obligations of other company subsidiaries. The company would be required to perform under these guarantees in the event of certain defaults. The company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

Legal Contingencies

The company is from time to time involved in pending or threatened litigation relating to claims arising in the ordinary course of its business. The nature and progression of litigation can make it difficult to predict the impact a particular lawsuit or claim will have on the company. There are many reasons that the company cannot make these assessments, including, among others, one or more of the following: the proceeding is in its early stages (or merely threatened); the damages sought are unspecified, unsupportable, unexplained or uncertain; the claimant is seeking relief other than compensatory damages; the matter presents novel legal claims or other meaningful legal uncertainties; discovery has not started or is not complete; there are significant facts in dispute; and there are other parties who may share in any ultimate liability.

The company and certain related entities have in recent years been subject to various regulatory inquiries, reviews and investigations and legal proceedings, including civil litigation and governmental investigations and enforcement actions. These actions can arise from normal business operations and/or matters that have been the subject of previous regulatory reviews. As a global company with investment products registered in numerous countries and subject to the jurisdiction of one or more regulators in each country, at any given time, our business operations may be subject to review, investigation, or disciplinary action. For example, the company is cooperating with requests from the SEC in connection with their investigation of investment advisers' compliance with record retention requirements relating to certain types of electronic business communications.

In assessing the impact that a legal or regulatory matter will have on the company, management evaluates the need for an accrual on a case-by-case basis. If the likelihood of a loss is deemed probable and is reasonably estimable, the estimated loss is accrued. If the likelihood of a loss is assessed as less than probable, or an amount or range of loss cannot be reasonably estimated, a loss is not accrued. In management's opinion, adequate accrual has been made as of June 30, 2023 to provide for any such losses that may arise from matters for which the company could reasonably estimate an amount and are deemed probable. Management is of the opinion that the ultimate resolution of claims will not materially affect the company's business, revenue, net income or liquidity.

11. CONSOLIDATED INVESTMENT PRODUCTS

The balances related to CIP are identified on the Consolidated Balance Sheets. At June 30, 2023, the company's net investment in and net receivables from CIP were $465.4 million (December 31, 2022: $386.6 million). The consolidation of investment products had no impact on net income attributable to the company during the three months and six months ended June 30, 2023.

The following tables present the fair value hierarchy levels of certain CIP balances which are measured at fair value as of June 30, 2023 and December 31, 2022:

	As of June 30, 2023				
$ in millions	**Fair Value Measurements**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Investments Measured at NAV as a practical expedient**
Assets:					
Bank loans	6,571.1	—	6,187.2	383.9	—
Bonds	727.3	14.0	713.3	—	—
Equity securities	226.4	88.3	38.8	99.3	—
Equity and fixed income mutual funds	171.4	25.8	145.6	—	—
Investments in other private equity funds	412.5	—	—	7.6	404.9
Real estate investments	502.6	—	—	—	502.6
Total assets at fair value	8,611.3	128.1	7,084.9	490.8	907.5

	As of December 31, 2022				
$ in millions	**Fair Value Measurements**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Investments Measured at NAV as a practical expedient**
Assets:					
Bank loans	6,315.1	—	6,069.8	245.3	—
Bonds	697.5	8.8	688.2	0.5	—
Equity securities	274.9	129.9	29.8	115.2	—
Equity and fixed income mutual funds	230.7	38.8	191.9	—	—
Investments in other private equity funds	461.2	—	—	7.6	453.6
Real estate investments	552.0	—	—	—	552.0
Total assets at fair value	8,531.4	177.5	6,979.7	368.6	1,005.6

The following table shows a reconciliation of the beginning and ending fair value measurements for level 3 assets using significant unobservable inputs:

	For the three months ended June 30,	
	2023	2022
$ in millions	Level 3 Assets	Level 3 Assets
Beginning Balance as of April 1	351.3	255.3
Purchases	210.4	0.1
Sales	(28.7)	(2.0)
Deconsolidation of CIP	—	—
Gains and losses included in the Consolidated Statements of Income	6.4	(1.5)
Transfers from Level 3 into Levels 1 or 2	(112.3)	(61.6)
Transfers into Level 3 from Levels 1 or 2	63.7	138.3
Foreign exchange	—	(0.3)
Ending Balance as of June 30	490.8	328.3

	For the six months ended June 30,	
	2023	2022
$ in millions	Level 3 Assets	Level 3 Assets
Beginning Balance as of January 1	368.6	239.5
Purchases	210.5	0.1
Sales	(42.1)	(8.5)
Deconsolidation of CIP	(0.6)	—
Gains and losses included in the Consolidated Statements of Income	(1.3)	(2.2)
Transfers from Level 3 into Levels 1 or 2	(242.5)	(93.4)
Transfers into Level 3 from Levels 1 or 2	195.9	193.4
Foreign exchange	2.3	(0.6)
Ending Balance as of June 30	490.8	328.3

Non-consolidated Variable interest entities (VIEs)

At June 30, 2023, the company's risk of loss with respect to VIEs in which the company is not the primary beneficiary included our investment carrying value of $129.7 million (December 31, 2022: $111.5 million) and unfunded capital commitments of $92.3 million (December 31, 2022: $99.0 million).

See the company’s most recently filed Form 10-K for additional disclosures on valuation methodology and fair value.

12. RELATED PARTIES

MassMutual owns approximately 18.1% in common stock of the company and owns all of the outstanding $4.0 billion in perpetual, non-cumulative preferred shares as of June 30, 2023. Based on the level of shares owned by MassMutual and the corresponding customary minority shareholder rights, which includes representation on Invesco’s board of directors, the company considers MassMutual a related party.

Additionally, certain managed funds are deemed to be affiliated entities under the related party definition in ASC 850, “Related Party Disclosures.” The majority of the company's operating revenues and receivables are from Invesco's managed funds. Related parties also include those defined in the company’s proxy statement.

Refer to Note 2, "Fair Value of Assets and Liabilities" and Note 3, "Investments" for more information on balances invested in Invesco affiliated funds.

13. SUBSEQUENT EVENTS

On July 25, 2023, the company declared a second quarter 2023 dividend of $0.20 per common share, payable on September 5, 2023, to common shareholders of record at the close of business on August 11, 2023 with an ex-dividend date of August 10, 2023.

On July 25, 2023, the company declared a preferred dividend of $14.75 per preferred share to the holders of preferred shares representing the period from June 1, 2023 through August 31, 2023. The preferred dividend is payable on September 1, 2023 to preferred shareholders of record at the close of business on August 15, 2023.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Forward-Looking Statements

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Condensed Consolidated Financial Statements and related Notes thereto, which appear elsewhere in this Report. Except for the historical financial information, this Report may include statements that constitute "forward-looking statements" under the United States securities laws. Forward-looking statements include information concerning future results of our operations, expenses, earnings, liquidity, cash flow, capital expenditures, and assets under management (AUM) which could differ materially from actual results due to known and unknown risks and other important factors, including, but not limited to, industry or market conditions, geopolitical events and pandemics or health crises and their respective potential impact on the company, acquisitions and divestitures, debt and our ability to obtain additional financing or make payments, regulatory developments, demand for and pricing of our products, the prospects for certain legal contingencies, and other aspects of our business or general economic conditions. In addition, words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "projects," "forecasts," and future or conditional verbs such as "will," "may," "could," "should," and "would" as well as any other statement that necessarily depends on future events, are intended to identify forward-looking statements. None of this information should be considered in isolation from, or as a substitute for, historical financial statements.

Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions. There can be no assurance that actual results will not differ materially from our expectations. We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks described in this Report and our most recent Form 10-K and Forms 10-Q filed with the SEC.

You may obtain these reports from the SEC's website at www.sec.gov. We expressly disclaim any obligation to update the information in any public disclosure if any forward-looking statement later turns out to be inaccurate.

References

In this Report, unless otherwise specified, the terms "we," "our," "us," "company," "firm," and "Invesco" refer to Invesco Ltd., a company incorporated in Bermuda, and its subsidiaries.

Executive Overview

The following executive overview summarizes the significant trends affecting our results of operations and financial condition for the periods presented. This overview and the remainder of this management's discussion and analysis and supplements should be read in conjunction with the Condensed Consolidated Financial Statements of Invesco Ltd. and the notes thereto contained elsewhere in this Report.

The company is an independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. Our comprehensive range of active, passive and alternative investment capabilities has been constructed over many years to help clients achieve their investment objectives. We draw on this comprehensive range of capabilities to provide customized solutions designed to deliver key outcomes aligned to client needs. Invesco benefits from our long-term efforts to ensure a diversified base of AUM. One of Invesco's core strengths, and a key differentiator for the company within the industry, is our broad diversification across client domiciles, asset classes and distribution channels. Our geographic diversification recognizes growth opportunities in different parts of the world. This broad diversification helps to mitigate the impact on Invesco of different market cycles and enables the company to take advantage of growth opportunities in various markets and channels.

In the second quarter, financial markets showed signs of recovery even as investors continued to grapple with significant uncertainty. Recovery was uneven across sectors and geographies, and market gains were narrowly distributed. U.S. equity market increases were concentrated in large cap technology stocks, while non-U.S. equity markets, most notably emerging, international, China, and most long-dated bond index returns, were flat or negative.

Client actions remained cautious for much of the quarter, resulting in slower industry growth in long-term assets, while cash strategies continued to account for a historically high percentage of client investments. There was an uptick in investor appetite for risk assets late in the quarter, due to cooling inflation measures and hopes for avoiding a global recession, providing optimism that a broader recovery could be on the horizon.

The table below summarizes returns based on price appreciation/(depreciation) of several major market indices for the three and six months ended June 30, 2023 and 2022:

		Three months ended June 30,		Six months ended June 30,	
Equity Index	**Index expressed in currency**	**2023**	**2022**	**2023**	**2022**
S&P 500	U.S. Dollar	8.3 %	(16.5)%	15.9 %	(20.6)%
FTSE 100	British Pound	(1.3)%	(4.6)%	1.1 %	(2.9)%
FTSE 100	U.S. Dollar	1.6 %	(11.6)%	6.2 %	(12.7)%
S&P/TSX 60 Index	Canadian Dollar	0.7 %	(13.3)%	3.9 %	(10.9)%
S&P/TSX 60 Index	U.S. Dollar	2.9 %	(16.0)%	6.3 %	(12.5)%
MSCI Emerging Markets	U.S. Dollar	(0.1)%	(12.4)%	3.5 %	(18.8)%
Bond Index					
Barclays U.S. Aggregate Bond	U.S. Dollar	(0.8)%	(4.7)%	2.1 %	(10.4)%

Despite the $2.0 billion of net long-term outflows for the quarter, our diversified product line showed resilience in key capability areas with net long-term inflows of $5.7 billion from ETFs, $1.6 billion from greater China and $1.0 billion from Fixed Income.

We remain highly focused on our capital priorities, investing in our key capabilities, and efficiently allocating our resources. Consistent with our commitment to improve our leverage profile, we continue to maintain our debt at lower levels. We ended the quarter with no balance on our credit facility and continued to maintain debt below $1.5 billion. We remain committed to a sustainable dividend and to returning capital to shareholders through a combination of modestly increasing dividends and share repurchases. During the second quarter of 2023, the company repurchased 9.6 million common shares for $150.0 million in the open market.

As previously disclosed, Martin L. Flanagan retired as President and Chief Executive Officer (CEO) of the company and as a member of the Board of Directors effective June 30, 2023. Andrew R. Schlossberg succeeded Mr. Flanagan as President and CEO and as a member of the Board of Directors effective June 30, 2023.

Presentation of Management's Discussion and Analysis of Financial Condition and Results of Operations - Impact of Consolidated Investment Products

The company provides investment management services to, and has transactions with, various retail mutual funds and similar entities, private equity, real estate, fund-of-funds, collateralized loan obligations (CLOs) and other investment entities sponsored by the company for the investment of client assets in the normal course of business. The company serves as the investment manager, making day-to-day investment decisions concerning the assets of the products. Investment products that are consolidated are referred to in this Report as CIP. The company's economic risk with respect to each investment in CIP is limited to its equity ownership and any uncollected management and performance fees. See also Note 11, "Consolidated Investment Products," for additional information regarding the impact of the consolidation of managed funds.

The majority of the company's CIP balances are CLO-related. The collateral assets of the CLOs are held solely to satisfy the obligations of the CLOs. The company has no right to the benefits from, nor does it bear the risks associated with, the collateral assets held by the CLOs, beyond the company's direct investments in, and management and performance fees generated from, the CLOs. If the company were to liquidate, the collateral assets would not be available to the general creditors of the company, and as a result, the company does not consider them to be company assets. Likewise, the investors in the CLOs have no recourse to the general credit of the company for the notes issued by the CLOs. The company therefore does not consider this debt to be a company liability.

Due to the significant impact that CIP has on the presentation of the company's Consolidated Financial Statements, the company has elected to deconsolidate these products in its non-GAAP disclosures (among other adjustments). See "Schedule of Non-GAAP Information" for additional information regarding these adjustments. The following discussion therefore combines the results presented under U.S. GAAP with the company's non-GAAP presentation.

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains four distinct sections, which follow the AUM discussion:

- Results of Operations (three and six months ended June 30, 2023 compared to three and six months ended June 30, 2022);
- Schedule of Non-GAAP Information;
- Balance Sheet Discussion; and
- Liquidity and Capital Resources.

Summary Operating Information

Wherever a non-GAAP measure is referenced, a disclosure will follow in the narrative or in the note referring the reader to the Schedule of Non-GAAP Information, where additional details regarding the use of the non-GAAP measure by the company are disclosed, along with reconciliations of the most directly comparable U.S. GAAP measures to the non-GAAP measures. To further enhance the readability of the Results of Operations section, separate tables for each of the revenue, expense and other income and expenses (non-operating income/expense) sections of the income statement introduce the narrative that follows, providing a section-by-section review of the company's income statements for the periods presented.

Summary operating information is presented in the table below:

U.S. GAAP Financial Measures Summary	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Operating revenues	1,442.8	1,530.4	2,861.0	3,159.8
Operating income	203.8	344.7	413.3	722.4
Operating margin	14.1 %	22.5 %	14.4 %	22.9 %
Net income attributable to Invesco Ltd.	132.2	121.0	277.2	318.7
Diluted EPS	0.29	0.26	0.60	0.69
Non-GAAP Financial Measures Summary[1]				
Net revenues	1,090.7	1,173.9	2,166.6	2,426.3
Adjusted operating income	302.0	411.9	628.9	906.5
Adjusted operating margin	27.7 %	35.1 %	29.0 %	37.4 %
Adjusted net income attributable to Invesco Ltd.	144.4	180.3	317.8	439.6
Adjusted diluted EPS	0.31	0.39	0.69	0.95
Assets Under Management				
Ending AUM (billions)	1,538.2	1,390.4	1,538.2	1,390.4
Average AUM (billions)	1,494.9	1,457.2	1,478.9	1,501.2

(1) Net revenues, Adjusted operating income (and by calculation, Adjusted operating margin), and Adjusted net income attributable to Invesco Ltd. (and by calculation, Adjusted diluted EPS) are non-GAAP financial measures, based on methodologies other than U.S. GAAP. See "Schedule of Non-GAAP Information" for a reconciliation of the most directly comparable U.S. GAAP measures to the non-GAAP measures.

Investment Capabilities Performance Overview

Invesco's first strategic objective is to achieve strong investment performance over the long-term for our clients. The table below presents the one-, three-, five-, and ten-year performance of our actively managed investment products measured by the percentage of AUM in the top half of benchmark and in the top half of peer group.[1]

	Benchmark Comparison				Peer Group Comparison			
	% of AUM In Top Half of Benchmark				% of AUM in Top Half of Peer Group			
	1yr	3yr	5yr	10yr	1yr	3yr	5yr	10yr
Equities [2]								
U.S. Core (4%)	99 %	41 %	31 %	15 %	100 %	28 %	15 %	11 %
U.S. Growth (6%)	11 %	11 %	43 %	43 %	11 %	— %	42 %	72 %
U.S. Value (6%)	62 %	61 %	100 %	55 %	61 %	61 %	48 %	47 %
Sector (1%)	50 %	6 %	25 %	25 %	46 %	24 %	46 %	55 %
U.K. (1%)	46 %	46 %	47 %	46 %	55 %	62 %	46 %	46 %
Canadian (<1%)	88 %	100 %	100 %	45 %	76 %	79 %	67 %	— %
Asian (4%)	66 %	55 %	83 %	91 %	43 %	33 %	34 %	83 %
Continental European (2%)	70 %	76 %	20 %	94 %	79 %	81 %	21 %	73 %
Global (6%)	75 %	29 %	7 %	85 %	84 %	69 %	4 %	15 %
Global Ex U.S. and Emerging Markets (7%)	99 %	19 %	99 %	99 %	98 %	31 %	26 %	10 %
Fixed Income [2]								
Money Market (30%)	95 %	92 %	98 %	100 %	87 %	88 %	87 %	99 %
U.S. Fixed Income (10%)	80 %	87 %	84 %	97 %	48 %	77 %	72 %	92 %
Global Fixed Income (6%)	74 %	86 %	92 %	95 %	79 %	67 %	68 %	92 %
Stable Value (5%)	— %	100 %	100 %	100 %	97 %	97 %	97 %	100 %
Other [2]								
Alternatives (5%)	55 %	49 %	66 %	72 %	37 %	52 %	41 %	50 %
Balanced (7%)	44 %	66 %	65 %	60 %	47 %	73 %	88 %	62 %

(1) Excludes passive products, closed-end funds, private equity limited partnerships, non-discretionary funds, unit investment trusts (UITs), fund of funds with component funds managed by Invesco, stable value building block funds and collateralized debt obligations. Certain funds and products were excluded from the analysis because of limited benchmark or peer group data. Had these been available, results may have been different. These results are preliminary and subject to revision.

Data as of June 30, 2023. AUM measured versus peer group in the one, three, five and ten year quartile rankings represents 46%, 46%, 45% and 41% of total Invesco AUM, respectively, and AUM measured versus benchmark on a one, three, five and ten year basis represents 59%, 58%, 55% and 50% of total Invesco AUM. Peer group rankings are sourced from a widely-used third party ranking agency in each fund's market (e.g., Morningstar, IA, Lipper, eVestment, Mercer, Galaxy, SITCA, Value Research) and asset-weighted in USD. Rankings are as of prior quarter-end for most institutional products and prior month-end for Australian retail funds due to their late release by third parties. Rankings are calculated against all funds in each peer group. Rankings for the primary share class of the most representative fund in each composite are applied to all products within each composite. Performance assumes the reinvestment of dividends. Past performance is not indicative of future results and may not reflect an investor's experience.

(2) Numbers in parenthesis reflect AUM for each investment product (see Note above for exclusions) as a percentage of the total AUM for the five-year peer group ($698.4 billion).

Assets Under Management

The following presentation and discussion of AUM includes Passive and Active AUM. Passive AUM includes index-based ETFs, UITs, non-management fee earning AUM and other passive mandates. Active AUM is total AUM less Passive AUM.

Non-management fee earning AUM includes non-management fee earning ETFs, UITs and product leverage. The net flows in non-management fee earning AUM can be relatively short-term in nature and, due to the relatively low revenue yield, can have a significant impact on overall net revenue yield.

The AUM tables and the discussion below refer to certain AUM as long-term. Long-term inflows and the underlying reasons for the movements in this line item include investments from new clients, existing clients adding new accounts/funds or contributions/subscriptions into existing accounts/funds. Long-term outflows reflect client redemptions from accounts/funds and include the return of invested capital upon the maturity. We present net flows into money market funds separately because shareholders of those funds typically use them as short-term funding vehicles and the flows are particularly sensitive to short-term interest rate movements

Changes in AUM by Investment style were as follows:

	Three months ended June 30,					
	2023			2022		
$ in billions	Total AUM	Active	Passive	Total AUM	Active	Passive
Beginning Assets (March 31)	1,483.0	1,005.2	477.8	1,555.9	1,042.7	513.2
Long-term inflows	71.3	40.1	31.2	81.4	48.8	32.6
Long-term outflows	(73.3)	(48.5)	(24.8)	(88.2)	(60.1)	(28.1)
Net long-term flows	(2.0)	(8.4)	6.4	(6.8)	(11.3)	4.5
Net flows in non-management fee earning AUM	1.1	—	1.1	(2.0)	—	(2.0)
Net flows in money market funds	15.4	15.4	—	3.5	3.5	—
Total net flows	14.5	7.0	7.5	(5.3)	(7.8)	2.5
Reinvested distributions	1.0	1.0	—	1.8	1.8	—
Market gains and losses	46.5	9.9	36.6	(142.3)	(61.6)	(80.7)
Foreign currency translation	(6.8)	(6.5)	(0.3)	(19.7)	(17.2)	(2.5)
Ending Assets (June 30)	1,538.2	1,016.6	521.6	1,390.4	957.9	432.5
Average AUM						
Average long-term AUM	1,085.9	788.2	297.7	1,117.2	829.7	287.5
Average AUM	1,494.9	1,006.1	488.8	1,457.2	989.2	468.0
Average QQQ AUM	180.9	N/A	180.9	169.0	N/A	169.0

$ in billions	Six months ended June 30, 2023 Total AUM	2023 Active	2023 Passive	2022 Total AUM	2022 Active	2022 Passive
Beginning Assets (December 31)	1,409.2	976.2	433.0	1,610.9	1,082.5	528.4
Long-term inflows	150.7	87.0	63.7	187.7	110.5	77.2
Long-term outflows	(149.8)	(97.9)	(51.9)	(177.3)	(121.0)	(56.3)
Net long-term flows	0.9	(10.9)	11.8	10.4	(10.5)	20.9
Net flows in non-management fee earning AUM	(0.5)	—	(0.5)	(3.0)	—	(3.0)
Net flows in money market funds	23.1	23.1	—	16.3	16.3	—
Total net flows	23.5	12.2	11.3	23.7	5.8	17.9
Reinvested distributions	2.0	2.0	—	2.6	2.6	—
Market gains and losses	108.4	30.8	77.6	(223.2)	(111.6)	(111.6)
Foreign currency translation	(4.9)	(4.6)	(0.3)	(23.6)	(21.4)	(2.2)
Ending Assets (June 30)	1,538.2	1,016.6	521.6	1,390.4	957.9	432.5
Average AUM						
Average long-term AUM	1,084.5	788.3	296.2	1,152.4	862.6	289.8
Average AUM	1,478.9	1,004.0	474.9	1,501.2	1,019.6	481.6
Average QQQ AUM	168.5	N/A	168.5	179.0	N/A	179.0

Revenue yield (bps) [1]	Three months ended June 30, 2023	2022	Six months ended June 30, 2023	2022
U.S. GAAP Gross revenue yield	41.1	44.9	41.2	45.0
Net revenue yield ex performance fees ex QQQ [2]	32.5	36.0	32.6	36.3
Active net revenue yield ex performance fees	37.6	41.4	37.6	41.7
Passive net revenue yield ex QQQ [2]	15.9	18.3	16.3	18.3

(1) U.S. GAAP Gross revenue yield is not considered a meaningful effective fee rate measure. Gross revenue yield on AUM is equal to U.S. GAAP annualized total Operating revenues divided by average AUM, excluding Invesco Great Wall (IGW) AUM. The average AUM for IGW in the three and six months ended June 30, 2023 was $89.4 billion and $90.2 billion (three and six months ended June 30, 2022: $94.0 billion and $96.6 billion). It is appropriate to exclude the average AUM of IGW as the revenues resulting from these AUM are not presented in our operating revenues. This ratio is not a good measure because the numerator of the U.S. GAAP Gross revenue yield excludes the management fees earned from CIP; however, the denominator of the measure includes the AUM of these investment products. Net revenue yield metrics include the Net revenues and Average AUM of IGW and CIP. See "Schedule of Non-GAAP Information" for a reconciliation of Operating revenues to Net revenues.

(2) Performance fees are earned when certain performance metrics are achieved and QQQ ETFs do not earn net revenues. Therefore, net revenue yield is calculated excluding performance fees and QQQ AUM. Passive net revenue yield is calculated excluding QQQ AUM.

Flows

There are numerous drivers of AUM inflows and outflows, including individual investor decisions to change investments, fiduciaries and other gatekeepers making broad asset allocation decisions on behalf of their clients, and reallocation of investments within portfolios. We are not a party to these asset allocation decisions, as the company does not generally have access to the underlying investor's decision-making process, including their risk appetite or liquidity needs. Therefore, the company is not in a position to provide meaningful information regarding the drivers of inflows and outflows.

Market Returns

Market gains and losses include the net change in AUM resulting from changes in market values of the underlying securities from period to period. The table in the "Executive Overview" section of this Management's Discussion and Analysis summarizes returns based on price appreciation/(depreciation) of several major market indices for the three and six months ended June 30, 2023 and 2022.

Foreign Exchange Rates

During the three and six months ended June 30, 2023, we experienced a decrease in AUM of $6.8 billion and $4.9 billion respectively due to changes in foreign exchange rates. In the three and six months ended June 30, 2022, AUM decreased by $19.7 billion and $23.6 billion respectively due to foreign exchange rate changes.

Total AUM by Channel [(1)]

	Three months ended June 30,					
	2023			2022		
$ in billions	**Total**	**Retail**	**Institutional**	**Total**	**Retail**	**Institutional**
Beginning Assets (March 31)	1,483.0	924.9	558.1	1,555.9	1,044.7	511.2
Long-term inflows	71.3	54.4	16.9	81.4	62.4	19.0
Long-term outflows	(73.3)	(54.2)	(19.1)	(88.2)	(70.7)	(17.5)
Net long-term flows	(2.0)	0.2	(2.2)	(6.8)	(8.3)	1.5
Net flows in non-management fee earning AUM	1.1	1.1	—	(2.0)	0.2	(2.2)
Net flows in money market funds	15.4	(0.1)	15.5	3.5	0.4	3.1
Total net flows	14.5	1.2	13.3	(5.3)	(7.7)	2.4
Reinvested distributions	1.0	0.9	0.1	1.8	1.7	0.1
Market gains and losses	46.5	43.6	2.9	(142.3)	(132.6)	(9.7)
Foreign currency translation	(6.8)	(2.1)	(4.7)	(19.7)	(7.3)	(12.4)
Ending Assets (June 30)	1,538.2	968.5	569.7	1,390.4	898.8	491.6

	Six months ended June 30,					
	2023			2022		
$ in billions	**Total**	**Retail**	**Institutional**	**Total**	**Retail**	**Institutional**
Beginning Assets (December 31)	1,409.2	872.3	536.9	1,610.9	1,106.5	504.4
Long-term inflows	150.7	109.2	41.5	187.7	143.5	44.2
Long-term outflows	(149.8)	(112.7)	(37.1)	(177.3)	(141.4)	(35.9)
Net long-term flows	0.9	(3.5)	4.4	10.4	2.1	8.3
Net flows in non-management fee earning AUM	(0.5)	(1.6)	1.1	(3.0)	0.6	(3.6)
Net flows in money market funds	23.1	1.1	22.0	16.3	2.5	13.8
Total net flows	23.5	(4.0)	27.5	23.7	5.2	18.5
Reinvested distributions	2.0	1.8	0.2	2.6	2.4	0.2
Market gains and losses	108.4	99.3	9.1	(223.2)	(206.9)	(16.3)
Foreign currency translation	(4.9)	(0.9)	(4.0)	(23.6)	(8.4)	(15.2)
Ending Assets (June 30)	1,538.2	968.5	569.7	1,390.4	898.8	491.6

See accompanying notes immediately following these AUM tables.

Total AUM by Client Domicile [(2)]

	Three months ended June 30,							
	2023				2022			
$ in billions	**Total**	**Americas**	**APAC**	**EMEA**	**Total**	**Americas**	**APAC**	**EMEA**
Beginning Assets (March 31)	1,483.0	1,055.7	228.6	198.7	1,555.9	1,091.5	239.8	224.6
Long-term inflows	71.3	35.9	19.1	16.3	81.4	49.0	15.4	17.0
Long-term outflows	(73.3)	(38.9)	(17.6)	(16.8)	(88.2)	(52.9)	(15.3)	(20.0)
Net long-term flows	(2.0)	(3.0)	1.5	(0.5)	(6.8)	(3.9)	0.1	(3.0)
Net flows in non-management fee earning AUM	1.1	0.4	0.3	0.4	(2.0)	(2.5)	0.9	(0.4)
Net flows in money market funds	15.4	14.5	0.6	0.3	3.5	4.0	(0.4)	(0.1)
Total net flows	14.5	11.9	2.4	0.2	(5.3)	(2.4)	0.6	(3.5)
Reinvested distributions	1.0	1.0	—	—	1.8	1.7	—	0.1
Market gains and losses	46.5	43.7	(0.1)	2.9	(142.3)	(116.3)	(3.5)	(22.5)
Foreign currency translation	(6.8)	0.5	(9.0)	1.7	(19.7)	(1.0)	(12.5)	(6.2)
Ending Assets (June 30)	1,538.2	1,112.8	221.9	203.5	1,390.4	973.5	224.4	192.5

	Six months ended June 30,							
	2023				2022			
$ in billions	**Total**	**Americas**	**APAC**	**EMEA**	**Total**	**Americas**	**APAC**	**EMEA**
Beginning Assets (December 31)	1,409.2	999.4	223.5	186.3	1,610.9	1,132.5	247.3	231.1
Long-term inflows	150.7	78.0	38.2	34.5	187.7	110.5	36.8	40.4
Long-term outflows	(149.8)	(80.3)	(36.7)	(32.8)	(177.3)	(106.5)	(31.1)	(39.7)
Net long-term flows	0.9	(2.3)	1.5	1.7	10.4	4.0	5.7	0.7
Net flows in non-management fee earning AUM	(0.5)	0.9	(1.0)	(0.4)	(3.0)	(4.7)	0.8	0.9
Net flows in money market funds	23.1	20.9	1.9	0.3	16.3	16.4	0.8	(0.9)
Total net flows	23.5	19.5	2.4	1.6	23.7	15.7	7.3	0.7
Reinvested distributions	2.0	2.0	—	—	2.6	2.5	—	0.1
Market gains and losses	108.4	91.3	5.2	11.9	(223.2)	(176.3)	(15.9)	(31.0)
Foreign currency translation	(4.9)	0.6	(9.2)	3.7	(23.6)	(0.9)	(14.3)	(8.4)
Ending Assets (June 30)	1,538.2	1,112.8	221.9	203.5	1,390.4	973.5	224.4	192.5

See accompanying notes immediately following these AUM tables.

Total AUM by Asset Class [3]

	Three Months Ended June 30,											
	2023						2022					
$ in billions	**Total**	**Equity**	**Fixed Income**	**Balanced**	**Money Market**	**Alternatives**	**Total**	**Equity**	**Fixed Income**	**Balanced**	**Money Market**	**Alternatives**
Beginning Assets (March 31)	1,483.0	695.7	321.8	67.9	211.5	186.1	1,555.9	780.0	323.9	79.5	162.0	210.5
Long-term inflows	71.3	36.2	25.3	3.9	—	5.9	81.4	35.9	29.1	3.1	—	13.3
Long-term outflows	(73.3)	(34.3)	(24.3)	(5.4)	—	(9.3)	(88.2)	(43.6)	(24.3)	(5.4)	—	(14.9)
Net long-term flows	(2.0)	1.9	1.0	(1.5)	—	(3.4)	(6.8)	(7.7)	4.8	(2.3)	—	(1.6)
Net flows in non-management fee earning AUM	1.1	1.2	(0.1)	—	—	—	(2.0)	0.2	(2.2)	—	—	—
Net flows in money market funds	15.4	—	—	—	15.4	—	3.5	—	—	—	3.5	—
Total net flows	14.5	3.1	0.9	(1.5)	15.4	(3.4)	(5.3)	(7.5)	2.6	(2.3)	3.5	(1.6)
Reinvested distributions	1.0	0.2	0.4	0.1	0.1	0.2	1.8	1.0	0.4	0.1	—	0.3
Market gains and losses	46.5	48.5	(0.2)	(1.1)	—	(0.7)	(142.3)	(121.9)	(11.6)	(1.8)	0.6	(7.6)
Foreign currency translation	(6.8)	(0.4)	(3.9)	(1.2)	(1.3)	—	(19.7)	(6.8)	(6.2)	(2.6)	(2.1)	(2.0)
Ending Assets (June 30)	1,538.2	747.1	319.0	64.2	225.7	182.2	1,390.4	644.8	309.1	72.9	164.0	199.6
Average AUM	1,494.9	706.9	321.0	65.7	217.9	183.4	1,457.2	701.9	313.4	74.0	159.7	208.2
% of total average AUM	100.0 %	47.3 %	21.5 %	4.4 %	14.5 %	12.3 %	100.0 %	48.2 %	21.5 %	5.0 %	11.0 %	14.3 %

	Six Months Ended June 30,											
	2023						2022					
$ in billions	**Total**	**Equity**	**Fixed Income**	**Balanced**	**Money Market**	**Alternatives**	**Total**	**Equity**	**Fixed Income**	**Balanced**	**Money Market**	**Alternatives**
Beginning Assets (December 31)	1,409.2	637.0	313.7	67.1	203.5	187.9	1,610.9	841.6	334.8	88.6	148.8	197.1
Long-term inflows	150.7	75.6	53.9	7.2	—	14.0	187.7	86.5	58.5	8.6	—	34.1
Long-term outflows	(149.8)	(68.9)	(50.4)	(10.1)	—	(20.4)	(177.3)	(88.6)	(48.9)	(11.7)	—	(28.1)
Net long-term flows	0.9	6.7	3.5	(2.9)	—	(6.4)	10.4	(2.1)	9.6	(3.1)	—	6.0
Net flows in non-management fee earning AUM	(0.5)	(1.5)	1.0	—	—	—	(3.0)	0.6	(3.6)	—	—	—
Net flows in money market funds	23.1	—	—	—	23.1	—	16.3	—	—	—	16.3	—
Total net flows	23.5	5.2	4.5	(2.9)	23.1	(6.4)	23.7	(1.5)	6.0	(3.1)	16.3	6.0
Reinvested distributions	2.0	0.4	0.8	0.3	0.1	0.4	2.6	1.2	0.7	0.2	—	0.5
Market gains and losses	108.4	104.1	3.7	0.6	0.1	(0.1)	(223.2)	(188.4)	(24.3)	(10.1)	1.0	(1.4)
Foreign currency translation	(4.9)	0.4	(3.7)	(0.9)	(1.1)	0.4	(23.6)	(8.1)	(8.1)	(2.7)	(2.1)	(2.6)
Ending Assets (June 30)	1,538.2	747.1	319.0	64.2	225.7	182.2	1,390.4	644.8	309.1	72.9	164.0	199.6
Average AUM	1,478.9	690.4	319.5	67.2	215.8	186.0	1,501.2	739.3	320.6	78.8	157.1	205.4
% of total average AUM	100.0 %	46.7 %	21.6 %	4.5 %	14.6 %	12.6 %	100.0 %	49.2 %	21.4 %	5.2 %	10.5 %	13.7 %

See accompanying notes immediately following these AUM tables.

Active AUM by Channel [(1)]

$ in billions	Three months ended June 30, 2023 Total	2023 Retail	2023 Institutional	2022 Total	2022 Retail	2022 Institutional
Beginning Assets (March 31)	1,005.2	495.6	509.6	1,042.7	581.9	460.8
Long-term inflows	40.1	25.0	15.1	48.8	30.9	17.9
Long-term outflows	(48.5)	(30.9)	(17.6)	(60.1)	(43.8)	(16.3)
Net long-term flows	(8.4)	(5.9)	(2.5)	(11.3)	(12.9)	1.6
Net flows in money market funds	15.4	(0.1)	15.5	3.5	0.4	3.1
Total net flows	7.0	(6.0)	13.0	(7.8)	(12.5)	4.7
Reinvested distributions	1.0	0.9	0.1	1.8	1.7	0.1
Market gains and losses	9.9	9.8	0.1	(61.6)	(55.5)	(6.1)
Foreign currency translation	(6.5)	(2.0)	(4.5)	(17.2)	(6.6)	(10.6)
Ending Assets (June 30)	1,016.6	498.3	518.3	957.9	509.0	448.9

$ in billions	Six months ended June 30, 2023 Total	2023 Retail	2023 Institutional	2022 Total	2022 Retail	2022 Institutional
Beginning Assets (December 31)	976.2	482.1	494.1	1,082.5	631.7	450.8
Long-term inflows	87.0	51.3	35.7	110.5	68.0	42.5
Long-term outflows	(97.9)	(63.9)	(34.0)	(121.0)	(87.2)	(33.8)
Net long-term flows	(10.9)	(12.6)	1.7	(10.5)	(19.2)	8.7
Net flows in money market funds	23.1	1.1	22.0	16.3	2.5	13.8
Total net flows	12.2	(11.5)	23.7	5.8	(16.7)	22.5
Reinvested distributions	2.0	1.8	0.2	2.6	2.4	0.2
Market gains and losses	30.8	26.9	3.9	(111.6)	(100.9)	(10.7)
Foreign currency translation	(4.6)	(1.0)	(3.6)	(21.4)	(7.5)	(13.9)
Ending Assets (June 30)	1,016.6	498.3	518.3	957.9	509.0	448.9

See accompanying notes immediately following these AUM tables.

Active AUM by Client Domicile [(2)]

	Three months ended June 30,							
	2023				2022			
$ in billions	**Total**	**Americas**	**APAC**	**EMEA**	**Total**	**Americas**	**APAC**	**EMEA**
Beginning Assets (March 31)	1,005.2	688.7	195.1	121.4	1,042.7	703.2	202.3	137.2
Long-term inflows	40.1	17.7	16.0	6.4	48.8	28.7	13.8	6.3
Long-term outflows	(48.5)	(26.7)	(15.0)	(6.8)	(60.1)	(36.3)	(13.2)	(10.6)
Net long-term flows	(8.4)	(9.0)	1.0	(0.4)	(11.3)	(7.6)	0.6	(4.3)
Net flows in non-management fee earning AUM	—	—	—	—	—	—	0.1	(0.1)
Net flows in money market funds	15.4	14.5	0.6	0.3	3.5	4.0	(0.4)	(0.1)
Total net flows	7.0	5.5	1.6	(0.1)	(7.8)	(3.6)	0.3	(4.5)
Reinvested distributions	1.0	1.0	—	—	1.8	1.7	—	0.1
Market gains and losses	9.9	10.9	(1.0)	—	(61.6)	(51.2)	(0.9)	(9.5)
Foreign currency translation	(6.5)	0.5	(8.6)	1.6	(17.2)	(1.0)	(10.4)	(5.8)
Ending Assets (June 30)	1,016.6	706.6	187.1	122.9	957.9	649.1	191.3	117.5

	Six months ended June 30,							
	2023				2022			
$ in billions	**Total**	**Americas**	**APAC**	**EMEA**	**Total**	**Americas**	**APAC**	**EMEA**
Beginning Assets (December 31)	976.2	670.8	191.0	114.4	1,082.5	724.5	208.8	149.2
Long-term inflows	87.0	39.4	32.8	14.8	110.5	63.2	33.6	13.7
Long-term outflows	(97.9)	(53.9)	(30.8)	(13.2)	(121.0)	(71.8)	(27.9)	(21.3)
Net long-term flows	(10.9)	(14.5)	2.0	1.6	(10.5)	(8.6)	5.7	(7.6)
Net flows in non-management fee earning AUM	—	—	—	—	—	—	0.1	(0.1)
Net flows in money market funds	23.1	20.9	1.9	0.3	16.3	16.4	0.8	(0.9)
Total net flows	12.2	6.4	3.9	1.9	5.8	7.8	6.6	(8.6)
Reinvested distributions	2.0	2.0	—	—	2.6	2.5	—	0.1
Market gains and losses	30.8	26.8	0.7	3.3	(111.6)	(84.8)	(11.4)	(15.4)
Foreign currency translation	(4.6)	0.6	(8.5)	3.3	(21.4)	(0.9)	(12.7)	(7.8)
Ending Assets (June 30)	1,016.6	706.6	187.1	122.9	957.9	649.1	191.3	117.5

See accompanying notes immediately following these AUM tables.

Active AUM by Asset Class [3]

	Three months ended June 30,											
	2023						2022					
$ in billions	**Total**	**Equity**	**Fixed Income**	**Balanced**	**Money Market**	**Alternatives**	**Total**	**Equity**	**Fixed Income**	**Balanced**	**Money Market**	**Alternatives**
Beginning Assets (March 31)	1,005.2	294.3	276.7	67.1	211.5	155.6	1,042.7	347.9	283.3	78.5	162.0	171.0
Long-term inflows	40.1	12.4	20.6	3.9	—	3.2	48.8	13.7	23.8	3.1	—	8.2
Long-term outflows	(48.5)	(16.9)	(20.0)	(5.4)	—	(6.2)	(60.1)	(24.5)	(21.6)	(5.4)	—	(8.6)
Net long-term flows	(8.4)	(4.5)	0.6	(1.5)	—	(3.0)	(11.3)	(10.8)	2.2	(2.3)	—	(0.4)
Net flows in non-management fee earning AUM	—	(0.1)	0.1	—	—	—	—	—	—	—	—	—
Net flows in money market funds	15.4	—	—	—	15.4	—	3.5	—	—	—	3.5	—
Total net flows	7.0	(4.6)	0.7	(1.5)	15.4	(3.0)	(7.8)	(10.8)	2.2	(2.3)	3.5	(0.4)
Reinvested distributions	1.0	0.2	0.4	0.1	0.1	0.2	1.8	1.0	0.4	0.1	—	0.3
Market gains and losses	9.9	10.9	0.1	(1.1)	—	—	(61.6)	(45.5)	(9.6)	(1.7)	0.6	(5.4)
Foreign currency translation	(6.5)	(0.2)	(3.9)	(1.2)	(1.3)	0.1	(17.2)	(5.1)	(5.7)	(2.6)	(2.1)	(1.7)
Ending Assets (June 30)	1,016.6	300.6	274.0	63.4	225.7	152.9	957.9	287.5	270.6	72.0	164.0	163.8
Average AUM	1,006.1	294.6	275.9	64.9	217.9	152.8	989.2	313.1	274.4	73.1	159.7	168.9
% of total average AUM	100.0 %	29.3 %	27.4 %	6.4 %	21.7 %	15.2 %	100.0 %	31.7 %	27.7 %	7.4 %	16.1 %	17.1 %

	Six months ended June 30,											
	2023						2022					
$ in billions	**Total**	**Equity**	**Fixed Income**	**Balanced**	**Money Market**	**Alternatives**	**Total**	**Equity**	**Fixed Income**	**Balanced**	**Money Market**	**Alternatives**
Beginning Assets (December 31)	976.2	277.5	273.0	66.3	203.5	155.9	1,082.5	389.6	293.1	87.4	148.8	163.6
Long-term inflows	87.0	27.4	43.8	7.2	—	8.6	110.5	32.8	48.3	8.6	—	20.8
Long-term outflows	(97.9)	(32.3)	(43.5)	(10.1)	—	(12.0)	(121.0)	(48.7)	(43.6)	(11.6)	—	(17.1)
Net long-term flows	(10.9)	(4.9)	0.3	(2.9)	—	(3.4)	(10.5)	(15.9)	4.7	(3.0)	—	3.7
Net flows in non-management fee earning AUM	—	(0.1)	0.1	—	—	—	—	—	—	—	—	—
Net flows in money market funds	23.1	—	—	—	23.1	—	16.3	—	—	—	16.3	—
Total net flows	12.2	(5.0)	0.4	(2.9)	23.1	(3.4)	5.8	(15.9)	4.7	(3.0)	16.3	3.7
Reinvested distributions	2.0	0.4	0.8	0.3	0.1	0.4	2.6	1.2	0.7	0.2	—	0.5
Market gains and losses	30.8	27.0	3.6	0.6	0.1	(0.5)	(111.6)	(80.7)	(20.3)	(9.9)	1.0	(1.7)
Foreign currency translation	(4.6)	0.7	(3.8)	(0.9)	(1.1)	0.5	(21.4)	(6.7)	(7.6)	(2.7)	(2.1)	(2.3)
Ending Assets (June 30)	1,016.6	300.6	274.0	63.4	225.7	152.9	957.9	287.5	270.6	72.0	164.0	163.8
Average AUM	1,004.0	292.0	275.1	66.4	215.8	154.7	1,019.6	335.9	280.8	77.7	157.1	168.1
% of total average AUM	100.0 %	29.1 %	27.4 %	6.6 %	21.5 %	15.4 %	100.0 %	32.9 %	27.5 %	7.7 %	15.4 %	16.5 %

See accompanying notes immediately following these AUM tables.

Passive AUM by Channel [1]

	Three months ended June 30,					
	2023			2022		
$ in billions	**Total**	**Retail**	**Institutional**	**Total**	**Retail**	**Institutional**
Beginning Assets (March 31)	477.8	429.3	48.5	513.2	462.8	50.4
Long-term inflows	31.2	29.4	1.8	32.6	31.5	1.1
Long-term outflows	(24.8)	(23.3)	(1.5)	(28.1)	(26.9)	(1.2)
Net long-term flows	6.4	6.1	0.3	4.5	4.6	(0.1)
Net flows in non-management fee earning AUM	1.1	1.1	—	(2.0)	0.2	(2.2)
Total net flows	7.5	7.2	0.3	2.5	4.8	(2.3)
Market gains and losses	36.6	33.8	2.8	(80.7)	(77.1)	(3.6)
Foreign currency translation	(0.3)	(0.1)	(0.2)	(2.5)	(0.7)	(1.8)
Ending Assets (June 30)	521.6	470.2	51.4	432.5	389.8	42.7

	Six months ended June 30,					
	2023			2022		
$ in billions	**Total**	**Retail**	**Institutional**	**Total**	**Retail**	**Institutional**
Beginning Assets (December 31)	433.0	390.2	42.8	528.4	474.8	53.6
Long-term inflows	63.7	57.9	5.8	77.2	75.5	1.7
Long-term outflows	(51.9)	(48.8)	(3.1)	(56.3)	(54.2)	(2.1)
Net long-term flows	11.8	9.1	2.7	20.9	21.3	(0.4)
Net flows in non-management fee earning AUM	(0.5)	(1.6)	1.1	(3.0)	0.6	(3.6)
Total net flows	11.3	7.5	3.8	17.9	21.9	(4.0)
Market gains and losses	77.6	72.4	5.2	(111.6)	(106.0)	(5.6)
Foreign currency translation	(0.3)	0.1	(0.4)	(2.2)	(0.9)	(1.3)
Ending Assets (June 30)	521.6	470.2	51.4	432.5	389.8	42.7

Passive AUM by Client Domicile [2]

	Three months ended June 30,							
	2023				2022			
$ in billions	**Total**	**Americas**	**APAC**	**EMEA**	**Total**	**Americas**	**APAC**	**EMEA**
Beginning Assets (March 31)	477.8	367.0	33.5	77.3	513.2	388.3	37.5	87.4
Long-term inflows	31.2	18.2	3.1	9.9	32.6	20.3	1.6	10.7
Long-term outflows	(24.8)	(12.2)	(2.6)	(10.0)	(28.1)	(16.6)	(2.1)	(9.4)
Net long-term flows	6.4	6.0	0.5	(0.1)	4.5	3.7	(0.5)	1.3
Net flows in non-management fee earning AUM	1.1	0.4	0.3	0.4	(2.0)	(2.5)	0.8	(0.3)
Total net flows	7.5	6.4	0.8	0.3	2.5	1.2	0.3	1.0
Market gains and losses	36.6	32.8	0.9	2.9	(80.7)	(65.1)	(2.6)	(13.0)
Foreign currency translation	(0.3)	—	(0.4)	0.1	(2.5)	—	(2.1)	(0.4)
Ending Assets (June 30)	521.6	406.2	34.8	80.6	432.5	324.4	33.1	75.0

	Six months ended June 30,							
	2023				2022			
$ in billions	**Total**	**Americas**	**APAC**	**EMEA**	**Total**	**Americas**	**APAC**	**EMEA**
Beginning Assets (December 31)	433.0	328.6	32.5	71.9	528.4	408.0	38.5	81.9
Long-term inflows	63.7	38.6	5.4	19.7	77.2	47.3	3.2	26.7
Long-term outflows	(51.9)	(26.4)	(5.9)	(19.6)	(56.3)	(34.7)	(3.2)	(18.4)
Net long-term flows	11.8	12.2	(0.5)	0.1	20.9	12.6	—	8.3
Net flows in non-management fee earning AUM	(0.5)	0.9	(1.0)	(0.4)	(3.0)	(4.7)	0.7	1.0
Total net flows	11.3	13.1	(1.5)	(0.3)	17.9	7.9	0.7	9.3
Market gains and losses	77.6	64.5	4.5	8.6	(111.6)	(91.5)	(4.5)	(15.6)
Foreign currency translation	(0.3)	—	(0.7)	0.4	(2.2)	—	(1.6)	(0.6)
Ending Assets (June 30)	521.6	406.2	34.8	80.6	432.5	324.4	33.1	75.0

See accompanying notes immediately following these AUM tables.

Passive AUM by Asset Class [3]

	Three months ended June 30,											
	2023						2022					
$ in billions	**Total**	**Equity**	**Fixed Income**	**Balanced**	**Money Market**	**Alternatives**	**Total**	**Equity**	**Fixed Income**	**Balanced**	**Money Market**	**Alternatives**
Beginning Assets (March 31)	477.8	401.4	45.1	0.8	—	30.5	513.2	432.1	40.6	1.0	—	39.5
Long-term inflows	31.2	23.8	4.7	—	—	2.7	32.6	22.2	5.3	—	—	5.1
Long-term outflows	(24.8)	(17.4)	(4.3)	—	—	(3.1)	(28.1)	(19.1)	(2.7)	—	—	(6.3)
Net long-term flows	6.4	6.4	0.4	—	—	(0.4)	4.5	3.1	2.6	—	—	(1.2)
Net flows in non-management fee earning AUM	1.1	1.3	(0.2)	—	—	—	(2.0)	0.2	(2.2)	—	—	—
Total net flows	7.5	7.7	0.2	—	—	(0.4)	2.5	3.3	0.4	—	—	(1.2)
Market gains and losses	36.6	37.6	(0.3)	—	—	(0.7)	(80.7)	(76.4)	(2.0)	(0.1)	—	(2.2)
Foreign currency translation	(0.3)	(0.2)	—	—	—	(0.1)	(2.5)	(1.7)	(0.5)	—	—	(0.3)
Ending Assets (June 30)	521.6	446.5	45.0	0.8	—	29.3	432.5	357.3	38.5	0.9	—	35.8
Average AUM	488.8	412.3	45.1	0.8	—	30.6	468.0	388.8	39.0	0.9	—	39.3
% of total average AUM	100.0 %	84.3 %	9.2 %	0.2 %	— %	6.3 %	100.0 %	83.1 %	8.3 %	0.2 %	— %	8.4 %

	Six months ended June 30,											
	2023						2022					
$ in billions	**Total**	**Equity**	**Fixed Income**	**Balanced**	**Money Market**	**Alternatives**	**Total**	**Equity**	**Fixed Income**	**Balanced**	**Money Market**	**Alternatives**
Beginning Assets (December 31)	433.0	359.5	40.7	0.8	—	32.0	528.4	452.0	41.7	1.2	—	33.5
Long-term inflows	63.7	48.2	10.1	—	—	5.4	77.2	53.7	10.2	—	—	13.3
Long-term outflows	(51.9)	(36.6)	(6.9)	—	—	(8.4)	(56.3)	(39.9)	(5.3)	(0.1)	—	(11.0)
Net long-term flows	11.8	11.6	3.2	—	—	(3.0)	20.9	13.8	4.9	(0.1)	—	2.3
Net flows in non-management fee earning AUM	(0.5)	(1.4)	0.9	—	—	—	(3.0)	0.6	(3.6)	—	—	—
Total net flows	11.3	10.2	4.1	—	—	(3.0)	17.9	14.4	1.3	(0.1)	—	2.3
Market gains and losses	77.6	77.1	0.1	—	—	0.4	(111.6)	(107.7)	(4.0)	(0.2)	—	0.3
Foreign currency translation	(0.3)	(0.3)	0.1	—	—	(0.1)	(2.2)	(1.4)	(0.5)	—	—	(0.3)
Ending Assets (June 30)	521.6	446.5	45.0	0.8	—	29.3	432.5	357.3	38.5	0.9	—	35.8
Average AUM	474.9	398.4	44.4	0.8	—	31.3	481.6	403.4	39.8	1.0	—	37.4
% of total average AUM	100.0 %	83.9 %	9.3 %	0.2 %	— %	6.6 %	100.0 %	83.8 %	8.3 %	0.1 %	— %	7.8 %

(1) Channel refers to the internal distribution channel from which the AUM originated. Retail AUM represents AUM distributed by the company's retail sales team. Institutional AUM represents AUM distributed by our institutional sales team. This aggregation is viewed as a proxy for presenting AUM in the retail and institutional markets in which the company operates.

(2) Client domicile disclosure groups AUM by the domicile of the underlying clients.

(3) Asset classes are descriptive groupings of AUM by common type of underlying investments.

Results of Operations for the three and six months ended June 30, 2023 compared to the three and six months ended June 30, 2022

The discussion below includes the use of non-GAAP financial measures. See "Schedule of Non-GAAP Information" for additional details and reconciliations of the most directly comparable U.S. GAAP measures to the non-GAAP measures.

Operating Revenues and Net Revenues

The main categories of revenues, and the dollar and percentage change between the periods, are as follows:

	Three months ended				Six months ended			
	June 30,		Variance		June 30,		Variance	
$ in millions	2023	2022	$ Change	% Change	2023	2022	$ Change	% Change
Investment management fees	1,033.5	1,113.5	(80.0)	(7.2)%	2,061.4	2,294.0	(232.6)	(10.1)%
Service and distribution fees	342.3	353.8	(11.5)	(3.3)%	676.5	732.8	(56.3)	(7.7)%
Performance fees	19.6	9.2	10.4	113.0 %	25.2	10.2	15.0	147.1 %
Other	47.4	53.9	(6.5)	(12.1)%	97.9	122.8	(24.9)	(20.3)%
Total operating revenues	1,442.8	1,530.4	(87.6)	(5.7)%	2,861.0	3,159.8	(298.8)	(9.5)%
Revenue Adjustments:								
Investment management fees	(195.4)	(193.1)	(2.3)	1.2 %	(385.2)	(399.0)	13.8	(3.5)%
Service and distribution fees	(230.9)	(240.3)	9.4	(3.9)%	(456.2)	(498.0)	41.8	(8.4)%
Other	(36.2)	(41.6)	5.4	(13.0)%	(76.2)	(90.6)	14.4	(15.9)%
Total Revenue Adjustments [1]	(462.5)	(475.0)	12.5	(2.6)%	(917.6)	(987.6)	70.0	(7.1)%
Invesco Great Wall	97.6	106.1	(8.5)	(8.0)%	198.1	230.2	(32.1)	(13.9)%
CIP	12.8	12.4	0.4	3.2 %	25.1	23.9	1.2	5.0 %
Net revenues [2]	1,090.7	1,173.9	(83.2)	(7.1)%	2,166.6	2,426.3	(259.7)	(10.7)%

(1) Total revenue adjustments remove pass through investment management, service and distribution, and other revenues and equal the same amount as the Third-party distribution, service and advisory expenses.

(2) See "Schedule of Non-GAAP Information" for additional important disclosures regarding the use of net revenues.

Our revenues are directly influenced by the level and composition of our AUM. Therefore, movements in global capital market levels, net business inflows (or outflows), changes in the mix of investment products between asset classes and geographies may materially affect our revenues from period to period. See the company's disclosures regarding the changes in AUM during the three and six months ended June 30, 2023 and June 30, 2022 in the "Assets Under Management" section above for additional information.

Passive AUM generally earn a lower effective fee rate than active asset classes, and therefore, changes in the mix of AUM have an impact on revenues and net revenue yield. In addition, as fee rates differ across geographic locations, changes to exchange rates have an impact on revenues and net revenue yields.

Average AUM was $1,494.9 billion in the three months ended June 30, 2023 as compared to $1,457.2 billion in the three months ended June 30, 2022. The impact of the increase in AUM on our revenues was offset by changes in the mix of the AUM between the periods as Investors continued to shift AUM toward lower yield products during three months ended June 30, 2023. The impact of foreign exchange rate movements decreased Operating revenues by $1.9 million during the three months ended June 30, 2023 when compared to the three months ended June 30, 2022.

Average AUM was $1,478.9 billion in the six months ended June 30, 2023 as compared to $1,501.2 billion in the six months ended June 30, 2022. In addition to the impact of the decrease in AUM on our revenues, changes in the mix of the AUM between the periods also impact our revenues as investors continued to shift AUM toward lower yield products during six months ended June 30, 2023. The impact of foreign exchange rate movements decreased Operating revenues by $29.3 million during the six months ended June 30, 2023 when compared to the six months ended June 30, 2022.

Investment Management Fees

Investment management fees were $1,033.5 million for three months ended June 30, 2023 as compared to $1,113.5 million for three months ended June 30, 2022. The impact of foreign exchange rate movements decreased Investment management fees by $2.2 million during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022. After allowing for foreign exchange movements, Investment management fees decreased by $77.8 million. See discussion above on how AUM changes impact our Investment management fees.

Investment management fees were $2,061.4 million for six months ended June 30, 2023 as compared to $2,294.0 million for six months ended June 30, 2022. The impact of foreign exchange rate movements decreased Investment management fees by $26.2 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. After allowing for foreign exchange movements, Investment management fees decreased by $206.4 million. See discussion above on how AUM changes impact our Investment management fees.

Service and Distribution Fees

In the three months ended June 30, 2023, Service and distribution fees were $342.3 million as compared to $353.8 million for the three months ended June 30, 2022. After allowing for foreign exchange movements, Service and distribution fees decreased by $11.8 million. The decrease was a result of lower AUM to which these fees apply.

In the six months ended June 30, 2023, Service and distribution fees were $676.5 million as compared to $732.8 million for the six months ended June 30, 2022. The impact of foreign exchange rate movements decreased Service and distribution fees by $2.8 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. After allowing for foreign exchange movements, Service and distribution fees decreased by $53.5 million. The decrease was a result of lower AUM to which these fees apply.

Performance Fees

Performance fees were $19.6 million and $25.2 million for the three and six months ended June 30, 2023, respectively, and were primarily generated from real estate products.

Other Revenues

In the three months ended June 30, 2023, Other revenues were $47.4 million as compared to $53.9 million for the three months ended June 30, 2022. The decrease in Other revenues was primarily driven by lower front end fees and real estate transaction fees of $5.4 million and $1.3 million, respectively.

In the six months ended June 30, 2023, Other revenues were $97.9 million as compared to $122.8 million for the six months ended June 30, 2022. The decrease in Other revenues was primarily driven by lower real estate transaction fees and front end fees of $17.1 million and $13.9 million, respectively, partially offset by a $6.2 million increase in other transaction fees.

Invesco Great Wall

The company’s most significant joint venture is our 49% investment in IGW. Management reflects 100% of IGW's results in its net revenues and adjusted operating expenses because it is important to evaluate the contribution that IGW is making to the business. The company’s non-GAAP operating results reflect the economics of these holdings on a basis consistent with the underlying AUM and flows. Adjusted net income is reduced by the amount of earnings attributable to the 51% noncontrolling interests. See “Schedule of Non-GAAP Information” for additional disclosures regarding the use of net revenues.

Net revenues from IGW were $97.6 million and average AUM was $89.4 billion for the three months ended June 30, 2023 (net revenues were $106.1 million and average AUM was $94.0 billion for the three months ended June 30, 2022). The impact of foreign exchange rate movements during the three months ended June 30, 2023 decreased Net revenues by $5.9 million as compared to the three months ended June 30, 2022. After allowing for foreign exchange movements, Net revenues from IGW were $103.5 million. The decrease in revenue is a result of lower average AUM and changes in the mix of AUM.

Net revenues from IGW were $198.1 million and average AUM was $90.2 billion for the six months ended June 30, 2023 (net revenues were $230.2 million and average AUM was $96.6 billion for the six months ended June 30, 2022). The impact of foreign exchange rate movements during the six months ended June 30, 2023 decreased Net revenues by $13.7 million as compared to the six months ended June 30, 2022. After allowing for foreign exchange movements, Net revenues from IGW were $211.8 million. The decrease in revenue is a result of lower average AUM and changes in the mix of AUM.

Management, performance and other fees earned from CIP

Management believes that the consolidation of investment products may impact a reader's analysis of our underlying results of operations and could result in investor confusion or the production of information about the company by analysts or external credit rating agencies that is not reflective of the underlying results of operations and financial condition of the company. Accordingly, management believes that it is appropriate to adjust operating revenues for the impact of CIP in calculating net revenues. As Management and Performance fees earned by Invesco from the consolidated products are eliminated upon consolidation of the investment products, management believes that it is appropriate to add these operating revenues back in the calculation of net revenues. See “Schedule of Non-GAAP Information” for additional disclosures regarding the use of net revenues.

Management and Performance fees earned from CIP were $12.8 million for the three months ended June 30, 2023 (three months ended June 30, 2022: $12.4 million).

Management and Performance fees earned from CIP were $25.1 million for the six months ended June 30, 2023 (six months ended June 30, 2022: $23.9 million).

Operating Expenses

The main categories of Operating expenses, and the dollar and percentage changes between periods, are as follows:

	Three months ended				Six months ended			
	June 30,		Variance		June 30,		Variance	
$ in millions	2023	2022	$ Change	% Change	2023	2022	$ Change	% Change
Third-party distribution, service and advisory	462.5	475.0	(12.5)	(2.6)%	917.6	987.6	(70.0)	(7.1)%
Employee compensation	475.7	407.2	68.5	16.8 %	938.5	840.1	98.4	11.7 %
Marketing	29.0	33.8	(4.8)	(14.2)%	54.0	55.5	(1.5)	(2.7)%
Property, office and technology	137.1	135.0	2.1	1.6 %	271.5	267.0	4.5	1.7 %
General and administrative	121.6	119.7	1.9	1.6 %	197.3	221.9	(24.6)	(11.1)%
Transaction, integration and restructuring	—	0.2	(0.2)	N/A	41.6	35.4	6.2	17.5 %
Amortization of intangibles	13.1	14.8	(1.7)	(11.5)%	27.2	29.9	(2.7)	(9.0)%
Total operating expenses	1,239.0	1,185.7	53.3	4.5 %	2,447.7	2,437.4	10.3	0.4 %

The table below sets forth these expense categories as a percentage of total Operating expenses and Operating revenues, which we believe provides useful information as to the relative significance of each type of expense.

$ in millions	Three months ended June 30, 2023	% of Total Operating Expenses	% of Operating Revenues	Three months ended June 30, 2022	% of Total Operating Expenses	% of Operating Revenues
Third-party distribution, service and advisory	462.5	37.3 %	32.1 %	475.0	40.1 %	31.0 %
Employee compensation	475.7	38.4 %	33.0 %	407.2	34.3 %	26.6 %
Marketing	29.0	2.3 %	2.0 %	33.8	2.9 %	2.2 %
Property, office and technology	137.1	11.1 %	9.5 %	135.0	11.4 %	8.8 %
General and administrative	121.6	9.8 %	8.4 %	119.7	10.1 %	7.8 %
Transaction, integration and restructuring	—	— %	— %	0.2	— %	— %
Amortization of intangibles	13.1	1.1 %	0.9 %	14.8	1.2 %	1.0 %
Total operating expenses	1,239.0	100.0 %	85.9 %	1,185.7	100.0 %	77.4 %

$ in millions	Six months ended June 30, 2023	% of Total Operating Expenses	% of Operating Revenues	Six months ended June 30, 2022	% of Total Operating Expenses	% of Operating Revenues
Third-party distribution, service and advisory	917.6	37.5 %	32.1 %	987.6	40.5 %	31.3 %
Employee compensation	938.5	38.3 %	32.7 %	840.1	34.5 %	26.6 %
Marketing	54.0	2.2 %	1.9 %	55.5	2.3 %	1.8 %
Property, office and technology	271.5	11.1 %	9.5 %	267.0	11.0 %	8.4 %
General and administrative	197.3	8.1 %	6.9 %	221.9	9.1 %	7.0 %
Transaction, integration and restructuring	41.6	1.7 %	1.5 %	35.4	1.5 %	1.1 %
Amortization of intangibles	27.2	1.1 %	1.0 %	29.9	1.1 %	0.9 %
Total operating expenses	2,447.7	100.0 %	85.6 %	2,437.4	100.0 %	77.1 %

During the three months ended June 30, 2023, Operating expenses increased by $53.3 million as compared to the three months ended June 30, 2022. The impact of foreign exchange rate movements decreased Operating expenses by $2.5 million during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022.

During the six months ended June 30, 2023, Operating expenses increased by $10.3 million as compared to the six months ended June 30, 2022. The impact of foreign exchange rate movements decreased Operating expenses by $28.0 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022.

Third-Party Distribution, Service and Advisory

Third-party distribution, service and advisory expenses were $462.5 million for the three months ended June 30, 2023 as compared to $475.0 million for the three months ended June 30, 2022. After allowing for foreign exchange rate changes, the decrease in expenses was $12.8 million. The decrease is primarily due to decreases of $9.3 million in service fees resulting from changes in the mix of the AUM, $14.1 million in renewal commissions, transaction and other third-party management fees, partially offset by $10.5 million of higher asset-based fees.

Third-party distribution, service and advisory expenses were $917.6 million for the six months ended June 30, 2023 as compared to $987.6 million for the six months ended June 30, 2022. The impact of foreign exchange rate movements decreased third-party expenses by $5.8 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. After allowing for foreign exchange rate changes, the decrease in costs was $64.2 million. The decrease is primarily due to decreases of $39.2 million in service fees resulting from lower average AUM and changes in the mix of the AUM, $37.0 million in renewal commissions and transaction fees, partially offset by $17.0 million of higher asset-based fees.

Employee Compensation

Employee compensation was $475.7 million for the three months ended June 30, 2023 as compared to $407.2 million for the three months ended June 30, 2022. The impact of foreign exchange rate movements decreased Employee compensation by $2.2 million during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022. After allowing for foreign exchange rate changes, there was an increase in Employee compensation of $70.7 million. This increase was primarily driven by $35.7 million in higher mark-to-market gains on deferred compensation liabilities, costs related to executive retirements and organizational changes of $27.0 million, and higher staff costs.

Employee compensation was $938.5 million for the six months ended June 30, 2023 as compared to $840.1 million for the six months ended June 30, 2022. The impact of foreign exchange rate movements decreased Employee compensation by $15.2 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. After allowing for foreign exchange rate changes, there was an increase in Employee compensation of $113.6 million. This increase was primarily driven by $69.4 million in higher mark-to-market gains on deferred compensation liabilities, costs related to executive retirements and organizational changes of $40.3 million, and higher staff costs.

Headcount at June 30, 2023 was 8,621 (June 30, 2022: 8,506).

Marketing

Marketing expenses were $29.0 million for the three months ended June 30, 2023 as compared to $33.8 million for the three months ended June 30, 2022. After allowing for foreign exchange rate changes, the decrease in Marketing expenses was $4.8 million driven by lower advertising spend.

Marketing expenses were $54.0 million for the six months ended June 30, 2023 as compared to $55.5 million for the six months ended June 30, 2022. After allowing for foreign exchange rate changes, the decrease in Marketing expenses was $0.7 million.

Property, Office and Technology

Property, office and technology costs were $137.1 million for the three months ended June 30, 2023 as compared to $135.0 million for the three months ended June 30, 2022. After allowing for foreign exchange rate movements, the increase in costs was $2.7 million. The increase was primarily driven by higher outsourced administration costs of $3.1 million.

Property, office and technology costs were $271.5 million for the six months ended June 30, 2023 as compared to $267.0 million for the six months ended June 30, 2022. The impact of foreign exchange rate movements decreased Property, office and technology expenses by $4.3 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. After allowing for foreign exchange rate movements, the increase in costs was $8.8 million. The increase was driven by $4.3 million in property and office costs including overlapping rent in the first quarter associated with the move to our new Atlanta headquarters and $3.1 million in outsourced administration costs and technology costs including software maintenance.

General and Administrative

General and administrative expenses were $121.6 million for the three months ended June 30, 2023 as compared to $119.7 million for the three months ended June 30, 2022. After allowing for foreign exchange rate movements, the increase in costs was $1.8 million.

General and administrative expenses were $197.3 million for the six months ended June 30, 2023 as compared to $221.9 million for the six months ended June 30, 2022. The impact of foreign exchange rate movements decreased General and administrative expenses by $1.8 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. After allowing for foreign exchange rate movements, the decrease in costs was $22.8 million. The decrease was primarily due to $20.0 million of insurance recoveries and $14.8 million of indirect tax refunds received during the six months ended June 30, 2023 which were partially offset by increases in consulting and professional fees primarily related to the Alpha NextGen program and costs associated with the move to the new Atlanta headquarters.

Transaction, Integration and Restructuring

For the three months ended June 30, 2023, Transaction, integration and restructuring costs were zero due to the completion of strategic initiatives. Any costs related to on-going projects are classified in the income statement based on the nature of the expense.

For the six months ended June 30, 2023, Transaction, integration and restructuring charges were $41.6 million as compared to $35.4 million for the six months ended June 30, 2022. These costs are primarily comprised of compensation-related restructuring costs in connection with our strategic evaluation which we completed during the first quarter of 2023.

Other Income and Expenses

The main categories of Other income and expenses, and the dollar and percentage changes between periods, are as follows:

	Three months ended June 30,		Variance 2023 vs 2022		Six months ended June 30,		Variance 2023 vs 2022	
$ in millions	**2023**	**2022**	**$ Change**	**% Change**	**2023**	**2022**	**$ Change**	**% Change**
Equity in earnings of unconsolidated affiliates	19.2	24.7	(5.5)	(22.3)%	45.3	58.1	(12.8)	(22.0)%
Interest and dividend income	7.1	2.1	5.0	238.1 %	15.7	3.3	12.4	375.8 %
Interest expense	(18.4)	(25.8)	7.4	(28.7)%	(36.4)	(49.0)	12.6	(25.7)%
Other gains/(losses), net	20.9	(90.0)	110.9	N/A	48.3	(135.5)	183.8	N/A
Other income/(expense) of CIP, net	(2.7)	26.2	(28.9)	N/A	(20.6)	2.9	(23.5)	N/A
Total other income and expenses	26.1	(62.8)	88.9	N/A	52.3	(120.2)	172.5	N/A

Equity in earnings of unconsolidated affiliates

Equity in earnings of unconsolidated affiliates decreased $5.5 million to $19.2 million for the three months ended June 30, 2023 as compared to $24.7 million for the three months ended June 30, 2022. The decrease was primarily driven by lower income from our joint venture investment in IGW of 3.7 million.

Equity in earnings of unconsolidated affiliates decreased $12.8 million to $45.3 million for the six months ended June 30, 2023 as compared to $58.1 million for the six months ended June 30, 2022. The decrease was primarily driven by decreases of $16.3 million in our income from our real estate investments and $9.7 million from our joint venture investment in IGW which were partially offset by increases in income from private equity and other investments.

Interest expense

Interest expense was $18.4 million for the three months ended June 30, 2023 as compared to $25.8 million for the three months ended June 30, 2022 as a result of a decrease in debt.

Interest expense was $36.4 million for the six months ended June 30, 2023 as compared to $49.0 million for the six months ended June 30, 2022 as a result of a decrease in debt.

Other gains/(losses), net

Other gains/(losses), net was a gain of $20.9 million for the three months ended June 30, 2023 as compared to a $90.0 million loss for the three months ended June 30, 2022. Included in the net gain for the second quarter of 2023 were $14.9 million of net gains on investments and instruments held for our deferred compensation plans and $3.6 million related to the mark-to-market on seed capital investments. Included in the net loss for the three months ended June 30, 2022 were $79.2 million of net losses on investments and instruments held for our deferred compensation plans and $16.2 million of net losses related to the mark-to-market on seed money investments.

Other gains/(losses), net was a gain of $48.3 million for the six months ended June 30, 2023 as compared to a $135.5 million loss for the six months ended June 30, 2022. Included in the net gain for the six months ended June 30, 2023 were $37.0 million of net gains on investments and instruments held for our deferred compensation plans and $8.8 million of net gains related to the mark-to-market on seed capital investments. Included in the net loss for the six months ended June 30, 2022 were $122.1 million of net losses on investments and instruments held for our deferred compensation plans and $22.1 million of net losses related to the mark-to-market on seed money investments, partially offset by $3.7 million of net foreign exchange gains on intercompany loans.

Other income/(expense) of CIP, net

For the three months ended June 30, 2023, Other income/(expense) of CIP, net was a net expense of $2.7 million for the three months ended June 30, 2023 (three months ended June 30, 2022: net income of $26.2 million). Interest and dividend income of CIP increased $81.1 million to $163.7 million (three months ended June 30, 2022: $82.6 million). Interest expense of CIP increased $64.7 million to $109.7 million (three months ended June 30, 2022: $45.0 million). Unrealized gains/(losses) of CIP were net losses of $56.7 million (three months ended June 30, 2022: net losses of $11.4 million).

For the six months ended June 30, 2023, Other income/(expense) of CIP, net was a net expense of $20.6 million for the six months ended June 30, 2023 (six months ended June 30, 2022: net income of $2.9 million). Interest and dividend income of CIP increased $146.2 million to $303.3 million (six months ended June 30, 2022: $157.1 million). Interest expense of CIP increased $116.5 million to $204.0 million (six months ended June 30, 2022: $87.5 million). Unrealized gains/(losses) of CIP were net losses of $119.9 million (six months ended June 30, 2022: net losses of $66.7 million). The net losses during the months ended June 30, 2023 and 2022 were attributable to market-driven losses on investments held by consolidated funds.

Net impact of CIP and related noncontrolling interests in consolidated entities

The consolidation of investment products did not have an impact on Net income attributable to Invesco for the three and six months ended June 30, 2023 and June 30, 2022. The adjustment to net income for the Net income/(loss) attributable to noncontrolling interests in consolidated entities represents the profit or loss attributable to third-party investors. The impact of any realized or unrealized gains or losses attributable to the interests of third-parties, which is reflected in Other income/(expense) of CIP, net, is offset by this adjustment to arrive at Net income attributable to Invesco. Also, the net income or loss of CIP is taxed at the investor level, not at the product level; therefore, a tax provision is not reflected in the net impact of CIP.

Additionally, CIP represent less than 1% of the company's AUM. Therefore, the net gains or losses of CIP are not indicative of the performance of the company's aggregate AUM.

Income Tax Expense

The company’s subsidiaries operate in numerous taxing jurisdictions around the world, each with its own statutory tax rate. As a result, the blended statutory tax rate will vary from year to year depending on the mix of the profits and losses from each jurisdiction.

Our effective tax rate increased to 28.5% for the three months ended June 30, 2023 (three months ended June 30, 2022: 22.3%). The increase was primarily due to the unfavorable impact that the Net loss attributable to noncontrolling interests in consolidated entities had on the effective tax rate in the second quarter of 2023 compared to the favorable impact that the Net income attributable to noncontrolling interests in consolidated entities had on the effective tax rate in the second quarter of 2022.

Our effective tax rate increased to 29.1% for the six months ended June 30, 2023 (six months ended June 30, 2022: 24.2%). The increase was primarily due to the unfavorable impact that the Net loss attributable to non-controlling interests in consolidated entities had on the effective tax rate for the six months ended June 30, 2023 compared to the favorable impact that the Net income attributable to non-controlling interests in consolidated entities had on the effective tax rate for the six months ended June 30, 2022.

Schedule of Non-GAAP Information

We utilize the following non-GAAP performance measures: Net revenue (and by calculation, Net revenue yield on AUM), Adjusted operating income, Adjusted operating margin, Adjusted net income attributable to Invesco and Adjusted diluted EPS. The company believes the adjusted measures provide valuable insight into the company's ongoing operational performance and assist in comparisons to its competitors. These measures also assist the company's management with the establishment of operational budgets and forecasts. The most directly comparable U.S. GAAP measures are Operating revenues (and by calculation, Gross revenue yield on AUM), Operating income, Operating margin, Net income attributable to Invesco and diluted EPS. Each of these measures is discussed more fully below.

The following are reconciliations of Operating revenues, Operating income (and by calculation, operating margin) and Net income attributable to Invesco (and by calculation, Diluted EPS) on a U.S. GAAP basis to a non-GAAP basis of Net revenues, Adjusted operating income (and by calculation, Adjusted operating margin) and Adjusted net income attributable to Invesco (and by calculation, Adjusted diluted EPS). These non-GAAP measures should not be considered as substitutes for any U.S. GAAP measures and may not be comparable to other similarly titled measures of other companies. Additional reconciling items may be added in the future to these non-GAAP measures if deemed appropriate. The tax effects related to the reconciling items have been calculated based on the tax rate attributable to the jurisdiction to which the transaction relates. Notes to the reconciliations follow the tables.

Reconciliation of Operating revenues to Net revenues:

	Three months ended June 30,		Six months ended June 30,	
$ in millions	**2023**	**2022**	**2023**	**2022**
Operating revenues, U.S. GAAP basis	1,442.8	1,530.4	2,861.0	3,159.8
Revenue Adjustments [2]				
Investment management fees	(195.4)	(193.1)	(385.2)	(399.0)
Service and distribution fees	(230.9)	(240.3)	(456.2)	(498.0)
Other	(36.2)	(41.6)	(76.2)	(90.6)
Total Revenue Adjustments	(462.5)	(475.0)	(917.6)	(987.6)
Invesco Great Wall [1]	97.6	106.1	198.1	230.2
CIP [3]	12.8	12.4	25.1	23.9
Net revenues	1,090.7	1,173.9	2,166.6	2,426.3

Reconciliation of Operating income to Adjusted operating income:

	Three months ended June 30,		Six months ended June 30,	
$ in millions	**2023**	**2022**	**2023**	**2022**
Operating income, U.S. GAAP basis	203.8	344.7	413.3	722.4
Invesco Great Wall [1]	53.6	62.2	108.2	135.9
CIP [3]	21.7	16.1	36.4	30.9
Transaction, integration and restructuring [4]	—	0.2	41.6	35.4
Amortization of intangible assets [8]	13.1	14.8	27.2	29.9
Compensation expense related to market valuation changes in deferred compensation plans [10]	9.8	(26.1)	22.2	(48.0)
General and administrative [7]	—	—	(20.0)	—
Adjusted operating income	302.0	411.9	628.9	906.5
Operating margin[5]	14.1 %	22.5 %	14.4 %	22.9 %
Adjusted operating margin[6]	27.7 %	35.1 %	29.0 %	37.4 %

Reconciliation of net income attributable to Invesco to Adjusted net income attributable to Invesco:

$ in millions, except per common share data	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Net income attributable to Invesco Ltd., U.S. GAAP basis	132.2	121.0	277.2	318.7
Adjustments (excluding tax):				
Transaction, integration and restructuring [4]	—	0.2	41.6	35.4
Amortization of intangible assets [8]	13.1	14.8	27.2	29.9
Deferred compensation plan market valuation changes and dividend income less compensation expense [10]	(6.1)	52.5	(16.5)	73.0
General and administrative [7]	—	—	(20.0)	—
Total adjustments excluding tax	7.0	67.5	32.3	138.3
Tax adjustment for amortization of intangible assets and goodwill [9]	3.6	3.8	7.8	7.5
Other tax effects of adjustments above	1.6	(12.0)	0.5	(24.9)
Adjusted net income attributable to Invesco Ltd. [11]	144.4	180.3	317.8	439.6
Average common shares outstanding - diluted	458.8	459.5	458.9	460.7
Diluted EPS	$0.29	$0.26	$0.60	$0.69
Adjusted diluted EPS[12]	$0.31	$0.39	$0.69	$0.95

(1) Invesco Great Wall: The company reflects 100% of IGW in its Net revenues and Adjusted operating income (and by calculation, Adjusted operating margin). The company's non-GAAP operating results reflect the economics of these holdings on a basis consistent with the underlying AUM and flows. Adjusted net income is reduced by the amount of earnings attributable to the 51% noncontrolling interests.

(2) Revenue adjustments: The company calculates Net revenues by reducing Operating revenues to exclude fees that are passed through to external parties who perform functions on behalf of, and distribute, the company's managed funds. The Net revenue presentation assists in identifying the revenue contribution generated by the company, removing distortions caused by the differing distribution channel fees and allowing for a fair comparison with U.S. peer investment managers and within Invesco's own investment units. Additionally, management evaluates Net revenue yield on AUM, which is equal to Net revenues divided by Average AUM during the reporting period, as an indicator of the basis point Net revenues we receive for each dollar of AUM we manage.

Investment management fees are adjusted by renewal commissions and certain administrative fees. Service and distribution fees are primarily adjusted by distribution fees passed through to broker dealers for certain share classes and pass through fund-related costs. Other revenues are primarily adjusted by transaction fees passed through to third parties.

(3) CIP: See note 11, "Consolidated Investment Products," for a detailed analysis of the impact to the company's Condensed Consolidated Financial Statements from the consolidation of CIP. The company believes that the CIP may impact a reader's analysis of our underlying results of operations and could result in investor confusion or the production of information about the company by analysts or external credit rating agencies that is not reflective of the underlying results of operations and financial condition of the company. Accordingly, the company believes that it is appropriate to adjust Operating revenues and Operating income for the impact of CIP in calculating the respective Net revenues and Adjusted operating income (and by calculation, Adjusted operating margin).

(4) Transaction, integration and restructuring: The company believes it is useful to adjust for the Transaction, integration and restructuring charges in arriving at Adjusted operating income, Adjusted operating margin, Adjusted net income, and Adjusted diluted EPS, as this will aid comparability of our results period to period, and aid comparability with peer companies that may not have similar acquisition and restructuring related charges. Transaction, integration and restructuring costs were zero for the second quarter 2023 due to the completion of strategic initiatives.

(5) Operating margin is equal to Operating income divided by Operating revenues.

(6) Adjusted operating margin is equal to Adjusted operating income divided by Net revenues.

(7) General and administrative: The adjustment removes insurance recoveries related to fund-related losses incurred in prior periods.

(8) Amortization of intangible assets: The company removes amortization expense related to acquired assets in arriving at Adjusted operating income, Adjusted operating margin and Adjusted diluted EPS, as this will aid comparability of our results period to period, and aid comparability with peer companies that may not have similar acquisition-related charges.

(9) Tax adjustment for amortization of intangible assets and goodwill: The company reflects the tax benefit realized on the tax amortization of goodwill and intangibles in Adjusted net income. The company believes it is useful to include this tax benefit in arriving at the Adjusted diluted EPS measure.

(10) Market movement on deferred compensation plan liabilities: Certain deferred compensation plan awards involve a return to the employee linked to the appreciation (depreciation) of specified investments. The company hedges economically the exposure to market movements for these investments. Since these plans are hedged economically, the company believes it is useful to reflect the offset ultimately achieved from hedging the market exposure in the calculation of Adjusted operating income (and by calculation, Adjusted operating margin) and Adjusted net income (and by calculation, Adjusted diluted EPS) to produce results that will be more comparable period to period.

(11) The effective tax rate on Adjusted net income attributable to Invesco Ltd. for the three months and six months ended June 30, 2023 is 24.7% and 24.4%, respectively (for the three months and six months ended June 30, 2022, it was 24.8% and 24.5%, respectively).

(12) Adjusted diluted EPS is equal to Adjusted net income attributable to Invesco Ltd. divided by the weighted average number of common and restricted common shares outstanding.

Balance Sheet Discussion [1]

The following table represents a reconciliation of the balance sheet information presented on a U.S. GAAP basis to the balance sheet information excluding the impact of CIP and policyholder balances for the reasons outlined in footnote 1 to the table:

Balance sheet information $ in millions	As of June 30, 2023				As of December 31, 2022			
	U.S. GAAP	Impact of CIP	Impact of Policyholders	As Adjusted	U.S. GAAP	Impact of CIP	Impact of Policyholders	As Adjusted
ASSETS								
Cash and cash equivalents	1,009.9	—	—	1,009.9	1,234.7	—	—	1,234.7
Investments	992.1	(452.6)	—	1,444.7	996.6	(376.8)	—	1,373.4
Assets of CIP:								
Investments and other assets of CIP	8,808.9	8,808.9	—	—	8,735.1	8,735.1	—	—
Cash and cash equivalents of CIP	277.2	277.2	—	—	199.4	199.4	—	—
Assets held for policyholders	444.0	—	444.0	—	668.7	—	668.7	—
Goodwill and intangible assets, net	15,793.0	—	—	15,793.0	15,698.9	—	—	15,698.9
Other assets [2]	2,132.7	(12.8)	—	2,145.5	2,223.4	(9.8)	—	2,233.2
Total assets	29,457.8	8,620.7	444.0	20,393.1	29,756.8	8,547.9	668.7	20,540.2
LIABILITIES								
Liabilities of CIP:								
Debt of CIP	6,884.5	6,884.5	—	—	6,590.4	6,590.4	—	—
Other liabilities of CIP	357.3	357.3	—	—	329.6	329.6	—	—
Policyholder payables	444.0	—	444.0	—	668.7	—	668.7	—
Debt	1,488.6	—	—	1,488.6	1,487.6	—	—	1,487.6
Other liabilities [3]	3,574.8	—	—	3,574.8	3,838.3	—	—	3,838.3
Total liabilities	12,749.2	7,241.8	444.0	5,063.4	12,914.6	6,920.0	668.7	5,325.9
EQUITY								
Total equity attributable to Invesco Ltd.	15,328.9	(0.1)	—	15,329.0	15,213.6	(0.1)	—	15,213.7
Noncontrolling interests [4]	1,379.7	1,379.0	—	0.7	1,628.6	1,628.0	—	0.6
Total equity	16,708.6	1,378.9	—	15,329.7	16,842.2	1,627.9	—	15,214.3
Total liabilities and equity	29,457.8	8,620.7	444.0	20,393.1	29,756.8	8,547.9	668.7	20,540.2

(1) This table includes non-GAAP presentations. Assets of CIP are not available for use by Invesco. Additionally, there is no recourse to Invesco for CIP debt. Policyholder assets and liabilities are equal and offsetting and have no impact on Invesco's shareholder's equity.

(2) Amounts include Accounts receivable, prepaid assets, Property, equipment and software, right-of-use assets and Other assets.

(3) Amounts include Accrued compensation and benefits, Accounts payable and accrued expenses, lease liability and Deferred tax liabilities.

(4) Amounts include Redeemable noncontrolling interests in consolidated entities and Equity attributable to nonredeemable noncontrolling interests in consolidated entities.

Cash and cash equivalents

Cash and cash equivalents decreased by $224.8 million from $1,234.7 million at December 31, 2022 to $1,009.9 million at June 30, 2023. See "Cash Flows Discussion" in the following section within this Management's Discussion and Analysis for additional discussion regarding the movements in cash flows during the period.

Investments

Investments are comprised primarily of the equity method investment in IGW, seed capital and co-investments in affiliated funds, and investments related to the company's deferred compensation plans.

As of June 30, 2023, the company had $920.0 million in seed capital and co-investments (December 31, 2022: $909.2 million), including direct investments in CIP. Total seed capital and co-investments is presented as a helpful measure for investors and represents our total net investment interest including our investment in CIP. The following table reconciles the investments balance to the total seed capital and co-investment balance.

	As of	
$ in millions	**June 30, 2023**	**December 31, 2022**
Investments	992.1	996.6
Net investment in CIP	452.6	376.8
Less: Investments related to deferred compensation plans, joint ventures, and other investments	(524.7)	(464.2)
Total seed capital and co-investments [1]	920.0	909.2

(1) Included in the total seed capital and co-investments balance as of June 30, 2023 is $281.2 million of seed capital and $638.8 million of co-investments (December 31, 2022: $305.4 million of seed capital and $603.8 million of co-investments).

Liquidity and Capital Resources

Our capital structure, together with available cash balances, cash flows generated from operations, existing capacity under our credit facility and further capital market activities, if necessary, should provide us with sufficient resources to meet present and future cash needs, including operating expenses, debt and other obligations as they come due and anticipated future capital requirements.

Sources of Liquidity by Type

	As of	
$ in millions	**June 30, 2023**	**December 31, 2022**
Cash and cash equivalents	1,009.9	1,234.7
Available revolver	2,000.0	1,500.0
Total sources of liquidity by type	3,009.9	2,734.7

On April 26, 2023, Invesco Ltd. and its indirect subsidiary, Invesco Finance PLC, amended and restated the $1.5 billion floating rate credit facility, increasing facility capacity to $2.0 billion and extending the expiration date from April 26, 2026 to April 26, 2028. As of June 30, 2023, the balance on the $2.0 billion capacity credit facility was zero.

Capital Management

Our capital management priorities have evolved with the growth and success of our business and include, in no particular order of priority: reinvestment in the business, maintaining a strong balance sheet and returning capital to shareholders longer term through a combination of modestly increasing dividends and share repurchases.

During the second quarter ended June 30, 2023, the company repurchased 9.6 million common shares in open market transactions utilizing $150.0 million in cash. As of June 30, 2023, approximately $382.2 million remained authorized under the company's common share repurchase authorization approved by the Board on July 22, 2016.

Our capital process is executed in a manner consistent with our desire to maintain strong, investment grade credit ratings. As of the date of our filing, Invesco held credit ratings of BBB+/Stable, A3/Stable and A/Stable from Standard & Poor's Ratings Service (S&P), Moody's Investor Services and Fitch Ratings, respectively.

Other Items

Certain of our subsidiaries are required to maintain minimum levels of regulatory capital, liquidity, and working capital. Such requirements may change from time-to-time as additional guidance is released based on a variety of factors, including balance sheet composition, assessment of risk exposures and governance, and review from regulators. These and other similar provisions of applicable laws and regulations may have the effect of limiting withdrawals of capital, repayment of

intercompany loans and payment of dividends by such entities. Our financial condition or liquidity could be adversely affected if certain of our subsidiaries are unable to distribute funds to us.

We are in compliance with all regulatory minimum net capital requirements. As of June 30, 2023, the company's minimum regulatory capital requirement was $430.0 million (December 31, 2022: $639.8 million). The decrease was driven by a reduction in regulatory capital requirements as part of a transition into a new regulatory regime in the UK (Investment Firm Prudential Regime). However, there has been no change to the related regulatory liquidity and working capital requirements, and as such, there has not been a material reduction in the level of cash and cash equivalents required outside of the US.

We meet the regulatory liquidity and working capital requirements by holding cash and cash equivalents in the European sub-group. This retained cash can be used for general business purposes in the European sub-group in the countries where it is located. Due to the liquidity and working capital requirements, the ability to transfer cash between certain jurisdictions may be limited. In addition, transfers of cash between international jurisdictions may have adverse tax consequences.

The consolidation of $9,086.1 million and $6,884.5 million of assets and debt of CIP as of June 30, 2023, respectively, did not impact the company's liquidity and capital resources. See Part I, Item 1, Financial Statements - Note 11, "Consolidated Investment Products," for additional details.

Cash Flows Discussion

The ability to consistently generate cash flows from operations in excess of dividend payments, common share repurchases, capital expenditures and ongoing operating expenses is one of our company's fundamental financial strengths. Operations continue to be financed from current earnings and borrowings.

The following table represents a reconciliation of the cash flow information presented on a U.S. GAAP basis to the cash flows information excluding the impact of the cash flows of CIP for the reasons outlined in footnote 1 to the table:

Cash flows information [1]	**Six months ended June 30, 2023**			**Six months ended June 30, 2022**		
$ in millions	**U.S. GAAP**	**Impact of CIP**	**Excluding CIP**	**U.S. GAAP**	**Impact of CIP**	**Excluding CIP**
Cash and cash equivalents, beginning of the period	1,434.1	199.4	1,234.7	2,147.1	250.7	1,896.4
Cash flows from operating activities	232.4	(124.7)	357.1	(252.3)	(407.2)	154.9
Cash flows from investing activities	(49.2)	75.7	(124.9)	(155.8)	(38.3)	(117.5)
Cash flows from financing activities	(349.6)	125.6	(475.2)	(533.0)	398.6	(931.6)
Increase/(decrease) in cash and cash equivalents	(166.4)	76.6	(243.0)	(941.1)	(46.9)	(894.2)
Foreign exchange movement on cash and cash equivalents	19.4	1.2	18.2	(73.2)	(7.8)	(65.4)
Cash and cash equivalents, end of the period	1,287.1	277.2	1,009.9	1,132.8	196.0	936.8
Cash and cash equivalents	1,009.9	—	1,009.9	936.8	—	936.8
Cash and cash equivalents of CIP	277.2	277.2	—	196.0	196.0	—
Total cash and cash equivalents per condensed consolidated statement of cash flows	1,287.1	277.2	1,009.9	1,132.8	196.0	936.8

(1) These tables include non-GAAP presentations. Cash held by CIP is not available for use by Invesco. Additionally, there is no recourse to Invesco for CIP debt. The cash flows of CIP do not form part of the company's cash flow management processes, nor do they form part of the company's significant liquidity evaluations and decisions.

Operating Activities

Operating cash flows include the receipt of Investment management and Other fees generated from AUM, offset by Operating expenses and Changes in operating assets and liabilities. After allowing for the change in cash held by CIP, investment activities, and seasonal payments such as bonus payments in the first quarter, our operating cash flows generally move in the same direction as our Operating income.

Cash inflows for the six months ended June 30, 2023, excluding the impact of the consolidation of CIP, was primarily driven by lower net outflows from changes in payables and receivables due to timing of payments and receipts as compared to the six

months ended June 30, 2022 which were partially offset by a decrease of $309.1 million in Operating Income. Also, included in cash inflows were net investment sales of $12.6 million related to seed capital and deferred compensation investments (six months ended June 30, 2022: net investment purchases of $59.7 million).

Investing Activities

Investing cash outflows for the six months ended June 30, 2023, excluding the impact of the consolidation of CIP, included Purchases of investments of $87.9 million (six months ended June 30, 2022: $133.8 million purchases), partially offset by proceeds of $47.8 million from sales and returns of capital of investments (six months ended June 30, 2022: $73.4 million proceeds). In addition, the company had capital expenditures of $84.8 million for the six months ended June 30, 2023 (six months ended June 30, 2022: $57.1 million). Our capital expenditures related principally to technology initiatives related to investments in foundational technology projects as well as facilities costs related to our move to our new Atlanta headquarters.

Financing Activities

Financing cash outflows during the six months ended June 30, 2023, excluding the impact of the consolidation of CIP, included $177.6 million of common dividend payments for the dividends declared in January and April (six months ended June 30, 2022: common dividends paid of $163.4 million), $118.4 million of preferred dividend payments for dividends declared in January and April (six months ended June 30, 2022: $118.4 million) and the payment of $29.2 million to meet employees' withholding tax obligations on common share vestings (six months ended June 30, 2022: $34.4 million). The six months ended June 30, 2023 also included purchases of common shares through the open market of $150.0 million (six months ended June 30, 2022 purchases of common shares through the open market of $200.0 million). Financing cash outflows for the six months ended June 30, 2022 also included the $600.0 million redemption of senior notes due in November 2022 which was partially offset by a net borrowing on the credit facility of $184.6 million.

Dividends

When declared, Invesco pays dividends on a quarterly basis in arrears. Holders of our preferred shares are eligible to receive dividends at an annual rate of 5.9% of the liquidation preference of $1,000 per share, or $59 per share per annum. The preferred stock dividend is payable quarterly on a non-cumulative basis when, if and as declared by our board of directors. However, if we have not declared and paid or set aside for payment full quarterly dividends on the preferred stock for a particular dividend period, we may not declare or pay dividends on, redeem, purchase or acquire, our common stock or other junior securities in the next succeeding dividend period. In addition, if we have not declared and paid or set aside for payment quarterly dividends on the preferred stock for six quarterly periods, whether or not consecutive, the number of directors of the company will be increased by two and the holders of the preferred shares shall have the right to elect such two additional members of the Board of Directors.

On July 25, 2023, the company announced a second quarter 2023 cash dividend of $0.20 per share, payable on September 5, 2023, to shareholders of record at the close of business on August 11, 2023 with an ex-dividend date of August 10, 2023.

On July 25, 2023, the company announced a preferred dividend of $14.75 per share to the holders of preferred shares, representing the period from June 1, 2023 through August 31, 2023 The preferred dividend is payable on September 1, 2023 to shareholders of record at close of business on August 15, 2023.

The declaration, payment and amount of any future dividends will depend upon, among other factors, our earnings, financial condition and capital requirements at the time such declaration and payment are considered. The company has a policy of managing dividends in a prudent fashion, with due consideration given to profit levels, overall debt levels and historical dividend payouts.

Debt

The carrying value of our debt at June 30, 2023 was $1,488.6 million (December 31, 2022: $1,487.6 million). See Part I, Item 1, Financial Statements - Note 4, "Debt," for additional disclosures.

For the six months ended June 30, 2023, the company's weighted average cost of debt was 4.28% (six months ended June 30, 2022: 4.02%).

Financial covenants under the credit facility agreement include: (i) the quarterly maintenance of an Adjusted debt/Earnings before income tax, depreciation, amortization, interest expense, common share-based compensation expense, unrealized (gains)/

losses from investments, net, and unusual or otherwise non-recurring gains and losses (Covenant Adjusted EBITDA) leverage ratio, as defined in the credit facility agreement, of not greater than 3.25:1.00, (ii) an interest coverage ratio (Covenant Adjusted EBITDA/interest payable for the four consecutive fiscal quarters ended before the date of determination) of not less than 4.00:1.00. As of June 30, 2023, we were in compliance with our financial covenants. At June 30, 2023, our leverage ratio was 0.66:1.00 (December 31, 2022: 0.78:1.00), and our interest coverage ratio was 20.66:1.00 (December 31, 2022: 19.51:1.00).

The June 30, 2023 coverage ratio calculations are as follows:

$ in millions	Total	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Net income attributable to Invesco Ltd.	642.4	132.2	145.0	187.8	177.4
Dividends on preferred shares	236.8	59.2	59.2	59.2	59.2
Tax expense	311.8	65.5	69.9	89.6	86.8
Amortization/depreciation	190.7	47.4	46.8	48.6	47.9
Interest expense	72.6	18.4	18.0	17.6	18.6
Common share-based compensation expense	118.9	32.0	37.8	23.1	26.0
Unrealized (gains)/losses from investments, net [1]	(33.2)	(8.6)	(17.1)	(32.1)	24.6
OppenheimerFunds acquisition-related matter recoveries [2]	(40.0)	—	—	(25.0)	(15.0)
Covenant Adjusted EBITDA [3]	1,500.0	346.1	359.6	368.8	425.5
Adjusted debt [3]	$991.3				
Leverage ratio (Adjusted debt/Covenant Adjusted EBITDA - maximum 3.25:1.00)	0.66				
Interest coverage (Covenant Adjusted EBITDA/Interest expense - minimum 4.00:1.00)	20.66				

(1) Adjustments for unrealized gains and losses from investments, as defined in our credit facility, may also include non-cash gains and losses on investments to the extent that they do not represent anticipated future cash receipts or expenditures.

(2) Unusual or otherwise non-recurring gains and losses, as defined in our credit facility, are adjusted for in the determination of Covenant Adjusted EBITDA. The insurance recoveries related to the OppenheimerFunds acquisition-related matter are considered unusual and have been removed from the determination of Covenant Adjusted EBITDA.

(3) Covenant Adjusted EBITDA and Adjusted debt are non-GAAP financial measures that are used by management in connection with certain debt covenant calculations under our credit agreement. The calculation of Covenant Adjusted EBITDA above (a reconciliation from Net income attributable to Invesco Ltd.) is defined by our credit facility agreement, and therefore Net income attributable to Invesco Ltd. is the most appropriate GAAP measure from which to reconcile to Covenant Adjusted EBITDA. The calculation of Adjusted debt is defined in our credit facility and equals debt of $1,488.6 million plus $2.7 million in letters of credit less $500.0 million of excess unrestricted cash (cash and cash equivalents less the minimum regulatory capital requirement, not to exceed $500 million).

Credit and Liquidity Risk

The company manages its capital by reviewing annual and projected cash flow forecasts and by monitoring credit, liquidity and market risks, such as interest rate and foreign currency risks (as discussed in Part I, Item 3, Quantitative and Qualitative Disclosures About Market Risk), through measurement and analysis. The company is primarily exposed to credit risk through its cash and cash equivalent deposits, which are held by external firms. The company invests its cash balances in its own institutional money market products, as well as with external high credit-quality financial institutions. These arrangements create exposure to concentrations of credit risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. All cash and cash equivalent balances are subject to credit risk, as they represent deposits made by the company with external banks and other institutions. As of June 30, 2023, our maximum exposure to credit risk related to our cash and cash equivalent balances is $1,009.9 million, of which $565.4 million is invested in affiliated money market funds. No more than 10% of our cash and cash equivalent balances is held with any one third-party financial institution. See Part I, Item 1, Financial Statements - Note 2, "Fair Value of Assets and Liabilities," for information regarding cash and cash equivalents invested in affiliated money market funds.

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities as they become due. The company is exposed to liquidity risk through its $1,488.6 million in total debt. The company actively manages liquidity risk by preparing cash flow forecasts for future periods, reviewing them regularly with senior management, maintaining a committed credit facility, scheduling significant gaps between major debt maturities and engaging external financing sources in regular dialogue.

Effects of Inflation

Inflation can impact our organization primarily in two ways. First, inflationary pressures can result in increases in our cost structure, especially to the extent that large expense components such as compensation are impacted. To the degree that these expense increases are not recoverable or cannot be counterbalanced through pricing increases due to the competitive environment, our profitability could be negatively impacted. Secondly, the value of the assets that we manage may be negatively impacted when inflationary expectations result in a rising interest rate environment. A decline in the values of AUM could lead to reduced revenues as management fees are generally calculated based upon the size of AUM.

Common Share Repurchase Plan

During the three months ended June 30, 2023, the company repurchased 9.6 million common shares for $150.0 million in the open market (three months ended June 30, 2022: none; six months ended June 30, 2022: 8.9 million common shares for $200.0 million). At June 30, 2023, approximately $382.2 million remains available under the share repurchase authorizations approved by the Board on July 22, 2016.

Off Balance Sheet Commitments

See Part I, Item 1, Financial Statements - Note 10, “Commitments and Contingencies - Legal Contingencies”, for more information regarding undrawn capital commitments.

Critical Accounting Policies and Estimates

There have been no changes to the critical accounting policies disclosed in our most recent Forms 10-K and 10-Q for the year ended December 31, 2022 and the three months ended March 31, 2023, respectively. Critical accounting policies are those that require management’s most difficult, subjective or complex judgments and would therefore be deemed the most critical to an understanding of our results of operations and financial condition.

Recent Accounting Standards

See Part I, Item 1, Financial Statements - Note 1, "Accounting Policies - Accounting Pronouncements Recently Adopted.”

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

In the normal course of its business, the company is primarily exposed to market risk in the form of AUM market price risk, securities market risk, interest rate risk and foreign exchange rate risk. There have not been any material changes to the company's exposures to market risks during the period ended June 30, 2023 that would require an update to the disclosures provided in the most recent Form 10-K.

AUM Market Price Risk

The company's investment management revenues are comprised of fees based on the value of AUM. Declines in the market prices of equity and fixed income securities, commodities and derivatives, or other similar financial instruments held in client portfolios could cause revenues to decline because of lower investment management fees by:

- Causing the value of AUM to decrease.
- Causing the returns realized on AUM to decrease (impacting performance fees).
- Causing clients to withdraw funds in favor of investments in markets that they perceive to offer greater opportunity and that the company does not serve.
- Causing clients to rebalance assets away from investments that the company manages into investments that the company does not manage.
- Causing clients to reallocate assets away from products that earn higher revenues into products that earn lower revenues.

Underperformance of client accounts relative to competing products could exacerbate these factors.

Securities Market Risk

The company has investments in managed investment products that invest in a variety of asset classes. Investments are generally made to establish a track record for a new fund or investment vehicle or to hedge economically exposure to certain deferred compensation plans. The company's exposure to market risk from financial instruments measured at fair value arises from its investments.

Interest Rate Risk

Interest rate risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk primarily through its external debt and cash and cash equivalent investments. See Part I, Item 1, Financial Statements - Note 4, "Debt," for details of the company's debt arrangements. As of June 30, 2023, the interest rates on 100.0% of the company's borrowings were fixed for a weighted average period of 6.46 years, and the company had a zero balance on its floating rate credit facility.

Foreign Exchange Rate Risk

The company has certain investments in foreign operations, whose net assets and results of operations are exposed to foreign currency translation risk when translated into U.S. Dollars upon consolidation into Invesco.

The company is also exposed to foreign translation risk on monetary assets and liabilities that are held by subsidiaries in different functional currencies than the subsidiaries' functional currencies. Net foreign exchange revaluation gains were $1.2 million during the six months ended June 30, 2023 (six months ended June 30, 2022: $2.1 million gains) and are included in general and administrative expenses and other gains/(losses), net on the Condensed Consolidated Statements of Income.

Item 4. ***Controls and Procedures***

Our management is responsible for establishing and maintaining disclosure controls and procedures that are designed to ensure that information the company is required to disclose in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in the reports that the company files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

We have evaluated, with the participation of our chief executive officer and chief financial officer, the effectiveness of our disclosure controls and procedures as of June 30, 2023. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

We have evaluated any change in our internal control over financial reporting that occurred during the six months ended June 30, 2023 and have concluded that there was no change that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

See Part I, Item 1, Financial Statements - Note 10, “Commitments and Contingencies - Legal Contingencies,” for information regarding legal proceedings.

Item 1A. *Risk Factors*

The company has had no significant changes in its risk factors from those previously disclosed in its Annual Report on Form 10-K for the year ended December 31, 2022.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Repurchases of Equity Securities

The following table sets forth information regarding purchases of our common shares by us and any affiliated purchases during the three months ended June 30, 2023:

Month	Total Number of Shares Purchased [1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	Maximum Number at end of period (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs [2] (millions)
April 1-30, 2023	41,502	$ 16.47	—	$532.2
May 1-31, 2023	44,827	$ 15.76	—	$532.2
June 1-30, 2023	9,604,409	$ 15.65	9,587,105	$382.2
Total	9,690,738		9,587,105	

(1) An aggregate of 103,633 shares were surrendered to us by Invesco employees to satisfy tax withholding obligations in connection with the vesting of equity awards.

(2) At June 30, 2023, a balance of $382.2 million remains available under the share repurchase authorization approved by the Board on July 22, 2016.

Item 5. *Other Information*

None.

Item 6. ***Exhibits***

Exhibit Index

3.1	Memorandum of Association of Invesco Ltd., incorporating amendments up to and including December 4, 2007, incorporated by reference to exhibit 3.1 to Invesco's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 12, 2007
3.2	Fourth Amended and Restated Bye-Laws of Invesco Ltd.
3.3	Certificate of Designation for the 5.900% fixed rate non-cumulative perpetual series A preference shares, par value $0.20 per share, of Invesco Ltd. incorporated by reference to Exhibit 3.1 to Invesco's Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 24, 2019
10.1	Form of Restricted Stock Award Agreement for Executive Officers-Time Vesting-under the Invesco Ltd. 2016 Global Equity Incentive Plan (2023)
22	Subsidiary Guarantors and Issuers of Guaranteed Securities, incorporated by reference to Exhibit 22 to Invesco's Quarterly Report on Form 10-Q for the period ended March 31, 2021, filed with the Securities and Exchange Commission on April 30, 2021
31.1	Certification of Andrew R. Schlossberg pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of L. Allison Dukes pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Andrew R. Schlossberg pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of L. Allison Dukes pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Income, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Cash Flows, (v) Condensed Consolidated Statements of Changes in Equity, and (vi) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, formatted in Inline XBRL

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

	INVESCO LTD.
August 2, 2023	/s/ ANDREW R. SCHLOSSBERG
	Andrew Schlossberg President and Chief Executive Officer
August 2, 2023	/s/ L. ALLISON DUKES
	L. Allison Dukes Senior Managing Director and Chief Financial Officer

FOURTH AMENDED AND RESTATED
B Y E - L A W S

OF

INVESCO LTD.

(effective as of May 25, 2023)

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INTERPRETATION

1. Interpretation

(1) In these Bye-Laws the following words and expressions shall have the following meanings, respectively:

(a) "Act" means the Companies Act 1981 of Bermuda as amended from time to time;

(b) "Affiliate" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with such Person. For the purposes of this definition, "control", with respect to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise;

(c) "Associate" has the meaning set forth in Bye-Law 53(1);

(d) "Audit Committee" means the committee appointed by the Board in accordance with these Bye-Laws;

(e) "Auditor" includes any individual, partnership or other entity appointed in accordance with the Act to audit the accounts of the Company;

(f) "beneficially own" has the meaning set forth in Bye-Law 53(2);

(g) "beneficially owned" has the meaning set forth in Bye-Law 10(4);

(h) "Beneficial Owner" has the meaning set forth in Bye-Law 53(2);

(i) "Board" means the Board of Directors appointed or elected pursuant to these Bye-Laws and acting pursuant to the Act and these Bye-Laws;

(j) "Business Combination" has the meaning set forth in Bye-Law 53(3);

(k) "Business Day" means any day other than a Saturday, a Sunday, any day on which commercial banking institutions in Hamilton, Bermuda or Atlanta, Georgia are authorized or obligated by law to close or any day on which the New York Stock Exchange is not open for trading;

(l) "Cause" means (1) willful misconduct or gross negligence which is materially injurious to the Company, (2) fraud or embezzlement or (3) a conviction of, or a plea of "guilty" or "no contest" to, a felony;

(m) "Chairperson" means the person designated by the Board as the chairperson of the Board;

(n) "Common Shares" has the meaning set forth in Bye-Law 43;

(o) "Company" means the company for which these Bye-Laws are approved and confirmed;

(p) "Constituent Holder" has the meaning set forth in Bye-Law 10(3).

(q) "Director" means a director of the Company;

(r) "Eligible Shareholder" has the meaning set forth in Bye-Law 10(3).

(s) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended;

(t) "Interested Shareholder" has the meaning set forth in Bye-Law 53(4);

(u) "legal proceeding" has the meaning set forth in Bye-Law 59;

(v) "legal representative" has the meaning set forth in Bye-Law 59.

(w) "Nomination and Corporate Governance Committee" means the committee appointed by the Board in accordance with these Bye-Laws as such;

(x) "notice" means written notice as further defined in these Bye-Laws unless otherwise specifically stated;

(y) "Officer" means any person appointed by the Board to hold an office in the Company;

(z) "own" has the meaning set forth in Bye-Law 10(3).

(aa) "Person" means an individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization or government or political subdivision thereof;

(bb) "Preference Shares" has the meaning set forth in Bye-Law 44(3);

(cc) "proceeding" has the meaning set forth in Bye-Law 25(1);

(dd) "Proxy Access Request Required Shares" has the meaning set forth in Bye-Law 10(3).

(ee) "public announcement" has the meaning set forth in Bye-Law 10(3);

(ff) "Qualifying Fund" has the meaning set forth in Bye-Law 10(3).

(gg) "Register of Directors and Officers" means the Register of Directors and Officers referred to in these Bye-Laws and shall be the same "register of directors and officers" required to be kept by the Company under the Act;

(hh) "Register of Shareholders" means the Register of Shareholders referred to in these Bye-Laws and shall be the same "register of members" required to be kept by the Company under the Act;

(ii) "Resident Representative" means any Person appointed to act as resident representative of the Company in accordance with the Act;

(jj) "Secretary" means the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant or acting secretary;

(kk) "Securities Act" means the U.S. Securities Act of 1933, as amended;

(ll) "Shareholder" shall have the same meaning as the term "Member" in the Act and means the Person registered in the Register of Shareholders as the holder of shares (sometimes referred to in these Bye-Laws as the direct holder) of the Company or, when two or more Persons are so registered as joint holders of shares, means the Person whose name stands first in the Register of Shareholders as one of such joint holders or all of such Persons as the context so requires;

(mm) "Undesignated Shares" has the meaning set forth in Bye-Law 43;

(nn) "United States of America" or "U.S." means the United States of America and dependent territories or any part thereof;

(oo) "Voting Commitment" has the meaning set forth in Bye-Law 8(4).

(pp) "Voting Stock" has the meaning set forth in Bye-Law 10(3).

(2) In these Bye-Laws, where not inconsistent with the context:

(a) words denoting the plural number include the singular number and vice versa;

(b) words denoting the masculine gender include the feminine and neuter gender;

(c) the words:

(i) "may" shall be construed as permissive;

(ii) "shall" shall be construed as imperative;

(d) references to particular laws, rules and regulations (including references to particular Sections of, Rules under and filings pursuant to the Exchange Act), shall be deemed to refer to any applicable successor laws, rules, regulations or filings as may be enacted or promulgated from time to time; and

(e) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-Laws.

(3) Expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in a visible form.

(4) Headings used in these Bye-Laws are for convenience only and are not to be used or relied upon in the construction hereof.

BOARD OF DIRECTORS

2. Board of Directors

The Board shall have the full power and authority provided to it by the Act and these Bye-Laws.

3. Powers of the Board

(1) In exercising such power and authority, the Board may exercise all such powers of the Company as are not, by statute or by these Bye-Laws, required to be exercised by the Company in a general meeting subject, nevertheless, to these Bye-Laws and the provisions of any statute.

(2) No regulation or alteration to these Bye-Laws made by the Company in a general meeting shall invalidate any prior act of the Board that would have been valid if such regulation or alteration had not been made.

(3) The Board may procure that the Company pays all expenses incurred in promoting and incorporating the Company.

(4) The Board may from time to time and at any time by power of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of Persons dealing with any such attorney as the Board may think fit and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorized by the power of attorney, execute any deed or instrument or other document on behalf of the Company under hand or under its common seal.

4. Power to Delegate to a Committee

The Board may delegate any of its powers to a committee appointed by the Board (including the power to sub-delegate) and every such committee shall conform to such directions as the Board shall impose on them. Committees may consist of one or more Directors.

The meetings and proceedings of any such committee shall be governed by the provisions of these Bye-Laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board, and in that connection the Board may authorize a committee to adopt such rules for its meetings.

5. Power to Appoint and Dismiss Employees

The Board may appoint, suspend or remove any Officer, employee, agent or representative of the Company and may determine their duties.

6. Power to Borrow and Charge Property

The Board may exercise all of the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party.

7. Exercise of Power to Purchase Shares of or Discontinue the Company

(1) The Board may exercise all of the powers of the Company to purchase (sometimes referred to in these Bye-Laws as "repurchase") all or any part of its own shares pursuant to the Act.

(2) The Board may exercise all of the powers of the Company to discontinue or redomesticate the Company to a named country or jurisdiction outside Bermuda pursuant to the Act.

8. Board Size; Term of Directors

(1) Subject to the rights of the holders of any class or series of preference shares, the Board shall consist of such number of Directors (not less than 3) as the Board may determine from time to time by resolution adopted by the affirmative vote of at least a majority of the Board then in office. Any increase in the number of Directors on the Board pursuant to this Bye-Law 8 shall be deemed to be a vacancy and may be filled in accordance with Bye-Law 12 hereof. A decrease in the number of Directors shall not shorten the term of any Director then in office.

(2) Subject to the rights of the holders of any class or series of preference shares, Directors shall be elected, except in the case of a vacancy (as provided for in Bye-Law 11 or 12, as the case may be), by the Shareholders in the manner set forth in these Bye-Laws at an annual general meeting of Shareholders or any special general meeting called for such purpose and shall hold office for the term set forth in paragraph (3) of this Bye-Law 8.

(3) Directors shall be elected annually for a one-year term expiring at the next annual general meeting of Shareholders. A Director shall hold office until such Director's successor shall have been duly elected and qualified or until such Director is removed from office pursuant to Bye-Law 11 or such Director's office is otherwise earlier vacated.

(4) No person may be appointed, nominated or elected a Director unless such person, at the time such person is nominated and appointed or elected, would then be able to serve as a Director without conflicting in any material respect with any law or regulation applicable to the Company, as determined in good faith by the Board of Directors. In addition, to be eligible to be a nominee for election or reelection as a Director pursuant to any provision of these Bye-Laws, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Bye-Law 10) to the Secretary at the principal executive offices of the Company a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (i) will abide by the requirements of these Bye-Laws, (ii) is not and will not become a party to (a) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a Director, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Company or (b) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a Director, with such person's fiduciary duties under applicable law, (iii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Company with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a Director that has not been disclosed therein, and (iv) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a Director, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Company.

(5) Subject to the rights of the holders of any class or series of preference shares, at any meeting for the election of Directors at which a quorum is present, each nominee shall be elected by the vote of the majority of the votes cast with respect to the Director, provided that if the number of nominees exceeds the number of positions available for the election of Directors, the Directors shall be elected by a plurality of the votes cast in person or by proxy at any such

meeting. For purposes of this Bye-Law 8(5), a majority of the votes cast means that the number of shares voted "for" a Director must exceed 50% of the votes cast with respect to that Director. Votes cast with respect to the election of a Director shall include only votes cast with respect to stock present in person or represented by proxy at the meeting and entitled to vote and shall exclude abstentions.

(6) If a nominee for Director who is an incumbent Director is not elected and no successor has been elected at such meeting, the Director will promptly tender his or her resignation to the Board. The Nomination and Corporate Governance Committee shall make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other actions should be taken. The Board shall act on the tendered resignation, taking into account the Nomination and Corporate Governance Committee's recommendation, and publicly disclose (by a press release, a filing with the U.S. Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. The Nomination and Corporate Governance Committee in making its recommendation, and the Board in making its decision, may each consider any factors or other information that it considers appropriate and relevant. The Director who tenders his or her resignation shall not participate in the recommendation of the Nomination and Corporate Governance Committee or the decision of the Board with respect to his or her resignation. If such incumbent Director's resignation is not accepted by the Board, such Director shall continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal. If a Director's resignation is accepted by the Board pursuant to these Bye-Laws, or if a nominee for Director is not elected and the nominee is not an incumbent Director, then the Board, in its sole discretion, may fill any resulting vacancy pursuant to Bye-Law 12 or may decrease the size of the Board pursuant to this Bye-Law 8.

9. Defects in Appointment of Directors

All acts done by any meeting of the Board or by a committee of the Board shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any person as a Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

10. Shareholder Proposals and Nominations; Proxy Access

(1) *Annual General Meeting*

(a) At any annual general meeting of Shareholders, nominations of persons for election to the Board of Directors of the Company may be made only (i) pursuant to the Company's notice of meeting, (ii) by or at the direction of a majority of the Board, (iii) by any Shareholder who (A) is a Shareholder of record at the time of giving of notice provided for in these Bye-Laws, (B) is entitled to vote at the meeting and (C) complies with the notice and other procedures set forth in paragraph (1) of this Bye-Law 10 as to such nomination or (iv) by any Eligible Shareholder (as defined in paragraph (3) of this Bye-Law 10) who (A) is entitled to vote at the meeting and (B) complies with the notice and other procedures set forth in paragraph (3) of this Bye-Law 10; the preceding clauses (iii) and (iv) shall be the exclusive means for a Shareholder to make nominations before an annual general meeting of Shareholders. At any annual general meeting of Shareholders, proposals of any other business to be considered by the Shareholders may be made only (i) pursuant to the Company's notice of meeting, (ii) by or at the direction of a majority of the Board or (iii) by any Shareholder who (A) is a Shareholder of record at the time of giving of notice provided for in these Bye-Laws, (B) is entitled to vote at the meeting and (C) complies with the procedures set forth in these Bye-Laws; the preceding clause (iii) shall be the exclusive means for a Shareholder to submit other business (other than

matters properly brought under Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting) before an annual general meeting of Shareholders. To be properly brought before a meeting of Shareholders, business must be of a proper subject for action by Shareholders under applicable law and must not, if implemented, cause the Company to violate any applicable law or regulation, each as determined in good faith by the Board.

(b) For nominations or other business to be properly brought before an annual general meeting by a Shareholder pursuant to these Bye-Laws, the Shareholder must have given timely notice thereof in writing to the Secretary and such other business must otherwise be a proper matter for Shareholder action. Notice shall be considered timely only if given to the Secretary of the Company not less than 90 nor more than 120 days prior to the first anniversary of the date of the preceding year's annual general meeting of Shareholders; provided, however, that if the date of the annual general meeting is more than 30 days before or more than 60 days after such anniversary date, any notice by the Shareholder of business or the nomination of Directors for election or reelection to be brought before the annual general meeting to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual general meeting and not later than the close of business on the later of the 90th day prior to such annual general meeting and the 10th day following the day on which public announcement of the date of such meeting is first made. Notwithstanding the foregoing, in the event that the number of Directors to be elected to the Board at the applicable annual general meeting is increased and there is no public announcement by the Company naming all of the nominees for Director or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of the preceding year's annual general meeting, a Shareholder's notice required by this Bye-Law 10 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Company not later than the close of business on the 10th day following the day on which such public announcement is first made by the Company.

(c) Any Shareholder who gives notice of any such proposal shall deliver therewith, in writing: the text of the proposal to be presented and a brief statement of the reasons why such Shareholder and the beneficial owner, if any, on whose behalf the proposal is made favors the proposal; the name and address, as they appear on the Company's books, of any such Shareholder and the name and address of any such beneficial owner; the number and class of all shares of each class of stock of the Company beneficially owned by such Shareholder and any such beneficial owner and evidence thereof reasonably satisfactory to the Secretary of the Company; a description of any material interest in the proposal of such Shareholder and any such beneficial owner (other than any interest as a Shareholder) and of all arrangements or understandings between such Shareholder and any such beneficial owner and any other Person or Persons in connection with the proposal of such business; and a representation that such Shareholder intends to appear in person or by proxy at the annual general meeting to bring such business before the meeting.

(d) Any Shareholder desiring to nominate any person for election as a Director, whether pursuant to paragraph (1), (2) or (3) of this Bye-Law 10, shall deliver with such notice a statement in writing setting forth: the name of the person to be nominated; the number and class of all shares of each class of stock of the Company beneficially owned by such person; the information regarding such person required by paragraphs (d), (e) and (f) of Item 401 of Regulation S-K adopted by the U.S. Securities and Exchange Commission; all other information relating to such person that is required to be disclosed in solicitations of proxies for Directors pursuant to Regulation 14A under the Exchange Act (including such person's signed consent to serve as a Director if elected); a certification by each Shareholder nominee that such nominee is as of the time of nomination and will be as of the time of the applicable meeting eligible to serves as a Director in accordance with this Bye-Law 10 and (in both such person's individual capacity and on behalf of any Person for whom such person may be a representative),

has complied with Bye-Law 8 and has complied and will comply with all applicable corporate governance, conflicts, confidentiality and stock ownership and trading policies of the Company; the name and address, as they appear on the Company's books, of such Shareholder and the name and address of any such beneficial owner, if any, on whose behalf the nomination is made; the number and class of all shares of each class of stock of the Company beneficially owned by such Shareholder or any such beneficial owner; and a description of all arrangements or understandings between such Shareholder or any such beneficial owner and each nominee and any other Person or Persons (including their names) pursuant to which the nomination or nominations are to be made. The Company may require any proposed nominee, whether pursuant to paragraph (1), (2) or (3) of this Bye-Law 10, to furnish such other information as may be reasonably required by the Company to determine the qualifications of such proposed nominee to serve as a Director or to determine whether any of the matters contemplated by clause (I) of paragraph (3) of this Bylaw 10 apply to such proposed nominee.

(2) *Special General Meeting*

(a) The Chairperson, the Chief Executive Officer or the Board acting by vote of a majority of the Board may convene a special general meeting of the Company whenever in its judgment such a meeting is necessary or desirable. Subject to the next sentence and subject to the rights of the holders of any class or series of preference shares, special general meetings of the Company may only be called as provided in the preceding sentence. In addition, the Board shall, (i) on the requisition of the holders of any class or series of preference shares as may have express rights to requisition special general meetings, and (ii) on the requisition of Shareholders holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right to vote in general meetings of the Company, forthwith proceed to convene a special general meeting of the Company (or the applicable class(es) of shares) and the provisions of Section 74 of the Act shall apply. Special general meetings may be held at such place as may from time to time be designated by the Board and stated in the notice of the meeting. In any special general meeting of the Company only such business shall be conducted as is set forth in the notice thereof.

(b) Nominations of persons for election to the Board may be made at a special general meeting at which Directors are to be elected pursuant to the Company's notice of meeting (i) by or at the direction of the Board or (ii) provided that the Board has determined that Directors shall be elected at such meeting, by any Shareholder who is a Shareholder of record at the time of giving of notice provided for in this Bye-Law, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in these Bye-Laws; the preceding clause (ii) shall be the exclusive means for a Shareholders to make nominations before any special general meeting of Shareholders. In the event the Company calls a special general meeting for the purpose of electing one or more Directors to the Board, any such Shareholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Company's notice of meeting, if the Shareholder's notice containing the information specified in Bye-Laws 10(1)(d) and 8(4) shall be delivered to the Secretary at the principal executive offices of the Company not earlier than the close of business on the 120th day prior to such special general meeting and not later than the close of business on the later of the 90th day prior to such special general meeting and the 10th day following the day on which public announcement of the date of such meeting is first made and of the nominees proposed by the Board to be elected at such meeting.

(3) *Inclusion of Shareholder Director Nominations in the Company's Proxy Materials*

Subject to the terms and conditions set forth in these Bye-Laws, the Company shall include in its proxy materials for an annual general meeting of Shareholders the name, together

with the Required Information (as defined below), of any person nominated for election (the "Shareholder Nominee") to the Board of Directors by a Shareholder or group of Shareholders that satisfy the requirements of this Bye-Law 10(3) and that expressly elects at the time of providing the written notice required by this Bye-Law 10(3) (a "Proxy Access Notice") to have its nominee included in the Company's proxy material pursuant to this Bye-Law 10(3). For the purposes of this Bye-Law 10(3):

(1) "Voting Stock" shall mean outstanding shares of capital stock of the Company entitled to vote generally for the election of Directors;

(2) "Constituent Holder" shall mean any Shareholder, collective investment fund included within a Qualifying Fund (as defined in paragraph (D) below) or beneficial holder whose stock ownership is counted for the purposes of qualifying as an Eligible Shareholder (as defined in paragraph (D) below);

(3) "affiliate" and "associate" shall have the meanings ascribed thereto in Rule 405 under the Securities Act; provided, however, that the term "partner" as used in the definition of "associate" shall not include any limited partner that is not involved in the management of the relevant partnership; and

(4) a Shareholder (including any Constituent Holder) shall be deemed to "own" only those outstanding shares of Voting Stock as to which the Shareholder (or such Constituent Holder) possesses both (a) the full voting and investment rights pertaining to the shares and (b) the full economic interest in (including the opportunity for profit and risk of loss on) such shares. The number of shares calculated in accordance with the foregoing clauses (a) and (b) shall be deemed not to include (and, to the extent any of the following arrangements have been entered into by affiliates of the Shareholder (or of any Constituent Holder), shall be reduced by) any shares (x) sold by such Shareholder or Constituent Holder (or any of either's affiliates) in any transaction that has not been settled or closed, including any short sale, (y) borrowed by such Shareholder or Constituent Holder (or any of either's affiliates) for any purposes or purchased by such Shareholder or Constituent Holder (or any of either's affiliates) pursuant to an agreement to resell, or (z) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by or effecting such Shareholder or Constituent Holder (or any of either's affiliates), whether any such instrument or agreement is to be settled with shares, cash or other consideration, in any such case which instrument or agreement has, or is intended to have, or if exercised by either party thereto would have, the purpose or effect of (i) reducing in any manner, presently or in the future, the full voting and investment rights pertaining to such shares, and/or (ii) hedging, offsetting or altering to any degree the full economic interest in (including the opportunity for profit and risk of loss on) such shares. A Shareholder (including any Constituent Holder) shall "own" shares held in the name of a nominee or other intermediary so long as the Shareholder (or such Constituent Holder) retains the right to instruct how the shares are voted with respect to the election of Directors and the right to direct the disposition thereof and possesses the full economic interest in the shares. A Shareholder's (including any Constituent Holder's) ownership of shares shall be deemed to continue during any period in which such person has (i) loaned such shares, provided that such Shareholder has the power to recall such loaned shares on not more than five (5) business days' notice and includes in its Proxy Access Notice an agreement that it (A) will promptly recall such loaned shares upon being notified that any of its Shareholder Nominees will be included in the Company's proxy materials and (B) will continue to hold such recalled shares through the date of the annual meeting or (ii) delegated any voting power over such shares by means of a proxy, power of attorney or other instrument or arrangement which in all such cases is revocable at any time by the

Shareholder. The terms "owned," "owning" and other variations of the word "own" shall have correlative meanings.

(A) For purposes of this Bye-Law 10(3), the "Required Information" that the Company will include in its proxy statement is (1) the information concerning the Shareholder Nominee and the Eligible Shareholder that the Company determines is required to be disclosed in the Company's proxy statement by the regulations promulgated under the Exchange Act; and (2) if the Eligible Shareholder so elects, a Statement (as defined in paragraph (F) below). The Company shall also include the name of the Shareholder Nominee in its proxy card. For the avoidance of doubt, and any other provision of these Bye-Laws notwithstanding, the Company may in its sole discretion solicit against, and include in the proxy statement its own statements or other information relating to, any Eligible Shareholder and/or Shareholder Nominee.

(B) To be timely, a Shareholder's Proxy Access Notice, together with all related materials provided for herein, must be delivered to the principal executive offices of the Company within the time periods applicable to Shareholder notices of nominations pursuant to paragraph (1)(b) of Bye-Law 10. In no event shall any adjournment or postponement of an annual general meeting, the date of which has been announced by the Company, commence a new time period for the giving of a Proxy Access Notice.

(C) The number of Shareholder Nominees (which shall include Shareholder Nominees that were submitted by all Eligible Shareholders for inclusion in the Company's proxy materials pursuant to this Bye-Law 10(3) but either (x) are subsequently withdrawn (or withdraw) or (y) the Board of Directors decides to nominate as Board of Directors' nominees) appearing in the Company's proxy materials with respect to an annual general meeting of Shareholders shall not exceed the greater of (x) two (2) and (y) the largest whole number that does not exceed 20% of the number of directors in office as of the last day on which a Proxy Access Notice may be delivered in accordance with the procedures set forth in this Bye-Law 10(3) (such greater number, the "Permitted Number"); provided, however, that the Permitted Number shall be reduced by:

(1) the number of directors in office that will be included in the Company's proxy materials with respect to such annual general meeting for whom access to the Company's proxy materials was previously provided pursuant to this Bye-Law 10(3), other than any such director who at the time of such annual general meeting will have served as a director continuously, as a nominee of the Board of Directors, for at least two (2) successive annual terms; and

(2) the number of directors in office or director candidates that in either case will be included in the Company's proxy materials with respect to such annual general meeting as an unopposed (by the Company) nominee pursuant to an agreement, arrangement or other understanding with a Shareholder or group of Shareholders (other than any such agreement, arrangement or understanding entered into in connection with an acquisition of Voting Stock, by such Shareholder or group of Shareholders, directly from the Company), other than any such director referred to in this clause (2) who at the time of such annual general meeting will have served as a director continuously, as a nominee of the Board of Directors, for at least two (2) successive annual terms;

provided, further, that in the event the Board of Directors resolves to reduce the size of the Board of Directors effective on or prior to the date of the annual general meeting, the Permitted Number shall be calculated based on the number of directors in office as so reduced. An Eligible Shareholder submitting more than one Shareholder Nominee for inclusion in the Company's proxy statement pursuant to this paragraph (C) of this Bye-Law 10(3) shall rank such Shareholder Nominees based on the order that the Eligible Shareholder desires such Shareholder Nominees to be selected for inclusion in the Company's proxy statement and include such specified rank in its Proxy Access Notice. If the number of Shareholder Nominees pursuant to this paragraph (C) of this Bye-Law 10(3) for an annual general meeting of Shareholders exceeds the Permitted Number, then the highest ranking qualifying Shareholder Nominee from each Eligible Shareholder will be selected by the Company for inclusion in the proxy statement until the Permitted Number is reached, going in order of the amount (largest to smallest) of the ownership position as disclosed in each Eligible Shareholder's Proxy Access Notice. If the Permitted Number is not reached after the highest ranking Shareholder Nominee from each Eligible Shareholder has been selected, this selection process will continue as many times as necessary, following the same order each time, until the Permitted Number is reached.

Notwithstanding anything to the contrary contained in this Bye-Law 10(3), the Company shall not be required to include any Shareholder Nominees in its proxy materials pursuant to this Bye-Law 10(3) for any meeting of Shareholders for which the Secretary of the Company receives notice (whether or not subsequently withdrawn) that a Shareholder intends to nominate one or more persons for election to the Board of Directors pursuant to the advance notice requirements for Shareholder nominees set forth in Bye-Law 10(1).

(D) An "Eligible Shareholder" is one or more Shareholders of record who own and have owned, or are acting on behalf of one or more beneficial owners who own and have owned, in each case continuously for at least three (3) years as of both the date that the Proxy Access Notice is received by the Company pursuant to this Bye-Law 10(3), and as of the record date for determining Shareholders eligible to vote at the annual general meeting, at least three percent (3%) of the aggregate voting power of the Voting Stock (the "Proxy Access Request Required Shares"), and who continue to own the Proxy Access Request Required Shares at all times between the date such Proxy Access Notice is received by the Company and the date of the applicable annual general meeting, provided that the aggregate number of Shareholders (and, if and to the extent that a Shareholder is acting on behalf of one or more beneficial owners, of such beneficial owners) whose stock ownership is counted for the purpose of satisfying the foregoing ownership requirement shall not exceed twenty (20).

Two or more collective investment funds that are (I) part of the same family of funds or sponsored by the same adviser or (II) a "group of investment companies" as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940 (a "Qualifying Fund") shall be treated as one Shareholder for the purpose of determining the aggregate number of Shareholders in this paragraph (D). For the avoidance of doubt, each fund included within a Qualifying Fund must meet the requirements set forth in this Bye-Law 10(3), including by providing the required information and materials.

No share may be attributed to more than one group constituting an Eligible Shareholder under this Bye-Law 10(3). For the avoidance of doubt, no

Shareholder may be a member of more than one group constituting an Eligible Shareholder.

A record holder acting on behalf of one or more beneficial owners will not be counted separately as a Shareholder with respect to the shares owned by such beneficial owner(s). Each such beneficial owner will be counted separately as a Shareholder with respect to the shares owned by such beneficial owner, subject to the other provisions of this paragraph (D).

For the avoidance of doubt, Proxy Access Request Required Shares will qualify as such only if the beneficial owner of such shares as of the date of the Proxy Access Notice has individually beneficially owned such shares continuously for the three-year (3 year) period ending on that date and through the other applicable dates referred to above (in addition to the other applicable requirements being met).

(E) On the date on which an Eligible Shareholder delivers a nomination pursuant to this Bye-Law 10(3), such Eligible Shareholder (including each Constituent Holder) must provide the following information in writing to the Secretary of the Company with respect to such Eligible Shareholder (and each Constituent Holder):

(1) the name and address of, and number of shares of Voting Stock owned by, such person;

(2) one or more written statements from the record holder of the shares (and from each intermediary through which the shares are or have been held during the requisite three-year (3 year) holding period) verifying that, as of a date within seven (7) calendar days prior to the date the Proxy Access Notice is delivered to the Company, such person owns, and has owned continuously for the preceding three (3) years, the Proxy Access Request Required Shares, and such person's agreement to provide:

(a) within ten (10) days after the record date for the annual general meeting, written statements from the record holder and intermediaries verifying such person's continuous ownership of the Proxy Access Request Required Shares through the record date, together with any additional information reasonably requested by the Company to verify such person's ownership of the Proxy Access Request Required Shares; and

(b) immediate notice to the Company if the Eligible Shareholder ceases to own any of the Proxy Access Request Required Shares prior to the date of the applicable annual general meeting of Shareholders;

(3) the information that would be required to be submitted pursuant to paragraph (1)(d) of Bye-Law 10 for Director nominations;

(4) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among the Eligible Shareholder (including any Constituent Holder) and its or their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each of such Eligible

Shareholder's Shareholder Nominees, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K of the U.S. Securities and Exchange Commission if the Eligible Shareholder (including any Constituent Holder), or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the Shareholder Nominee or any affiliate or associate thereof or person acting in concert therewith were a director or executive officer of such registrant;

(5) a representation that the Eligible Shareholder (and each Constituent Holder):

(a) acquired the Proxy Access Request Required Shares in the ordinary course of business and not with the intent to change or influence control of the Company, and does not presently have any such intent;

(b) has not nominated and will not nominate for election to the Board of Directors at the annual general meeting any person other than the Shareholder Nominees being nominated pursuant to this Bye-Law 10(3);

(c) has not engaged and will not engage in, and has not and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the annual general meeting other than its Shareholder Nominees or a nominee of the Board of Directors;

(d) will not distribute to any Shareholder any form of proxy for the annual general meeting other than the form distributed by the Company; and

(e) will provide facts, statements and other information in all communications with the Company and its Shareholders that are and will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and will otherwise comply with all applicable laws, rules and regulations in connection with any actions taken pursuant to this Bye-Law 10(3) (and the other provisions of this Bye-Law 10 to the extent related to this Bye-Law 10(3));

(6) in the case of a nomination by a group of Shareholders that together is such an Eligible Shareholder, the designation by all group members of one group member that is authorized to act on behalf of all members of the nominating Shareholder group with respect to the nomination and matters related thereto, including withdrawal of the nomination; and

(7) an undertaking that the Eligible Shareholder (and each Constituent Holder) agrees to:

(a) assume all liability stemming from, and indemnify and hold harmless the Company and each of its directors, officers, and employees individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Company or any of its directors, officers or employees arising out of any legal or regulatory violation arising out of the communications of the Eligible Shareholder (and any Constituent Holder) with the Shareholders of the Company or out of the information that the Eligible Shareholder (and any Constituent Holder) provided to the Company in connection with the nomination of the Shareholder Nominee(s) or efforts to elect the Shareholder Nominee(s); and

(b) file with the Securities and Exchange Commission any solicitation by the Eligible Shareholder of Shareholders of the Company relating to the annual general meeting at which the Shareholder Nominee will be nominated.

In addition, on the date on which an Eligible Shareholder delivers a nomination pursuant to this Bye-Law 10(3), any Qualifying Fund whose stock ownership is counted for purposes of qualifying as an Eligible Shareholder must provide to the Secretary of the Company documentation reasonably satisfactory to the Board of Directors that demonstrates that the funds included within the Qualifying Fund satisfy the definition thereof.

In order to be considered timely, all information required by this paragraph (E) to be provided to the Company must be supplemented, by delivery to the Secretary of the Company, to disclose such information (1) as of the record date for the applicable annual general meeting and (2) as of the date that is no earlier than ten (10) days prior to such annual general meeting. Any supplemental information delivered pursuant to clause (1) of the preceding sentence must be delivered to the Secretary of the Company no later than ten (10) days following the record date for the applicable annual general meeting, and any supplemental information delivered pursuant to clause (2) of the preceding sentence must be delivered to the Secretary of the Company no later than the fifth day before the applicable annual general meeting. For the avoidance of doubt, the requirement to update and supplement such information shall not permit any Eligible Shareholder (or any Constituent Holder) or other person to change or add any proposed Shareholder Nominee or be deemed to cure any defects or limit the remedies (including without limitation under these Bye-Laws) available to the Company relating to any defect.

(F) The Eligible Shareholder may provide to the Secretary of the Company, at the time the information required by this Bye-Law 10(3) is originally provided, a written statement for inclusion in the Company's proxy statement for the annual general meeting, not to exceed five hundred (500) words, in support of the candidacy of each such Eligible Shareholder's Shareholder Nominee (the "Statement"). Notwithstanding anything to the contrary contained in this Bye-Law 10(3), the Company may omit from its proxy materials any information or Statement that it, in good faith, believes is materially false or

misleading, omits to state any material fact, or would violate any applicable law or regulation.

(G) On the date on which an Eligible Shareholder delivers a nomination pursuant to this Bye-Law 10(3), each Shareholder Nominee must:

(1) provide to the Company an executed agreement, in a form deemed satisfactory by the Board of Directors or its designee (which form shall be provided by the Company reasonably promptly upon written request of a Shareholder), that such Shareholder Nominee consents to being named in the Company's proxy statement and form of proxy card (and will not agree to be named in any other person's proxy statement or form of proxy card with respect to the applicable annual general meeting of the Company) as a nominee and to serving as a director of the Company if elected;

(2) provide the information with respect to a Shareholder Nominee that would be required to be submitted pursuant to paragraph (1)(d) of Bye-Law 10 for Director nominations;

(3) complete, sign and submit all questionnaires, representations and agreements required by these Bye-Laws or of the Company's directors generally, including the questionnaire, representation and agreement required by paragraph (4) of Bye-Law 8; and

(4) provide such additional information as necessary to permit the Board of Directors to determine if such Shareholder Nominee:

(a) is independent under the listing standards of each principal U.S. exchange upon which the Common Shares of the Company is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Company's directors;

(b) has any direct or indirect relationship with the Company;

(c) would, by serving on the Board of Directors, violate or cause the Company to be in violation of these Bye-Laws, the rules and listing standards of the principal U.S. exchange upon which the Common Shares of the Company is listed or any applicable law, rule or regulation; and

(d) is or has been subject to any event specified in Item 401(f) of Regulation S-K (or successor rule) of the Securities and Exchange Commission.

In the event that any information or communications provided by the Eligible Shareholder (or any Constituent Holder) or the Shareholder Nominee to the Company or its Shareholders ceases to be true and correct in all material respects or omits a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, each Eligible Shareholder (or any Constituent Holder) or Shareholder Nominee, as the case may

be, shall promptly notify the Secretary of the Company of any defect in such previously provided information and of the information that is required to correct any such defect; it being understood for the avoidance of doubt that providing any such notification shall not be deemed to cure any such defect or limit the remedies (including without limitation under these Bye-Laws) available to the Company relating to any such defect.

(H) Any Shareholder Nominee who is included in the Company's proxy materials for a particular annual general meeting of Shareholders but either (1) withdraws from or becomes ineligible or unavailable for election at that annual general meeting (other than by reason of such Shareholder Nominee's disability or other health reason), or (2) does not receive at least twenty-five (25)% of the votes cast in favor of his or her election, will be ineligible to be a Shareholder Nominee pursuant to this Bye-Law 10(3) for (x) such particular annual general meeting and (y) the next two annual general meetings.

(I) The Company shall not be required to include, pursuant to this Bye-Law 10(3), a Shareholder Nominee in its proxy materials for any annual general meeting of Shareholders, or, if the proxy statement already has been filed, to permit a vote with respect to the election of a Shareholder Nominee, notwithstanding that proxies in respect of such vote may have been received by the Company:

(1) who is not independent under the listing standards of the principal U.S. exchange upon which the Common Shares of the Company is listed, any applicable rules of the U.S. Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing independence of the Company's Directors, who does not meet the audit committee independence requirements under the rules of any stock exchange on which the Company's Common Shares are traded and applicable securities laws, who is not a "non-employee director" for the purposes of Rule 16b-3 under the Exchange Act (or any successor rule), who is not an "outside director" for the purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (or any successor provision), in each of the foregoing cases as determined by the Board of Directors in its sole discretion;

(2) whose service as a member of the Board of Directors would violate or cause the Company to be in violation of these Bye-Laws, the rules and listing standards of the principal U.S. exchange upon which the Common Shares of the Company is traded, or any applicable law, rule or regulation;

(3) who is or has been, within the past three years, an employee, officer or director of, or otherwise affiliated with, a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914;

(4) who is or has been a named subject of a pending criminal proceeding (excluding non-criminal traffic violations) or has been convicted in such a criminal proceeding within the past ten years, or who is or has been a named subject of any legal, regulatory or self-regulatory proceeding, action or settlement as a result of which the service of such Shareholder Nominee on the Board of Directors would result in any

restrictions on the ability of any of the Company or its affiliates to conduct business in any jurisdiction;

(5) who is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act;

(6) who shall have provided information to the Company in respect of such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading, as determined by the Board of Directors or any committee thereof, in each of the foregoing cases as determined by the Board of Directors in its sole discretion;

(7) who otherwise breaches or fails to comply in any material respect with its obligations pursuant to this Bye-Law 10(3) or any agreement, representation or undertaking required by these Bye-Laws; or

(8) was proposed by an Eligible Shareholder who ceases to be an Eligible Shareholder for any reason, including but not limited to not owning the Proxy Access Request Required Shares through the date of the applicable annual general meeting.

In addition, if any Constituent Holder (i) shall have provided information to the Company in respect of a nomination under this Bye-Law 10(3) that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading, as determined by the Board of Directors or any committee thereof, in each of the foregoing cases as determined by the Board of Directors in its sole discretion or (ii) otherwise breaches or fails to comply in any material respect with its obligations pursuant to this Bye-Law 10(3) or any agreement, representation or undertaking required by these Bye-Laws, the Voting Stock owned by such Constituent Holder shall be excluded from the Proxy Access Request Required Shares and, if as a result the Eligible Shareholder no longer meets the requirements as such, all of the applicable Eligible Shareholder's Shareholder Nominees shall be excluded from the Company's proxy statement for the applicable annual general meeting of Shareholders, if such proxy statement has not been filed, and, in any case, all of such Shareholder's Shareholder Nominees shall be ineligible to be nominated at such annual general meeting.

Notwithstanding anything contained herein to the contrary, no Shareholder Nominee shall be eligible to serve as a Shareholder Nominee in any of the next two (2) successive annual general meetings following an act or omission specified in clause (6) or (7) of this paragraph (I) by such person, in each case as determined by the Board of Directors or any committee thereof in its sole discretion. In addition, no Person who has submitted materials as a purported Eligible Shareholder (or Constituent Holder) under this Bye-Law 10(3), or any of its affiliates or associates, shall be eligible to be an Eligible Shareholder (or Constituent Holder) in any of the next two (2) successive annual general meetings following a nomination proposed under this Bye-Law 10(3) if, in connection therewith, such purported Eligible Shareholder (or such Constituent Holder) shall have provided information to the Company in respect of such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which they were

made, not misleading, or shall have otherwise materially breached or failed to comply with its obligations pursuant to this Bye-Law 10(3) or any agreement, representation or undertaking required by these Bye-Laws, in each case as determined by the Board of Directors or any committee thereof in its sole discretion.

(4) *General.* As used in this Bye-Law 10, shares "beneficially owned" shall mean all shares as to which such Person, together with such Person's affiliates and associates (as defined in Rule 12b-2 under the Exchange Act), may be deemed to beneficially own pursuant to Rules 13d-3 and 13d-5 under the Exchange Act, as well as all shares as to which such Person, together with such Person's affiliates and associates, has the right to become the beneficial owner pursuant to any agreement or understanding, or upon the exercise of warrants, options or rights to convert or exchange (whether such rights are exercisable immediately or only after the passage of time or the occurrence of conditions). The person presiding at the meeting shall determine whether such notice has been duly given and shall direct that proposals and nominees not be considered if such notice has not been so given. For purposes of this by-law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Company with the U.S. Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act. In no event shall the public announcement of an adjournment or postponement of an annual meeting or a special meeting commence a new time period for the giving of a Shareholder's notice as described above.

(5) The chairperson of the annual general meeting of Shareholders or special general meeting shall, if the facts warrant, refuse to acknowledge a proposal or nomination not made in compliance with the foregoing procedure and any such proposal or nomination not properly brought before the meeting shall not be considered.

11. Removal of Directors

(1) Subject to the rights of the holders of any class or series of preference shares, the Shareholders may remove a Director before the stated expiry of his term only for Cause, and only by the affirmative vote of at least a majority of the votes cast by the holders of shares of the Company entitled to vote generally on the election of Directors at an annual general or special general meeting convened and held in accordance with these Bye-Laws for the purpose of such removal.

(2) Subject to the rights of the holders of any class or series of preference shares, a vacancy on the Board created by the removal of a Director under the provisions of paragraph (1) of this Bye-Law 11 may be filled by the Shareholders at the meeting at which such Director is removed, acting by the affirmative vote of at least a majority of the votes cast by the holders of shares of the Company entitled to vote generally on the election of Directors, and, in the absence of such election or appointment, the Board may fill the vacancy. A Director so elected or appointed shall hold office until the next annual general meeting of Shareholders.

(3) Subject to the rights of the holders of any class or series of preference shares, the Board may, at any meeting of the Board convened and held in accordance with these Bye-Laws, remove a Director before the stated expiry of his term only for Cause by a resolution of the Board carried by the affirmative vote of at least a two-thirds majority of the Board then in office.

12. Vacancies on the Board

(1) Subject to the rights of the holders of any class or series of preference shares, the Board shall have the power from time to time and at any time to appoint any person as a Director

to fill a vacancy on the Board occurring as the result of any of the events listed in paragraph (3) of this Bye-Law 12 or from an increase in the size of the Board pursuant to Bye-Law 8. The Board shall also have the power from time to time to fill any vacancy left unfilled at a general meeting. A Director appointed by the Board to fill a vacancy shall hold office until the next annual general meeting of Shareholders.

(2) The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-Laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act, notwithstanding the absence of a quorum, for the purpose of (i) summoning a general meeting of the Company or (ii) preserving the assets of the Company.

(3) The office of a Director shall be vacated if the Director:

(a) is removed from office pursuant to these Bye-Laws or is prohibited from being a Director by law;

(b) is or becomes bankrupt or makes any arrangement or composition with his creditors generally;

(c) is or becomes disqualified, disabled, of unsound mind, or dies; or

(d) resigns his or her office by notice in writing to the Company.

(4) Notwithstanding anything contained herein to the contrary, the provisions of Bye-Law 11, this Bye-Law 12 and all other provisions contained in these Bye-Laws related to the filling of vacancies on the Board shall be subject to any contractual or other legally binding obligation hereafter created by the Company and approved by the Board to provide any third party with the ability to nominate persons for election as Directors.

13. Notice of Meetings of the Board

(1) The Chairperson may, and the Chairperson on the requisition of the Chief Executive Officer or a majority of the Directors then in office shall, at any time, upon two days' notice (or such shorter notice as may be reasonable under the circumstances), summon a meeting of the Board.

(2) Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is sent to such Director by mail, courier service, facsimile, email or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose.

14. Quorum at Meetings of the Board

The quorum necessary for the transaction of business at a meeting of the Board shall be as fixed by the Board from time to time and, unless so fixed at any other level, shall be at least one-half of the total number of the Directors then in office, present in person or represented by a duly authorized representative appointed in accordance with the Act. The Directors present at a duly called meeting at which a quorum is present may continue to transact business until adjournment or termination, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

15. Meetings of the Board

(1) The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit.

(2) Directors may participate in any meeting of the Board by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

(3) Unless otherwise provided in these Bye-Laws, a resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the Directors present.

16. Unanimous Written Resolutions

A resolution in writing signed by all of the Directors then in office, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution.

17. Contracts and Disclosure of Directors' Interests

(1) Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director. Nothing herein contained shall authorize a Director or Director's firm, partner or company to act as Auditor to the Company.

(2) A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company or any of its subsidiaries shall declare the nature of such interest to the Board or any duly appointed committee thereof, whether or not such declaration is required by law.

(3) Following a declaration being made pursuant to this Bye-Law 17, and unless disqualified by the chairperson of the relevant Board meeting or recused, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum for such meeting.

18. Remuneration of Directors

The remuneration and benefits (if any) of the Directors shall be determined by the Board or any duly appointed committee thereof in accordance with applicable law and securities exchange rules. The Directors may also be paid or reimbursed for all travel, hotel and other expenses incurred by them in attending and returning from meetings of the Board, any committee appointed by the Board, general or special meetings of the Company or in connection with the business of the Company or their duties as Directors generally.

OFFICERS

19. Officers of the Company

The Officers of the Company, who may or may not be Directors, may be appointed at any time by the Board or by such other persons as may be designated by the Board. Any person

appointed pursuant to this Bye-Law 19 shall hold office for such period and upon such terms as the Board or, in the case of Officers other than the Chief Executive Officer, as the Chief Executive Officer may determine and the Board (or the Chief Executive Officer unless otherwise directed by the Board) may revoke or terminate any such appointment. Any such revocation or termination shall be without prejudice to any claim for damages that such Officer may have against the Company or the Company may have against such Officer for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.

20. Remuneration of Officers

The Officers shall receive such remuneration and benefits as the Board or any duly appointed committee thereof (or, in the case of Officers who are not "executive officers" as defined under applicable Rules promulgated under the Exchange Act, as management acting under authority duly delegated by the Board) may from time to time determine in accordance with applicable law and securities exchange rules.

21. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them from time to time by the Board or, in the case of Officers other than the Chief Executive Officer, by the Chief Executive Officer (or by any other Officer or employee of the Company acting, directly or indirectly, under his direction).

22. Chairperson and Secretary of Meetings

(1) The Chairperson shall act as chairperson at all meetings of the Shareholders and of the Board at which he or she is present. In the Chairperson's absence, the Chief Executive Officer or any other Director or Officer designated in writing by the Chairperson, the Chief Executive Officer or a majority of the Board shall act as chairperson of the applicable meeting.

(2) The Secretary shall act as secretary at all meetings of the Shareholders and of the Board and any committee thereof at which he or she is present. In the Secretary's absence, a secretary shall be appointed by the chairperson of such meeting.

23. Register of Directors and Officers

The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act.

MINUTES

24. Obligations of Board to Keep Minutes

(1) The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of Officers;

(b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and

(c) of all resolutions and proceedings of general meetings of the Shareholders, meetings of the Board and meetings of committees appointed by the Board.

(2) Minutes prepared in accordance with the Act and these Bye-Laws shall be kept by the Secretary at the registered office of the Company.

INDEMNITY

25. Indemnification and Exculpation of Directors of the Company and Others

(1) The Company shall indemnify in accordance with and to the full extent now or (if greater) hereafter permitted by Bermuda law, each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, an action by or in the right of the Company) (hereinafter, a "proceeding"), by reason of the fact that he or she is or was a Director or Officer (or is or was a director or officer of any subsidiary or any predecessor of the Company or any subsidiary) or is or was serving at the request of the Company (or any subsidiary of the Company or any predecessor of the Company or any subsidiary) as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (or any predecessor of any of such entities), including without limitation any service with respect to employee benefit plans maintained or sponsored by the Company (or any subsidiary of the Company or any predecessor of the Company or any subsidiary), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, against any liability or expense actually and reasonably incurred by such person in respect thereof. For the avoidance of doubt, the indemnity provided in this Bye-Law 25 shall extend, without limitation, to any matter in which an indemnified party may be guilty of negligence, default, breach of duty or breach of trust in relation to the Company or any of its subsidiaries, but shall not extend to any matter as to which such indemnified party admits that he is guilty, or is found, by a court of competent jurisdiction in a final judgment or decree not subject to appeal, guilty, of any fraud or dishonesty in relation to the Company or any such subsidiary. In connection with the foregoing, the Company shall advance the expenses of Directors and Officers in defending any such act, suit or proceeding; provided that such advancement shall be subject to reimbursement to the extent such person shall be found not to be entitled to such advancement of expenses under Bermuda law. In addition to the foregoing, the Company shall have the power, to the extent and in the manner permitted by Bermuda law, to indemnify each of its other employees and agents against any liability or expense (including advancement of expenses) incurred in connection with any proceeding arising by reason of the fact that such person is or was an employee or agent of the Company (or is or was an employee or agent of any subsidiary or any predecessor of the Company or any subsidiary) or is or was serving at the request of the Company (or any subsidiary of the Company or any predecessor of the Company or any subsidiary) as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (or any predecessor of any of such entities), including without limitation any service with respect to employee benefit plans maintained or sponsored by the Company (or any subsidiary of the Company or any predecessor of the Company or any subsidiary).

(2) The Board may authorize the Company to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Company, or is or was serving at the request of the Company as a Director, Officer, employee or agent of another company, partnership, joint venture, trust or other enterprise, or in a fiduciary or other capacity with respect to any employee benefit plan maintained by the Company (or any subsidiary of the Company or any predecessor of the Company or any subsidiary), against any liability asserted against him and incurred by him in any such capacity, or arising out of his

status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Bye-Law 25.

(3) Directors, Officers and employees of the Company shall have no personal liability to the Company or its Shareholders for any action or failure to act to the fullest extent now or (if greater) hereafter permitted by Bermuda law.

(4) The indemnification, expense reimbursement, exculpation and other provisions provided by this Bye-Law 25 shall not be deemed exclusive of any other rights to which the persons identified in this Bye-Law 25 may be entitled under any bye-law, agreement, vote of Shareholders or Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office; shall continue as to a person who has ceased to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person; and shall be deemed to be a contractual right of such benefited Persons.

26. Waiver of Certain Claims

(1) Each present and future Shareholder agrees to waive any claim or right of action such Shareholder might have, whether individually or by or in the right of the Company, against any Director, Officer or employee on account of any action taken by such Director, Officer or employee, or the failure of such Director, Officer or employee to take any action, in the performance of his duties with or for the Company (including, for the avoidance of doubt, with respect to the approval or disapproval of any transaction between the Company and one or more of its Affiliates or the pursuit of corporate opportunities), in each case to the fullest extent now or (if greater) hereafter permitted by Bermuda law.

(2) The provisions of this Bye-Law 26 shall apply to, and for the benefit of, any person acting as (or with the reasonable belief that he or she will be appointed or elected as) a Director, Officer or employee in the reasonable belief that he or she has been so appointed or elected notwithstanding any defect in such appointment or election and to any person who is no longer, but at one time was, a Director, Officer or employee.

MEETINGS

27. Notice of Annual General Meeting of Shareholders

The annual general meeting of Shareholders shall be held in each year other than the year of incorporation at such time and place as the Chairperson or the Chief Executive Officer may determine. At least 20 days' notice of such meeting shall be given to each Shareholder, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat and such additional information as may be required by the Act.

28. Notice of Special General Meeting

Special general meetings may be called as specified in Bye-Law 10 upon not less than twenty days' notice (or as otherwise prescribed by the Act), which notice shall state the date, time, place and such additional information as may be required by the Act or Bye-Law 10.

29. Accidental Omission of Notice of General Meeting

The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a general meeting by, any Person entitled to receive notice shall not invalidate the proceedings at that meeting.

30. Short Notice

Subject to any applicable requirements of the New York Stock Exchange (or any other applicable stock exchange), a general meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in these Bye-Laws, be deemed to have been properly called if it is so agreed by (i) all of the Shareholders entitled to attend and vote thereat, in the case of an annual general meeting of Shareholders or (ii) by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat, in the case of a special general meeting.

31. Postponement of Meetings

The Chairperson or the Chief Executive Officer may, and the Secretary on instruction from the Chairperson or the Chief Executive Officer shall, postpone any general meeting called in accordance with the provisions of these Bye-Laws, provided that notice of postponement is given to each Shareholder before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Shareholder in accordance with the provisions of these Bye-Laws.

32. Quorum for General Meeting

At the commencement of any general meeting of the Company, two or more Persons present in person and representing in person or by proxy more than fifty percent (50%) of the issued and outstanding shares entitled to vote at the meeting shall form a quorum for the transaction of business, provided that, if the Company shall at any time have only one Shareholder, such one Shareholder present in person or by proxy shall form a quorum for the transaction of business at any general meeting of the Company held during such time. If the holders of the number of shares necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place fixed in accordance with these Bye-Laws for any annual or special general meeting, the chairperson or a majority in interest of the Shareholders present, in person or by proxy, may adjourn from time to time without notice other than announcement at the meeting until the holders of the amount of shares requisite to constitute a quorum shall attend; provided that in the case of any such meeting convened pursuant to requisition of Shareholders, the meeting shall be cancelled. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. The Shareholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Shareholders to leave less than a quorum.

33. Adjournment of Meetings

(1) The chairperson of a general meeting may, with the consent of the majority of the Shareholders present at any general meeting at which a quorum is present (and shall if so directed), adjourn the meeting. In addition, the chairperson may adjourn the meeting to another time and place without such consent or direction if it appears to him that:

(a) it is likely to be impracticable to hold or continue that meeting because of the number of Shareholders wishing to attend who are not present;

(b) the unruly conduct of persons attending the meeting prevents, or is likely to prevent, the orderly continuation of the business of the meeting; or

(c) an adjournment is otherwise in the best interests of the Company or is necessary so that the business of the meeting may be properly conducted.

(2) Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Shareholder entitled to attend and vote thereat in accordance with the provisions of these Bye-Laws.

34. Attendance at Meetings

(1) If a majority of the Board shall so determine, Shareholders may participate in any general meeting by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

(2) The Board may, and at any general meeting the chairperson of such meeting may, make any arrangement and impose any requirement or restriction as may be considered appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board is, and at any general meeting the chairperson of such meeting is, entitled to refuse entry to a person who refuses to comply with any such arrangements, requirements or restrictions.

35. Written Resolutions

(1) Anything that may be done by resolution of the Company in a general meeting or by resolution of a meeting of any class of the Shareholders of the Company may, without a meeting and without any previous notice being required, be done by resolution in writing signed by all of the Shareholders who at the date of the resolution would be entitled to attend the meeting and vote on the resolution, in as many counterparts as may be necessary.

(2) A resolution in writing made in accordance with this Bye-Law 35 is as valid as if it had been passed by the Company in a general meeting or by a meeting of the relevant class of Shareholders, as the case may be, and any reference in any Bye-Law to a meeting at which a resolution is passed or to Shareholders voting in favor of a resolution shall be construed accordingly.

(3) A resolution in writing made in accordance with this Bye-Law 35 shall constitute minutes for the purposes of the Act.

36. Attendance of Directors

The Directors of the Company shall be entitled to receive notice of and to attend any general meeting.

37. Voting at Meetings

Subject to the provisions of the Act and except as otherwise provided under these Bye-Laws, any question proposed for the consideration of the Shareholders at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with the provisions of these Bye-Laws and, in the case of an equality of votes, the resolution shall fail.

38. Voting by Hand or by Poll

(1) At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands or by a count of votes received in the form of electronic records, unless (before or on the declaration of the result of the show of hands or count of votes received as electronic records or on the withdrawal of any other demand for a poll) a poll is demanded by:

(a) the chairman of the meeting or a majority of the Board; or

(b) at least three (3) Shareholders present in person or represented by proxy; or

(c) any Shareholder or Shareholders present in person or represented by proxy and holding between them not less than one tenth (1/10) of the total voting rights of all the Shareholders having the right to vote at such meeting; or

(d) any Shareholder or Shareholders present in person or represented by proxy holding shares conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth (1/10) of the total sum paid up on all such shares conferring such right.

(2) The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands or count of votes received as electronic records declared before the demand was made. If the demand for a poll is withdrawn, the chairman or any other Shareholder entitled may demand a poll.

(3) Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands or count of votes received as electronic records, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded for or against such resolution.

(4) If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.

(5) A poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken in such manner consistent with the Act as the chairman shall direct.

(6) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

(7) On a poll, votes may be cast either personally or by proxy.

(8) A Person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

(9) Where a vote is taken by poll, each Person present and entitled to vote shall be furnished with a ballot paper on which such Person shall record his or her vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote

is taken, and each ballot paper shall be signed or initialed or otherwise marked so as to identify the voter and the registered holder in the case of a proxy.

(10) At the conclusion of any poll, the ballot papers shall be examined and counted by a committee of one or more inspectors appointed by the Board or the Chief Executive Officer of the Company prior to the general meeting to act at such meeting as provided hereunder and to make a written report thereof. If no inspector (or any alternate previously designated by the Board or the Chief Executive Officer) is able to act at the meeting, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. In connection with the applicable poll, the inspectors shall ascertain the number of shares outstanding and the voting power of each, determine the shares represented at the meeting and the validity of proxies and ballots, count all votes and ballots, determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons to assist them in the performance of their duties. The date and time of the opening and closing of the polls during the meeting for each matter upon which the Shareholders will vote by poll at a meeting shall be announced at the meeting. No ballot, proxy or vote, nor any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls. In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of (i) the proxies, any envelopes submitted therewith, any information provided by a Shareholder who submits a proxy by telegram, cablegram or other electronic transmission from which it can be determined that the proxy was authorized by the Shareholder and (ii) the ballots and (iii) the regular books and records of the Company.

In addition, the inspectors may also consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar Persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the Shareholder holds of record. If the inspectors consider such other reliable information for such purpose, they shall, at the time they make their certification, specify the precise information considered by them, including the Person or Persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors' belief that such information is accurate and reliable.

39. Decision of Chairperson

(1) At any general meeting if an amendment shall be proposed to any resolution under consideration and the chairperson of the meeting shall rule on whether the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

(2) At any general meeting a declaration by the chairperson of the meeting that a question proposed for consideration has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall be conclusive evidence of that fact.

40. Instrument of Proxy

(1) Every Shareholder entitled to vote has the right to do so either in person or by one or more persons authorized by a proxy executed and delivered in accordance with these Bye-Laws.

(2) A person so authorized as a proxy shall be entitled to exercise the same power on behalf of the grantor of the proxy as the grantor could exercise at a general meeting of the Company.

(3) No proxy shall be valid after eleven months from its date, unless the proxy provides for a longer period. A proxy shall be revocable unless expressly provided therein to be irrevocable and the proxy is coupled with an interest sufficient in law to support an irrevocable power.

(4) Subject to paragraph (3) of this Bye-Law 40, the instrument appointing a proxy, together with such other evidence as to its due execution as the Board may from time to time require, shall be delivered at the registered office of the Company (or at such place or places as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) prior to the holding of the relevant meeting or adjourned meeting at which the individual named in the instrument proposes to vote and, if not so delivered, the instrument of proxy shall not be treated as valid.

(5) Instruments of proxy shall be in such form as the Board may approve (including, without limitation, written or electronic form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instruments of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

(6) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or unsoundness of mind of the principal subsequent to giving the proxy but before the vote or revocation of the instrument of proxy or of the authority under which it was executed.

(7) The decision of the chairperson of any general meeting as to the validity of any appointment of a proxy shall be final.

41. Representation of Corporations at Meetings

A corporation or other Person that is not an individual that is a Shareholder may, by written instrument, authorize any person as it thinks fit to act as its representative at any meeting of the Shareholders or for all meetings of the Shareholders or for all meetings of the Shareholders for a certain or determinable period or until revocation and such person so authorized shall be entitled to exercise the same powers on behalf of such corporation or other such Person as such corporation or other such Person could exercise if it were an individual Shareholder and such corporation or other such Person shall be deemed to be present in person as a Shareholder at any such meeting attended by its authorized representative or representatives. Notwithstanding the foregoing, the chairperson of the meeting may accept such assurances as he or she thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation or other such Person that is a Shareholder.

VOTES OF SHAREHOLDERS

42. General

Subject to the rights of the holders of any class or series of preference shares, at any general meeting of the Company, each Shareholder present in person shall be entitled to one vote on any question to be decided on a show of hands and each Shareholder present in person or by

proxy shall be entitled on a poll to one vote for each share held by him in his name in the Register of Shareholders.

SHARE CAPITAL AND SHARES

43. Share Capital

The authorised share capital of the Company is 1,070,000,000 divided into 1,050,000,000 common shares of par value $0.20 each ("Common Shares") and 20,000,000 undesignated shares of par value $0.20 each, which may be issued, without any prior Shareholder approval, as Common Shares or Preference Shares ("Undesignated Shares").

44. Rights of Shares

(1) *Common Shares*

The Common Shares shall, subject to the other provisions of these Bye-Laws, entitle the holders thereof to the following rights:

(a) as regards dividend: after making all necessary provisions, where relevant, for payment of any preferred dividend in respect of any preference shares in the Company then outstanding, the Company shall apply any profits or reserves which the Board resolves to distribute in paying such profits or reserves to the holders of the Common Shares in respect of their holding of such shares pari passu and pro rata to the number of Common Shares held by each of them;

(b) as regards capital: on a return of assets on liquidation, reduction of capital or otherwise, the holders of the Common Shares shall be entitled to be paid the surplus assets of the Company remaining after payment of its liabilities (subject to the rights of holders of any preference shares in the Company then in issue having preferred rights on the return of capital) in respect of their holdings of Common Shares pari passu and pro rata to the number of Common Shares held by each of them;

(c) as regards voting in general meetings: the holders of the Common Shares shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company; every holder of Common Shares present in person or by proxy shall on a poll have one vote for each Common Share held by him.

(2) *Undesignated Shares*

The rights attaching to the Undesignated Shares, subject to these Bye-Laws, shall be as follows:

(a) each Undesignated Share shall have attached to it such preferred, qualified or other special rights, privileges and conditions and be subject to such restrictions, whether in regard to dividend, return of capital, redemption, conversion into Common Shares or voting or otherwise, as the Board may determine on or before its allotment;

(b) the Board may allot the Undesignated Shares in more than one series and, if it does so, may name and designate each series in such manner as it deems appropriate to reflect the particular rights and restrictions attached to that series, which may differ in all or any respects from any other series of Undesignated Shares;

(c) the particular rights and restrictions attached to any Undesignated Shares shall be recorded in a resolution of the Board. The Board may at any time before the allotment of any Undesignated Share by further resolution in any way amend such rights and restrictions or vary or revoke its designation. A copy of any such resolution or amending resolution for the time being in force shall be annexed as an appendix to (but shall not form part of) these Bye-Laws; and

(d) the Board shall not attach to any Undesignated Share any rights or restrictions which would alter or abrogate any of the special rights attached to any other class of series of shares for the time being in issue without such sanction as is required for any alteration or abrogation of such rights, unless expressly authorised to do so by the rights attaching to or by the terms of issue of such other class or series.

(3) *Preference Shares*

Without limiting the foregoing and subject to the Act, the Company may issue preference shares ("Preference Shares") without any prior Shareholder approval which:

(a) are liable to be redeemed on the happening of a specified event or events or on a given date or dates and/or;

(b) are liable to be redeemed at the option of the Company and/or, if authorised by the Memorandum of Association of the Company, at the option of the holder.

The terms and manner of the redemption of any redeemable shares created pursuant to this Bye-Law 44(3) shall be as the Board may by resolution determine. The terms of any redeemable preference shares may provide for the whole or any part of the amount due on redemption to be paid or satisfied otherwise than in cash, to the extent permitted by the Act.

In addition, subject to any special rights conferred on the holders of any share or class of shares, any Preference Shares may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Board may determine pursuant to Bye-Law 44(2).

(4) The Board may, at its discretion and without the sanction of a resolution of the Shareholders, authorise the purchase or acquisition by the Company of its own shares, of any class, at any price (whether at par or above or below par), and any shares to be so purchased or acquired may be selected in any manner whatsoever, upon such terms as the Board may in its discretion determine, provided always that such purchase or acquisition is effected in accordance with the provisions of the Act. The whole or any part of the amount payable on any such purchase may be paid or satisfied otherwise than in cash, to the extent permitted by the Act. Any shares acquired may be held as treasury shares in accordance with and subject to the Act.

45. Modification of Rights

(1) Subject to the Act, all or any of the special rights attached to any class of (i) common shares issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the sanction of a resolution passed with the approval of a majority of the votes cast by the holders of the issued shares of that class at a separate general meeting of the holders of such shares voting in person or by proxy and (ii) preference shares issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-quarters of the issued shares of that class or with the sanction of a resolution passed by the holders of not less than three-quarters of the

issued shares of that class at a separate general meeting of the holders of such shares voting in person or by proxy.

(2) For the purposes of this Bye-Law, unless otherwise expressly provided by the rights attached to any shares or class of shares, those rights attaching to any class of shares for the time being shall not be deemed to be altered by:

(a) the creation or issue of further shares ranking pari passu with them;

(b) the creation or issue for full value (as determined by the Board) of further shares ranking as regards participation in the profits or assets of the Company or otherwise in priority to them; or

(c) the purchase or redemption by the Company of any of its own shares.

46. Shares

(1) Subject to the provisions of these Bye-Laws, the unissued shares of the Company (whether forming part of the original capital or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such Persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.

(2) Subject to the provisions of these Bye-Laws, any shares of the Company held by the Company as treasury shares shall be at the disposal of the Board, which may hold all or any of the shares, dispose of or transfer all or any of the shares for cash or other consideration, or cancel all or any of the shares.

(3) The Board may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by law. Subject to the provisions of the Act, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

(4) Shares may be issued in fractional denominations and in such event the Company shall deal with such fractions to the same extent as its whole shares, so that a share in a fractional denomination shall have, in proportion to the fraction of a whole share that it represents, all the rights of a whole share, including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

47. Registered Holder of Shares

(1) The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and, accordingly, shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other Person.

(2) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by check or draft sent through the post directed to the Shareholder at such Shareholder's address as recorded in the Register of Shareholders or, in the case of joint holders, to such address of the holder first named in the Register of Shareholders, or (subject to applicable law) to such Person and to such address as such holder or joint holders may in writing direct. If two or more Persons are registered as joint holders of any shares, anyone can give an effectual receipt for any dividend paid in respect of such shares.

48. Death of a Joint Holder

Where two or more Persons are registered as joint holders of a share or shares then, in the event of the death of any joint holder or holders, the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognize no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

49. Share Certificates

(1) Every Shareholder shall be entitled to a certificate under the seal of the Company (or a facsimile thereof) specifying the number and, where appropriate, the class or series of shares held by such Shareholder and whether the same are fully paid up and, if not, how much has been paid thereon. The Company may determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means. Notwithstanding Bye-Law 76, the Company may determine that a share certificate need not be signed on behalf of the Company or that the seal of the Company need not be attested.

(2) The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the Person to whom such shares have been allotted.

(3) If any such certificate shall be proved to the satisfaction of the Company to have been worn out, lost, mislaid or destroyed, the Company may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

50. Calls on Shares

(1) The Board may from time to time make such calls as it thinks fit upon the Shareholders in respect of any monies unpaid on the shares allotted to or held by such Shareholders and, if a call is not paid on or before the day appointed for payment thereof, the Shareholder may, at the discretion of the Board, be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(2) The Board may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

(3) Any sum that, by the terms of allotment of a share, becomes payable upon issue or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for all of the purposes of these Bye-Laws be deemed to be a call duly made and payable, on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all of the relevant provisions of these Bye-Laws as to payment of interest, costs, charges and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(4) The Company may accept from any Shareholder the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

51. Forfeiture of Shares

(1) If any Shareholder fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Shareholder, the Board may, at any time

thereafter during such time as the call remains unpaid, direct the Secretary to forward to such Shareholder a notice in a form to be determined by the Company.

(2) If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine.

(3) A Shareholder whose share or shares have been forfeited as aforesaid shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture and all interest due thereon.

(4) The Board may accept the surrender of any shares that it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it has been forfeited.

INTERESTED SHAREHOLDERS

52. Limitations on Business Combinations

Notwithstanding anything contained herein to the contrary, the Company shall not engage in any Business Combination with any Interested Shareholder for a period of 3 years following the time that such Shareholder became an Interested Shareholder, unless: (a) prior to such time the Board approved either the Business Combination or the transaction which resulted in the Shareholder becoming an Interested Shareholder; (b) upon consummation of the transaction which resulted in the Shareholder becoming an Interested Shareholder, the Interested Shareholder Beneficially Owned at least 85% of the total voting stock of the Company outstanding at the time the transaction commenced, excluding for purposes of determining the total voting stock outstanding (but not the outstanding voting stock Beneficially Owned by the Interested Shareholder) those shares Beneficially Owned (i) by persons who are Directors and also Officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or (c) at or subsequent to such time the Business Combination is approved by the Board and authorized at an annual general meeting or special general meeting of Shareholders, and not by written consent, by the affirmative vote of at least a majority of the votes cast by holders of shares that are not Beneficially Owned by the Interested Shareholder.

53. Certain Definitions

(1) "Associate" has the meaning ascribed to such term in Rule 12b-2 of the Exchange Act.

(2) As used in Bye-Laws 52-53, a Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:

(a) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly;

(b) which such Person or any of such Person's Affiliates or Associates has (i) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed

the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (ii) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding to vote such security (x) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (y) is not also then reportable on Schedule 13D under the Exchange Act; or

(c) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to clause (ii) of the preceding subsection (b)) or disposing of any securities of the Company.

(d) Notwithstanding anything in this definition of Beneficial Ownership to the contrary, the phrase "then outstanding," when used with reference to a Person's Beneficial Ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding which such Person would be deemed to own beneficially hereunder.

(3) "Business Combination" means any:

(a) merger, amalgamation, scheme of arrangement or consolidation of the Company or any direct or indirect majority-owned subsidiary of the Company with (i) the Interested Shareholder, or (ii) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the Interested Shareholder;

(b) sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a Shareholder, to or with the Interested Shareholder, whether as part of a dissolution or otherwise, of assets of the Company or of any direct or indirect majority-owned subsidiary of the Company which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Company determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Company;

(c) transaction which results in the issuance or transfer by the Company or by any direct or indirect majority-owned subsidiary of the Company of any stock of the Company or of such subsidiary to the Interested Shareholder, except (i) Pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of such corporation or any such subsidiary which securities were outstanding prior to the time that the Interested Shareholder became such, (ii) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of such corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of such corporation subsequent to the time the Interested Shareholder became such; (iii) pursuant to an exchange offer by the Company to purchase stock made on the same terms to all holders of said stock; or (iv) any issuance or transfer of stock by the Company; provided however, that in no case under items (i)-(iv) of this subparagraph shall there be an increase in the Interested Shareholder's proportionate share of the stock of any class or series of the Company or of the voting stock of the Company;

(d) transaction involving the Company or any direct or indirect majority-owned subsidiary of the Company which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Company or of any such subsidiary which is Beneficially Owned by the Interested Shareholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the Interested Shareholder; or

(e) receipt by the Interested Shareholder of the benefit, directly or indirectly (except proportionately as a Shareholder of such corporation), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in subparagraphs (a)-(d) of this paragraph) provided by or through the Company or any direct or indirect majority-owned subsidiary.

(4) "Interested Shareholder" means any Person (other than the Company and any direct or indirect majority-owned subsidiary of the Company) that (i) is the Beneficial Owner of 15% or more of the outstanding voting stock of the Company, or (ii) is an Affiliate or Associate of the Company and was the Beneficial Owner of 15% or more of the outstanding voting stock of the Company at any time within the 3-year period immediately prior to the date on which it is sought to be determined whether such Person is an Interested Shareholder, and the Affiliates and Associates of such Person; provided, however, that the term "Interested Shareholder" shall not include (x) any Person who becomes an Interested Shareholder inadvertently and (i) as soon as practicable divests itself of Beneficial Ownership of sufficient shares so that the Shareholder ceases to be an Interested Shareholder and (ii) would not, at any time within the 3-year period immediately prior to a Business Combination between the Company and such Shareholder, have been an Interested Shareholder but for the inadvertent acquisition of ownership; or (y) any Person whose Beneficial Ownership of shares in excess of the 15% limitation set forth herein is the result of action taken solely by the Company; provided that such Person shall be an Interested Shareholder if thereafter such Person acquires additional shares of voting stock of the Company, except as a result of further corporate action not caused, directly or indirectly, by such Person; provided further that no savings, profit sharing, stock bonus or employee stock ownership plan or plans established or sponsored by the Company (or any subsidiary of the Company or any predecessor of the Company or any subsidiary) and qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, or any comparable provisions of any non-U.S. law, which holds Common Shares on behalf of participating employees and their beneficiaries with the right to instruct the trustee how to vote such Common Shares with respect to all matters submitted to Shareholders shall not be deemed to be an "Interested Shareholder."

REGISTER OF SHAREHOLDERS

54. Contents of Register of Shareholders

The Board shall cause to be kept in one or more books a Register of Shareholders and shall enter therein the particulars required by the Act.

55. Inspection of Register of Shareholders

The Register of Shareholders shall be open to inspection at the registered office of the Company on every Business Day, subject to such reasonable restrictions as the Company may impose, so that not less than two hours in each Business Day be allowed for inspection. The Register of Shareholders may, after notice has been given by advertisement in an appointed newspaper to that effect, be closed for any time or times not exceeding in the whole thirty days in each year.

56. Determination of Record Dates

Notwithstanding any other provision of these Bye-Laws, the Board may fix any date as the record date for:

(a) determining the Shareholders entitled to receive any dividend or distribution; and

(b) determining the Shareholders entitled to receive notice of and to vote at any general meeting of the Company.

TRANSFER OF SHARES

57. Instrument of Transfer

(1) Subject to paragraph (4) of Bye-Law 58, an instrument of transfer shall be in a form to be determined by the Company. Such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid share, the Company may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been transferred to the transferee in the Register of Shareholders.

(2) The Company may refuse to recognize any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Company may reasonably require to show the right of the transferor to make the transfer.

58. Restrictions on Transfer

(1) Unless otherwise required by any applicable requirements of the New York Stock Exchange (or any other applicable stock exchange), the Company (i) may decline to approve or to register any transfer of any share if a written opinion from counsel acceptable to the Company shall not have been obtained to the effect that registration of such shares under the U.S. Securities Act of 1933, as amended, is not required and (ii) shall decline to approve or to register any transfer of any share if the transferee shall not have been approved by applicable governmental authorities if such approval is required or if not in compliance with applicable consent, authorization or permission of any governmental body or agency in Bermuda.

(2) If the Company refuses to register a transfer of any share, the Secretary shall send, or procure that there shall be sent, within one month after the date on which the transfer was lodged with the Company, to the transferor and transferee notice of the refusal.

(3) The registration of transfers may be suspended at such times and for such periods as the Company may from time to time determine, provided always that such registration shall not be suspended for more than 45 days in any year.

(4) Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Act.

TRANSMISSION OF SHARES

59. Representative of Deceased Shareholder

In the case of the death of a Shareholder, the survivor or survivors where the deceased Shareholder was a joint holder, and the legal personal representatives of the deceased

Shareholder where the deceased Shareholder was a sole holder, shall be the only persons recognized by the Company as having any title to the deceased Shareholder's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share that had been jointly held by such deceased Shareholder with other persons. Subject to the provisions of the Act, for the purpose of this Bye-Law 59, "legal personal representative" means the executor or administrator of a deceased Shareholder or such other Person as the Company may decide as being properly authorized to deal with the shares of a deceased Shareholder.

60. Registration on Death or Bankruptcy

Any Person becoming entitled to a share in consequence of the death or bankruptcy of any Shareholder may be registered as a Shareholder upon such evidence as the Company may deem sufficient or may elect to nominate another Person to be registered as a transferee of such share, and in such case such Person becoming entitled shall execute in favor of such nominee an instrument of transfer in a form to be determined by the Company. On the presentation thereof to the Company, accompanied by such evidence as the Company may require to prove the title of the transferor, the transferee shall be registered as a Shareholder, provided that the Company shall, in either case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by such Shareholder before such Shareholder's death or bankruptcy, as the case may be.

DIVIDENDS AND OTHER DISTRIBUTIONS

61. Declaration of Dividends by the Board

(1) The Board may, subject to these Bye-Laws and in accordance with the Act, declare a dividend to be paid to the Shareholders in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.

(2) The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

62. Other Distributions

The Board may declare and make such other distributions (in cash or in specie) to the Shareholders as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

63. Reserve Fund

The Board may from time to time before declaring a dividend set aside, out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for equalizing dividends or for any other special purpose.

64. Deduction of Amounts Due to the Company

The Board may deduct from the dividends or distributions payable to any Shareholder all monies due from such Shareholder to the Company on account of calls.

CAPITALIZATION

65. Issue of Bonus Shares: Capitalization of Profits

(1) The Board may resolve to capitalize any part of the amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Shareholders.

(2) The Board may from time to time resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account and accordingly that such amount be set free for distribution amongst the Shareholders or any class of Shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up amounts for the time being unpaid on any shares in the Company held by such Shareholders respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid amongst such Shareholders, or partly in one way and partly in the other, provided that for the purpose of this Bye-Law 65, a share premium account may be applied only in paying up of unissued shares to be issued to such Shareholders credited as fully paid. Where any difficulty arises in regard to any distribution under this Bye-Law 65, the Board may settle the same as it thinks expedient and, in particular, may authorise any Person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments should be made to any Shareholders in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the Persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Shareholders.

ACCOUNTS AND FINANCIAL STATEMENTS

66. Records of Account

The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;

(b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company.

Such records of account shall be kept at the registered office of the Company or, subject to the Act, at such other place as the Company may determine and shall be available for inspection by the Directors during normal business hours.

67. Financial Year End

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st December of each year.

68. Financial Statements

Subject to any rights to waive laying of accounts pursuant to the Act, financial statements as required by the Act shall be laid before the Shareholders at the annual general meeting of Shareholders.

AUDIT

69. Appointment of Auditor

The Company shall appoint Auditors to hold office for such period and otherwise as in accordance with the Act. Whenever a casual vacancy occurs in the office of the Auditors, the Audit Committee may appoint Auditors to hold office until the close of the next annual general meeting. No Auditor may be a Shareholder and no Director, Officer or employee of the Company shall, during his or her continuance in office, be eligible to act as an Auditor of the Company.

70. Remuneration of Auditor

Unless fixed by the Company in a general meeting, the remuneration of the Auditor shall be as determined by the Audit Committee.

71. Report of the Auditor

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to provisions of the Act, the accounts of the Company shall be audited by the Auditor at least once in every year.

NOTICES

72. Notices to Shareholders of the Company

A notice may be given by the Company to any Shareholder either by delivering it to such Shareholder in person or by sending it to such Shareholder's address in the Register of Shareholders or to such other address given for the purpose. For the purposes of this Bye-Law 72, a notice may be sent by mail, courier service, facsimile, email or other mode of representing words in a legible form.

73. Notices to Joint Shareholders

Any notice required to be given to a Shareholder shall, with respect to any shares held jointly by two or more Persons, be given to whichever of such Persons is named first in the Register of Shareholders and notice so given shall be sufficient notice to all of the holders of such shares.

74. Service and Delivery of Notice

Any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission (which shall be deemed to be two calendar days from deposit in the case of mail) and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if mailed, and the time when it was mailed, delivered to the courier or transmitted by facsimile, email, or such other method, as the case may be.

SEAL OF THE COMPANY

75. The Seal

The seal of the Company shall be in such form as the Board may from time to time determine. The Board may adopt one or more duplicate seals.

76. Manner in which Seal is to be Affixed

Subject to Bye-Law 48, the seal of the Company shall not be affixed to any instrument except attested by the signature of a Director and the Secretary or any two Directors, or any person appointed by the Board for the purpose, provided that any Director, Officer or Resident Representative, may affix the seal of the Company attested by such Director, Officer or Resident Representative's signature to any authenticated copies of these Bye-Laws, the incorporating documents of the Company, the minutes of any meetings or any other documents required to be authenticated by such Director, Officer or Resident Representative. Any such signature may be printed or affixed by mechanical means on any share certificate, debenture, share or other security certificate.

WINDING-UP

77. Winding-Up/Distribution by Liquidator

If the Company shall be wound up, the liquidator may, with the sanction of a resolution of the Shareholders, divide amongst the Shareholders in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts as the liquidator shall think fit for the benefit of the Shareholders, provided that no Shareholder shall be compelled to accept any shares or other securities or assets whereon there is any liability.

ALTERATION OF BYE-LAWS

78. Alteration of Bye-Laws

No Bye-Law shall be rescinded, altered or amended and no new Bye-Law shall be made until the same has been approved by a resolution of the Board and by a resolution of the Shareholders; provided that (i) no such rescission, alteration or amendment of, or the adoption of any Bye-Law or provision inconsistent with, Bye-Law 45(1)(ii) or any material defined term used in such Bye-Law, shall permit the alteration or abrogation of any of the special rights attached to any class of preference shares then outstanding unless such rescission, alteration or amendment, or such new Bye-Law, receives the affirmative vote of the holders of at least three-quarters of the issued and outstanding shares of that class, (ii) no such rescission, alteration or amendment of, or the adoption of any Bye-Law or provision inconsistent with, Bye-Law 35 or any material defined term used in such Bye-Law, shall be approved by the Shareholders without the affirmative vote of the holders of at least three-quarters of the total combined voting power of all issued and outstanding shares of the Company, (iii) no such rescission, alteration or amendment of, or the adoption of any Bye-Law or provision inconsistent with, Bye-Law 52 or 53 or any material defined term used in such Bye-Laws, shall be approved by the Shareholders at any time when there shall be an Interested Shareholder without the affirmative vote of at least a majority of the votes cast by holders of shares that are not Beneficially Owned by the Interested Shareholder, and (iv) no such rescission, alteration or amendment of, or the adoption of any Bye-Law or provision inconsistent with, Bye-Law 25 or 26 or any material defined term used in such

Bye-Laws, shall affect the waiver of any claim or right of action with respect to past acts or omissions.



INVESCO LTD. 2016 GLOBAL EQUITY INCENTIVE PLAN

RESTRICTED STOCK AWARD AGREEMENT – TIME VESTING
Non-transferable

Invesco Ltd. ("Company")

hereby awards to

[Participant Name]
("Participant" or "you")

[Number of Shares Granted]
Restricted Shares of the Company ("Award")

as of [Grant Date] ("Grant Date")

Subject to the conditions of (i) the Invesco Ltd. 2016 Global Equity Incentive Plan as in effect from time to time ("Plan"), (ii) any Remuneration Policy of Invesco Ltd. or its Affiliates as in effect from time to time to the extent such policy is applicable to you (the "Remuneration Policy"), and (iii) this Award Agreement, the Company hereby issues to you the number of Restricted Shares set forth above, which shall become vested and non-forfeitable on the third anniversary of the Grant Date.

This Award shall be effective as of the Grant Date set forth above. By accepting this Award Agreement, you acknowledge that you have received a copy of the Plan's prospectus, that you have read and understood the following Terms and Conditions, which are incorporated herein by reference, and that you agree to the following Terms and Conditions and the terms of the Plan, the Remuneration Policy and this Award Agreement. If you fail to accept this Award Agreement within sixty (60) days after the Grant Date set forth above, the Company may determine that this Award has been forfeited.

ACCEPTED AND AGREED TO by you as of the Grant Date set forth above.

Participant

_____
Signature

TERMS AND CONDITIONS – Restricted Shares – Time Vesting

1. Plan Controls; Restricted Shares. In consideration of this Award, you hereby promise to honor and to be bound by the Plan, the Remuneration Policy and this Award Agreement, including the following terms and conditions, which serve as the agreed basis for your Award. The terms contained in the Plan and the Remuneration Policy are incorporated into and made a part of this Award Agreement, and this Award Agreement shall be governed by and construed in accordance with the Plan, and, if applicable, the Remuneration Policy. In the event of any actual or alleged conflict between the provisions of any of the Plan, the Remuneration Policy, if applicable, and this Award Agreement, (i) the provisions of the Remuneration Policy, if applicable, shall control and, to the extent of any conflict, be deemed to amend the Plan and the Award Agreement, and (ii) the provisions of the Plan shall control and, to the extent of any conflict, be deemed to amend the Award Agreement. The "Restricted Shares" are the Shares specified on page 1 hereof that are issued to you pursuant to Section 9 of the Plan, subject to forfeiture as set forth below and the additional terms of this Award Agreement. Unless the context otherwise requires, and solely for purposes of these Terms and Conditions, the term "Company" means Invesco Ltd., its Affiliates and their respective successors and assigns, as applicable, and "Employer" means the Company or Affiliate that employs you. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Plan.

2. Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered. Upon your Termination of Service for any reason other than as set forth in paragraphs (b)-(e) of Paragraph 3 hereof, you shall forfeit all of your right, title and interest in and to the Restricted Shares as of the date of your Termination of Service, except as determined by the Committee pursuant to Paragraph 3.1 hereof.

3. Expiration and Termination of Restrictions. The restrictions imposed under Paragraph 2 hereof will expire, and the Restricted Shares will become unrestricted Shares, on the earliest to occur of the following:

(a) the dates specified on page 1 hereof, provided that you have not experienced a Termination of Service before such respective dates, or
(b) your Termination of Service due to death or Disability, or
(c) your involuntary Termination of Service, other than for Cause or unsatisfactory performance, as determined in the sole discretion of the Head of Human Resources, provided that you sign a severance agreement in the form stipulated by the Company or your Employer, within 60 days after your Termination of Service or such other time as the Company or your Employer may determine, and the severance agreement has become irrevocable, or
(d) immediately before a Change in Control, if this Award Agreement is not assumed, converted or replaced in connection with the transaction that constitutes the Change in Control, or
(e) your Termination of Service during the 24-month period following a Change in Control either (i) by your Employer other than for Cause or unsatisfactory performance, or (ii) by you for Good Reason.

Upon the expiration or termination of an applicable restriction set forth in this Section 3, unrestricted Shares will be delivered to you as soon thereafter as practicable.

3.1 Discretionary Vesting. If any or all of your Restricted Shares would be forfeited upon your voluntary Termination of Service, you may appeal the forfeiture pursuant to the procedures established by the Committee, and the Committee, in its sole discretion, may waive some or all of the restrictions imposed under Paragraph 2 with respect to such Restricted Shares and award to you unrestricted Shares to the extent permitted under the applicable guidelines adopted by the Committee.

4. Shareholder Rights; Accrued Dividends. Upon issuance of the Restricted Shares, you shall have voting rights with respect to the Restricted Shares. Dividends, if any, declared and paid on the Restricted Shares shall be accrued by the Company while subject to restriction and paid to you in cash only if and when the related Shares vest and become non-forfeitable as provided in Paragraph 3 hereof. Any such accrued dividends shall be paid to you no later than 30 days after the applicable vesting date. If you forfeit any Restricted Shares, you shall not be entitled to receive any accrued dividends previously declared on such Restricted Shares.

5. Notice Period Requirement. During your employment with the Employer, you and, in the absence of Cause, the Employer shall be required to give to the other [xxx] (x) months' advance written notice of the intent to terminate your employment relationship (the "Notice Period"). Your employment with the Employer shall not terminate until the expiration of the Notice Period, *provided, however,* the Employer shall have the right, in its sole discretion, to relieve you of any or all of your duties and responsibilities by placing you on paid administrative leave during the Notice Period and shall not be required to provide you with work or access to the Employer's offices during such leave. You shall be entitled to continue to receive your salary and certain other employee benefits for the entire Notice Period, regardless of whether the Employer exercises its right to place you on paid administrative leave. You are prohibited from working in any capacity for yourself or any other business during the Notice Period without the prior written consent of the Company. Notwithstanding the foregoing, at any time during your employment relationship the Employer may, effective immediately and without the benefit of the Notice Period, terminate the employment relationship for Cause. The date on which your employment terminates shall be your "Termination Date" for purposes of this Award Agreement.

6. Employment Matters. You agree that this Award Agreement is entered into and is reasonably necessary to protect the Company's investment in your advancement opportunity, training and development and to protect the goodwill and other legitimate business interests of the Company. You also agree that, in consideration of the confidential information, trade secrets and training and development provided to you, you will abide by the restrictions set forth in this Paragraph 6, and you further agree and acknowledge that the restrictions set forth in this Paragraph 6 are reasonably necessary to protect the confidential and trade secret information provided to you.

6.1 Nondisclosure. You agree that, in the event of your Termination of Service for any reason, whether during or following the period when the Restricted Shares are subject to vesting restrictions (the "Restriction Period"), you shall not directly or indirectly use for yourself or any other business or disclose to any person any Confidential Information (as defined below) without the prior written consent of the Company during the period that it remains confidential and non public or a trade secret under applicable law. "Confidential Information" means all non-public information (whether a trade secret or not and whether proprietary or not) relating to the Company's business and its customers that the Company either treats as confidential or is of value to the Company or is important to the Company's business or operations, including but not limited to the following specific items: trade secrets (as defined by applicable law); actual or prospective customers and customer lists; marketing strategies; sales; actual and prospective pricing; products; know-how; research and development; intellectual property; information systems and software; business plans and projections; negotiations and contracts; financial or cost data; employment, compensation and personnel information; and any other non-public business information regarding the Company and the Company's Affiliates. In addition,

trade secrets will be entitled to all of the protections and benefits available under applicable law.

6.2 Nonrecruitment; Nonsolicitation. You agree that during your employment with your Employer and until six (6) months following your Termination Date, in the event of your Termination of Service for any reason, whether during or following the Restriction Period (the "Covenant Period"), you shall not directly or indirectly, individually or in concert with any other person or entity (i) recruit, induce or attempt to recruit or induce any employee of the Company with whom you worked or otherwise had Material Contact (as defined below) during your employment to leave the employ of the Company or any of its Affiliates or otherwise lessen that party's affiliation with the Company, or (ii) solicit, divert, take away or attempt to solicit, divert or take away any then-current or proposed client or customer of the Company with whom you had Material Contact during your employment for purposes of offering, providing or selling investment management products or services offered by the Company at the date of your Termination of Service that were offered, provided and/or sold by you on the Company's behalf. For purposes of this provision, you had "Material Contact" with an employee if (i) you had a supervisory relationship with the employee or (ii) you worked or communicated with the employee on a regular basis; and you had "Material Contact" with a current or proposed client or customer if (i) you had business dealings with the current or proposed client or customer on behalf of the Company or (ii) you supervised or coordinated the dealings between the Company and the current or proposed client or customer.

6.3 Enforceability of Covenants. You acknowledge that the Company has a current and future expectation of business from the current and proposed customers of the Company. You acknowledge that the term and scope of the covenants set forth herein are reasonable, and you agree that you will not, in any proceeding, assert the unreasonableness of the premises, consideration or scope of the covenants set forth herein. You and the Company agree that if any portion of the foregoing covenants is deemed to be unenforceable because any of the restrictions contained in this Award Agreement are deemed too broad, the court shall be authorized to provide partial enforcement of such covenants, substitute an enforceable term or otherwise modify the Award Agreement in a manner that will enable the enforcement of the covenants to the maximum extent possible under applicable law. You agree that any breach of these covenants will result in irreparable damage and injury to the Company and that the Company will be entitled to injunctive relief without the necessity of posting any bond. You also agree that you shall be responsible for all damages incurred by the Company due to any breach of the restrictive covenants contained in this Award Agreement and that the Company shall be entitled to have you pay all costs and attorneys' fees incurred by the Company in enforcing the restrictive covenants in this Award Agreement.

7. Relationship to Other Agreements. Subject to the limitations set forth below, in the event of any actual or alleged conflict between the provisions of this Award Agreement and (i) any other agreement regarding your employment with the Employer ("Employment Agreement"), or (ii) any prior agreement or certificate governing any award of a direct or indirect equity interest in the Company (the documents described in clauses (i) and (ii) hereof being collectively referred to as the "Other Agreements"), the provisions of this Award Agreement shall control and, to the extent of any conflict, be deemed to amend such Other Agreement. Notwithstanding the foregoing, in the event that the Notice Period referred to in Paragraph 5 or the Nondisclosure Period or Covenant Period referred to in Paragraph 6 of this Award Agreement is shorter in duration than that provided in an Employment Agreement, the Notice Period, Nondisclosure Period or Covenant Period (as applicable) set forth in the Employment Agreement shall apply.

8. Employee Data Privacy. Pursuant to applicable personal data protection laws, the Company hereby notifies you of the following in relation to your personal data and the collection, use, processing and transfer (collectively, the "Use") of such data in relation to the Company's grant of the Restricted Shares and your participation in the Plan. The Use of your personal data is necessary for the Company's administration of the Plan and your participation in the Plan. Your denial and/or objection to the Use of personal data may affect your participation in the Plan. As such, you voluntarily acknowledge, consent and agree (where required under applicable law), to the Use of personal data as described in this Paragraph 8.

The Company and the Employer hold certain personal information about you, which may include your name, home address and telephone number, date of birth, social security number or other employee identification number, salary, job title, any Shares held by you, details of all Restricted Shares or any other entitlement to Shares awarded in your favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by you or collected, where lawful, from the Company, Affiliates or third parties, and the Company or the Employer will process the Data for the exclusive purpose of implementing, administering and managing your participation in the Plan. The data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in your country of residence (and country of employment, if different). Data processing operations will be performed minimizing the use of personal and identification data when such data are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for your participation in the Plan.

The Company and the Employer will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan, and the Company and the Employer may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. You hereby authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf to a broker or other third party with whom you may elect to deposit any Shares acquired pursuant to the Plan.

You may, at any time, exercise your rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) oppose, for legal reasons, the collection, processing or transfer of the Data that is not necessary or required for the implementation, administration and/or operation of the Plan and your participation in the Plan. You may seek to exercise these rights by contacting your Employer's human resources manager or Invesco, Ltd., Manager, Executive Compensation, 1555 Peachtree Street, NE, Atlanta, Georgia 30309.

9. Income Taxes and Social Insurance Contribution Withholding. Regardless of any action the Company or the Employer takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (i) makes no representations or undertakings regarding the treatment of any Tax-

Related Items in connection with any aspect of the Restricted Shares, including the grant of the Restricted Shares, the vesting of the Restricted Shares, the subsequent sale of any Shares with respect to which any applicable restrictions have lapsed and the receipt of any dividends; and (ii) does not commit to structure the terms of the grant or any aspect of the Restricted Shares to reduce or eliminate your liability for Tax-Related Items. Further, if you become subject to taxation in more than one country between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one country.

If your country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a portion of the Restricted Shares or Shares with respect to which applicable restrictions have lapsed that have an aggregate Fair Market Value on the vesting date sufficient to pay the minimum Tax-Related Items required to be withheld with respect to the Restricted Shares. For purposes of the foregoing, no fractional Shares or Restricted Shares will be withheld pursuant to the grant or vesting of the Restricted Shares hereunder. Alternatively (or in combination), the Company or the Employer may, in its discretion, withhold any amount necessary to pay the Tax-Related Items from your regular salary or other amounts payable to you, with no withholding of Shares or Restricted Shares, or may require you to submit payment equivalent to the minimum Tax-Related Items required to be withheld with respect to the Shares or Restricted Shares by means of certified check, cashier's check or wire transfer. By accepting the Restricted Shares, you expressly consent to the methods of withholding as provided hereunder. All other Tax-Related Items related to the Restricted Shares and the vesting thereof shall be your sole responsibility.

To the extent the Company or the Employer pays any Tax-Related Items that are your responsibility ("Advanced Tax Payments"), the Company or the Employer shall be entitled to recover such Advanced Tax Payments from you in any and all manner that the Company determines appropriate in its sole discretion. For purposes of the foregoing, the manner of recovery of the Advanced Tax Payments shall include (but is not limited to) offsetting the Advanced Tax Payments against any and all amounts that may be otherwise owed to you by the Company or the Employer (including regular salary/wages, bonuses, incentive payments and Shares acquired by you pursuant to any equity compensation plan that are otherwise held by the Company for your benefit).

10. Code Section 409A. In the event that any amounts payable pursuant to Paragraph 5 of this Award Agreement constitute nonqualified deferred compensation under Section 409A of the Code, those amounts shall be subject to the provisions of Section 13(g) of the Plan as if the amounts were Awards under the Plan.

11. Notice. Notices and communications under this Award Agreement must be in writing and either personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Invesco Ltd., Manager, Executive Compensation, 1555 Peachtree Street, NE, Atlanta, Georgia 30309, or to any other address designated by the Company in a written notice to you. Notices to you will be directed to your address then currently on file with the Company, or to any other address given by you in a written notice to the Company.

12. Repatriation; Compliance with Laws. As a condition to the grant of these Restricted Shares, you agree to repatriate all amounts attributable to the Restricted Shares in accordance with local foreign exchange rules and regulations in your country of residence (and country of employment, if different). In addition, you also agree to take any and all actions, and consent to any and all actions taken by the Company, the Employer and the Company's local Affiliates, as may be required to allow the Company, the Employer and the Company's local Affiliates to comply with local laws, rules and regulations in your country of residence (and country of employment, if different). Finally, you agree to take any and all actions as may be required to comply with your personal legal and tax obligations under local laws, rules and regulations in your country of residence (and country of employment, if different).

13. Discretionary Nature of Plan; No Vested Rights. You acknowledge and agree that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time as provided under the Plan. The grant of the Restricted Shares under the Plan is a one-time benefit and does not create any contractual or other right to receive Restricted Shares or other awards or benefits in lieu of Restricted Shares in the future. Future awards, if any, will be at the sole discretion of the Committee, including, but not limited to, the form and timing of an award, the number of Shares subject to an award and the vesting provisions.

14. Termination Indemnities. The value of the Restricted Shares is an extraordinary item of compensation outside the scope of your employment. As such, the Restricted Shares are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments to which you may be otherwise entitled.

15. Compliance with Age Discrimination Rules. For purposes of this Award Agreement, if you are a local national of and employed in a country that is a member of the European Union, the grant of the Restricted Shares and the terms and conditions governing the Restricted Shares are intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent a court or tribunal of competent jurisdiction determines that any provision of the Restricted Shares or this Award Agreement or the Plan is invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, the Company shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

16. Use of English Language. You acknowledge and agree that it is your express intent that this Award Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted with respect to the Restricted Shares be drawn up in English. If you have received this Award Agreement, the Plan or any other documents related to the Restricted Shares translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.

17. Value of Benefit. The future value of the Shares subject to the Restricted Shares is unknown and cannot be predicted with certainty. Neither the Company, the Employer nor any Affiliate shall be liable for any foreign exchange rate fluctuation, where applicable, between your local currency and the United States dollar that may affect the value of the Restricted Shares or of any amounts due to you pursuant to the settlement of the Restricted Shares or the subsequent sale of any Shares acquired upon settlement.

18. Addendum to Award Agreement. Notwithstanding any provisions in this Award Agreement to the contrary, the Restricted Shares shall be subject to any special terms and conditions for your country of residence (and country of employment, if different), as may be set forth in an addendum to this Award Agreement ("Addendum"). Further, if you transfer residency and/or employment to another country as may be reflected in an Addendum to this Award Agreement, the special terms and conditions for such country will

apply to your Restricted Shares to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the administration of the Restricted Shares and of the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). Any applicable Addendum shall constitute part of this Award Agreement.

19. Additional Requirements. The Company reserves the right to impose other requirements on the Restricted Shares, any Shares acquired pursuant to the Restricted Shares, and your participation in the Plan, to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Restricted Shares and the Plan. Such requirements may include (but are not limited to) requiring you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

20. Insider Trading / Market Abuse Laws. Your country of residence (and country of employment, if different) may have insider trading and/or market abuse laws that may affect your ability to acquire or sell Shares under the Plan during such times you are considered to have "inside information" (as defined under local law). These laws may be the same or different from any Company insider trading policy. You acknowledge that it is your responsibility to be informed of and compliant with such regulations, and you should consult with your personal advisors for additional information.

21. Electronic Delivery and Signature. The Committee may, in its sole discretion, decide to deliver any documents related to the Restricted Shares by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Further, to the extent applicable, all references to signatures and delivery of documents in this Award Agreement can be satisfied by procedures that the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents, including this Award Agreement. Your electronic signature is the same as, and shall have the same force and effect as, your manual signature. Any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.



INVESCO LTD. 2016 GLOBAL EQUITY INCENTIVE PLAN

ADDENDUM TO

RESTRICTED STOCK AWARD AGREEMENT – TIME VESTING
Non-transferable

In addition to the terms of the Invesco Ltd. 2016 Global Equity Incentive Plan (the "Plan") and the Restricted Stock Award Agreement – Time Vesting (the "Agreement"), the Restricted Shares are subject to the following additional terms and conditions as set forth in this addendum (the "Addendum"). All defined terms as contained in this Addendum shall have the same meaning as set forth in the Plan and the Agreement. To the extent you relocate your residency and/or employment to another country, the additional terms and conditions as set forth in the addendum for such country (if any) shall also apply to the Restricted Shares to the extent the Company determines, in its sole discretion, that the application of such addendum is necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the Restricted Shares and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer).

UNITED ARAB EMIRATES

1. Securities Law Notification. The Agreement, the Plan and other incidental communication materials concerning the Restricted Shares are intended for distribution only to employees of the Company or its Affiliates. The Dubai Technology and Media Free Zone Authority, Emirates Securities and Commodities Authority and/or the Central Bank has no responsibility for reviewing or verifying any documents in connection with the Restricted Shares. Neither the Ministry of Economy nor the Dubai Department of Economic Development has approved these communications nor taken steps to verify the information set out in them, and have no responsibility for them. Further, the Restricted Shares may be illiquid and/or subject to restrictions on their resale, even after vesting. You should conduct your own due diligence on the Restricted Shares. If you are in any doubt about any of the contents of the grant or other incidental documents, you should obtain independent professional advice.

UNITED KINGDOM

1. Income Tax and Social Insurance Contribution Withholding. The following provision shall replace Section 9 of the Agreement:

Regardless of any action the Company and the Employer takes with respect to any or all income tax, primary Class 1 National Insurance contributions, payroll tax or other tax-related withholding attributable to or payable in connection with or pursuant to the grant or vesting of any Restricted Shares or the release or assignment of any Restricted Shares for consideration, or the receipt of any other benefit in connection with the Restricted Shares ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility. Furthermore, the Company and the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Shares, including the grant or vesting of the Restricted Shares, the subsequent sale of any unrestricted Shares and the receipt of any dividends or dividend equivalents; and (b) do not commit to structure the terms of the grant or any aspect of the Restricted Shares to reduce or eliminate your liability for Tax-Related Items.

As a condition of the lifting of restrictions on the Restricted Shares upon vesting of the Restricted Shares, the Company and/or the Employer shall be entitled to withhold and you agree to pay, or make adequate arrangements satisfactory to the Company and/or the

Employer to satisfy, all obligations of the Company and/or the Employer to account to HM Revenue & Customs ("HMRC") for any Tax-Related Items. In this regard, you authorize the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by you from any salary/wages or any other cash compensation payable to you. Alternatively, or in addition, if permissible under local law, you authorize the Company and/or the Employer, at its discretion and pursuant to such procedures as it may specify from time to time, to satisfy the obligations with regard to all Tax-Related Items legally payable by you by one or a combination of the following: (a) withholding otherwise deliverable Shares; (b) arranging for the sale of Shares otherwise deliverable to you (on your behalf and at your direction pursuant to this authorization); or (c) withholding from the proceeds of the sale of Shares acquired upon the vesting of the Restricted Shares. If the obligation for Tax-Related Items is satisfied by withholding a number of Shares as described herein, you shall be deemed to have been issued the full number of Shares subject to the Restricted Shares, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Restricted Shares. If, by the date on which the event giving rise to the Tax-Related Items occurs (the "Chargeable Event"), you have relocated to a jurisdiction other than the United Kingdom, you acknowledge that the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction, including the United Kingdom. You also agree that the Company and the Employer may determine the amount of Tax-Related Items to be withheld and accounted for by reference to the maximum applicable rates, without prejudice to any right which you may have to recover any overpayment from the relevant tax authorities.

You shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to account to HMRC with respect to the Chargeable Event that cannot be satisfied by the means previously described. If payment or withholding is not made within 90 calendar days of the Chargeable Event or such other period as required under U.K. law (the "Due Date"), you agree that the amount of any uncollected Tax-Related Items shall (assuming you are not a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), constitute a loan owed by you to the Employer, effective on the Due Date. You agree that the loan will bear interest at the then-current HMRC Official Rate and it will be immediately due and repayable, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to above.

2. Exclusion of Claim. You acknowledge and agree that you shall have no entitlement to compensation or damages insofar as such entitlement arises or may arise from you ceasing to have rights under or to be entitled to vest in your Restricted Shares as a result of such termination (whether the termination is in breach of contract or otherwise), or from the loss or diminution in value of your Restricted Shares. Upon the grant of your Restricted Shares, you shall be deemed to have waived irrevocably any such entitlement.

* * * * *

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Andrew R. Schlossberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Invesco Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 2, 2023

/s/ ANDREW R. SCHLOSSBERG

Andrew R. Schlossberg
President and Chief Executive Officer

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, L. Allison Dukes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Invesco Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 2, 2023

/s/ L. ALLISON DUKES

L. Allison Dukes
Senior Managing Director and Chief Financial Officer

CERTIFICATION OF MARTIN L. FLANAGAN
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Invesco Ltd.'s (the "Company") Quarterly Report on Form 10-Q for the period ended June 30, 2023 (the "Report"), I, Andrew R. Schlossberg, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 2, 2023

/s/ ANDREW R. SCHLOSSBERG

Andrew R. Schlossberg
President and Chief Executive Officer

CERTIFICATION OF L. ALLISON DUKES
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Invesco Ltd.'s (the "Company") Quarterly Report on Form 10-Q for the period ended June 30, 2023 (the "Report"), I, L. Allison Dukes, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 2, 2023

/s/ L. ALLISON DUKES

L. Allison Dukes
Senior Managing Director and Chief Financial Officer