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FORM 10-K
(Annual Report)

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Industry	Investment Services
Sector	Financial
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2007

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 1-13908

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.)
1360 Peachtree Street, NE, Atlanta, GA	**30309**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(404) 892-0896**

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

Title of Each Class	Name of Exchange on Which Registered
Common Shares, $0.20 par value per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 ☑

(The registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007 contained financial statements prepared in accordance with International Financial Reporting Standards.)

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be

contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

At June 30, 2007, the aggregate market value of the voting stock held by non-affiliates was $8.4 billion, based on the closing price of (i) the registrant's Ordinary Shares, par value U.S. $0.10 per share, on the London Stock Exchange and (ii) the registrant's American Depositary Shares (each representing two (2) Ordinary Shares) on the New York Stock Exchange.

Following the registrant's December 4, 2007 redomicile and reverse stock split transactions, as of January 31, 2008, the most recent practicable date, 424,767,233 million of the company's common shares, par value U.S. $0.20 per share, were outstanding. The primary market for the common shares is the New York Stock Exchange.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant will incorporate by reference information required in response to Part III, Items 10 - 14 in its definitive Proxy Statement for its annual meeting of shareholders, to be filed with the Securities and Exchange Commission within 120 days after December 31, 2007.

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We include cross references to captions elsewhere in this Annual Report on Form 10-K, 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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SPECIAL CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We believe it is important to communicate our future expectations to our shareholders and to the public. This Report, the documents incorporated by reference herein, other public filings and oral and written statements by us and our management, may include statements that constitute "forward-looking statements" within the meaning of the United States securities laws. These statements are based on the beliefs and assumptions of our management and on information available to us at the time such statements are made. Forward-looking statements include information concerning possible or assumed future results of our operations, earnings, liquidity, cash flows and capital expenditures, industry or market conditions, assets under management, acquisition activities and the effect of completed acquisitions, debt levels and our ability to obtain additional financing or make payments on our debt, regulatory developments, demand for and pricing of our products and other aspects of our business or general economic conditions. In addition, when used in this Report, the documents incorporated by reference herein or such other documents or statements, words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," and future or conditional verbs such as "will," "may," "could," "should," and "would," and any other statement that necessarily depends on future events, are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Although we make such statements based on assumptions that we believe to be reasonable, 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.

The following important factors, and other factors described elsewhere or incorporated by reference in this Report or in our other filings with the U.S. Securities and Exchange Commission ("SEC"), among others, could cause our results to differ materially from any results described in any forward-looking statements:

- variations in demand for our investment products or services, including termination or non-renewal of our investment advisory agreements;
- significant changes in net cash flows into or out of the accounts we manage or declines in market value of the assets in, or redemptions or other withdrawals from, those accounts;
- significant fluctuations in the performance of debt and equity markets worldwide;
- exchange rate fluctuations, especially as against the U.S. dollar;
- the effect of economic conditions and interest rates in the U.S. or globally;
- our ability to compete in the investment management business;
- the effect of consolidation in the investment management business;
- limitations or restrictions on access to distribution channels for our products;
- our ability to attract and retain key personnel, including investment management professionals;
- the investment performance of our investment products;
- our ability to acquire and integrate other companies into our operations successfully and the extent to which we can realize anticipated cost savings and synergies from such acquisitions;
- changes in regulatory capital requirements;
- our substantial debt and the limitations imposed by our credit facility;
- the effect of failures or delays in support systems or customer service functions, and other interruptions of our operations;
- the occurrence of breaches and errors in the conduct of our business, including any failure to properly safeguard confidential and sensitive information;
- the execution risk inherent in our current company-wide transformational initiatives;
- the effect of political or social instability in the countries in which we invest or do business;
- the effect of terrorist attacks in the countries in which we invest or do business and the escalation of hostilities that could result therefrom;
- enactment of adverse state, federal or foreign legislation or changes in government policy or regulation (including accounting standards) affecting our operations or the way in which our profits are taxed;
- war and other hostilities in or involving countries in which we invest or do business; and
- adverse results in litigation, including private civil litigation related to mutual fund fees and any similar potential regulatory or other proceedings.

Other factors and assumptions not identified above were also involved in the derivation of these forward looking statements, and the failure of such other assumptions to be realized may also cause actual results to differ materially from those projected. For more discussion of the risks affecting us, please refer to Part 1, Item 1A, “Risk Factors”.

You should consider the areas of risk described above in connection with any forward-looking statements that may be made by us and our businesses generally. We expressly disclaim any obligation to update any of the information in this or any other public report if any forward-looking statement later turns out to be inaccurate, whether as a result of new information, future events or otherwise. For all forward-looking statements, we claim the “safe harbor” provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

PART I

In this Annual Report on Form 10-K, unless otherwise specified, the terms “we,” “our,” “us,” “company,” “Invesco,” and “Invesco Ltd.” refer to Invesco Ltd., a company incorporated in Bermuda, and its subsidiaries.

Item 1. *Business*

Introduction

Invesco is a leading independent global investment management company, dedicated to helping people worldwide build their financial security. By delivering the combined power of our distinctive worldwide investment management capabilities, including AIM, Atlantic Trust, Invesco, Perpetual, PowerShares, Trimark and WL Ross, Invesco provides a comprehensive array of enduring solutions for retail, institutional and high-net-worth clients around the world. Operating in 20 countries, Invesco had $500.1 billion in assets under management (AUM) as of December 31, 2007.

The key drivers of success for Invesco are long-term investment performance and client service delivered across a diverse spectrum of capabilities, distribution channels, geographic areas and market exposures. By achieving success in these areas, we seek to generate positive net flows, increased AUM and associated revenues. We are affected significantly by market movements, which are beyond our control; however, we endeavor to mitigate the impact of market movement by offering broad capability, client and geographical diversification. We measure relative investment performance by comparing our investment capabilities to competing products, industry benchmarks and client investment objectives. Generally, distributors, investment advisors and consultants heavily weigh longer-term performance (e.g., three-year and five-year performance) in selecting the investment capabilities they recommend to their customers, although shorter-term performance may also be an important consideration. Third-party ratings can also have an influence on client investment decisions. Quality of client service is monitored in a variety of ways, including periodic client satisfaction surveys, analysis of response times and redemption rates, competitive benchmarking of services and feedback from investment consultants.

Invesco Ltd. is organized under the laws of Bermuda, and our common shares are listed and traded on the New York Stock Exchange under the symbol “IVZ.” We maintain a Web site at www.Invesco.com. (Information contained on our Web site shall not be deemed to be part of, or to be incorporated into, this document).

Strategy

The company is focusing on four key strategic drivers that we believe will contribute to our long-term success:

- Achieve strong investment performance over the long term by having clearly articulated investment disciplines and providing truly enduring solutions to our clients;
- Deliver the combined power of our distinctive investment management capabilities anywhere in the world to meet our clients’ needs;
- Unlock the power of our global operating platform by simplifying our processes and procedures and integrating the support structures of our business globally; and
- Continue to build a high-performance organization by fostering greater transparency, accountability and execution at all levels.

Prior to 2006, Invesco operated as a collection of diverse business units. During 2006 and 2007, Invesco increasingly leveraged the individual strengths of these business units by working more effectively as a unified global organization. Under the leadership of chief executive officer (CEO) Mr. Martin L. Flanagan, the company developed and is implementing a comprehensive operating plan designed to achieve our strategic objectives. We believe these changes have strengthened the business. Invesco’s primary senior management team consists of the CEO and eight direct reports, each of whom has responsibility for a core aspect of our global business. Since we take a unified approach to our business, we are presenting our financial statements and other disclosures under the single operating segment “asset management.”

Recent Developments

In September 2006, we acquired PowerShares, a leading provider of exchange-traded funds (ETFs). As of December 31, 2007, PowerShares managed approximately $14.5 billion in assets and offered investors more than 100 domestic and international ETFs. In October 2006, we acquired WL Ross & Co., one of the industry's leading financial restructuring groups, expanding the range of high-quality alternative investment offerings for our clients. Led by Wilbur Ross and his team, WL Ross & Co. assumed responsibility for the direct private equity operations of Invesco, with $6.8 billion in combined assets under management as of year end 2007. Our 2007 operating results include a full year of operations of both PowerShares and WL Ross & Co.

On May 24, 2007, with approval from our shareholders, we changed our name from AMVESCAP PLC to Invesco PLC to better reflect our position as an integrated global company. We chose Invesco from among our many powerful brands since Invesco is recognized in every market in which we operate and because being an investment management company is embedded in the name. On November 5, 2007, we introduced a new brand identity for Invesco. This move was part of our long-range brand strategy that will further unify our company and build on the strength of our existing brands to help us promote our global investment management expertise.

Throughout the year, we remained committed to executing on our comprehensive operating plan. At the same time, we were intensely focused on investing for growth. Our focus on continuous improvement gave us the flexibility to invest in our core markets and in the long-term success of our business. During 2007, we undertook a number of initiatives that provided the resources for reinvesting in our business, including:

- Transformation of our Operations and Technology group and our North American retail operations; and
- Rationalization of our enterprise support, institutional sales and service and transfer agent operations.

These initiatives provided resources that were reinvested in the business to support our expansion in key markets, launch new products, enhance our infrastructure and retain and motivate our high-performing employees. See Part II, Item 8, "Financial Statements and Supplementary Data - Note 13, Restructuring Charge" for additional details.

Operating margin and net operating margin increased to 25.6% and 36.0% in 2007, respectively, from 23.4% and 31.4% in 2006, respectively. See Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Schedule of Non-GAAP Information" for a reconciliation of operating income to net operating income (and by calculation, a reconciliation of operating margin to net operating margin) and for important additional disclosures.

On December 4, 2007, we moved our primary listing to the New York Stock Exchange and redomiciled the company from the United Kingdom to Bermuda in a transaction previously approved by shareholders. To accomplish this, our predecessor company INVESCO PLC effected a court-approved U.K. Scheme of Arrangement under which our shareholders received common shares in Invesco Ltd., our new Bermuda parent company, in exchange for their ordinary shares in INVESCO PLC. Holders of our American Depositary Shares (ADSs) and our Canadian exchangeable shares also received common shares in the new Bermuda parent company. Following the redomicile, Invesco Ltd. effected a one-for-two reverse stock split, such that all of our shareholders now hold common shares, par value $0.20 per share, in Invesco Ltd. Per share amounts have been adjusted throughout this Annual Report on Form 10-K to give effect to the reverse stock split. See Part I, Item 4, "Submission of Matters to a Vote of Security Holders" and Part II, Item 8, "Financial Statements and Supplementary Data — Note 1, Accounting Policies" for additional information.

Certain Demographic and Industry Trends

During 2007, we saw demographic and economic trends around the world continue to transform the investment management industry and our business:

- Population and economic growth are creating a larger universe of investable assets and a growing number of investors who need professional support to reach their financial goals.
- Global economic prosperity and changes in retirement needs are creating a larger middle class of investors, resulting in the growth of mutual funds around the globe. The greater reliance on self-funded retirement will result in not only a higher level of investable assets, but a greater need to be advised on how to invest effectively for the future. The effect of the recent changes to U.S. pension laws could potentially further increase the size of the defined contribution market. We believe we are well-positioned to attract these retirement assets through our products developed to meet retirement needs, including lifecycle and target maturity funds.

- We have seen increasing demand from clients for alpha and beta to be separated as investment strategies in the investment management industry. ("Alpha" is defined as excess return attributable to a manager, and "beta" refers to the return of an underlying benchmark.) This trend reflects how clients are differentiating between low-cost beta solutions such as passive, index and ETF products and higher-priced alpha strategies such as alternative products.
- Investors are increasingly seeking to invest outside their domestic markets. They seek firms that operate globally and have investment expertise in markets around the world. Invesco, with 15 distinct investment centers worldwide, has the global capabilities to benefit from this trend.

Our plans for taking the business forward acknowledge these demographic and economic trends, as well as our competitive position. Our multi-year strategy is designed to leverage our global presence, our distinctive worldwide investment management capabilities and our talented people to grow our business and ensure our long-term success.

During the last half of 2007 and continuing into early 2008 through the date of this Report, the fixed income markets experienced unprecedented disruptions impacting the liquidity and valuation of certain securities, including a variety of asset-backed securities and other securities with complex structures, particularly those exposed to sub-prime mortgage securities. These market events, in turn, caused the investment management industry to experience a marked decline in investor demand for certain credit-sensitive U.S. fixed income products, in particular certain collateralized debt obligations (CDO) vehicles that directly or indirectly held these types of securities. In addition, certain other products, including certain short duration fixed income funds, experienced liquidity and valuation difficulties with respect to investments in these types of securities. These events had a negative impact on several financial institutions, as well as many asset managers; some of these firms decided to provide financial support to these products in order to offset or prevent losses, as securities were sold at, or portfolio values adjusted to reflect, distressed prices. Although Invesco does have limited levels of exposure to these types of securities within its CDOs and certain un-registered short duration funds, among other products it manages, this exposure has not created any material financial loss or a need to fund any payment under support agreements as of the date of this Report. In addition, as of the date of this Report, none of Invesco's registered money market funds have experienced any significant liquidity or valuation disruptions as a result of these market factors.

Investment Management Capabilities

Invesco is a leading independent global investment manager with offices in 20 countries. As of December 31, 2007, Invesco managed $500.1 billion in assets for retail, institutional and high-net-worth investors around the world. By delivering the combined power of our distinctive worldwide investment management capabilities, including AIM, Atlantic Trust, Invesco, Perpetual, PowerShares, Trimark and WL Ross, Invesco provides a comprehensive array of enduring solutions for our clients. Invesco shares are traded publicly on the New York Stock Exchange under the symbol "IVZ."

Supported by a global operating platform, Invesco delivers a broad array of investment products and services to retail, institutional and high-net-worth investors on a global basis. We have a significant presence in the institutional and retail segments of the investment management industry in North America, Europe and Asia-Pacific, with clients in more than 100 countries.

We are committed to delivering the combined power of our distinctive worldwide investment management capabilities globally. We believe that our discipline-specific teams provide us with a competitive advantage. In addition, we offer multiple investment objectives within the various asset classes and products that we manage. Our asset classes include money market, fixed income, balanced, equity and alternatives. Approximately 49.6% of our AUM as of December 31, 2007, was invested in equities, with the balance invested in fixed income and other securities. We believe that having our investment professionals working in and investing from many of the world's financial markets is one of our core strengths.

The following table sets forth the investment objectives by which we manage, sorted by asset class:

Objectives by Asset Class

Money Market	Fixed Income	Balanced	Equity	Alternatives
Prime	Convertibles	Core	Small Cap Core	Financial Structures
Government/Treasury	Core/Core Plus	Global	Small Cap Growth	Absolute Return
Tax-Free	Emerging Markets	Asset Allocation	Small Cap Value	U.S. REITS
Cash Plus	Enhanced Cash		Medium Cap Core	Global REITS
	Government Bonds		Medium Cap Growth	U.S. Direct Real Estate
	High-Yield Bonds		Medium Cap Value	European Direct Real Estate
	High-Yield Loans		Large Cap Core	Private Capital Direct Investments
	Index		Large Cap Growth	Private Capital Fund of Funds
	Intermediate		Large Cap Value	Multiple Asset Strategies
	International/Global		Enhanced Index	Asset Allocation
	Municipal Bonds		Sector Funds	
	Short Bonds		International	
	Stable Value		Global	
			Regional/Single Country	

The following table sets forth the categories of products sold through our three principal distribution channels:

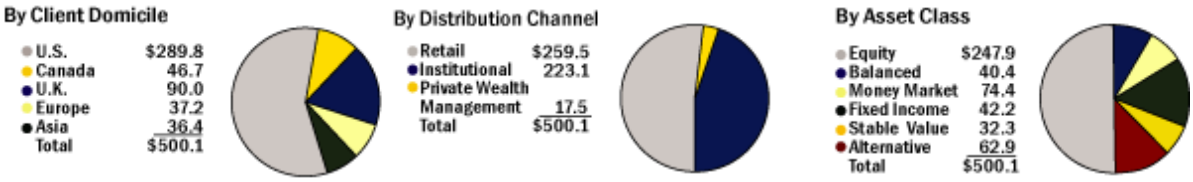
Investment Vehicles by Distribution Channel

Retail	Institutional	Private Wealth Management
Mutual Funds	Institutional Separate Accounts	Separate Accounts
ICVCs*	Collective Trust Funds	Managed Accounts
Investment Trusts	Managed Accounts	Mutual Funds
Individual Savings Accounts	Exchange-Traded Funds	Exchange-Traded Funds
Exchange-Traded Funds	Private Capital Funds	Private Capital Funds

* *Investment companies with variable capital*

The following tables present a breakdown of AUM by client domicile, distribution channel and asset class as of December 31, 2007:

AUM Diversification *($ in billions)*



See Part II, Item 8, “Financial Statements and Supplementary Data — Note 14, “Geographic Information,” for a geographic breakdown of our consolidated operating revenues for the years ended December 31, 2007, 2006 and 2005.

Distribution Channels

Retail

Invesco is a significant provider of retail investment solutions to clients through our distribution channels: AIM in the U.S., Trimark in Canada, Invesco Perpetual in the U.K., Invesco in Europe and Asia, and PowerShares (for our ETF products). Collectively, the retail product management teams manage $259.5 billion as of December 31, 2007. We offer retail products within all of the major asset classes (money market, fixed income, balanced, equity and alternatives). Our retail products are primarily distributed through third-party financial intermediaries, including traditional broker-dealers, fund “supermarkets,” retirement platforms, financial advisors, insurance companies and trust companies.

The U.S., Canadian and U.K. retail operations rank among the largest, by AUM, in their respective regions: as of year end 2007, AIM was the 11th largest non-proprietary mutual fund complex in the U.S., Trimark was the 5th largest retail fund manager in Canada, and Invesco Perpetual was the largest retail fund provider in the U.K. In addition, Invesco Great Wall, our joint venture in China was the second-largest Sino-foreign manager in China, with AUM of approximately $14.6 billion as of December 31, 2007. PowerShares adds a leading set of ETF products (with $14.5 billion in AUM and 105 exchanged-traded funds as of December 31, 2007) to the extensive choices available to our retail investors. In 2007, PowerShares successfully launched ETF products in Europe. We now provide our retail clients with one of the industry's most robust and comprehensive product lines.

Institutional

We provide investment solutions to institutional investors globally, with a major presence in the U.S., Canada, U.K., Continental Europe and Asia-Pacific regions through Invesco and AIM ($223.1 billion in AUM as of December 31, 2007). We offer a broad suite of domestic and global products, including traditional equities, structured equities, fixed income, real estate, private equity (expanded through our 2006 acquisition of WL Ross & Co.), financial structures, and absolute return strategies. Global and regional sales forces distribute our products and provide services to clients and intermediaries around the world. We have a diversified client base that includes major public entities, corporate, union, non-profit, endowments, foundations, and financial institutions. Clients of AIM's institutional money market funds included 22 of the 25 largest U.S. banks, nine of the largest 25 global banks, 10 of the Fortune 25 U.S. corporations, and seven of the top 25 Fortune Global Corporations all as of December 31, 2007.

Private Wealth Management

Through Atlantic Trust, Invesco provides high-net-worth individuals and their families with a broad range of personalized and sophisticated wealth management services, including financial counseling, estate planning, asset allocation, investment management (including sale of third party-managed investment products), private equity, trust, custody and family office services. Atlantic Trust also provides asset management services to foundations and endowments in the U.S. Atlantic Trust obtains new clients through referrals from existing clients, recommendations from other professionals serving the high net worth market such as attorneys and accountants and from financial intermediaries such as brokers. Atlantic Trust has offices in 11 U.S. cities and manages $17.5 billion as of December 31, 2007.

Employees

As of December 31, 2007, we had 5,475 employees, the majority of whom were located in North America. As of December 31, 2006 and 2005, we had 5,574 and 5,798 employees, respectively. None of our employees is covered under collective bargaining agreements.

Competition

The investment management business is highly competitive, with points of differentiation including investment performance, the range of products offered, brand recognition, business reputation, financial strength, the depth and continuity of relationships, quality of service and the level of fees charged for services. We compete with a large number of investment management firms, commercial banks, investment banks, broker dealers, hedge funds, insurance companies and other financial institutions. We believe that the diversity of our investment styles, product types and channels of distribution enable us to compete effectively in the investment management business. We also believe being an independent investment manager is a competitive advantage, as our business model avoids conflicts that are inherent within institutions that both distribute investment products and manage investment products.

Management Contracts

We derive substantially all of our revenues from investment management contracts with clients. Fees vary with the type of assets being managed, with higher fees earned on actively managed equity and balanced accounts, along with real estate and alternative asset products, and lower fees earned on fixed income, money market and stable return accounts. Investment management contracts are generally terminable upon thirty or fewer days' notice. Typically, mutual fund and unit trust investors may withdraw their funds at any time without prior notice. Institutional and private wealth management clients may elect to terminate their relationship with us or reduce the aggregate amount of assets under management upon very short-notice periods.

Government Regulation

As with all investment management companies, our operations and investment products are highly regulated in almost all countries in which we conduct business. Laws and regulations applied at the national, state or provincial and local level generally grant government agencies and industry self-regulatory authorities broad administrative discretion over the activities of our business, including the power to limit or restrict business activities. Possible sanctions for violations of law include the revocation of licenses to operate certain businesses, the suspension or expulsion from a particular jurisdiction or market of any of our business organizations or their key personnel, the imposition of fines and censures on us or our employees and the imposition of additional capital requirements. It is also possible that laws and regulations governing our operations in general or particular investment products could be amended or interpreted in a manner that is adverse to us.

We conduct substantial business operations in the U.S. Various of our subsidiaries and/or products and services offered by such subsidiaries are regulated by the U.S. Securities and Exchange Commission (SEC), the Financial Industry Reporting Authority (FINRA), the National Futures Association, the Commodity Futures Trading Commission and the Office of the Comptroller of the Currency (OCC). Federal statutes that regulate the products and services we offer in the U.S. include the Securities Act of 1933, the Securities Exchange Act of 1934 (Exchange Act), the Investment Company Act of 1940, (the Investment Company Act), the Investment Advisers Act of 1940 and the Employee Retirement Income Security Act of 1974. The Investment Advisers Act of 1940, as amended (the Investment Advisers Act), imposes numerous obligations on registered investment advisers, including record-keeping requirements, operational requirements, marketing requirements, disclosure obligations and prohibitions on fraudulent activities. The Investment Company Act imposes similar obligations on registered investment companies, as well as detailed operational requirements on investment advisers. The SEC is authorized to institute proceedings and impose sanctions for violations of the Investment Advisers Act and the Investment Company Act, ranging from fines and censure to termination of an investment adviser's registration. Investment advisers also are subject to certain state securities laws and regulations. In addition, in recent years, the SEC adopted various rules, the effect of which has been to further regulate the investment management industry and has imposed on Invesco additional compliance obligations and costs for fulfilling such obligations.

Various of our subsidiaries are regulated in the United Kingdom by the Financial Services Authority (FSA). Our operations elsewhere in the world are regulated by similar regulatory organizations. Other regulators who potentially exert a significant impact on our businesses around the world include the Ministry of Finance and the Financial Services Agency in Japan, the Austrian Financial Market Authority (FMA), the Bundesamt für Finanzdienstleistungsaufsicht (BaFin) in Germany, the Canadian securities administrators (including the Ontario Securities Commission), the Financial Regulator in Ireland, the *Autorité des Marchs Financiers* in France, the China Securities Regulatory Commission in the Peoples Republic of China, the Financial Supervisory Commission of the Ministry of Finance and the Investment Commission of the Ministry of Economic Affairs of the Peoples Republic of China, the Securities and Futures Commission of Hong Kong, the Commission Bancaire, Financière et des Assurances (CBFA) in Belgium, the Australian Securities & Investments Commission, the *Commissione Nazionale per le Società e la Borsa* (CONSOB) in Italy, the Swiss Federal Banking Commission, La Comisión Nacional del Mercado de Valores (CNMV) in Spain, the Monetary Authority of Singapore, the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg, the Jersey Financial Services Commission and the Dubai Financial Services Authority.

Certain of our subsidiaries are required to maintain minimum levels of capital. These and other similar provisions of applicable law may have the effect of limiting withdrawals of capital, repayment of intercompany loans and payment of dividends by such entities. After redomicile and after consultation with the U.K. FSA, it has been determined that, for the purposes of prudential supervision, Invesco Ltd. is not subject to regulatory consolidated capital requirements under current European Union (EU) Directives. A sub-group, however, including all of our regulated EU subsidiaries, is subject to these consolidated capital requirements, and capital is maintained within this sub-group to satisfy these regulations. At December 31, 2007, the European sub-group had cash and cash equivalent balances of $758.1 million, much of which is used to satisfy these regulatory requirements. Complying with our regulatory commitments may result in an increase in the capital requirements applicable to the European sub-group. As a result of corporate restructuring and the regulatory undertakings that we have given, certain of these EU subsidiaries may be required to limit their distributions. We cannot guarantee that further corporate restructuring will not be required to comply with applicable legislation. See Part 1, Item 1A, "Risk Factors."

To the extent that existing or future regulations affecting the sale of our products and services or our investment strategies cause or contribute to reduced sales or increased redemptions of our products or impair the investment performance of our products, our aggregate assets under management and revenues might be adversely affected.

Available Information

We file current and periodic reports, proxy statements, and other information with the SEC, copies of which can be obtained from the SEC's Public Reference Room at 100 F Street, NE., Washington, DC 20549. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, at www.sec.gov. We make available free of charge on our Web site, www.Invesco.com, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13 (a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

Item 1A. *Risk Factors*

Our revenues would be adversely affected by any reduction in assets under our management as a result of either a decline in market value of such assets or net outflows, which would reduce the investment management fees we earn.

We derive substantially all of our revenues from investment management contracts with clients. Under these contracts, the investment management fees paid to us are typically based on the market value from time to time of assets under management. Assets under management may decline for various reasons. For any period in which revenues decline, our income and operating margin may decline by a greater proportion because certain expenses remain relatively fixed. Factors that could decrease assets under management (and therefore revenues) include the following:

Declines in the Market Value of the Assets in the Funds and Accounts Managed. These could be caused by price declines in the securities markets generally or by price declines in the market segments in which those assets are concentrated. Approximately 49.6% of our total assets under management were invested in equity securities and approximately 50.4% were invested in fixed income and other securities at December 31, 2007. Through the date of the filing of the Annual Report on Form 10-K with the SEC, markets continue to be volatile, and our AUM as of January 31, 2008 had fallen 4.9% from year-end levels. We cannot predict whether the continued volatility in the markets will result in substantial or sustained declines in the securities markets generally or result in price declines in market segments in which our assets under management are concentrated. Any of the foregoing could negatively impact our revenues, income and operating margin.

Redemptions and Other Withdrawals from, or Shifting Among, the Funds and Accounts Managed. These could be caused by investors (in response to adverse market conditions or pursuit of other investment opportunities) reducing their investments in funds and accounts in general or in the market segments on which Invesco focuses; investors taking profits from their investments; poor investment performance of the funds and accounts managed by Invesco; and portfolio risk characteristics, which could cause investors to move assets to other investment managers. Poor performance relative to other investment management firms tends to result in decreased sales, increased redemptions of fund shares, and the loss of private institutional or individual accounts, with corresponding decreases in our revenues. Failure of our funds and accounts to perform well could, therefore, have a material adverse effect on us. Furthermore, the fees we earn vary with the types of assets being managed, with higher fees earned on actively managed equity and balanced accounts, along with real estate and alternative asset products, and lower fees earned on fixed income and stable return accounts. Therefore, our revenues may decline if clients shift their investments to lower fee accounts.

Declines in the value of seed capital and partnership investments. The company has investments in sponsored investment products that invest in a variety of asset classes, including but not limited to equities, fixed income products, and real estate. Investments in these products are generally made to establish a track record. Adverse market conditions may result in the need to write down the value of these seed investments. As of December 31, 2007 the company had $113.6 million in seed capital and partnership investments.

Our investment advisory agreements are subject to termination or non-renewal, and our fund and other investors may withdraw their assets at any time.

Substantially all of our revenues are derived from investment advisory agreements. Investment advisory agreements are generally terminable upon 30 or fewer days' notice. Agreements with U.S. mutual funds may be terminated with notice, or terminated in the event of an "assignment" (as defined in the Investment Company Act), and must be renewed annually by the disinterested members of each fund's board of directors or trustees, as required by law. In addition, the board of trustees or directors of certain other funds accounts of Invesco or our subsidiaries generally may terminate these investment advisory agreements upon written notice for any reason. Mutual fund and unit trust investors may generally withdraw their funds at any time without prior notice. Institutional clients may elect to terminate their relationships with us or reduce the aggregate amount of assets under our management, and individual clients may elect to close their accounts, redeem their shares in our funds, or shift their funds to other types of accounts with different rate structures. Any termination of or failure to renew a significant number of these agreements, or any other loss of a significant number of our clients or assets under management, would adversely affect our revenues and profitability.

Our revenues and profitability from money market and other fixed-income assets may be harmed by interest rate, liquidity and credit volatility.

In a rising-rate environment, certain institutional investors using money market products and other short-term duration fixed-income products for cash management purposes may shift these investments to direct investments in comparable instruments in order to realize higher yields than those available in money market and other fund products holding lower yielding instruments. These redemptions would reduce managed assets, thereby reducing our revenues. In addition, rising interest rates will tend to reduce the market value of bonds held in various investment portfolios and other products. Thus, increases in interest rates could have an adverse effect on our revenues from money market portfolios and from other fixed-income products. If securities within a money market portfolio default, or investor redemptions force the portfolio to realize losses, there could be negative pressure on its net asset value. Although money market investments are not guaranteed instruments, the company might decide, under such a scenario, that it is in its best interest to provide support in the form of a support agreement, capital infusion, or other methods to help stabilize a declining net asset value. Some of these methods could have an adverse impact on our profitability. Additionally, we have $39.0 million of equity at risk invested in our collateralized loan and debt obligation products, the valuation of which could change with changes in interest and default rates. We have no significant or direct exposure to SIVs or sub-prime commercial paper.

We operate in an industry that is highly regulated in the U.S. and numerous foreign countries, and any adverse changes in the regulations governing our business could decrease our revenues and profitability.

As with all investment management companies, our activities are highly regulated in almost all countries in which we conduct business. Laws and regulations applied at the national, state or provincial and local level generally grant governmental agencies and industry self-regulatory authorities broad administrative discretion over our activities, including the power to limit or restrict business activities. Possible sanctions include the revocation of licenses to operate certain businesses, the suspension or expulsion from a particular jurisdiction or market of any of our business organizations or their key personnel, the imposition of fines and censures on us or our employees and the imposition of additional capital requirements. It is also possible that laws and regulations governing our operations or particular investment products could be amended or interpreted in a manner that is adverse to us.

Certain of our subsidiaries are required to maintain minimum levels of capital. These and other similar provisions of applicable law may have the effect of limiting withdrawals of capital, repayment of intercompany loans and payment of dividends by such entities. After redomicile and after consultation with the U.K. Financial Services Authority (FSA), it has been determined that, for the purposes of prudential supervision, Invesco Ltd. is not subject to regulatory consolidated capital requirements under current European Union (EU) Directives. A sub-group, however, including all of our regulated EU subsidiaries, is subject to these consolidated capital requirements, and capital is maintained within this sub-group to satisfy these regulations. At December 31, 2007, the European sub-group had cash and cash equivalent balances of $758.1 million, much of which is used to satisfy these regulatory requirements. Complying with our regulatory commitments may result in an increase in the capital requirements applicable to the European sub-group. As a result of corporate restructuring and the regulatory undertakings that we have given, certain of these EU subsidiaries may be required to limit their distributions. We cannot guarantee that further corporate restructuring will not be required to comply with applicable legislation.

The regulatory environment in which we operate frequently changes and has seen significant increased regulation in recent years. We may be adversely affected as a result of new or revised legislation or regulations or by changes in the interpretation or enforcement of existing laws and regulations. To the extent that existing regulations are amended or future regulations are adopted that reduce the sale, or increase the redemptions, of our products and services, or that negatively affect the investment performance of our products, our aggregate assets under management and our revenues could be adversely affected. In addition, regulatory changes could impose additional costs which could negatively impact our profitability.

Civil litigation and governmental enforcement actions and investigations could adversely affect our assets under management and future financial results, and increase our costs of doing business.

Invesco and certain related entities have in recent years been subject to various legal proceedings arising from normal business operations and/or matters that have been the subject of previous regulatory actions. See Part I, Item 3, “Legal Proceedings,” for additional information.

Our investment management professionals and other key employees are a vital part of our ability to attract and retain clients, and the loss of a significant portion of those professionals could result in a reduction of our revenues and profitability.

Retaining highly skilled technical and management personnel is important to our ability to attract and retain clients and retail shareholder accounts. The market for investment management professionals is competitive and has grown more so in recent periods as the investment management industry has experienced growth. The market for investment managers is also increasingly characterized by the movement of investment managers among different firms. Our policy has been to provide our investment management professionals with compensation and benefits that we believe are competitive with other leading investment management firms. However, we may not be successful in retaining our key personnel, and the loss of a significant portion, either in quality or quantity, of our investment management personnel could reduce the attractiveness of our products to potential and current clients and could, therefore, adversely affect our revenues and profitability. During 2007, several members of our Stable Value team departed for a competitor, which resulted in net outflows of AUM of $16.2 billion.

If our reputation is harmed, we could suffer losses in our business, revenues and net income.

Our business depends on earning and maintaining the trust and confidence of clients, regulators and other market participants, and the resulting good reputation is critical to our business. Our reputation is vulnerable to many threats that can be difficult or impossible to control, and costly or impossible to remediate. Regulatory inquiries, employee misconduct and rumors, among other things, can substantially damage our reputation, even if they are baseless or satisfactorily addressed. Any damage to our reputation could impede our ability to attract and retain clients and key personnel, and lead to a reduction in the amount of our assets under management, any of which could have a material adverse effect on our revenues and net income.

Competitive pressures may force us to reduce the fees we charge to clients, increase commissions paid to our financial intermediaries or provide more support to those intermediaries, all of which could reduce our profitability.

The investment management business is highly competitive, and we compete based on a variety of factors, including investment performance, the range of products offered, brand recognition, business reputation, financing strength, strength and continuity of client and intermediary relationships, quality of service, level of fees charged for services and the level of compensation paid and distribution support offered to financial intermediaries. We continue to face market pressures regarding fee levels in certain products.

We face strong competition in every market in which we operate. Our competitors include a large number of investment management firms, commercial banks, investment banks, broker-dealers, hedge funds, insurance companies and other financial institutions. Some of these institutions have greater capital and other resources, and offer more comprehensive lines of products and services, than we do. The recent trend toward consolidation within the investment management industry has served to increase the strength of a number of our competitors. These

strengthened competitors seek to expand their market share in many of the products and services we offer. If these competitors are successful, our revenues and profitability could be adversely affected. In addition, there are relatively few barriers to entry by new investment management firms, and the successful efforts of new entrants into our various distribution channels around the world have also resulted in increased competition.

We may engage in strategic transactions that could create risks.

As part of our business strategy, we regularly review, and from time to time have discussions with respect to potential strategic transactions, including potential acquisitions, dispositions, consolidations, joint ventures or similar transactions, some of which may be material. There can be no assurance that we will find suitable candidates for strategic transactions at acceptable prices, have sufficient capital resources to accomplish such transactions, or be successful in entering into agreements for desired transactions.

Acquisitions, including completed acquisitions, also pose the risk that any business we acquire may lose customers or employees or could underperform relative to expectations. We could also experience financial or other setbacks if transactions encounter unanticipated problems, including problems related to execution or integration. Following the completion of an acquisition, we may have to rely on the seller to provide administrative and other support, including financial reporting and internal controls, to the acquired business for a period of time. There can be no assurance that the seller will do so in a manner that is acceptable to us.

Our substantial indebtedness could adversely affect our financial position.

We have a significant amount of indebtedness. As of December 31, 2007, we had outstanding total long-term debt of $1,276.4 million (which excludes $116.6 million of debt held by consolidated investment products) and shareholders' equity of $6,590.6 million. The significant amount of indebtedness we carry could limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions, debt service requirements or other purposes, increase our vulnerability to adverse economic and industry conditions, limit our flexibility in planning for, or reacting to, changes in our business or industry, and place us at a disadvantage in relation to our competitors. Any or all of the above factors could materially adversely affect our financial position.

We have received credit ratings of A3 and BBB+ from Moody's and Standard & Poor's credit rating agencies, respectively, as of the date of this Annual Report on Form 10-K. Both Standard & Poor's and Moody's have a "stable" outlook for the rating as of the date of this Annual Report on Form 10-K. We believe that rating agency concerns include but are not limited to: our ability to sustain net positive asset flows across customer channels, product type and geographies, our substantial indebtedness, and our ability to maintain consistent positive investment performance. Material deterioration of these factors, and others defined by each rating agency, could result in downgrades to our credit ratings, thereby limiting our ability to generate additional financing or receive mandates. Management believes that solid investment grade ratings are an important factor in winning and maintaining institutional business and strives to manage the company to maintain such ratings.

Our credit facility imposes restrictions on our ability to conduct business and, if amounts borrowed under it were to be accelerated, we might not have sufficient assets to repay such amounts in full.

Our credit facility requires us to maintain specified financial ratios, including maximum debt-to-earnings and minimum interest coverage ratios. This credit facility also contains customary affirmative operating covenants and negative covenants that, among other things, restrict certain of our subsidiaries' ability to incur debt and restrict our ability to transfer assets, merge, make loans and other investments and create liens. The breach of any covenant would result in a default under the credit facility. In the event of any such default, lenders that are party to the credit facility could refuse to make further extensions of credit to us and require all amounts borrowed under the credit facility, together with accrued interest and other fees, to be immediately due and payable. If any indebtedness under the credit facility were to be accelerated, we might not have sufficient liquid assets to repay such indebtedness in full.

Changes in the distribution channels on which we depend could reduce our revenues and hinder our growth.

We sell a portion of our investment products through a variety of financial intermediaries, including major wire houses, regional broker-dealers, banks and financial planners in North America, and independent brokers and financial advisors, banks and financial organizations in Europe and Asia. Increasing competition for these distribution channels could cause our distribution costs to rise, which would lower our net revenues. Additionally, certain of the intermediaries upon whom we rely to distribute our investment products also sell their own competing

proprietary funds and investment products, which could limit the distribution of our products. In addition, some investors rely on third-party financial planners, registered investment advisers, and other consultants or financial professionals to advise them on the choice of investment adviser and investment portfolio. These professionals and consultants could favor a competing investment portfolio as better meeting their particular client's needs. There is no assurance that our investment products will be among their recommended choices in the future. Additionally, if one of our major distributors were to cease operations, it could have a significant adverse effect on our revenues and profitability. Moreover, any failure to maintain strong business relationships with these distribution sources would impair our ability to sell our products, which could have a negative effect on our revenues and profitability.

We could be subject to losses if we fail to properly safeguard confidential and sensitive information.

We maintain and transmit confidential information about our clients as well as proprietary information relating to our business operations as part of our regular operations. Our systems could be attacked by unauthorized users or corrupted by computer viruses or other malicious software code, or authorized persons could inadvertently or intentionally release confidential or proprietary information.

Such disclosure could, among other things, damage our reputation, allow competitors to access our proprietary business information, result in liability for failure to safeguard our clients' data, result in the termination of contracts by our existing customers, subject us to regulatory action, or require material capital and operating expenditures to investigate and remediate the breach.

Our business is vulnerable to failures in support systems and customer service functions that could lead to loss of customers, breaches and errors, or claims against us or our subsidiaries.

The ability to consistently and reliably obtain securities pricing information, process client portfolio and fund shareholder transactions and provide reports and other customer service to fund shareholders and investors in other accounts managed by us is essential to our continuing success. Any delays or inaccuracies in obtaining pricing information, processing such transactions or such reports, other breaches and errors, and any inadequacies in other customer service, could result in reimbursement obligations or other liabilities, or alienate customers and potentially give rise to claims against us. Our customer service capability, as well as our ability to obtain prompt and accurate securities pricing information and to process transactions and reports, is highly dependent on communications and information systems and on third-party vendors. These systems could suffer failures or interruptions due to various natural or man-made causes, and our back-up procedures and capabilities may not be adequate to avoid extended interruptions in operations. Other similar problems could occur from time to time due to human error.

If we are unable to successfully recover from a disaster or other business continuity problem, we could suffer material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability.

If we were to experience a local or regional disaster or other business continuity problem, such as a pandemic or other natural or man-made disaster, our continued success will depend, in part, on the availability of our personnel, our office facilities and the proper functioning of our computer, telecommunication and other related systems and operations. In such an event, our operational size, the multiple locations from which we operate, and our existing back-up systems would provide us with an important advantage. Nevertheless, we could still experience near-term operational challenges with regard to particular areas of our operations, such as key executive officers or technology personnel. Further, as we expand our operations in particular areas, such as India, the potential for particular types of natural or man-made disasters, political, economic or infrastructure instabilities, or other country- or region-specific business continuity risks increases. Although we seek to regularly assess and improve our existing business continuity plans, a major disaster, or one that affected certain important operating areas, or our inability to successfully recover should we experience a disaster or other business continuity problem, could materially interrupt our business operations and cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability.

Since many of our subsidiary operations are located outside of the United States and have functional currencies other than the U.S. dollar, changes in the exchange rates to the U.S. dollar may affect our reported financial results from one period to the next.

The largest component of our net assets, revenues and expenses, as well as our assets under management, is presently derived from the United States. However, we have a large number of subsidiaries outside of the United States whose functional currencies are not the U.S. dollar.

As a result, fluctuations in the exchange rates to the U.S. dollar may affect our reported financial results from one period to the next. We do not actively manage our exposure to such effects. Consequently, changes in exchange rates to the U.S. dollar could have a material negative impact on our reported financial results.

The carrying value of goodwill on our balance sheet could become impaired, which would adversely affect our results of operations.

We have goodwill on our balance sheet that is subject to an annual impairment review. Goodwill totaled $6,848.0 million at December 31, 2007 (2006: $6,360.7 million). We may not realize the value of such goodwill. We perform impairment reviews of the book values of goodwill on an annual basis. A variety of factors could cause such book values to become impaired. Should valuations be deemed to be impaired, a write-down of the related asset would occur, adversely affecting our results of operations for the period.

Bermuda law differs from the laws in effect in the United States and may afford less protection to shareholders.

Our shareholders may have more difficulty protecting their interests than shareholders of a corporation incorporated in a jurisdiction of the United States. As a Bermuda company, we are governed by the Companies Act 1981 of Bermuda ("Companies Act"). The Companies Act differs in some material respects from laws generally applicable to United States corporations and shareholders, including provisions relating to interested directors, mergers, amalgamations and acquisitions, takeovers, shareholder lawsuits and indemnification of directors.

Under Bermuda law, the duties of directors and officers of a company are generally owed to the company only. Shareholders of Bermuda companies do not generally have rights to take action against directors or officers of the company, and may only do so in limited circumstances. Directors and officers may owe duties to a company's creditors in cases of impending insolvency. Directors and officers of a Bermuda company must, in exercising their powers and performing their duties, act honestly and in good faith with a view to the best interests of the company and must exercise the care and skill that a reasonably prudent person would exercise in comparable circumstances. Directors have a duty not to put themselves in a position in which their duties to the company and their personal interests may conflict and also are under a duty to disclose any personal interest in any material contract or proposed material contract with the company or any of its subsidiaries. If a director or officer of a Bermuda company is found to have breached his duties to that company, he may be held personally liable to the company in respect of that breach of duty.

Our bye-laws provide for indemnification of our directors and officers in respect of any loss arising or liability attaching to them in respect of any negligence, default, breach of duty or breach of trust of which a director or officer may be guilty in relation to us other than in respect of his own fraud or dishonesty, which is the maximum extent of indemnification permitted under the Companies Act. Under our bye-laws, each of our shareholders agrees to waive any claim or right of action, other than those involving fraud, against us or any of our officers or directors.

Legislative and other measures that may be taken by U.S. and/or other governmental authorities could materially increase our tax burden or otherwise adversely affect our financial conditions, results of operations or cash flows.

Under current laws, as the company is domiciled and tax resident in Bermuda, taxation in other jurisdictions is dependent upon the types and the extent of the activities of the company undertaken in those jurisdictions. There is a risk that changes in either the types of activities undertaken by the company or changes in tax rules relating to tax residency could subject the company and its shareholders to additional taxation. Additionally, under existing U.S. tax rules earnings from non-U.S. subsidiaries of the company are not subject to U.S. taxation.

We continue to assess the impact of various U.S. federal and state legislative proposals, and modifications to existing tax treaties between the United States and foreign countries, that could result in a material increase in our U.S. federal and state taxes. More recently, several proposals have been introduced in the U.S. Congress that, if ultimately enacted, could limit treaty benefits on certain payments made by our U.S. subsidiaries to non-U.S. affiliates. We cannot predict the outcome of any specific legislative proposals. However, if such proposals were to be enacted, or if modifications were to be made to certain existing tax treaties, the consequences could have a materially adverse impact on the company, including increasing our tax burden, increasing costs of our tax compliance or otherwise adversely affecting our financial condition, results of operations or cash flows.

Examinations and audits by tax authorities could result in additional tax payments for prior periods.

The company and its subsidiaries' income tax returns periodically are examined by various tax authorities. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations in a multitude of jurisdictions across our global operations. We recognize potential liabilities and record tax liabilities for anticipated tax audit issues based on our estimate of whether, and the extent to which, additional income taxes will be due. We adjust these liabilities in light of changing facts and circumstances. Due to the complexity of some of these uncertainties, however, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities.

Item 1B. ***Unresolved Staff Comments***

N/A

Item 2. ***Properties***

Our registered office is located in Hamilton, Bermuda, and our principal executive offices are in leased office space at 1360 Peachtree Street N.E., Atlanta, Georgia, 30309, U.S.A. We own office facilities at Perpetual Park, Henley-on-Thames, Oxfordshire, RG9 1HH, United Kingdom, and at 301 W. Roosevelt, Wheaton, Illinois, 60187, and we lease our additional principal offices located at 30 Finsbury Square, London, EC2A 1AG, United Kingdom; 11 Greenway Plaza, Houston, Texas 77046; 4350 South Monaco Street, Denver, Colorado 80237; and in Canada at 5140 Yonge Street, Toronto, Ontario M2N 6X7. We have entered into a lease for a new principal office location at 1555 Peachtree Street, NE, Atlanta, Georgia 30309, which we expect to occupy by the latter half of 2008. We lease office space in 17 other countries.

Item 3. ***Legal Proceedings***

Following the industry-wide regulatory investigations, multiple lawsuits based on market timing allegations were filed against various parties affiliated with Invesco. These lawsuits were consolidated in the United States District Court for the District of Maryland, together with market timing lawsuits brought against affiliates of other mutual fund companies, and on September 29, 2004, three amended complaints were filed against company-affiliated parties: (1) a putative shareholder class action complaint brought on behalf of shareholders of AIM funds formerly advised by INVESCO Funds Group, Inc.; (2) a derivative complaint purportedly brought on behalf of certain AIM funds and the shareholders of such funds; and (3) an ERISA complaint purportedly brought on behalf of participants in the company's 401(k) plan. On September 15, 2006, the court dismissed the ERISA lawsuit with prejudice. The plaintiff has appealed that dismissal to the United States Court of Appeals for the Fourth Circuit. Oral argument was held on December 5, 2007. The company and plaintiffs have reached a settlement in principle of the shareholder class action and derivative lawsuits. The proposed settlement, which is subject to court approval, calls for a payment by the company of $9.8 million, recorded in general and administrative costs in the 2007 Consolidated Statement of Income, in exchange for dismissal with prejudice of all pending claims. In addition, under the terms of the proposed settlement the company may incur certain costs in connection with providing notice of the proposed settlement to affected shareholders. Based on information currently available, it is not believed that any such incremental notice costs will have any material effect on the consolidated financial position or results of operations of the company.

The company and/or company-affiliated parties have also been named as defendants in a lawsuit alleging that one or more of the company's funds inadequately employed fair value pricing, and thereby made such funds more susceptible to market timing. The lawsuit is a purported class action seeking unspecified monetary damages. It is now pending in the State court in Madison County, Illinois after a series of removals to the United States District Court for the Southern District of Illinois and remands back to the State Court. The Auditor of the State of West Virginia, in his capacity as securities commissioner, has initiated administrative proceedings against many mutual fund companies, including AIM, seeking disgorgement and other monetary relief based on allegations similar to those underlying the market timing lawsuits. The action against AIM was initiated on August 30, 2005. AIM's time to respond to the Auditor's proceeding has not yet elapsed. Although there can be no assurances, based on information currently available, the company does not believe it is probable that the ultimate outcome of any of these actions will have a material adverse effect on the company's consolidated financial position or results of operations.

The asset management industry also is subject to extensive levels of ongoing regulatory oversight and examination. In the United States and other jurisdictions in which the company operates, governmental authorities regularly make inquiries, hold investigations and administer market conduct examinations with respect to compliance with

applicable laws and regulations. Additional lawsuits or regulatory enforcement actions arising out of these inquiries may in the future be filed against the company and related entities and individuals in the U.S. and other jurisdictions in which the company and its affiliates operate. Any material loss of investor and/or client confidence as a result of such inquiries and/or litigation could result in a significant decline in assets under management, which would have an adverse effect on the company's future financial results and its ability to grow its business.

In the normal course of its business, the company is subject to various litigation matters. Although there can be no assurances, at this time management believes, based on information currently available to it, that it is not probable that the ultimate outcome of any of these actions will have a material adverse effect on the consolidated financial condition or results of operations of the company.

Item 4. ***Submission of Matters to a Vote of Security Holders***

On July 18, 2007, our predecessor, INVESCO PLC, announced that it had lost its foreign private issuer status in the United States, chiefly as a result of U.S. share ownership exceeding fifty percent of issued share capital. As a result of this, INVESCO PLC immediately became subject to the full requirements of two primary securities regulators, the SEC in the United States and the FSA in the United Kingdom, and two different accounting standards, U.S. Generally Accepted Accounting Principles (U.S. GAAP) and International Financial Reporting Standards (IFRS). Different regulatory and accounting standards placed INVESCO PLC in an untenable position that may have produced supervisory conflicts that may have impeded full compliance with the requirements of either primary regulatory scheme. In response, INVESCO PLC proposed to its shareholders that the company change its primary listing from the London Stock Exchange to the New York Stock Exchange and redomicile from the U.K. to Bermuda by order of a scheme of arrangement.

On November 14, 2007, two meetings of INVESCO PLC shareholders were held — a court meeting and an extraordinary general meeting. The court meeting was convened so that the appropriate U.K. court would have the authority to sanction the scheme of arrangement if approved by INVESCO PLC shareholders. The extraordinary general meeting was held to authorize the implementation of the following inter-related proposals (Proposals):

- to move Invesco's primary listing from the London Stock Exchange to the New York Stock Exchange;
- to reorganize pursuant to a court approved scheme of arrangement under the laws of England and Wales so that INVESCO PLC would become a wholly-owned subsidiary of Invesco Ltd. and the former holders of INVESCO PLC shares would become shareholders of Invesco Ltd.;
- to implement a reverse stock split, also known as a share capital consolidation, on a one-for-two basis immediately after the scheme of arrangement becoming effective; and
- to transfer Invesco's regulated business in the European Union from INVESCO PLC to Invesco Ltd. promptly after the scheme of arrangement becoming effective. The transfer was accomplished by INVESCO PLC issuing bonus shares, cancelling such bonus shares (see resolutions 2 and 3 of the Extraordinary General Meeting below) and utilizing the distributable reserves created by such issuance and cancellation to transfer Invesco's regulated business from INVESCO plc to Invesco Ltd.

The shareholders of INVESCO PLC approved the scheme of arrangement at the court meeting and the Proposals at the extraordinary general meeting. The results of voting at each of the court meeting and the extraordinary meeting are set forth below.

Court Meeting

At the Court Meeting, (i) a majority in number of Invesco PLC shareholders who voted (either in person or by proxy), and (ii) over 75 percent in value of all Invesco PLC shares held by such shareholders, voted in favor of the resolution to approve the Scheme of Arrangement. The final result was as follows:

	Number of Votes	% of Votes Cast
In Favor	137,239,891	97.15
Against	4,020,247	2.85

Extraordinary General Meeting

At the Extraordinary General Meeting, the special resolutions proposed in relation to the Scheme were also passed by the requisite majorities. The final result was as follows:

		Number of Votes	% of Votes Cast
Resolution 1. To approve the Scheme of Arrangement	**In Favor**	140,253,078	97.05
	Against	4,262,972	2.95
	Abstaining	1,910,835	—
Resolution 2. To approve the issue of bonus shares to Invesco Ltd.	**In Favor**	141,286,241	97.40
	Against	3,776,776	2.60
	Abstaining	1,363,870	—
Resolution 3. To approve the reduction of capital relating to the New Shares	**In Favor**	141,346,030	97.44
	Against	3,719,193	2.56
	Abstaining	1,361,663	—

The scheme of arrangement became effective on December 4, 2007. As a result, INVESCO PLC became a wholly-owned subsidiary of Invesco Ltd. and the shareholders of INVESCO PLC received common shares of Invesco Ltd. in exchange for their ordinary shares of INVESCO PLC.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Invesco Ltd. is organized under the laws of Bermuda, and our common shares are listed and traded on the New York Stock Exchange under the symbol "IVZ."

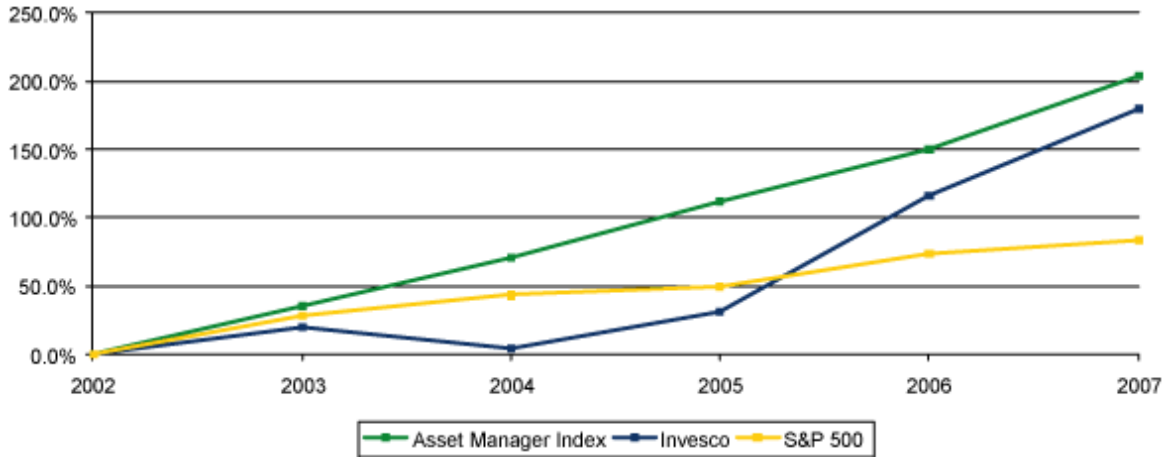
Prior to December 4, 2007, we had outstanding ordinary shares that were listed on the Official List of The U.K. Listing Authority and were traded on the London Stock Exchange. We also had American Depositary Shares (ADSs) listed for trading on the NYSE, also under the symbol "IVZ." Each ADS represented the right to receive two ordinary shares. We also had exchangeable shares, which were issued by one of our subsidiaries and were listed for trading on the Toronto Stock Exchange. Each exchangeable share represented the right to receive one ordinary share.

On December 4, 2007, we redomiciled the company from the United Kingdom to Bermuda in a transaction previously approved by shareholders. To accomplish this, our predecessor company, INVESCO PLC, effected a court-approved U.K. scheme of arrangement under which our shareholders received common shares in Invesco Ltd., the new Bermuda parent company, in exchange for their ordinary shares in INVESCO PLC. Holders of our ADSs and our exchangeable shares also received common shares in the new Bermuda parent company in exchange for their holdings. Following the redomicile, Invesco Ltd. effected a one-for-two reverse stock split, such that all of our shareholders now hold only common shares, par value $0.20 per share, in Invesco Ltd.

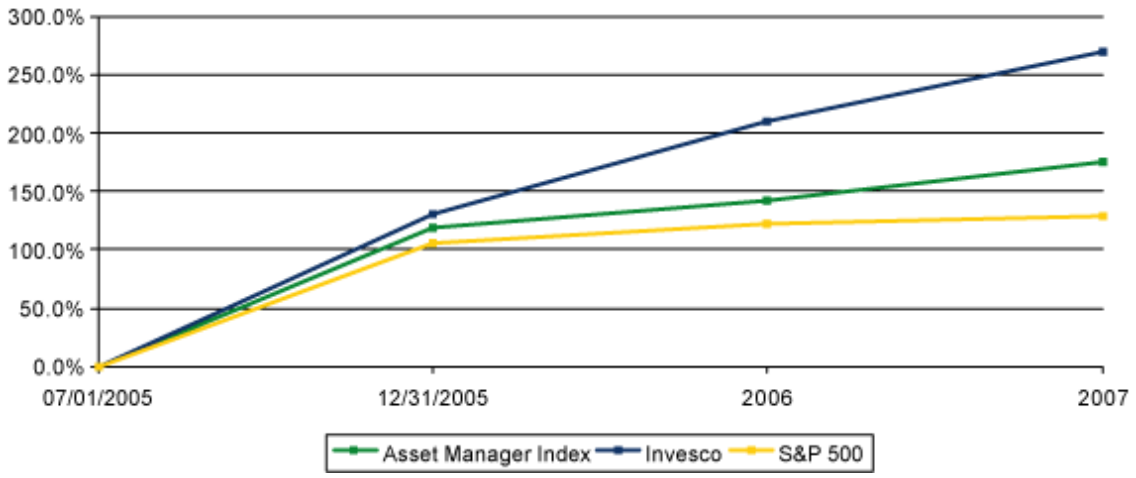
The following table sets forth, for the periods indicated, the high and low reported share prices on the New York Stock Exchange, based on data as reported by Bloomberg. All figures prior to December 4, 2007 represent high and low share prices of our ADSs. One ADS represented two ordinary shares of INVESCO PLC.

		Invesco Ltd. Common Shares (or equivalent)		
		High	Low	Dividends Declared
Fourth Quarter	2007	$32.25	$24.90	—
Third Quarter	2007	$27.66	$21.09	$0.164
Second Quarter	2007	$26.52	$22.03	—
First Quarter	2007	$26.05	$20.35	$0.208
Fourth Quarter	2006	$25.04	$21.10	—
Third Quarter	2006	$22.09	$16.67	$0.154
Second Quarter	2006	$23.12	$16.62	—
First Quarter	2006	$20.53	$15.46	$0.203

The following graph illustrates the cumulative total shareholder return of our common shares (ordinary shares prior to December 4, 2007) over the five-year period ending December 31, 2007 and compares it to the cumulative total return on the Standard and Poor's (S&P) 500 Index and to a group of peer asset management companies. This table is not intended to forecast future performance of our common shares.



The chart below illustrates the cumulative total shareholder return of our common shares (ordinary shares prior to December 4, 2007) over the period since the company began its comprehensive operating plan designed to strengthen the business, build renewed momentum and identify the most promising opportunities for future growth.



Note: The Asset Manager Index includes Affiliated Managers Group, Alliance Bernstein, BlackRock, Eaton Vance, Federated Investors, Franklin Resources, Gamco Investors, Invesco Ltd., Janus, Legg Mason, Schroders, T. Rowe Price, Waddell & Reed, and W.P. Stewart & Co.

Important Information Regarding Dividend Payments

An interim dividend of $0.164 per INVESCO PLC ADS was declared on August 2, 2007 and paid on October 25, 2007. On February 1, 2008, the board of directors declared a final (semi-annual) dividend for 2007 of $0.22 per common share. The dividend will be paid on April 7, 2008 to holders of record on March 19, 2008.

If dividends are paid in the future, they will be declared and paid on a quarterly basis. The declaration, payment and amount of any future dividends will be declared by our board of directors and will depend upon, among other factors, our earnings, financial condition and capital requirements at the time such declaration and payment are considered. The board has a policy of managing dividends in a prudent fashion, with due consideration given to profit levels, overall debt levels, and historical dividend payouts. See also Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources - Dividends," for additional details regarding dividends.

Holders

At January 31, 2008, we had 424.8 million common shares issued and outstanding, and there were approximately 8,094 holders of record of our common shares.

Repurchases of Equity Securities

The following table shows share repurchase activity during the three months ended December 31, 2007:

Month [1]	(a) Total Number of Shares Purchased (millions) [2][3]	(b) Average Price Paid Per Share ($)	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (millions) [4]	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (millions) [4]
October 1 — 31, 2007	1.5	28.88	1.5	351.7
November 1 — 30, 2007	10.4	26.03	4.0	246.7
December 1 — 31, 2007	5.5	27.18	3.2	154.5

(1) Purchases from October 1, 2007 through December 3, 2007 were made by INVESCO PLC and were comprised of ordinary shares trading on the London Stock Exchange. Purchases made after December 3, 2007 were comprised of Invesco Ltd. common shares trading on the New York Stock Exchange. Historical share prices were converted into U.S. dollars using the foreign exchange rate in effect on the date that the shares were purchased.

(2) From time to time, the trustees of the Invesco Global Stock Plan (GSP) and the Invesco Employee Share Option Trust purchased ordinary shares in the open market. These trusts were established to satisfy our obligations to issue ordinary shares under the GSP, our share option and other share-based schemes. During the fourth quarter 2007, the company contributed $216.6 million to these trusts, which in turn purchased 16.9 million ordinary shares (equivalent to 8.4 million common shares). All transactions during the quarter were executed before the redomicile and relisting of the company discussed above. At the 2008 annual meeting of shareholders, the company will be proposing for shareholder approval two new equity compensation plans. Provided that such plans are approved, the company does not intend to fund further purchases by these trusts.

(3) An aggregate of 0.3 million shares were repurchased in private transactions from current executive officers at the respective NYSE closing prices for the common shares on the preceding day.

(4) On June 13, 2007, our board of directors authorized a share repurchase program of up to $500.0 million of the company's shares through June 30, 2008. A public announcement of the authorization was made on June 14, 2007. Of the total amount authorized, $154.5 million remained as of December 31, 2007. During the fourth quarter, purchases related to this program totaled $240.3 million, representing 8.7 million shares.

Item 6. ***Selected Financial Data***

The following tables present selected consolidated financial information for the company as of and for each of the five fiscal years in the period ended December 31, 2007. The consolidated financial information has been prepared in accordance with U.S. generally accepted accounting principles.

	As of and for the Years Ended December 31,				
	2007	**2006**	**2005**	**2004**	**2003**
	(Dollars in millions, except per share and other data)				
Operating Data:					
Operating revenues	**3,878.9**	3,246.7	2,872.6	2,757.5	2,342.0
Net revenues *	**2,888.4**	2,428.0	2,166.6	2,124.5	1,901.1
Operating income	**994.3**	759.2	407.9	11.7	428.7
Net operating income *	**1,039.8**	762.1	407.9	11.7	428.7
Operating margin	**25.6**%	23.4%	14.2%	0.42%	18.3%
Net operating margin *	**36.0**%	31.4%	18.8%	0.55%	22.6%
Net income/(loss)	**673.6**	482.7	219.8	(85.9)	248.6
Per Share Data:					
Earnings/(loss) per share:					
-basic	**1.69**	1.22	0.55	(0.21)	0.62
-diluted	**1.64**	1.19	0.54	(0.21)	0.61
Dividends per share	**0.372**	0.357	0.330	0.323	0.375
Balance Sheet Data:					
Total assets	**12,925.2**	12,228.5	10,702.7	10,580.3	10,307.9
Long-term debt	**1,276.4**	979.0	1,220.0	1,381.7	1,290.3
Shareholders' equity	**6,590.6**	6,164.0	5,529.8	5,519.6	5,717.3
Other Data:					
AUM (in billions)	**$ 500.1**	$ 462.6	$ 386.3	$ 382.1	$ 370.6
Headcount	**5,475**	5,574	5,798	6,693	6,747

* Net revenues are operating revenues less third-party distribution, service and advisory costs, plus our proportional share of revenues, net of third-party distribution costs, from joint venture investments. Net operating margin is equal to net operating income divided by net revenues. Net operating income is operating income plus our proportional share of the net operating income from joint venture investments. See Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Schedule of Non-GAAP Information" for reconciliations of operating revenues to net revenues and from operating income to net operating income.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

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 supplements, and should be read in conjunction with, the Consolidated Financial Statements of Invesco Ltd. and its subsidiaries (collectively, the "company" or "Invesco") and the notes thereto contained elsewhere in this Annual Report on Form 10-K.

During the year ended December 31, 2007, we had net income of $673.6 million, compared to $482.7 million during 2006. The 39.5% increase in net income was driven by the following factors:

- An increase in operating revenues of $632.2 million (19.5%) driven mainly by growth in average assets under management ("AUM") of $64.9 billion (15.3%), while at the same time limiting the increase in operating expenses to $397.1 million (16.0%).
- Growth in equity in earnings of unconsolidated affiliates of $43.8 million, from $4.3 million in 2006 to $48.1 million in 2007.

The factors above that contributed to the growth in operating income during the year ended December 31, 2007 were offset, in part, by the following:

- An increase of $67.1 million (6.3%) in employee compensation expense due predominantly to increases in base salaries, sales incentive bonuses and staff bonuses driven by performance against corporate objectives and $25.0 million in amortization of a

component of the cost of the October 2006 acquisition of WL Ross & Co, which was accounted for as prepaid compensation (see Part II, Item 8, “Financial Statements and Supplementary Data — Note 2, Acquisitions and Dispositions” for additional details).

- An increase in general and administrative expenses of $88.2 million (42.5%). The increase included growth in legal costs related to a $24.0 million insurance recovery in 2006 and to fund launches, a $12.8 million charge related to the relisting of the company on the New York Stock Exchange and a $9.8 million charge related to the proposed final settlement of market-timing private litigation that commenced in 2003.
- An increase in income tax expense of $102.7 million (40.3%), which was consistent with the increase in income before taxes.

Invesco ended 2007 with a record year-end AUM of $500.1 billion, an 8.1% increase over 2006 resulting from a combination of market gains, positive flows into money market funds and foreign currency translation partially offset by net outflows of $3.4 billion. Larger AUM increased operating revenues to $3,878.9 million, a 19.5% increase over the previous year. Operating expenses increased 16.0% to $2,884.6 million. The growth in operating revenues exceeded the increase in operating expenses, producing record operating income of $994.3 million in 2007, an increase of 31.0% over operating income of $759.2 million in 2006, and a significant expansion of operating margin and net operating margin to 25.6% and 36.0% in 2007, respectively, from 23.4% and 31.4% in 2006, respectively. Diluted earnings per share improved 37.8%, from $1.19 in 2006 to $1.64 in 2007. See “Schedule of Non-GAAP Information” for a reconciliation of operating income to net operating income (and by calculation, a reconciliation of operating margin to net operating margin) and important additional disclosures.

Achieving strong investment performance continues to be a strategic focus for Invesco. Within our retail products, the U.K. has continued to have strong relative performance versus its competitors throughout 2007. The U.S., Continental Europe and Asia were ahead of peers over most relevant time periods, while the relative performance in Canada tended to lag peers due to certain portfolios being underweight in the resources sector while being relatively overweight in consumer discretionary businesses. The strong Canadian dollar was an additional impediment for funds with higher-than-average investment in foreign securities. Many of our institutional products were ahead of benchmark over most relevant time periods with our fixed income and money market products once again delivering consistent outstanding relative performance.

Industry Discussion

Global equity markets generally increased for the full year of 2007. However, both equity and credit markets suffered sharp corrections at times during the fourth quarter, mainly due to sub-prime related write-downs from the large investment banks and tighter liquidity in short-term money markets. In North America during 2007, the Dow Jones Industrial Average, the S&P 500, the Nasdaq Composite Index, and the S&P/TSX Composite (Canada) were up 8.9%, 5.5%, 10.7%. and 9.8%, respectively; in Europe the FTSE 100 was up 7.8% and the FTSE World Europe was up 3.3%; and in Asia the China SE Shanghai Composite was up 97.9% while the Nikkei 225 was down 10.2%. The Lehman Brothers U.S. Aggregate Bond Index returned 7.0% for the year, bolstered by two interest rate cuts by the Federal Reserve in the fourth quarter, and despite credit concerns that increased across the broader economy. The markets continue to be volatile in early 2008. Our AUM at the end of 2007 were $500.1 billion (2006: $462.6 billion). At January 31, 2008, AUM decreased by $24.5 billion (4.9%) to $475.6 billion due primarily to this market volatility.

Assets Under Management

Average AUM for 2007 were $489.1 billion, compared to $424.2 billion in 2006. Net outflows for the year ended December 31, 2007, were $3.4 billion, with inflows of $119.9 billion and outflows of $123.3 billion. The primary driver of net outflows for 2007 were net outflows from the Stable Value product of $16.2 billion. These outflows occurred following the departure of several members of our Stable Value team to a competitor in April 2007. Our retail net inflows for 2007 were $6.0 billion, compared to net inflows of $0.5 billion in 2006. Institutional net outflows were $9.2 billion in 2007 (including the Stable Value net outflows of $16.2 billion) versus net outflows of $1.2 billion in 2006. Our Private Wealth Management (PWM) channel had net outflows of $0.2 billion in 2007 compared to net outflows of $0.7 billion in 2006.

Changes in AUM were as follows:

$ in billions	2007	2006	2005
January 1,	$ 462.6	$386.3	$382.1
Inflows	119.9	85.8	66.3
Outflows	(123.3)	(87.2)	(82.5)
Net flows	(3.4)	(1.4)	(16.2)
Net flows in money market funds and other	10.1	12.8	0.5
Market gains/reinvestment	20.0	46.5	24.4
Acquisitions/disposals	—	8.9	—
Foreign currency	10.8	9.5	(4.5)
December 31,	$ 500.1	$462.6	$386.3
Average long-term AUM	$ 424.2	$366.3	$331.7
Average institutional money market AUM	64.9	57.9	45.9
Average AUM	$ 489.1	$424.2	$377.6
Net revenue yield on AUM (annualized) (1)	59.1bps	56.9bps	57.4bps
Net revenue yield on AUM before performance fees (annualized) (1)	57.7bps	55.0bps	56.5bps

(1) Net revenue yield on AUM is equal to net revenue divided by average AUM. Net revenues are operating revenues less third-party distribution, service and advisory costs, plus our proportional share of net revenues from joint venture investments. See “Schedule of Non-GAAP Information” for a reconciliation of operating revenues to net revenues and important additional disclosures.

Our revenues are directly influenced by the level and composition of our AUM. Therefore, movements in global capital market levels, net new business inflows (or outflows) and changes in the mix of investment products between asset classes may materially affect our revenues from period to period. The returns from global capital markets declined in 2007. The total returns (in local currency terms) of the FTSE 100, the S&P 500 and the Dow Jones Industrial Average (DJIA) all declined in 2007 from 2006: FTSE 100 — from 14.8% to 7.8%, S&P 500 — from 15.8% to 5.5% and the DJIA — from 19.0% to 8.9%, respectively. The total returns of the NASDAQ increased slightly from 10.4% to 10.7%. Our AUM by channel, by asset class, and by client domicile were as follows:

AUM by Channel

$ in billions	Total	Retail	Institutional	PWM
January 1, 2005	$ 382.1	$186.0	$180.9	$15.2
Inflows	66.3	41.2	21.3	3.8
Outflows	(82.5)	(53.3)	(25.8)	(3.4)
Net flows	(16.2)	(12.1)	(4.5)	0.4
Net flows in money market funds and other	0.5	1.9	(1.6)	0.2
Market gains/reinvestment	24.4	16.0	7.9	0.5
Foreign currency	(4.5)	(1.6)	(2.9)	—
December 31, 2005	$ 386.3	$190.2	$179.8	$16.3
Inflows	85.8	58.4	23.2	4.2
Outflows	(87.2)	(57.9)	(24.4)	(4.9)
Net flows	(1.4)	0.5	(1.2)	(0.7)
Net flows in money market funds and other	12.8	(0.3)	13.1	—
Market gains/reinvestment	46.5	31.4	13.9	1.2
Acquisitions/disposals	8.9	6.3	2.6	—
Foreign currency	9.5	5.9	3.6	—
December 31, 2006	$ 462.6	$234.0	$211.8	$16.8
Inflows	119.9	86.6	28.2	5.1
Outflows	(123.3)	(80.6)	(37.4)	(5.3)
Net flows	(3.4)	6.0	(9.2)	(0.2)
Net flows in money market funds and other	10.1	(0.3)	10.4	—
Market gains/reinvestment	20.0	11.3	7.8	0.9
Foreign currency	10.8	8.5	2.3	—
December 31, 2007	$ 500.1	$259.5	$223.1	$17.5

AUM by Asset Class

$ in billions	Total	Equity (b)	Fixed Income	Balanced	Money Market	Stable Value	Alternatives (c)
January 1, 2005 (a)	$ 382.1	$177.0	$ 27.5	$ 37.2	$51.8	$ 42.1	$ 46.5
Inflows	66.3	30.0	14.5	7.8	3.3	4.2	6.5
Outflows	(82.5)	(45.6)	(10.4)	(12.5)	(3.5)	(3.0)	(7.5)
Net flows	(16.2)	(15.6)	4.1	(4.7)	(0.2)	1.2	(1.0)
Net flows in money market funds	0.5	—	—	—	0.5	—	—
Market gains/reinvestment	24.4	17.9	1.2	1.7	—	2.4	1.2
Foreign currency translation	(4.5)	(3.3)	(0.8)	0.1	—	—	(0.5)
December 31, 2005 (a)	$ 386.3	$176.0	$ 32.0	$ 34.3	$52.1	$ 45.7	$ 46.2
Inflows	85.8	42.5	24.3	7.4	1.9	4.3	5.4
Outflows	(87.2)	(46.6)	(17.9)	(9.6)	(3.1)	(5.6)	(4.4)
Net flows	(1.4)	(4.1)	6.4	(2.2)	(1.2)	(1.3)	1.0
Net flows in money market funds	12.8	—	—	—	12.8	—	—
Market gains/reinvestment	46.5	32.6	2.8	5.7	0.5	2.5	2.4
Acquisitions	8.9	6.3	—	—	—	—	2.6
Foreign currency translation	9.5	6.7	1.6	0.4	0.1	—	0.7
December 31, 2006 (a)	$ 462.6	$217.5	$ 42.8	$ 38.2	$64.3	$ 46.9	$ 52.9
Inflows	119.9	74.6	10.7	10.1	1.5	4.0	19.0
Outflows	(123.3)	(64.2)	(14.9)	(9.6)	(2.1)	(20.2)	(12.3)
Net flows	(3.4)	10.4	(4.2)	0.5	(0.6)	(16.2)	6.7
Net flows in money market funds	10.1	(0.6)	0.3	(1.3)	10.6	(0.1)	1.2
Market gains/reinvestment	20.0	14.1	2.1	0.2	—	1.6	2.0
Foreign currency translation	10.8	6.5	1.2	2.8	0.1	0.1	0.1
December 31, 2007	$ 500.1	$247.9	$ 42.2	$ 40.4	$74.4	$ 32.3	$ 62.9

(a) The beginning balances were adjusted to reflect certain asset reclassifications.

(b) Includes PowerShares's ETF AUM ($14.5 billion at December 31, 2007), which are primarily invested in equity securities.

(c) Assets have been restated beginning December 31, 2006 to reflect an amended definition of the alternative asset class. The alternative asset class includes real estate, private equity and absolute return strategies.

AUM by Client Domicile

$ in billions	Total	U.S.	Canada	U.K.	Europe	Asia
January 1, 2006 (a)	$ 386.3	$250.6	$38.8	$ 53.8	$ 25.0	$ 18.1
Inflows	85.8	30.0	4.5	14.5	23.6	13.2
Outflows	(87.2)	(42.2)	(7.7)	(10.2)	(18.0)	(9.1)
Net flows	(1.4)	(12.2)	(3.2)	4.3	5.6	4.1
Net flows in money market funds	12.8	11.5	0.4	0.2	0.7	—
Market gains/reinvestment	46.5	21.9	6.9	9.9	4.1	3.7
Acquisitions	8.9	8.9	—	—	—	—
Foreign currency translation	9.5	(0.3)	0.4	6.5	2.7	0.2
December 31, 2006	$ 462.6	$280.4	$43.3	$ 74.7	$ 38.1	$ 26.1
Inflows	119.9	48.2	6.7	22.0	21.4	21.6
Outflows	(123.3)	(64.7)	(6.8)	(10.0)	(25.6)	(16.2)
Net flows	(3.4)	(16.5)	(0.1)	12.0	(4.2)	5.4
Net flows in money market funds	10.1	11.0	—	0.2	(0.5)	(0.6)
Market gains/reinvestment	20.0	14.9	(4.1)	2.7	1.8	4.7
Foreign currency translation	10.8	—	7.6	0.4	2.0	0.8
December 31, 2007	$ 500.1	$289.8	$46.7	$ 90.0	$ 37.2	$ 36.4

(a) The beginning balances were adjusted to reflect certain asset reclassifications. The company began documenting and presenting AUM by client domicile in 2006.

Investment Performance

Retail Results	% of AUM in Top Half of Peer Group					
	One-year		Three-year		Five-year	
	Dec-07	Dec-06	Dec-07	Dec-06	Dec-07	Dec-06
U.S. (Lipper)	45%	62%	64%	74%	67%	67%
U.S. (Morningstar)	49%	60%	65%	51%	50%	77%
Canada	4%	80%	15%	54%	14%	81%
U.K.	75%	89%	80%	98%	92%	87%
Cont. Europe & Asia	72%	47%	57%	90%	85%	57%

Institutional Results	% of AUM Ahead of Benchmark					
	One-year		Three-year		Five-year	
Equity	12%	53%	56%	59%	56%	100%
Fixed Income	65%	92%	89%	96%	91%	99%
Money Market	98%	97%	98%	97%	98%	97%
Alternative	42%	92%	97%	100%	93%	100%

Note: As of December 31, 2007. Certain funds and products were excluded from the analysis because of limited benchmark or peer group data. Had these been available, results may be different. These results are preliminary and subject to revision. Performance assumes the reinvestment of dividends. Past performance is not indicative of future results and may not reflect an investor's experience.

Within U.S. retail, over 64% of assets were in the top half of their respective peer groups on both a three- and five-year Lipper basis while 45% of assets were in the top half on a one-year basis. Morningstar peer groups result in 49%, 65%, and 50% of AUM being in the top half on a one-, three- and five-year basis, respectively. During 2007, we evaluated, rationalized and merged five funds in the U.S. retail product line and introduced six new target date allocation funds as part of our efforts to ensure we are delivering the best possible investment solutions to our clients.

In our Canadian retail operations, certain portfolios lagged peers in 2007 due to being underweight in the resources sectors while overweight in consumer discretionary businesses. The strong Canadian dollar was an additional headwind for funds with higher-than-average investment in foreign securities.

The U.K. retail operations have produced particularly strong results across all measured time frames. In Continental Europe and Asia, 72%, 57% and 85% of AUM are performing in the top half of their peer groups on a one-, three- and five-year basis, respectively.

In our institutional operations, over 98% of our money market assets were in the top-half of their respective peer groups over one-, three-and five-year periods. At least 89% of alternatives and fixed income AUM were ahead of benchmark over three and five year periods. The institutional equity products experienced some relative weakness over a one year period but had 56% of AUM ahead of benchmark over a three- and five-year period. Although measuring our investment performance against benchmarks is an important criterion, our institutional operations are also evaluated against peer groups and consultant perception.

Results of Operations

Results of Operations for the Year Ended December 31, 2007 Compared with the Year Ended December 31, 2006

Operating Revenues and Net Revenues

Operating revenues increased by 19.5% in 2007 to $3,878.9 million (2006: $3,246.7 million). Net revenues are operating revenues less third-party distribution, service and advisory costs, plus our proportional share of net revenues from joint venture arrangements. Net revenues increased by 19.0% in 2007 to $2,888.4 million (2006: $2,428.0 million). See "Schedule of Non-GAAP Information" for additional important disclosures regarding the use of net revenues. The main categories of revenues, and the dollar and percentage change between the periods, are as follows:

$ in millions	2007	2006	$ Change	% Change
Investment management fees	3,080.1	2,508.2	571.9	22.8%
Performance fees	70.3	82.1	(11.8)	(14.4)%
Service and distribution fees	593.1	534.9	58.2	10.9%
Other	135.4	121.5	13.9	11.4%
Total operating revenues	3,878.9	3,246.7	632.2	19.5%
Third-party distribution, service and advisory costs	(1,051.1)	(826.8)	(224.3)	(27.1)%
Proportional share of revenues, net of third-party distribution costs, from joint venture investments	60.6	8.1	52.5	648.1%
Net revenues	2,888.4	2,428.0	460.4	19.0%

Investment Management Fees

Investment management fees are derived from providing professional services to manage client accounts and include fees received from retail mutual funds, unit trusts, investment companies with variable capital (ICVCs), investment trusts and institutional advisory contracts. Investment management fees for products offered in the retail distribution channel are generally calculated as a percentage of the daily average asset balances and therefore vary as the levels of AUM change resulting from inflows, outflows and market movements. Investment management fees for products offered in the institutional and private wealth management distribution channels are calculated in accordance with the underlying investment management contracts and also vary in relation to the level of client assets managed.

Investment management fees increased 22.8% in 2007 to $3,080.1 million (2006: $2,508.2 million) due to increases in assets under management during the year. AUM at December 31, 2007 were $500.1 billion (2006: $462.6 billion).

Performance Fees

Performance fee revenues are only generated on certain management contracts when certain performance hurdles are achieved. They are recorded in operating revenues as of the performance measurement date, or on the date of achievement of the performance hurdle, when the outcome can be estimated reliably. The performance measurement date is defined in each contract in which incentive and performance fee revenue agreements are in effect.

Performance fees will fluctuate from period to period and may not correlate with general market changes, since most of the fees are driven by relative performance to the respective benchmark rather than absolute performance. In 2007, these fees decreased 14.4% to $70.3 million (2006: $82.1 million). The performance fees generated in 2006 were the result of outstanding investment performance across a number of our investment disciplines.

Service and Distribution Fees

Service fees are generated through fees charged to cover several types of expenses, including fund accounting fees, SEC filings and other maintenance costs for mutual funds, unit trusts and ICVCs, and administrative fees received from closed-ended funds. Service fees also include transfer agent fees, which are fees charged to cover the expense of transferring shares of a mutual fund or units of a unit trust into the investor's name. Distribution fees include 12b-1 fees received from certain mutual funds to cover allowable sales and marketing expenses for those funds and also include asset-based sales charges paid by certain mutual funds for a period of time after the sale of those funds. Distribution fees typically vary in relation to the amount of client assets managed. Retail products offered outside of the U.S. do not generate a separate distribution fee, as the quoted management fee rate is inclusive of these services; instead fees for distribution services are included within investment management fee revenues for these locations.

In 2007, service and distribution fees increased 10.9% to $593.1 million (2006: $534.9 million) due to increased sales and assets under management.

Other Revenues

Other revenues include fees derived primarily from transaction commissions received upon the closing of new investments into certain of our retail funds and fees received upon the closing of real estate investment transactions in our real estate group. Real estate transaction fees are derived from commissions earned through the buying and selling of properties. The performance measurement date in which revenues are recorded is the date on which the transaction is legally closed. Other revenues also include the revenues of consolidated investment products.

In 2007, other revenues increased 11.4% to $135.4 million (2006: $121.5 million) driven by increases in sales volumes of funds subject to front-end commissions, offset by declines in real estate transaction fees from 2006. Increases in other revenues were also offset by decreases in the revenues of consolidated investment products, which were primarily the result of the deconsolidation of certain variable interest entities following the company's determination that it was no longer the primary beneficiary of those entities. See Item 8, "Financial Statements and Supplementary Data — Note 18, Consolidated Investment Products."

Third-Party Distribution, Service and Advisory Costs

Third-party distribution, service and advisory costs include renewal commissions paid to independent financial advisors for as long as the clients' assets are invested and are payments for the servicing of the client accounts. Renewal commissions are calculated based upon a percentage of the AUM value. Third-party distribution costs also include the amortization of upfront commissions paid to broker/dealers for sales of fund shares with a contingent deferred sales charge (a charge levied to the investor for client redemption of AUM within a certain contracted period of time). The distribution commissions are amortized over the contractual AUM-retention period. Also included in third-party distribution, service and advisory costs are sub-transfer agency fees that are paid to a third party for transferring shares of a mutual fund or units of a unit trust into the investor's name. Third-party distribution, service and advisory costs may increase or decrease at a rate different from the rate of change in service and distribution fee revenues due to the inclusion of distribution, service and advisory costs for the U.K. and Canada, where the related revenues are recorded as investment management fee revenues, as noted above.

Third-party distribution, service and advisory costs increased 27.1% in 2007 to $1,051.1 million (2006: $826.8 million), driven by increased renewal commissions generated by increased assets under management. Additionally, the trend towards platform and fund supermarket sales in the U.K. has further contributed to the increase in these costs.

Proportional share of revenues, net of third-party distribution costs, from joint venture investments

Management believes that the addition of our proportional share of revenues, net of third-party distribution costs, from joint venture arrangements should be added to operating revenues to arrive at net revenues, as it is important to evaluate the contribution to the business that our joint venture arrangements are making. See "Schedule of Non-GAAP Information" for additional disclosures regarding the use of net revenues. The company's most significant joint venture arrangement, as identified in Item 8, "Financial Statements and Supplementary Data — Note 3, Investments," is our 49.0% investment in INVESCO Great Wall Fund Management Company Limited. The 648.1% increase in our proportional share of revenues, net of third-party distribution costs, to $60.6 million in 2007 (2006: $8.1 million), is driven by the significant growth in assets under management in this joint venture.

Operating Expenses

During 2007, operating expenses increased 16.0% to $2,884.6 million (2006: $2,487.5 million), driven by increases in employee compensation, third-party distribution, service and advisory costs and general and administrative costs.

The main categories of operating expenses are as follows:

$ in millions	2007	2006	$ Change	% Change
Employee compensation	1,137.6	1,070.5	67.1	6.3%
Third-party distribution, service and advisory	1,051.1	826.8	224.3	27.1%
Marketing	157.6	138.8	18.8	13.5%
Property, office and technology	242.5	230.7	11.8	5.1%
General and administrative	295.8	207.6	88.2	42.5%
Restructuring charge	—	13.1	(13.1)	(100.0)%
Total operating expenses	2,884.6	2,487.5	397.1	16.0%

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

$ in millions	2007	% of Total Operating Expenses	% of Operating Revenues	% of Net Revenues*	2006	% of Total Operating Expenses	% of Operating Revenues	% of Net Revenues*
Employee compensation	1,137.6	39.4%	29.3%	39.4%	1,070.5	43.0%	33.0%	44.1%
Third-party distribution, service and advisory	1,051.1	36.4%	27.1%	N/A	826.8	33.2%	25.5%	N/A
Marketing	157.6	5.5%	4.1%	5.5%	138.8	5.6%	4.3%	5.7%
Property, office and technology	242.5	8.4%	6.3%	8.4%	230.7	9.3%	7.1%	9.5%
General and administrative	295.8	10.3%	7.6%	10.2%	207.6	8.3%	6.4%	8.6%
Restructuring charge	—	—	—	—	13.1	0.6%	0.4%	0.5%
Total operating expenses	2,884.6	100.0%	74.4%	N/A	2,487.5	100.0%	76.7%	N/A

* Net revenues are operating revenues less third-party distribution, service and advisory costs, plus our proportional share of net revenues from joint venture investments. See “Schedule of Non-GAAP Information” for a reconciliation of operating revenues to net revenues and important additional disclosures.

Employee Compensation

Employee compensation continues to be the largest component of total operating expenses, accounting for 39.4% of total operating expenses for 2007 (2006: 43.0%). Competitive compensation is critical for the success of the company in attracting and retaining the highest caliber employees.

Employee compensation increased $67.1 million, or 6.3%, in 2007 from 2006 due predominantly to increases in base salaries, sales incentive bonuses and staff bonuses for performance against corporate objectives, and $25.0 million in amortization related to a component of the cost of the October 2006 acquisition of WL Ross & Co., which was accounted for as prepaid compensation (see Item 8, “Financial Statements and Supplementary Data – Note 2, Acquisitions and Dispositions”).

Third-Party Distribution, Service and Advisory Costs

Third-party distribution, service and advisory costs are discussed above in the operating and net revenues section.

Marketing

Marketing expenses include marketing support payments, which are payments made to distributors of certain of our retail products over and above the 12b-1 distribution payments. These fees are contracted separately with each distributor. Marketing expenses also include the cost of direct advertising of our products through trade publications, television and other media. Public relations costs, such as the marketing of the company’s products through conferences or other sponsorships, are also included in marketing costs, as well as the cost of marketing-related employee travel.

Marketing expenses increased 13.5% in 2007 to $157.6 million (2006: $138.8 million) due to increased marketing support payments related to increased sales and AUM in the U.S. but were relatively flat as a percentage of net revenues (5.5% of net revenues in 2007 vs. 5.7% of net revenues in 2006).

Property, Office and Technology

Property, office and technology expenses include rent and utilities for our various leased facilities, depreciation of company-owned property and capitalized computer equipment costs, minor non-capitalized computer equipment and software purchases and related maintenance payments, and costs related to externally provided computer, record-keeping and portfolio management services.

Property, office and technology costs increased 5.1% to $242.5 million in 2007 from $230.7 million in 2006, due primarily to a $7.4 million lease charge for unused office space.

General and Administrative

General and administrative expenses include professional services costs, such as information service subscriptions, consulting fees, professional insurance costs, audit, tax and legal fees, non-marketing related employee travel expenditures, recruitment and training costs, and the amortization of certain intangible assets.

General and administrative expenses increased by $88.2 million (42.5%) to $295.8 million in 2007 from $207.6 million in 2006. This increase included growth in legal and other costs related to a $24.0 million insurance recovery in 2006 and to fund launch costs for a broad array of new ETF products through PowerShares. In addition, during the fourth quarter of 2007, we recorded a $12.8 million charge related to the relisting of the company on the New York Stock Exchange and a $9.8 million charge related to the proposed final settlement of market-timing private litigation that commenced in 2003.

Restructuring Charge

We did not incur any restructuring costs in 2007. In 2006, we recorded $13.1 million in remaining charges related to the operational restructuring efforts that began in 2005. See Item 8, “Financial Statements and Supplementary Data – Note 13, Restructuring Charge,” for additional information.

Operating Income, Net Operating Income, Operating Margin and Net Operating Margin

Operating income increased 31.0% to $994.3 million in 2007 from $759.2 million in 2006, driven by the growth in operating revenues. Operating margin (operating income divided by operating revenues) was 25.6% in 2007, up from 23.4% in 2006. Net operating income (operating income plus our proportional share of the operating income from joint venture arrangements) increased 36.4% to $1,039.8 million in 2007 from $762.1 million in 2006. Net operating margin is equal to net operating income divided by net revenues. Net revenues are equal to operating revenues less third-party distribution, service and advisory costs, plus our proportional share of the net revenues from our joint venture arrangements. Net operating margin was 36.0% in 2007, up from 31.4% in 2006. See “Schedule of Non-GAAP Information” for a reconciliation of operating revenues to net revenues, a reconciliation of operating income to net operating income and additional important disclosures regarding net revenues, net operating income and net operating margins.

Other Income and Expenses

Interest income increased 80.3% to $48.5 million in 2007 from $26.9 million in 2006 largely as a result of growth in our interest-earning cash balances during the year. Interest expense decreased 7.6% to $71.3 million in 2007 from $77.2 million in 2006 due to lower credit facility balances and a lower coupon interest rate on the new senior notes issued in April 2007.

Other gains and losses, net decreased 63.1% to $9.9 million in 2007 from $26.8 million in 2006. Included in other gains and losses, net are gains on disposals of investments, which increased to $32.2 million in 2007 from $18.1 million in 2006, primarily driven by gains realized upon the redemption of seed money investments. Also included in other gains are net foreign exchange gains and losses. In 2007, we incurred $10.3 million in net foreign exchange losses; whereas in 2006 we benefited from $8.5 million in net foreign exchange gains. Additionally, we incurred $13.6 million in write-downs and losses on seed capital investments during 2007 (2006: $1.7 million). See Item 8, “Financial Statements and Supplementary Data — Note 15, Other Gains and Losses, Net,” for additional details related to other gains and losses.

Included in other income and expenses are net other realized and unrealized gains of consolidated investment products. These net gains decreased 27.2% to $214.3 million in 2007 from $294.3 million in 2006, primarily due to the deconsolidation of certain variable interest entities for which we determined that we were no longer the primary beneficiary.

Income Tax Provision

Our subsidiaries operate in several taxing jurisdictions around the world, each with its own statutory income tax rate. As a result, our effective tax rate will vary from year to year depending on the mix of the profits and losses of our subsidiaries. The majority of our profits are earned in the U.S., Canada and the U.K. The current U.K. statutory tax rate is 30.0%, the Canadian statutory tax rate is 36.0% and the U.S. Federal statutory tax rate is 35.0%.

On July 19, 2007, legislation was enacted that will decrease the U.K.'s tax rate to 28.0% effective April 1, 2008. On December 14, 2007, legislation was enacted to reduce the Canadian income tax rate over the next five years. Beginning January 1, 2008, the Canadian tax rate will be reduced to 33.5%, with further reductions to 33.0% in 2009, 32.0% in 2010, 30.5% in 2011, and finally 29.0% in 2012.

Our effective tax rate excluding minority interest for 2007 was 34.6%, as compared to 34.5% in 2006. In 2007 a larger percentage of our profits originated from the U.K. than in 2006, which further decreased our effective tax rate. Similar to 2006, this reduction was offset by state taxes, additional taxes on subsidiary dividends, and an increase in the net valuation allowance for subsidiary operating losses. In 2007, we also reduced our Canadian and U.K. deferred tax assets to reflect the tax rate changes discussed above and we incurred transaction costs associated with our change in listing and domicile that were not deductible for tax purposes.

The inclusion of income from minority interests reduced our effective tax rate to 28.7% in 2007 and 24.6% in 2006.

Results of Operations for the Year Ended December 31, 2006 Compared with the Year Ended December 31, 2005

Operating Revenues and Net Revenues

Operating revenues increased by 13.0% in 2006 to $3,246.7 million (2005: $2,872.6 million). Net revenues are operating revenues less third-party distribution, service and advisory costs, plus our proportional share of revenues, net of third-party distribution costs, from joint venture arrangements. Net revenues increased by 12.1% in 2006 to $2,428.0 million (2005: $2,166.6 million). See "Schedule of Non-GAAP Information" for additional important disclosures regarding the use of net revenues. The main categories of revenues, and the dollar and percentage change between the periods, are as follows:

$ in millions	2006	2005	$ Change	% Change
Investment management fees	2,508.2	2,166.7	341.5	15.8%
Performance fees	82.1	33.5	48.6	145.1%
Service and distribution fees	534.9	538.2	(3.3)	(0.6)%
Other	121.5	134.2	(12.7)	(9.5)%
Total operating revenues	3,246.7	2,872.6	374.1	13.0%
Third-party distribution, service and advisory costs	(826.8)	(706.0)	(120.8)	(17.1)%
Proportional share of revenues, net of third-party distribution costs, from joint venture investments	8.1	—	8.1	N/A
Net revenues	2,428.0	2,166.6	261.4	12.1%

Investment Management Fees

Investment management fees increased 15.8% in 2006 over 2005, due to market appreciation on fund assets, investment performance and increased sales in Europe of the Dublin-based offshore fund range and the U.K. onshore fund range.

Performance fees

Performance fees increased to $82.1 million in 2006 from $33.5 million in 2005, as several institutional products exceeded performance hurdles. In the U.K., strong investment performance contributed to the increase in performance fees.

Service and Distribution Fees

In 2006, increases in service revenues in the U.K., in line with higher AUM, were offset by decreases in distribution and transfer agent revenues. Distribution fees declined due to the full year of 12b-1 rate reductions on certain U.S. retail products. The decline in transfer agent fee revenues arose primarily in U.S. retail from a change in the sub-transfer agent methodology, account fee rate changes, and fewer open accounts. Distribution and transfer agent fees in 2005 included revenues from AMVESCAP Retirement, which was sold in the second half of 2005, thereby further contributing to the decline in revenues in 2006.

Other Revenues

In 2006, other revenues decreased 9.5% from 2005, primarily due to lower real estate transaction commissions and reduced transaction commissions following the sale of our German banking license. In 2005, other revenues included fees earned from our German banking business, such as interest earned from balances available on demand from clients and credit institutions and commissions earned from derivative instruments.

Third-Party Distribution, Service and Advisory Costs

Third-party distribution, service and advisory costs increased 17.1% to $826.8 million in 2006 (2005: $706.0 million) due primarily to increases in renewal commissions, partially offset by declines in third-party distribution fees.

Proportional share of revenues, net of third-party distribution costs, from joint venture investments

Management believes that the addition of our proportional share of revenues, net of third-party distribution costs, from joint venture arrangements should be added to operating revenues to arrive at net revenues, as it is important to evaluate the contribution to the business that our joint venture arrangements are making. See “Schedule of Non-GAAP Information” for additional disclosures regarding the use of net revenues. The $8.1 million increase in our proportional share of revenues, net of third-party distribution costs, in 2006 (2005: $nil), is driven by the growth in assets under management in our Chinese joint venture, Invesco Great Wall Fund Management Company Limited.

Operating Expenses

The main categories of operating expenses are as follows:

$ in millions	2006	2005	$ Change	% Change
Employee compensation	1,070.5	1,044.7	25.8	2.5%
Third-party distribution, service and advisory	826.8	706.0	120.8	17.1%
Marketing	138.8	139.5	(0.7)	(0.5)%
Property, office and technology	230.7	270.9	(40.2)	(14.8)%
General and administrative	207.6	224.4	(16.8)	(7.5)%
Restructuring charge	13.1	62.6	(49.5)	(79.1)%
Goodwill impairment	—	16.6	(16.6)	(100.0)%
Total operating expenses	2,487.5	2,464.7	22.8	0.9%

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

$ in millions	2006	% of Total Operating Expenses	% of Operating Revenues	% of Net Revenues*	2005	% of Total Operating Expenses	% of Operating Revenues	% of Net Revenues*
Employee compensation	1,070.5	43.0%	33.0%	44.1%	1,044.7	42.4%	36.4%	48.2%
Third-party distribution, service and advisory	826.8	33.2%	25.5%	N/A	706.0	28.6%	24.6%	N/A
Marketing	138.8	5.6%	4.3%	5.7%	139.5	5.7%	4.8%	6.4%
Property, office and technology	230.7	9.3%	7.1%	9.5%	270.9	11.0%	9.4%	12.5%
General and administrative	207.6	8.3%	6.4%	8.6%	224.4	9.1%	7.8%	10.4%
Restructuring charge	13.1	0.6%	0.4%	0.5%	62.6	2.5%	2.2%	2.9%
Goodwill impairment	—	—	—	—	16.6	0.7%	0.6%	0.8%
Total operating expenses	2,487.5	100.0%	76.7%	N/A	2,464.7	100.0%	85.8%	N/A

* Net revenues are operating revenues less third-party distribution, service and advisory costs, plus our proportional share of net revenues from joint venture investments. See “Schedule of Non-GAAP Information” for a reconciliation of operating revenues to net revenues and important additional disclosures.

Employee Compensation

Employee compensation continues to be the largest component of total operating expenses, accounting for 43.0% of total operating expenses for 2006: (2005: 42.4%). Employee compensation expenses increased $25.8 million, or 2.5%. in 2006 from 2005, due primarily to $84.2 million in incremental non-cash amortization of share-related compensation programs, including a charge of $44.7 million ($0.08 per share, net of tax) relating to the cumulative previously unrecognized cost to the company of performance-based share options granted in 2003 that vested in February 2007. No expense for these options was recorded in 2005 as it was not expected in 2005 that the awards would vest. An increase of $15.5 million in staff bonuses and smaller increases in sales incentive bonuses also contributed to the overall rise in compensation costs. The increases in share-based payment and bonus costs were offset by decreases in base salary and pension costs in 2006, reflecting lower headcount levels.

Third-Party Distribution, Service and Advisory Costs

Third-party distribution, service and advisory costs increased 17.1% to $826.8 million in 2006 (2005: $706.0 million) due primarily to increases in renewal commissions, partially offset by declines in third-party distribution fees.

Marketing

Marketing expenses decreased 0.5% in 2006 from 2005 and were 5.7% of net revenues in 2006 compared to 6.4% of net revenues in 2005.

Property, Office and Technology

Property, office and technology costs decreased 14.8% to $230.7 million in 2006 from $270.9 million in 2005. Lower costs reflect a reduction in the amount of leased office space and lower depreciation expense caused by a decline in overall hardware purchases.

General and Administrative

General and administrative costs decreased 7.5% in 2006 compared to 2005. In 2006 legal costs, which included a $6.0 million settlement, were offset by a $24.0 million insurance recovery related to market timing litigation in prior years. Professional insurance costs declined in 2006 due to reduced premiums, and general recruitment costs declined in 2006. These declines were partially offset by increases in external consulting costs related to various strategic initiatives.

Restructuring Charge

In 2006 we recorded $13.1 million in remaining charges related to the operational and structural restructuring efforts that began in 2005. In 2005, we incurred $62.6 million in restructuring costs. See Item 8, “Financial Statements and Supplementary Data — Note 13, Restructuring Charge,” for additional information.

Goodwill Impairment

In 2005, we recorded a $16.6 million non-cash goodwill impairment charge related to our Private Wealth Management business. See Item 8, “Financial Statements and Supplementary Data — Note 8, Goodwill” for additional details.

Operating Income, Net Operating Income, Operating Margin and Net Operating Margin

Operating income increased 86.1% to $759.2 million in 2006 from $407.9 million in 2005, driven by the growth in operating revenues. Operating margin (operating income divided by operating revenues) was 23.4% in 2006, up from 14.2% in 2005. Net operating income (operating income plus our proportional share of the operating income from joint venture arrangements) increased 86.8% to $762.1 million in 2006 from $407.9 million in 2005. Net operating margin is equal to net operating income divided by net revenues. Net revenues are equal to operating revenues less third-party distribution, service and advisory costs, plus our proportional share of the net revenues from our joint venture arrangements. Net operating margin was 31.4% in 2006, up from 18.8% in 2005. See “Schedule of Non-GAAP Information” below for a reconciliation of operating revenues to net revenues, a reconciliation of operating income to net operating income and additional important disclosures regarding net revenues, net operating income and net operating margins.

Other Income and Expenses

Interest income increased 61.1% to $26.9 million in 2006 from $16.7 million in 2005 as a result, largely, of growth in our interest-earning cash balances during the year. Other gains and losses, net increased $26.8 million in 2006 from $13.4 million in 2005, driven by the realization of gains from our investments in collateralized debt obligations, fund seed money and foreign exchange gains. In 2005, we recognized $32.6 million in gain upon the sale of the AMVESCAP Retirement business.

Income Tax Provision

Our effective tax rate excluding minority interest for 2006 was 34.5%, as compared to 40.8% in 2005. In 2006 a larger percentage of our profits originated from the U.K. than in 2005, which further decreased our effective tax rate. This reduction was offset by state taxes, additional taxes on subsidiary dividends, and an increase in the net valuation allowance for subsidiary operating losses. In 2005, our effective tax rate excluding minority interest was higher due primarily to the absence of lower taxed profits, Europe and Asia operating losses, nondeductible restructuring expenses and nondeductible investment write-downs.

The inclusion of income from minority interests reduced our effective tax rate to 24.6% in 2006 and 31.4% in 2005.

Schedule of Non-GAAP Information

Net revenues, net operating income and net operating margin are non-GAAP financial measures. Management believes that these measures are additional meaningful measures to evaluate our operating performance. The most comparable U.S. GAAP measures are operating revenues, operating income and operating margin. Management believes that the deduction of third-party distribution, service and advisory costs from operating revenues in the computation of net revenues and the related computation of net operating margin provides useful information to investors because the distribution, service and advisory fee amounts represent costs that are passed through to external parties, which essentially are a share of the related revenues. Management also believes that the addition of our proportional share of operating revenues, net of distribution costs, from joint venture investments in the computation of net revenues and the addition of our proportional share of operating income in the related computations of net operating income and net operating margin also provides useful information to investors, as management considers it appropriate to evaluate the contribution of its growing joint venture investment to the operations of the business. Net revenues, net operating income and net operating margin should not be considered as substitutes for any measures derived in accordance with U.S. GAAP and may not be comparable to other similarly titled measures of other companies.

The following is a reconciliation of operating revenues, operating income and operating margin on a U.S. GAAP basis to net revenues, net operating income and net operating margin.

$ in millions	Years Ended December 31, 2007	2006	2005
Operating revenues, GAAP basis	**3,878.9**	3,246.7	2,872.6
Third-party distribution, service and advisory costs	**(1,051.1)**	(826.8)	(706.0)
Proportional share of revenues, net of third-party distribution costs, from joint venture investments	**60.6**	8.1	—
Net revenues	**2,888.4**	2,428.0	2,166.6
Operating income, GAAP basis	**994.3**	759.2	407.9
Proportional share of operating income from joint venture investments	**45.5**	2.9	—
Net operating income	**1,039.8**	762.1	407.9
Operating margin*	**25.6%**	23.4%	14.2%
Net operating margin**	**36.0%**	31.4%	18.8%

* Operating margin is equal to operating income divided by operating revenues.

** Net operating margin is equal to net operating income divided by net revenues.

Balance Sheet Discussion

The following table presents a comparative analysis of significant balance sheet line items:

$ in millions	2007	2006	$ Change	% Change
Cash and cash equivalents	**915.8**	778.9	136.9	17.6%
Unsettled fund receivables	**605.5**	561.6	43.9	7.8%
Current investments	**177.2**	187.8	(10.6)	(5.6)%
Assets held for policyholders	**1,898.0**	1,574.9	323.1	20.5%
Non-current investments	**122.3**	79.9	42.4	53.1%
Investments of consolidated investment products	**1,205.6**	1,482.0	(276.4)	(18.7)%
Goodwill	**6,848.0**	6,360.7	487.3	7.7%
Policyholder payables	**1,898.0**	1,574.9	323.1	20.5%
Current portion of long-term debt	**—**	300.0	(300.0)	(100%)
Long-term debt	**1,276.4**	979.0	297.4	30.4%
Minority interests in equity of consolidated affiliates	**1,121.2**	1,504.6	(383.4)	(25.5)%
Shareholders' equity	**6,590.6**	6,164.0	426.6	6.9%

Cash and Cash Equivalents

Cash and cash equivalents increased from December 31, 2006 to December 31, 2007 primarily because cash provided by our operating activities significantly exceeded cash used for operations and the purchase of our shares in the market under our share repurchase program. Details regarding changes in cash balances are provided within our Consolidated Statements of Cash Flows.

Invesco has local capital requirements in several jurisdictions, as well as regional requirements for entities that are part of the European sub-group. These requirements mandate the retention of liquid resources in those jurisdictions, which we meet in part by holding cash. This retained cash can be used for general business purposes in the European sub-group or in the countries where it is located. Due to the capital restrictions, the ability to transfer cash between certain jurisdictions may be limited. In addition, transfers of cash between international jurisdictions may have adverse tax consequences that may substantially limit such activity. At December 31, 2007, the European sub-group had cash and cash equivalent balances of $758.1 million, much of which is used to satisfy these regulatory requirements. We are in compliance with all regulatory minimum net capital requirements.

Unsettled Fund Receivables

Unsettled fund receivables increased from $561.6 million at December 31, 2006 to $605.5 million at December 31, 2007 due to the timing of fund and investor settlements. Unsettled fund receivables are created by the normal settlement periods on transactions initiated by certain clients of our U.K. and offshore funds. We are legally required to establish a receivable and a substantially offsetting payable at trade date with both the investor and the fund for normal purchases and sales.

Investments (Non-current and current)

As of December 31, 2007, we had $299.5 million in investments, of which $122.3 million were non-current investments and $177.2 million were current investments. Included in current investments are $60.9 million of seed money in affiliated funds and $58.8 million of investments related to assets held for deferred compensation plans. Included in non-current investments are $74.7 million in equity method investments in our Chinese joint venture and in certain of the company's private equity, real estate and other investment. Additionally, non-current investments include $39.0 million of investments in collateralized loan and debt obligation structures managed by us. Our investments in collateralized debt obligation structures are generally in the form of a relatively small portion of the unrated, junior, subordinated position. As such these positions would share in the first losses to be incurred if the structures were to experience significant increases in default rates of underlying investments above historical levels.

Assets Held for Policyholders and Policyholder Payables

One of our subsidiaries, Invesco Pensions Limited, is an insurance-type company that was established to facilitate retirement savings plans in the U.K. The entity holds assets that are managed for its clients on its balance sheet with an equal and offsetting liability. The increasing balance in these accounts was the result of success in growing this product offering.

Investments of consolidated investment products

Financial Accounting Standards Board Interpretation (FIN) No. 46(R), "Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51" requires that the primary beneficiary of variable interest entities (VIEs) consolidate the VIEs. A VIE is an entity that does not have sufficient equity to finance its operations without additional subordinated financial support, or an entity for which the risks and rewards of ownership are not directly linked to voting interests. Generally, limited partnership entities where the general partner does not have substantive equity investment at risk and where the other limited partners do not have substantive (greater than 50%) rights to remove the general partner or to dissolve the limited partnership are also VIEs. The primary beneficiary is the party to the VIE who absorbs a majority of the losses or absorbs the majority of the rewards generated by the VIE. Emerging Issues Task Force (EITF) Issue No. 04-5, "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights" requires that the general partner in a partnership that is not a VIE consolidate the partnership, because the general partner is deemed to control the partnership where the other limited partner do not have substantive kick-out or participation rights. Investments of consolidated investment products include the investments of both consolidated VIEs and partnerships that have been consolidated under EITF 04-5.

As of December 31, 2007, investments of consolidated investment products totaled $1,205.6 million (2006: $1,482.0 million). These investments are offset primarily in minority interests on the Consolidated Balance Sheets, as the company's equity investment in these structures is very small. The decrease from 2006 reflects the deconsolidation of certain previously-consolidated VIEs resulting from the company's determination that it was no longer was the primary beneficiary of these entities.

Goodwill

Goodwill increased from $6,360.7 million at December 31, 2006 to $6,848.0 million at December 31, 2007 primarily due to the impact of foreign currency translation for certain subsidiaries whose functional currency differs from that of the parent. The weakening of the U.S. dollar during 2007, mainly against that of the Canadian dollar, resulted in a $332.4 million increase in goodwill, upon consolidation, with a corresponding increase to equity. Additional goodwill was also recorded in 2007 related to the earn-out on the Power Shares acquisition ($129.6 million), the earn-out on the Stein Roe acquisition ($11.3 million) and other acquisition-related adjustments ($17.0 million).

Current Portion of Long-term Debt

This balance decreased from December 31, 2006 as a result of the maturity and repayment, on January 15, 2007, of $300.0 million of 5.9% senior notes.

Long-term Debt

The increase in this balance was due to the issuance of $300.0 million of 5.625% senior notes on April 17, 2007.

Minority interests in equity of consolidated entities

Minority interests in equity of consolidated entities decreased from $1,504.6 million at December 31, 2006 to $1,121.2 million at December 31, 2007 primarily due to the deconsolidation of VIEs for which the company determined that it was no longer the primary beneficiary of the arrangements as a result of reconsideration events. The minority interests in equity of consolidated entities are generally offset by the investments of consolidated investment products, as the company's equity investment in the investment products is very small.

Total Equity

Shareholders' equity increased from $6,164.0 million at December 31, 2006 to $6,590.6 million at December 31, 2007, an increase of $426.6 million. The increase included net income of $673.6 million, share issuance on employee option exercises of $137.4 million, and foreign currency translation gains of $351.1 million with respect to subsidiaries whose functional currency differs from that of the parent. These increases were partially offset by $352.9 million in share repurchases under a plan initiated in June 2007 and share purchases of $330.8 million to be held by employee trusts in association with share-based compensation arrangements.

Liquidity and Capital Resources

The existing capital structure of the company, together with the cash flow from operations and borrowings under the credit facility, should provide the company with sufficient resources to meet present and future cash needs. We believe that our cash flow from operations and credit facilities, together with our ability to obtain alternative sources of financing, will enable us to meet operating, debt and other obligations as they come due and anticipated future capital requirements.

Invesco has local capital requirements in several jurisdictions, as well as regional requirements for entities that are part of the European sub-group. These requirements require the retention of liquid resources in those jurisdictions, which we meet in part by holding cash. This retained cash can be used for general business purposes in the European sub-group or in the countries where it is located. Due to the capital restrictions, the ability to transfer cash between certain jurisdictions may be limited. In addition, transfers of cash between international jurisdictions may have adverse tax consequences that may substantially limit such activity. At December 31, 2007, the European sub-group had cash and cash equivalent balances of $758.1 million, much of which is used to satisfy these regulatory requirements. We are in compliance with all regulatory minimum net capital requirements.

Cash Flows

The ability to consistently generate cash from operations in excess of capital expenditures and dividend payments is one of our company's fundamental financial strengths. Operations continue to be financed from current earnings and borrowings. Our principal uses of cash, other than for operating expenses, include dividend payments, capital expenditures, acquisitions, purchase of our shares in the open market and investments in certain new investment products.

Cash flows of consolidated investment products (discussed in Item 8, "Financial Statements and Supplementary Data — Note 18, Consolidated Investment Products) are reflected in Invesco's cash provided by operating activities, provided by/(used in) investing activities and used in financing activities. Cash held by consolidated investment products is not available for general use by Invesco, nor is Invesco cash available for general use by its consolidated investment products.

Cash flows for the years ended December 31, 2007, 2006 and 2005 are summarized as follows:

$ in millions	2007	2006	2005
Cash flow from:			
Operating activities	913.7	455.9	306.9
Investing activities	(46.4)	(258.7)	112.0
Financing activities	(740.8)	(163.1)	(251.0)
Increase/(decrease) in cash and cash equivalents	126.5	34.1	167.9
Cash and cash equivalents, beginning of year	778.9	709.5	546.9
Foreign exchange	10.4	35.3	(5.3)
Cash and cash equivalents, end of year*	915.8	778.9	709.5

* Included in cash and cash equivalents are $3.3 million of client cash (2006: $2.9 million; 2005: $227.1 million). The decrease in client cash was due primarily to one depository account sponsored by our former banking subsidiary being replaced by an unaffiliated investment fund.

Operating Activities

Cash provided by operating activities is generated by the receipt of investment management and other fees generated from AUM, offset by operating expenses.

Cash provided by operating activities in 2007 was $913.7 million, an increase of $457.8 million or 100.4% over 2006. Changes in operating assets and liabilities contributed $307.2 million of the increase, and higher net income contributed $190.9 million of the increase in cash flows generated from operating activities.

Cash provided by operating activities in 2006 was $455.9 million, an increase of $149.0 million 48.6% over 2005. The increase was reduced by the decline in customer and counterparty payables, a component of current liabilities, resulting from one depository account sponsored by our former banking subsidiary being replaced by an unaffiliated investment fund.

Investing Activities

In our institutional operations, we periodically invest through a relatively small portion of the unrated, junior subordinated position in our collateralized loan and debt obligation structures and in our private equity funds, as is customary in the industry. Other investors into these structures have no recourse against the company for any losses sustained in the structures. Many of our private equity products are structured as limited partnerships. Our investment may take the form of the general partner or as a limited partner. We received $10.1 million (2006: $13.6 million; 2005: $13.4 million) in return of capital from such investments. We also make seed investments in affiliated funds to assist in the launch of new funds. During 2007, we invested $21.6 million in new funds and recaptured $4.8 million from redemptions of prior investments.

During the fiscal years ended December 31, 2007, 2006 and 2005, our capital expenditures were $36.7 million, $37.9 million and $38.8 million, respectively. These expenditures related principally in each year to technology initiatives, including new platforms from which we maintain our portfolio management systems and fund accounting systems, improvements in computer hardware and software desktop

products for employees, new telecommunications products to enhance our internal information flow, and back-up disaster recovery systems. Also, in each year, a portion of these costs related to leasehold improvements made to the various buildings and workspaces used in our offices. These projects have been funded with proceeds from our operating cash flows. During the fiscal years ended December 31, 2007, 2006 and 2005, our capital divestitures were not significant relative to our total fixed assets.

Net cash outflows of $56.0 million in 2007 and $200.1 million in 2006 related primarily to the acquisitions of PowerShares and WL Ross & Co. In 2005, we received $53.6 million in cash from business dispositions, primarily related to the sale of the retirement business.

Financing Activities

Net cash used in financing activities increased from $163.1 million in 2006 to $740.8 million in 2007, primarily due to the purchase of shares held by employee trusts (held in treasury) totaling $363.1 million and the purchase of treasury shares totaling $352.9 million under our share repurchase program.

Net cash used in financing activities decreased from $251.0 million in 2005 to $163.1 million in 2006 as the increase in net inflows from share issuances and borrowings offset the increase in dividends paid and purchase of shares to meet the requirements of share-based compensation awards. A summary of shares purchased by month for the fourth quarter of 2007 is presented in Part II, Item 5, “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities”.

Dividends

An interim dividend of $0.164 per INVESCO PLC American Depositary share was declared on August 2, 2007 and paid on October 25, 2007. On February 1, 2008, the board of directors declared a final (semi-annual) 2007 dividend of $0.22 per Invesco Ltd. common share, payable on April 7, 2008, to shareholders of record as of March 19, 2008. Shareholders who have a United Kingdom address and are directly registered with our transfer agent, The Bank of New York Mellon, will receive the dividend in Sterling.

The following table sets forth the historical amounts for interim, final and total dividends per American Depositary Share in respect of each year indicated:

	U.S. Cents per American Depositary Share		
Years Ended December 31,	**Interim**	**Final**	**Total**
2003	16.63	23.31	39.94
2004	9.02	19.00	28.02
2005	14.02	20.33	34.35
2006	15.40	20.80	36.20
2007	16.40	22.00(1)	38.40

(1) The final dividend for 2007 was declared on February 1, 2008. The scheduled payment date is April 7, 2008 to shareholders of record on March 19, 2008.

If dividends will be paid in the future, they will be declared in U.S. dollars on a quarterly basis. The declaration, payment and amount of any future dividends will be declared by our board of directors and will depend upon, among other factors, our earnings, financial condition and capital requirements at the time such declaration and payment are considered. The board of directors has a policy of managing dividends in a prudent fashion, with due consideration given to income levels, overall cash and debt levels, and historical dividend payouts.

Debt

Our total indebtedness at December 31, 2007 is $1,276.4 million and is comprised of the following:

$ in millions	
Unsecured Senior Notes:	
5.9% — due January 15, 2007	—
4.5% — due December 15, 2009	300.0
5.625% — due April 17, 2012	300.0
5.375% — due February 27, 2013	350.0
5.375% — due December 15, 2014	200.0
Floating rate credit facility expiring March 31, 2010	126.4
Total long-term debt	1,276.4
Less: current maturities of long-term debt	—
Long-term debt	1,276.4

Debt proceeds have been used by the company to form part of the consideration paid for acquisitions and also for the integration of the acquired businesses over time. On January 16, 2007, $300.0 million of our 5.9% senior notes matured and was paid using a draw on our credit facility. On April 17, 2007 the company issued $300.0 million five-year 5.625% senior notes. The net proceeds from the offering were used to repay amounts outstanding under our credit facility and for general corporate purposes. Interest is paid semi-annually on the senior notes. The senior notes are unsecured.

On March 31, 2005, we entered into a five-year unsecured $900.0 million credit facility with a group of lenders that was amended and restated in December 2007 in conjunction with the redomicile and relisting of the company. The company draws and repays its credit facility balances and utilizes the credit facility for working capital and other cash needs. The financial covenants under our credit agreement include a leverage ratio of not greater than 3.25:1.00 (debt/EBITDA, as defined in the credit facility) and an interest coverage ratio of not less than 4.00:1.00 (EBITDA as defined in the credit facility/interest payable for the four consecutive fiscal quarters). The breach of any covenant would result in a default under the credit facility, which could lead to lenders requiring all balances under the credit facility, together with accrued interest and other fees, to be immediately due and payable. This credit facility also contains customary affirmative operating covenants and negative covenants that, among other things, restrict certain of our subsidiaries' ability to incur debt, transfer assets, merge, make loans and other investments and create liens. As of December 31, 2007, we were in compliance with our debt covenants. The coverage ratios, as defined in our credit facility, were as follows during 2007, 2006 and 2005:

	2007			
	Q1	Q2	Q3	Q4
Leverage Ratio	1.18	0.97	0.91	1.04
Interest Coverage Ratio	12.96	13.54	14.30	17.81

	2006			
	Q1	Q2	Q3	Q4
Leverage Ratio	1.62	1.60	1.46	1.24
Interest Coverage Ratio	9.22	10.69	11.67	12.93

	2005			
	Q1	Q2	Q3	Q4
Leverage Ratio	1.95	1.80	1.73	1.82
Interest Coverage Ratio	8.00	7.58	7.53	8.13

We have received credit ratings of A3 and BBB+ from Moody's and Standard & Poor's credit rating agencies, respectively, as of the date of this Annual Report on Form 10-K. Both Standard & Poor's and Moody's have a "stable" outlook for the rating as of the date of this Annual Report on Form 10-K. According to Moody's, obligations rated 'A' are considered upper medium grade and are subject to low credit risk. Invesco's rating of A3 is at the low end of the A range (A1, A2, A3), but three notches above the lowest investment grade rating of Baa3. Standard and Poor's rating of BBB+ is at the upper end of the BBB rating, with BBB- representing Standard and Poor's lowest investment grade rating. According to Standard and Poor's, BBB obligations exhibit adequate protection parameters; however adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. We believe that rating agency concerns include but are not limited to: our ability to sustain net positive asset flows across customer channels, product type and geographies, our substantial indebtedness, and our ability to maintain consistent positive investment performance.

Material deterioration of these factors, and others defined by each rating agency, could result in downgrades to our credit ratings, thereby limiting our ability to generate additional financing or receive mandates. Because our credit facility borrowing rates are not tied to credit ratings, and interest rates on our outstanding senior notes are fixed, there is no direct correlation between changes in ratings and interest expense of the company. However, management believes that solid investment grade ratings are an important factor in winning and maintaining institutional business and strives to manage the company to maintain such ratings. Disclosure of these ratings is not a recommendation to buy, sell or hold our debt. These credit ratings may be subject to revision or withdrawal at anytime by Moody's or Standard & Poor's. Each rating should be evaluated independently.

Credit and Liquidity Risk

Capital management involves the management of the company's liquidity and cash flows. 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 Item 7A, "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 with high credit-quality financial institutions; however, we have chosen to limit the number of firms with which we invest. 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 discharge an obligation. The company is subject to credit risk in the following areas of its business:

- 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 December 31, 2007, our maximum exposure to credit risk related to our cash and cash equivalent balances is $915.8 million.
- Certain trust subsidiaries of the company accept deposits and place deposits with other institutions on behalf of our customers. As of December 31, 2007, our maximum exposure to credit risk related to these transactions is $3.3 million.

The company does not utilize credit derivatives or similar instruments to mitigate the maximum exposure to credit risk. The company does not expect any counterparties to its financial instruments to fail to meet their obligations.

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities. The company is exposed to liquidity risk through its $1,276.4 million in total long-term 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 dialog.

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 investments that we manage may be negatively impacted when inflationary expectations result in a rising interest rate environment. Declines in the values of these investments could lead to reduced revenues as management fees are generally calculated based upon the size of assets under management.

Off Balance Sheet Commitments

The company transacts with various private equity, real estate and other investment entities sponsored by the company for the investment of client assets in the normal course of business. Certain of these investments are considered to be variable interest entities of which the company

is the primary beneficiary and certain of these investments are limited partnerships for which the company is the general partner and is deemed to have control (with the absence of substantive kick-out or participation rights of the other limited partners) and are consolidated into the company's financial statements under EITF 04-5 (see Item 8, "Financial Statements and Supplementary Data — Note 18, Consolidated Investment Products" and "Note 1, Accounting Policies" for additional information on consolidated and unconsolidated investment products).

Many of our private equity products are structured as limited partnerships. Our investment may take the form of the general partner or as a limited partner. The private equity funds are structured such that each partner makes capital commitments that are to be drawn down over the life of the partnership as investment opportunities are identified. At December 31, 2007, our undrawn capital commitments were $60.2 million (2006: $19.2 million).

The volatility and valuation dislocations that occurred during 2007 in certain sectors of the fixed income market have generated some pricing issues in many areas of the market. As a result of these valuation dislocations, during the fourth quarter of 2007, Invesco elected to enter into contingent support agreements for two of its investment trusts to enable them to sustain a stable pricing structure. These two trusts are unregistered trusts that invest in fixed income securities and are available only to accredited investors. The fair value of these agreements at December 31, 2007 was estimated to be $4.5 million, which was recorded in other current liabilities on the Consolidated Balance Sheet at that date. As of the date of this Annual Report on Form 10-K, the maximum support that could be provided under these agreements is $33.0 million. No payments have been made under either agreement nor has Invesco realized any losses from the support agreements through the date of this Report. These trusts were not consolidated because the company was not deemed to be the primary beneficiary under FIN 46R.

Contractual Obligations

We have various financial obligations that require future cash payments. The following table outlines the timing of payment requirements related to our commitments as of December 31, 2007:

$ in millions	Total	Within 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Total debt	1,276.4	—	426.4	300.0	550.0
Estimated interest payments on total debt [1]	290.1	59.9	106.4	92.9	30.9
Finance leases	0.4	0.1	0.1	0.2	—
Operating leases [2]	588.0	64.5	121.0	99.8	302.7
Defined benefit pension and post-retirement medical obligations [3]	428.7	10.9	21.9	27.2	368.7
Acquisition liabilities [4]	129.6	129.6	—	—	—
Total	2,713.2	265.0	675.8	520.1	1,252.3

(1) Total debt includes $1,150.0 million of fixed rate debt. Fixed interest payments are therefore reflected in the table above in the periods they are due. The credit facility, $900.0 million at December 31, 2007, provides for borrowings of various maturities. Interest is payable based upon LIBOR, Prime, Federal Funds or other bank-provided rates in existence at the time of each borrowing. Estimated credit facility interest payments in the table above are based upon an assumption that the credit facility balance of $126.4 million and the interest rate that existed at December 31, 2007 will remain until credit facility maturity on March 31, 2010.

(2) Operating leases reflect obligations for leased building space and sponsorship and naming rights agreements . See Part II, Item 8, "Financial Statements and Supplementary Data — Note 20, Operating Leases" for sublease information.

(3) See Part II, Item 8, "Financial Statements and Supplementary Data — Note 21, Retirement Benefit Plans" for detailed benefit pension and post-retirement plans.

(4) Acquisition liabilities include deferred consideration payable in respect of the PowerShares and HVB acquisitions. Other contingent payments related to acquisitions at December 31, 2007 include $500.0 million related to the PowerShares acquisition and $220.0 million related to the WL Ross & Co. acquisition, which are excluded until such time as they are probable and reasonably estimable.

(5) Due to the uncertainty with respect to the timing of future cash flows associated with unrecognized tax benefits at December 31, 2007, the company is unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authorities. Therefore, $69.0 million of gross unrecognized tax benefits have been excluded from the contractual obligations table above. See Part II, Item 8, "Financial Statements and Supplementary Data, Note 16 – Taxation" for a discussion on income taxes.

Critical Accounting Policies and Estimates

Our significant accounting policies are disclosed in Part II, Item 8, "Financial Statements and Supplementary Data — Note 1, Accounting Policies" to our Consolidated Financial Statements, contained elsewhere within this Report. The accounting policies and estimates that we believe are the most critical to an understanding of our results of operations and financial condition are those that require complex management judgment regarding matters that are highly uncertain at the time policies were applied and estimates were made. These accounting policies and estimates are discussed below. Different estimates reasonably could have been used in the current period that would have had a material effect on these financial statements, and changes in these estimates are likely to occur from period-to-period in the future.

Share-Based Compensation. We have issued equity-settled share-based awards to certain employees, which are measured at fair value at the date of grant. These awards consist of restricted and deferred share incentive awards and share option awards. Time-vested awards vest ratably over or cliff-vest at the end of a period of continued employee service. Performance-vested awards cliff-vest at the end of a defined vesting period of continued employee service upon the company's attainment of certain performance criteria, generally the attainment of cumulative EPS growth targets at the end of the vesting period reflecting a compound annual growth rate of between 10.0% and 15.0% per annum during a three-year period. Time-vested and performance-vested share incentive awards are granted in the form of restricted shares or deferred share awards. Dividends accrued directly to the employee holder of restricted shares, and cash payments in lieu of dividends are made to employee holders of certain deferred share awards. There is therefore no discount to the fair value of these share incentive awards at their grant date.

The fair value of these awards is determined at the grant date and is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest. The forfeiture rate applied to most grants is 5% per annum, based upon our historical experience with respect to employee turnover. Fair value for restricted and deferred share awards representing equity interests identical to those associated with shares traded in the open market are determined using the market price at the time of grant. Fair value is measured by use of the Black Scholes valuation model for certain deferred share incentive awards that do not include dividend rights and a stochastic model (a lattice-based model) for share option awards. The expected life of share-based payment awards used in these models is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

Changes in the assumptions used in the stochastic valuation model for share option awards, as well as changes in the company's estimates of vesting (including the company's evaluation of performance conditions associated with certain share-based payment awards and assumptions used in determining award lapse rates) could have a material impact on the share-based payment charge recorded in each year. Assumptions used in association with option awards granted during 2005 are presented in the table below (no option awards were granted in 2006 or 2007).

	2005
Weighted average share price *	876p
Weighted average exercise price *	878p
Expected volatility	52.0%
Expected term	7.8 years
Risk free rate	4.2%
Expected dividends	2.2%

* Share option prices are in pounds sterling, the currency of the awards. Upon exercise, the exercise price will be converted to U. S. dollars using the rate prevailing on the exercise date.

Deferred share awards that do not include dividend rights or cash payments in lieu of dividends are valued using the Black-Scholes model. There were no such awards granted in 2007. The assumptions used in the Black-Scholes model for these awards granted in 2006 and 2005 are as follows:

	2006	2005
Weighted average share price *	1034p	666p
Expected term	5.3 years	4.0 years
Expected dividend yield	1.84%	2.25%

* Share option prices are in pounds sterling, the currency of the awards. Upon exercise, the exercise price will be converted to U. S. dollars using the rate prevailing on the exercise date.

The table below is a summary, as of December 31, 2007, of equity-settled stock-based compensation awards outstanding under the company's non-retirement stock-based compensation programs. Details relating to each program are included in Part II, Item 8, "Financial Statements and Supplementary Data — Note 19, Share-Based Compensation."

millions of shares	Awards Outstanding Total	Vesting During the Years Ended December 31, 2008	2009	2010	2011	2012	2013	2014
Time-vested	15.2	4.2	6.0	1.6	2.7	0.3	0.2	0.2
Performance-vested	6.2	1.5	1.1	2.6	1.0	—	—	—
Share Incentive Awards *	21.4	5.7	7.1	4.2	3.7	0.3	0.2	0.2

* 16.1 million share incentive awards were included in the diluted earnings per share calculation at December 31, 2007. See Item 8, "Financial Statements and Supplementary Data – Note 17, Earnings Per Share."

millions of shares Share Option Awards:	Awards Outstanding Total	Fully Vested at December 31, 2007	Vesting During the Years Ended December 31, 2008	2009	2010
Time vested:					
Exercise Price *					
50p - 400p	1.0	0.4	0.3	0.3	—
401p - 800p	0.1	0.1	—	—	—
801p - 1000p	2.3	2.3	—	—	—
1001p - 1200p	1.4	1.4	—	—	—
1201p - 1400p	3.8	3.8	—	—	—
1401p - 1600p	—	—	—	—	—
1601p - 2000p	5.3	5.3	—	—	—
2001p - 2400p	4.9	4.9	—	—	—
2401p -3400p	0.4	0.4	—	—	—
Subtotal time-vested	19.2	18.6	0.3	0.3	—
Performance-vested:					
Exercise price *					
601p - 800p	7.4	2.1	5.2	0.1	—
801p - 1000p	3.1	0.6	0.1	2.4	—
Subtotal performance-vested	10.5	2.7	5.3	2.5	—
Total Share Option Awards **	29.7	21.3	5.6	2.8	—
Sharesave Plan Shares	1.0	0.1	0.3	—	0.6

* Share options prices are in pounds sterling, the currency of the awards. Upon exercise, the exercise price will be converted to U. S. dollars using the rate prevailing on the exercise date.

** 6.0 million share option awards were included in the diluted earnings per share calculation at December 31, 2007. See Part II, Item 8, "Financial Statements and Supplementary Data – Note 17, Earnings Per Share."

Other Compensation Arrangements. We offer certain performance-based cash awards to many of our employees that are based upon purely discretionary determinations or, alternatively, certain formulaic compensation arrangements. The formulaic arrangements require that we monitor on an ongoing basis whether or not pre-established metrics are expected to be met in order to properly record the related expense amounts. Because many of the metrics relate to matters that are highly uncertain or susceptible to change, our estimates may not accurately reflect the ultimate outcomes that will be achieved, and associated expense that should be recognized, with respect to these compensation arrangements.

Taxation. After compensation and related costs, our provision for income taxes on our earnings is our largest annual expense. We operate in several countries and several states through our various subsidiaries, and must allocate our income, expenses, and earnings under the various laws and regulations of each of these taxing jurisdictions. Accordingly, our provision for income taxes represents our total estimate of the liability that we have incurred for doing business each year in all of our locations. Annually we file tax returns that represent our filing positions within each jurisdiction and settle our return liabilities. Each jurisdiction has the right to audit those returns and may take different positions with respect to income and expense allocations and taxable earnings determinations. Because the determinations of our annual provisions are subject to judgments and estimates, it is possible that actual results will vary from those recognized in our financial statements. As a result, it is likely that additions to, or reductions of, income tax expense will occur each year for prior reporting periods as actual tax returns and tax audits are settled.

Income taxes are provided for in accordance with FASB Statement No. 109, “Accounting for Income Taxes.” Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and the reported amounts in the Consolidated Financial Statements, using the statutory tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets to the amount that is more likely than not to be realized.

As a multinational corporation, the company operates in various locations outside of Bermuda and generates substantially all of its earnings from our subsidiaries. Deferred tax liabilities are recognized for taxes that would be payable on the unremitted earnings of the company’s subsidiaries, consolidated investment products, and joint ventures, except where it is our intention to continue to indefinitely reinvest the undistributed earnings. Our Canadian and U.S. subsidiaries continue to be directly owned by Invesco Holding Company Limited (formerly INVESCO PLC, our predecessor company), which is directly owned by Invesco Ltd. Our Canadian unremitted earnings, for which we are indefinitely reinvested, are estimated to be $880 million at December 31, 2007 compared with $600 million at December 31, 2006. If distributed as a dividend, Canadian withholding tax of 5.0% would be due. Deferred tax liabilities in the amount of $14.1million (2006: $7.0 million) for additional U.K. tax have been recognized for unremitted earnings of certain subsidiaries that have regularly remitted earnings and are expected to continue to remit earnings in the foreseeable future. Dividends from our investment in the U.S. should not give rise to additional tax as there is no withholding tax between the U.S. and U.K., the underlying U.S. tax rate is greater than the U.K. tax rate, and we have U.K. tax credits available. There are no additional taxes on dividends from the U.K. to Bermuda.

Net deferred tax assets have been recognized in the U.S., U.K., and Canada based on management's belief that operating income and capital gains will, more likely than not, be sufficient to realize the benefits of these assets over time. In the event that actual results differ from these estimates, or if our historical trends of positive operating income in any of these locations changes, we may be required to record a valuation allowance on deferred tax assets, which may have a significant effect on our financial condition and results of operations.

Invesco adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109", ("FIN 48") on January 1, 2007. This interpretation prescribes a specific recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The two-step process prescribed by FIN 48 for evaluating a tax position involves first determining whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities. If it is, the second step then requires a company to measure this tax position benefit as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. As a result of the implementation of FIN 48, Invesco increased its net tax contingencies liability by $17.6 million. The increase in the liability and the related change in deferred taxes were accounted for as a decrease to retained earnings at January 1, 2007. Invesco classifies any interest and penalties on tax liabilities (or any overpayments) on the Consolidated Statements of Income as components of income tax expense.

Goodwill. Goodwill represents the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed and is recorded in the functional currency of the acquired entity. Goodwill is tested for impairment at the single reporting unit level on an annual basis, or more often if events or circumstances indicate that impairment may exist. If the carrying amount of goodwill at the reporting unit exceeds its implied fair value, then a charge for the excess would be recorded as an impairment loss. The principal method of determining fair value of the reporting unit is an income approach where future cash flows are discounted to arrive at a single present value amount. The discount rate used is derived based on the time value of money and the risk profile of the stream of future cash flows. Recent results and projections based on expectations regarding revenues, expenses, capital expenditures and acquisition earn out payments produce a present value for the reporting unit. While the company believes all assumptions utilized in our assessment are reasonable and appropriate, changes in these estimates could produce different fair value amounts and therefore different goodwill impairment assessments. The most sensitive of these assumptions are the estimated cash flows and the use of our weighted average cost of capital as the discount rate to determine present value.

The company also utilizes a market approach to provide a secondary fair value of the reporting unit by using comparable company and transaction multiples to estimate values for our single reporting unit. Discretion and judgment is required in determining whether the transaction data available represents information for companies of comparable nature, scope and size.

We have determined that we have one reporting unit as defined under FASB Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information." Our goodwill impairment testing conducted during 2007 and 2006 indicated that there was no impairment at the reporting unit level. With respect to the 2007 impairment test, neither a 5.0% increase in the discount rate, nor the impact on revenues of a 5.0% reduction in our assumed AUM would have changed the conclusion.

The company cannot predict the occurrence of future events that might adversely affect the reported value of goodwill that totaled $6,848.0 million and $6,360.7 million at December 31, 2007 and December 31, 2006, respectively. Such events include, but are not limited to, strategic decisions made in response to economic and competitive conditions, the impact of the economic environment on the company's assets under management, or a material negative change in assets under management and related management fees.

Investments. Most of our investments are carried at fair value on our balance sheet with the periodic mark-to-market recorded either in accumulated other comprehensive income in the case of available-for-sale investments or directly to earnings in the case of trading assets. Fair value is generally determined by reference to an active trading market, using quoted close or bid prices as of each reporting period end. When a readily ascertainable market value does not exist for an investment (such as our collateralized loan and debt obligations, discussed below) the fair value is calculated based on the expected cash flows of its underlying net asset base, taking into account applicable discount rates and other factors. Since assumptions are made in determining the fair values of investments for which active markets do not exist, the actual value that may be realized upon the sale of these investments could differ from the current carrying values. Fair value calculations are also required in association with our quarterly impairment testing of investments. The accuracy of our other than temporary impairment assessments are dependent upon the extent to which we are able to accurately determine fair values.

The company provides investment management services to a number of collateralized loan and debt obligation entities (CLO/CDOs). These entities are investment vehicles created for the sole purpose of issuing collateralized loan and debt instruments that offer investors the opportunity for returns that vary with the risk level of their investment. The notes issued by the CLO/CDOs are backed by diversified portfolios consisting primarily of loans or structured debt. The company earns investment management fees, including subordinated management fees in some cases, for managing the collateral for the CLO/CDO entities, as well as incentive fees that are contingent on certain performance conditions. The company has invested in certain of the entities, generally taking a relatively small portion of the unrated, junior subordinated position. At December 31, 2007, the company held $39.0 million of investment in these CLO/CDOs, which represents its maximum risk of loss. Our interests in collateralized loan or debt entities are generally subordinated to other interests in the entity and entitles the investor to receive the residual cash flows, if any, from the entity. As a result, the company's investment is sensitive to changes in the credit quality of the issuers of the collateral securities, including changes in the forecasted default rates and any declines in anticipated recovery rates. Investors in CLO/CDOs have no recourse against the company for any losses sustained in the CLO/CDO structure.

Management has concluded that the company is not the primary beneficiary of any of the CLO/CDO entities and it has recorded its investments at fair value primarily using discounted cash flow analyses. The excess of actual and anticipated future cash flows over the initial investment at the date of purchase is recognized as interest income over the life of the investment using the effective yield method in accordance with Emerging Issues Task Force (EITF) 99-20, "Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets." The company reviews cash flow estimates throughout the life of each CLO/CDO entity. Cash flow estimates are based on the underlying pool of securities and take into account the overall credit quality of the issuers, the forecasted default rate of the securities and the company's past experience in managing similar securities. If the updated estimate of future cash flows (taking into account both timing and amounts) is less than the last revised estimate, an impairment loss is recognized based on the excess of the carrying amount of the investment over its fair value and is recorded through the income statement if the decline in value is determined to be other than temporary. Fair value is determined using current information, notably market yields and projected cash flows based on forecasted default and recovery rates that a market participant would use in determining the current fair value of the equity interest. Market yields, default rates and recovery rates used in the company's estimate of fair value vary based on the nature of the investments in the underlying collateral pools. In periods of rising credit default rates and lower debt recovery rates, the fair value, and therefore carrying value, of the company's investments in these CLO/CDO entities may be adversely affected. An increase or decrease in the discount rate of 1.0% would change the valuation of the CLO/CDOs by $0.9 million (2006: $1.2 million; 2005: $1.3 million).

Consolidated Investment Products . Financial Accounting Standards Board Interpretation (FIN) No. 46(R), "Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51" requires that the primary beneficiary of variable interest entities (VIEs) consolidate the VIEs. A VIE is an entity that does not have sufficient equity to finance its operations without additional subordinated financial support, or an entity for which the risks and rewards of ownership are not directly linked to voting interests. Generally, limited partnership entities where the general partner does not have substantive equity investment at risk and where the other limited partners do not have substantive (greater than 50%) rights to remove the general partner or to dissolve the limited partnership are also VIEs. The primary beneficiary is the party to the VIE who absorbs a majority of the losses or retains the majority of the rewards generated by the VIE. Additionally, certain investment products are structured as limited partnerships of which the company is the general partner and is deemed to have control with the lack of substantive kick-out or participation rights of the other limited partners. These investment products are also consolidated into the company's financial statements under Emerging Issues Task Force (EITF) Issue No. 04-5, "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights."

Assessing if an entity is a VIE or an entity falling under the consolidation requirements of EITF 04-5 involves judgment and analysis on a structure-by-structure basis. Factors included in this assessment include the legal organization of the entity, the company's contractual involvement with the entity and any related party or defacto agent implications of the company's involvement with the entity. Determining if the company is the primary beneficiary of a VIE also requires significant judgment, as the calculation of expected losses and residual returns involves estimation and probability assumptions. If current financial statements are not available for consolidated VIEs or an investment product consolidated under EITF 04-5, estimation of investment valuation is required, which includes assessing portfolio activity since the last financial statement date and making inquiries of the fund manager. Significant changes in these assumptions could impact the reported value of the investments held by consolidated investment products and the related minority interest. As of December 31, 2007, the company consolidated VIEs that held investments of $826.5 million (2006: $1,227.8 million) and partnership investments under EITF 04-5 of $379.1 million (2006: $254.2 million) and also determined that certain previously-consolidated VIEs should be deconsolidated since the company no longer was the primary beneficiary of these entities. As circumstances, supporting estimates and factors change, the determination of VIE and primary beneficiary status may change, as could the determination of the necessity of consolidation under EITF 04-5.

Contingencies. Contingencies arise when we have a present obligation (legal or constructive) as a result of a past event that is both probable and reasonably estimable. We must from time to time make material estimates with respect to legal and other contingencies. The nature of our business requires compliance with various state and federal statutes and exposes us to a variety of legal proceedings and matters in the ordinary course of business. While the outcomes of matters such as these are inherently uncertain and difficult to predict, we maintain reserves reflected in other current and other non-current liabilities, as appropriate, for identified losses that are, in our judgment, probable and reasonably estimable. Management's judgment is based on the advice of legal counsel, ruling on various motions by the court where a complaint against the company has been filed, review of the outcome of similar matters, if applicable, and review of guidance from state or federal agencies, if applicable. Deferred contingent consideration payable in relation to a business acquisition is recorded when the outcome of the contingency is resolved and the consideration is issued or becomes issuable.

Recent Accounting Developments

See Part II, Item 8, "Financial Statements and Supplementary Data — Note 1, Accounting Policies – Recent Accounting Pronouncements."

Item 7A. *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 market risk, interest rate risk, and foreign exchange rate risk.

AUM Market Price Risk

The company's investment management revenues are comprised of fees based on a percentage of the value of AUM. Declines in equity or fixed income security market prices 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.
- 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 reallocated 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.

Market Risk

The company has investments in sponsored investment products that invest in a variety of asset classes. Investments are generally made to establish a track record or to hedge exposure to certain deferred compensation plans. The company's exposure to market risk arises from its investments. The following table summarizes the fair values of the investments exposed to market risk and provides a sensitivity analysis of the estimated fair values of those investments, assuming a 10% increase or decrease in fair values:

$ in millions	Carrying Value	Fair Value assuming 10% increase	Fair Value assuming 10% decrease
December 31, 2007			
Trading investments:			
Investments related to deferred compensation plans	58.8	64.7	52.9
Other	27.8	30.6	25.0
Total trading investments	86.6	95.3	77.9
Available-for-sale investments:			
Seed money in affiliated funds	60.9	67.0	54.8
Other	8.6	9.5	7.7
Total available-for-sale investments	69.5	76.5	62.5
Equity method investments	74.7	82.2	67.2
Total market risk on investments	230.8	254.0	207.6

$ in millions			
December 31, 2006			
Trading investments:			
Equity	64.8	71.3	58.3
Other	1.9	2.1	1.7
Total trading investments	66.7	73.4	60.0
Available-for-sale investments:			
Seed money in affiliated funds	97.1	106.8	87.4
Other	13.5	14.9	12.2
Total available-for-sale investments	110.6	121.7	99.6
Equity method investments	18.4	20.2	16.6
Total market risk on investments	195.7	215.3	176.2

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. On December 31, 2007, the interest rates on 90% of the company's borrowings were fixed for an average period of 4 years. The remainder of the company's borrowings were floating. The interest rate profile of the financial assets of the company on December 31, 2007 was:

$ in millions	Carrying Value	Fair Value assuming a +1% interest rate change	Fair Value assuming a -1% interest rate change
December 31, 2007			
Available-for-sale investments:			
Collateralized debt obligations	39.0	38.1	39.4
Foreign time deposits	22.7	22.6	22.8
Other	1.0	1.0	1.0
Total available-for-sale investments	62.7	61.7	63.2
U.S. Treasury and governmental agency securities	6.0	6.0	6.0
Total investments	68.7	67.7	69.2
December 31, 2006			
Available-for-sale investments:			
Collateralized debt obligations	48.9	48.2	50.0
Foreign time deposits	11.1	11.0	11.2
Other	1.0	1.0	1.0
Total available-for-sale investments	61.0	60.2	62.2
U.S. Treasury and governmental agency securities	11.0	10.9	11.1
Total investments	72.0	71.1	73.3

The interest rate profile of the financial liabilities of the company on December 31 was:

$ in millions	Total	Floating Rate	Fixed Rate*	Weighted Average Interest Rate (%)	Weighted Average Period for Which Rate is Fixed (Years)
2007					
Currency:					
U.S. dollar	1,276.4	126.4	1,150.0	5.2	4.4
Japanese yen	0.4	—	0.4	9.3	3.0
	1,276.8	126.4	1,150.4	5.2	4.4
2006					
Currency:					
U.S. dollar	1,279.0	129.0	1,150.0	5.3	4.0
Japanese yen	0.5	—	0.5	9.4	4.0
	1,279.5	129.0	1,150.5	5.3	4.0

* Measured at amortized cost.

See Part II, Item 8, "Financial Statements and Supplementary Data — Note 10, Long-Term Debt" for additional disclosures relating to the U.S. dollar floating and fixed rate obligations. A 1.0% increase in interest rates would have increased the recorded interest expense on the floating rate debt by $1.3 million.

The company's only fixed interest financial assets at December 31, 2007 are in foreign time deposit investments of $22.7 million (2006: $11.1 million) and in U.S. Treasury and U.S. governmental agency securities of $6.0 million (2006: $11.0 million). The weighted average interest rate on these investments is 2.63% (2006: 2.89%) and the average weighted time for which the rate is fixed is 0.4 years (2006: 0.7 years).

Foreign Exchange Rate Risk

The company has transactional currency exposures that occur when any of the company's subsidiaries receives or pays cash in a currency different from its functional currency. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. These exposures are not actively managed.

The company also has certain investments in foreign operations, whose net assets and related goodwill are exposed to foreign currency translation risk. The company does not hedge these exposures. Prior to the redenomination of the share capital of the Parent and the change in its functional currency from sterling to U.S. dollars, the company designated its U.S. dollar senior note balances as hedges against its net investments in its U.S. subsidiaries. Part II, Item 8, "Financial Statements and Supplementary Data — Note 10, Long-Term Debt" details the fair values of the U.S. dollar senior notes (the hedging instruments) at December 31, 2007 and 2006. Gains or losses on the retranslation of these borrowings were transferred to equity to offset any gains and losses on the net investments in subsidiaries. During 2005, the company recorded a charge of $6.8 million within other realized losses on the Consolidated Statement of Income related to the unhedged portion of debt.

The company is exposed to foreign exchange revaluation into the income statement on monetary assets and liabilities that are held by subsidiaries in different functional currencies than the subsidiaries' functional currencies. Net foreign exchange revaluation losses were $10.3 million in 2007 (2006: gain of $8.5 million), and are included in other gains and losses, net on the Consolidated Statements of Income. We continue to monitor our exposure to foreign exchange revaluation.

Supplementary Quarterly Financial Data

The following is selected unaudited consolidated data for Invesco Ltd. for the quarters ended:

$ in millions, except per share data	Q407	Q307	Q207	Q107	Q406	Q306	Q206	Q106
Operating Revenues								
Investment management fees	$ 816.4	$791.7	$765.7	$706.3	$ 688.2	$626.3	$611.9	$581.8
Performance fees	13.1	4.0	34.4	18.8	25.9	10.4	12.6	33.2
Service and distribution fees	150.8	150.7	148.2	143.4	135.4	130.8	133.0	135.7
Other	42.8	30.2	30.7	31.7	22.1	21.2	33.5	44.7
Total Operating Revenues	1,023.1	976.6	979.0	900.2	871.6	788.7	791.0	795.4
Operating Expenses								
Employee compensation	286.3	278.1	288.9	284.3	273.2	289.7	252.8	254.8
Third-party distribution, service and advisory	284.9	270.8	263.0	232.4	223.5	204.2	200.2	198.9
Marketing	43.9	40.9	35.8	37.0	37.0	30.8	35.2	35.8
Property, office and technology	60.3	66.6	58.2	57.4	57.4	57.5	56.9	58.9
General and administrative	104.0	63.7	71.1	57.0	38.9	59.8	58.8	63.2
Total Operating Expenses	779.4	720.1	717.0	668.1	630.0	642.0	603.9	611.6
Operating Income	243.7	256.5	262.0	232.1	241.6	146.7	187.1	183.8
Other income/(expense)								
Equity in earnings of unconsolidated affiliates	21.0	14.9	6.4	5.8	2.3	0.8	0.9	0.3
Interest income	11.8	14.1	12.3	10.3	10.0	6.6	5.2	5.1
Realized and unrealized gains of consolidated investment products, net	55.8	58.7	69.8	30.0	182.8	41.4	38.9	31.2
Interest expense	(17.7)	(16.4)	(18.6)	(18.6)	(20.9)	(19.7)	(19.3)	(17.3)
Other gains and losses, net	6.3	(3.7)	(0.2)	7.5	12.4	11.1	6.4	(3.1)
Income before income taxes and minority interest	320.9	324.1	331.7	267.1	428.2	186.9	219.2	200.0
Income tax provision	(91.3)	(92.7)	(91.4)	(81.9)	(83.4)	(47.6)	(65.4)	(58.2)
Income before minority interest	229.6	231.4	240.3	185.2	344.8	139.3	153.8	141.8
Minority interest income of consolidated entities, net of tax	(53.7)	(64.4)	(64.8)	(30.0)	(179.6)	(38.0)	(37.4)	(42.0)
Net Income	$ 175.9	$167.0	$175.5	$155.2	$ 165.2	$101.3	$116.4	$ 99.8
Earnings per share *:								
—basic	$ 0.45	$ 0.42	$ 0.44	$ 0.39	$ 0.42	$ 0.26	$ 0.30	$ 0.25
—diluted	$ 0.43	$ 0.41	$ 0.43	$ 0.38	$ 0.40	$ 0.25	$ 0.29	$ 0.25
Average shares outstanding *:								
—basic	393.6	400.0	399.9	398.9	397.9	395.2	391.6	395.4
—diluted	407.6	410.5	410.6	410.1	408.2	404.8	402.0	405.1
Dividends declared per share *:	—	$0.164	—	$0.208	—	$0.154	—	$0.203

* All per share amounts have been adjusted to reflect the impact of the December 4, 2007 one-for-two reverse stock split. See Part II, Item 8, “Financial Statements and Supplementary Data — Note 1, Accounting Policies” for additional details. The sum of the quarterly earnings per share amounts may differ from the annual earnings per share amounts due to the required method of computing the weighted average number of shares in interim periods.

Item 8. ***Financial Statements and Supplementary Data***

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Invesco Ltd.

We have audited the accompanying consolidated balance sheets of Invesco Ltd. as of December 31, 2007 and 2006, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Invesco Ltd. at December 31, 2007 and 2006, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Invesco Ltd.'s internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2008 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 25, 2008

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Invesco Ltd.

We have audited Invesco Ltd.'s internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Invesco Ltd.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Invesco Ltd. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Invesco Ltd. as of December 31, 2007 and 2006, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2007, of Invesco Ltd. and our report dated February 25, 2008 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 25, 2008

Consolidated Balance Sheets

$ in millions	As of December 31, 2007	2006
Assets		
Current assets		
Cash and cash equivalents	**$ 915.8**	$ 778.9
Cash and cash equivalents of consolidated investment products	**36.6**	55.4
Unsettled fund receivables	**605.5**	561.6
Accounts receivable	**292.1**	243.3
Investments	**177.2**	187.8
Prepaid assets	**65.9**	68.5
Other current assets	**203.3**	238.6
Assets held for policyholders	**1,898.0**	1,574.9
Total current assets	**4,194.4**	3,709.0
Non-current assets		
Investments	**122.3**	79.9
Investments of consolidated investment products	**1,205.6**	1,482.0
Prepaid assets	**55.6**	82.2
Deferred sales commissions	**31.3**	31.6
Deferred tax asset, net	**133.8**	118.5
Property and equipment, net	**180.0**	198.7
Intangible assets, net	**154.2**	165.9
Goodwill	**6,848.0**	6,360.7
	8,730.8	8,519.5
Total assets	**$12,925.2**	$12,228.5
Liabilities, Minority Interests and Shareholders' Equity		
Current liabilities		
Current maturities of long-term debt	$ —	$ 300.0
Unsettled fund payables	**581.2**	533.0
Income taxes payable	**140.6**	99.7
Other current liabilities	**1,021.1**	857.8
Policyholder payables	**1,898.0**	1,574.9
Total current liabilities	**3,640.9**	3,365.4
Non-current liabilities		
Long-term debt	**1,276.4**	979.0
Borrowings of consolidated investment products	**116.6**	37.0
Other non-current liabilities	**179.5**	178.5
	1,572.5	1,194.5
Total liabilities	**5,213.4**	4,559.9
Minority interests in equity of consolidated entities	**1,121.2**	1,504.6
Commitments and contingencies (Note 22)		
Shareholders' equity		
Common shares ($0.20 par value; 1,050.0 million authorized; 424.7 million shares issued and outstanding)	**84.9**	—
Ordinary shares (1,050.0 million authorized; 831.9 million shares issued and outstanding)	**—**	83.2
Exchangeable shares (19.8 million shares issued and outstanding)	**—**	377.4
Additional paid-in-capital	**5,306.3**	4,966.1
Treasury shares	**(954.4)**	(577.9)
Retained earnings	**1,201.7**	700.7
Accumulated other comprehensive income, net of tax	**952.1**	614.5
Total shareholders' equity	**6,590.6**	6,164.0
Total liabilities, minority interests and shareholders' equity	**$12,925.2**	$12,228.5

See accompanying notes.

Consolidated Statements of Income

$ in millions, except per share data	Years Ended December 31,		
	2007	**2006**	**2005**
Operating Revenues			
Investment management fees	**$3,080.1**	$2,508.2	$2,166.7
Performance fees	**70.3**	82.1	33.5
Service and distribution fees	**593.1**	534.9	538.2
Other	**135.4**	121.5	134.2
Total Operating Revenues	**3,878.9**	3,246.7	2,872.6
Operating Expenses			
Employee compensation	**1,137.6**	1,070.5	1,044.7
Third-party distribution, service and advisory	**1,051.1**	826.8	706.0
Marketing	**157.6**	138.8	139.5
Property, office and technology	**242.5**	230.7	270.9
General and administrative	**295.8**	207.6	224.4
Restructuring charge	**—**	13.1	62.6
Goodwill impairment	**—**	—	16.6
Total Operating Expenses	**2,884.6**	2,487.5	2,464.7
Operating Income	**994.3**	759.2	407.9
Other income/(expense)			
Equity in earnings of unconsolidated affiliates	**48.1**	4.3	0.7
Interest income	**48.5**	26.9	16.7
Realized and unrealized gains of consolidated investment products, net	**214.3**	294.3	128.8
Interest expense	**(71.3)**	(77.2)	(85.1)
Other gains and losses, net	**9.9**	26.8	13.4
Income before income taxes and minority interest	**1,243.8**	1,034.3	482.4
Income tax provision	**(357.3)**	(254.6)	(151.1)
Income before minority interest	**886.5**	779.7	331.3
Minority interest income of consolidated entities, net of tax	**(212.9)**	(297.0)	(111.5)
Net Income	**$ 673.6**	$ 482.7	$ 219.8
Earnings per share:			
-basic	**$ 1.69**	$ 1.22	$ 0.55
-diluted	**$ 1.64**	$ 1.19	$ 0.54
Dividends declared per share	**$ 0.372**	$ 0.357	$ 0.330

See accompanying notes.

Consolidated Statements of Cash Flows

$ in millions	Years Ended December 31, 2007	2006	2005
Operating Activities			
Net income	**$ 673.6**	$ 482.7	$ 219.8
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization, depreciation, and goodwill impairment	**64.1**	67.5	94.5
Share related compensation expense	**105.2**	140.6	40.6
Loss/(gain) on disposal of property, equipment, software, and business	**(1.1)**	4.0	(28.8)
Gain on disposal of investments	**(12.6)**	(7.3)	(0.6)
Unrealized gain on trading investments, net	**(223.5)**	(300.0)	(129.2)
Tax benefit from share-based compensation	**38.2**	17.9	—
Excess tax benefits from share-based compensation	**(23.1)**	(12.3)	—
Minority interest in earnings of consolidated entities	**212.9**	297.0	111.5
Equity in earnings of unconsolidated affiliates	**(48.1)**	(4.3)	(0.7)
Sale/(purchase) of trading investments	**0.4**	(50.4)	25.3
Changes in operating assets and liabilities:			
Change in cash held at consolidated investment products	**(4.8)**	1.3	(43.2)
(Increase)/decrease in receivables	**(59.6)**	(160.7)	53.4
Increase/(decrease) in payables	**192.1**	(20.1)	(35.7)
Net cash provided by operating activities	**913.7**	455.9	306.9
Investing Activities			
Purchase of property and equipment	**(36.7)**	(37.9)	(38.8)
Disposal of property and equipment	**0.1**	2.5	2.2
Purchase of available for sale investments	**(80.3)**	(289.4)	(316.5)
Proceeds from sale of available for sale investments	**111.8**	254.3	427.0
Purchase of investments by consolidated investment products	**(331.5)**	(372.3)	(412.3)
Proceeds from sale of investments by consolidated investment products	**143.6**	122.6	210.9
Returns of capital in investments of consolidated investment products	**196.0**	257.5	185.3
Proceeds from held to maturity investments	**5.0**	2.0	0.6
Acquisitions of businesses, net of cash acquired of $8.9 million in 2006	**(56.0)**	(200.1)	—
Disposal of businesses, including cash of $0.6 million in 2005	**1.6**	2.1	53.6
Net cash (used in)/provided by investing activities	**(46.4)**	(258.7)	112.0
Financing Activities			
Proceeds from exercises of share options	**137.4**	66.8	7.7
Purchases of treasury shares	**(716.0)**	(155.9)	—
Dividends paid	**(155.0)**	(143.6)	(134.1)
Excess tax benefits from stock-based compensation	**23.1**	12.3	—
Capital invested into consolidated investment products	**211.0**	345.3	329.7
Capital distributed by consolidated investment products	**(318.2)**	(301.2)	(351.7)
Borrowings of consolidated investment products	**112.6**	46.3	118.1
Repayments of borrowings of consolidated investment products	**(33.1)**	(82.1)	(60.2)
Net (repayments)/borrowings under credit facility	**(2.6)**	59.0	(81.0)
Issuance of senior notes	**300.0**	—	—
Repayments of senior notes	**(300.0)**	(10.0)	(79.5)
Net cash used in financing activities	**(740.8)**	(163.1)	(251.0)
Increase in cash and cash equivalents	**126.5**	34.1	167.9
Foreign exchange movement on cash and cash equivalents	**10.4**	35.3	(5.3)
Cash and cash equivalents, beginning of year	**778.9**	709.5	546.9
Cash and cash equivalents, end of year	**$ 915.8**	$ 778.9	$ 709.5
Supplemental Cash Flow Information:			
Interest paid	**$ (72.0)**	$ (73.4)	$ (84.4)
Taxes paid	**$ (328.2)**	$ (213.1)	$ (118.8)

See accompanying notes.

Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income

$ in millions	Common Shares	Ordinary Shares	Exchangeable Shares	Additional Paid-in-Capital	Treasury Shares	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
January 1, 2005	$ —	$ 388.9	$ 593.0	$ 4,738.3	$ (456.7)	$ 339.5	$ (7.8)	$ 5,595.2
Net income	—	—	—	—	—	219.8	—	219.8
Other comprehensive income								
Currency translation differences on investments in overseas subsidiaries	—	—	—	—	—	—	360.4	360.4
Change in minimum pension liability	—	—	—	—	—	—	6.8	6.8
Change in net unrealized gains on available-for-sale investments	—	—	—	—	—	—	(4.1)	(4.1)
Tax impacts of changes in accumulated OCI balances	—	—	—	—	—	—	(3.6)	(3.6)
Total comprehensive income								579.3
Employee share plans:								
Share-based compensation	—	—	—	40.6	—	—	—	40.6
Vested stock	—	—	—	(6.4)	6.4	—	—	—
Exercise of options	—	0.5	—	7.2	—	—	—	7.7
Dividends	—	—	—	—	—	(134.1)	—	(134.1)
Business combinations	—	0.2	—	2.0	—	—	—	2.2
Currency translation differences from change in presentation currency	—	(37.5)	(69.1)	(434.1)	43.2	(63.6)	—	(561.1)
Conversion of exchangeable shares into ordinary shares	—	0.7	(92.1)	91.4	—	—	—	—
Redenomination of share capital	—	(271.0)	—	271.0	—	—	—	—
December 31, 2005		81.8	431.8	4,710.0	(407.1)	361.6	351.7	5,529.8
Net income	—	—	—	—	—	482.7	—	482.7
Other comprehensive income								
Currency translation differences on investments in overseas subsidiaries	—	—	—	—	—	—	268.3	268.3
Change in minimum pension liability	—	—	—	—	—	—	25.3	25.3
Change in net unrealized gains on available-for-sale investments	—	—	—	—	—	—	(6.6)	(6.6)
Tax impacts of changes in accumulated OCI balances	—	—	—	—	—	—	(0.7)	(0.7)
Total comprehensive income								769.0
Initial impact of adopting FASB 158, net of tax	—	—	—	—	—	—	(23.5)	(23.5)
Dividends	—	—	—	—	—	(143.6)	—	(143.6)
Employee share plans:								
Share-based compensation	—	—	—	140.6	—	—	—	140.6
Vested stock	—	—	—	(17.4)	17.4	—	—	—
Exercise of options	—	1.1	—	65.7	—	—	—	66.8
Tax impact of share-based payment	—	—	—	12.3	—	—	—	12.3
Purchase of shares	—	—	—	—	(188.2)	—	—	(188.2)
Business combinations	—	—	—	0.8	—	—	—	0.8
Conversion of exchangeable shares into ordinary shares	—	0.3	(54.4)	54.1	—	—	—	—
December 31, 2006	—	83.2	377.4	4,966.1	(577.9)	700.7	614.5	6,164.0

Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income (continued)

$ in millions	Common Shares	Ordinary Shares	Exchangeable Shares	Additional Paid-in-Capital	Treasury Shares	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
December 31, 2006	—	83.2	377.4	4,966.1	(577.9)	700.7	614.5	6,164.0
Net income	—	—	—	—	—	**673.6**	—	**673.6**
Other comprehensive income								
Currency translation differences on investments in overseas subsidiaries	—	—	—	—	—	—	**351.1**	**351.1**
Change in accumulated OCI related to employee benefit plans	—	—	—	—	—	—	**7.7**	**7.7**
Change in net unrealized gains on available-for-sale investments	—	—	—	—	—	—	**(16.8)**	**(16.8)**
Tax impacts of changes in accumulated OCI balances	—	—	—	—	—	—	**(4.4)**	**(4.4)**
Total comprehensive income	—	—	—	—	—	—	—	**1,011.2**
Adoption of FIN 48	—	—	—	—	—	**(17.6)**	—	**(17.6)**
Dividends	—	—	—	—	—	**(155.0)**	—	**(155.0)**
Employee share plans:								
Share-based compensation	—	—	—	**105.2**	—	—	—	**105.2**
Vested stock	—	—	—	**(53.9)**	**53.9**	—	—	—
Exercise of options	—	**1.6**	—	**135.8**	—	—	—	**137.4**
Tax impact of share-based payment	—	—	—	**23.1**	—	—	—	**23.1**
Purchase of shares	—	—	—	—	**(683.7)**	—	—	**(683.7)**
Cancellation of treasury shares	—	**(1.9)**	—	**(251.4)**	**253.3**	—	—	—
Business combinations	—	—	—	**6.0**	—		—	**6.0**
Conversion of exchangeable shares into ordinary shares	—	**2.0**	**(377.4)**	**375.4**	—	—	—	—
Cancellation of ordinary shares and issuance of common shares	**84.9**	**(84.9)**	—	—	—	—	—	—
December 31, 2007	**$84.9**	**$ —**	**$ —**	**$5,306.3**	**$(954.4)**	**$1,201.7**	**$952.1**	**$6,590.6**

See accompanying notes.

Notes to the Consolidated Financial Statements

1. ACCOUNTING POLICIES

Corporate Information

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

On July 18, 2007, the predecessor to Invesco Ltd., INVESCO PLC, announced that it had lost its foreign private issuer status in the United States with the U.S. Securities and Exchange Commission (SEC), chiefly as a result of U.S. share ownership exceeding fifty percent of issued share capital. As a result of this, INVESCO PLC immediately became subject to the full requirements of two primary securities regulators, the SEC in the United States and the FSA in the United Kingdom, and two different accounting standards, Generally Accepted Accounting Principles in the United States (U.S. GAAP) and International Financial Reporting Standards (IFRS). On December 4, 2007, INVESCO PLC became a wholly-owned subsidiary of Invesco Ltd. and the shareholders of INVESCO PLC received common shares of Invesco Ltd. in exchange for their ordinary shares of INVESCO PLC. This transaction was accounted for in a manner similar to a pooling of interests. Additionally, the company's primary share listing moved from the London Stock Exchange to the New York Stock Exchange, a share capital consolidation was immediately implemented (a reverse stock split) on a one-for-two basis, and the company's regulated business in the European Union was transferred from INVESCO PLC to Invesco Ltd. All prior period share and earnings per share amounts have been adjusted to reflect the reverse stock split.

Basis of Accounting and Consolidation

The financial statements have been prepared in accordance with U.S. GAAP and consolidate the financial statements of the Parent, all of its controlled subsidiaries, any variable interest entities (VIEs) required to be consolidated under Financial Accounting Standards Board (FASB) Interpretation (FIN) No. 46(R), "Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51", and any entities required to be consolidated under Emerging Issues Task Force (EITF) Issue No. 04-5, "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights" (EITF 04-5). Under FASB Statement No. 94, "Consolidation of All Majority-Owned Subsidiaries", control is deemed to be present when the Parent holds a majority voting interest or otherwise has the power to govern the financial and operating policies of the subsidiary so as to obtain the benefits from its activities. FIN 46(R) requires that VIEs, or entities in which the risks and rewards of ownership are not directly linked to voting interests, for which the company is the primary beneficiary (having the majority of rewards/risks of ownership) be consolidated. Certain of the company's managed products are structured as partnerships in which the company is the general partner receiving a management and/or performance fee. If the company is deemed to have a variable interest in these entities and is determined to be the primary beneficiary, these entities are consolidated into the company's financial statements. See Note 18 for further discussion. If the company is not determined to be the primary beneficiary, the equity method of accounting is used to account for the company's investment in these entities. In accordance with EITF 04-5, non-VIE general partnership investments would be deemed to be controlled by the company and would be consolidated, unless the limited partners have the substantive ability to remove the general partner without cause based upon a simple majority vote or can otherwise dissolve the partnership, or unless the limited partners have substantive participating rights over decision making. Investment products that are consolidated as variable interest entities as well as under EITF 04-5 are referred to as consolidated investment products in the Consolidated Financial Statements.

As required by Accounting Principles Board (APB) 18, "The Equity Method of Accounting for Investments in Common Stock," the equity method of accounting is used to account for investments in joint ventures and non-controlled subsidiaries in which the company's ownership is between 20 and 50 percent. Equity investments are carried initially at cost (subsequently adjusted to recognize the company's share of the profit or loss of the investee after the date of acquisition) and are included in investments on the Consolidated Balance Sheets. The proportionate share of income or loss is included in equity in earnings of unconsolidated affiliates in the Consolidated Statements of Income.

The reporting currency of the company changed from Sterling to U.S. Dollars effective December 31, 2005. On December 8, 2005, INVESCO PLC redenominated its share capital from Sterling to U.S. Dollars and changed its functional currency from Sterling to U.S. Dollars. The U.S. Dollar more accurately reflects the currency of the underlying operations and financing of INVESCO PLC. All periods are presented in U.S. Dollars.

The financial statements have been prepared primarily on the historical cost basis; however, certain items are presented using other bases such as fair value, where such treatment is appropriate. The financial statements of subsidiaries are prepared for the same reporting year as the Parent and use consistent accounting policies, which, where applicable, have been adjusted to U.S. GAAP from local generally accepted accounting principles or reporting regulations. All intercompany transactions, balances, revenues and expenses are eliminated upon consolidation. Minority interests represent the interests in certain entities consolidated by the company either because the company has control over the entity or has determined that it is the primary beneficiary under FIN 46(R), but of which the company does not own all of the equity.

In preparing the financial statements, management is required to make estimates and assumptions that affect reported revenues, expenses, assets, liabilities and disclosure of contingent liabilities. The primary estimates relate to investment valuation, goodwill impairment and taxes. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements.

Acquisition Accounting

Upon acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. In accordance with FASB Statement No. 141, “Business Combinations”, any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired attributable to the company is recognized as goodwill. The interest of minority shareholders is stated at the minority’s proportion of the pre-acquisition carrying values of the acquired net assets. The results of entities acquired or sold during the year are included from or to the date control changes.

Deferred contingent consideration payable in relation to a business acquisition is recorded when the outcome of the contingency is resolved and the consideration is issued or becomes issuable. Deferred contingent consideration results in recognition of additional goodwill.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash at banks and in hand and short-term deposits with a maturity upon acquisition of three months or less. Also included in cash and cash equivalents at December 31, 2007 is $3.3 million in cash to facilitate trust operations and customer transactions in the company’s affiliated funds. Cash and cash equivalents invested in affiliated money market funds (related parties) totaled $183.0 million at December 31, 2007. Cash and cash equivalents of consolidated investment products are not available for general use by the company.

Cash balances may not be readily accessible to the Parent due to certain capital adequacy requirements. Invesco has local capital requirements in several jurisdictions, as well as regional requirements for entities that are part of the European sub-group. These requirements require the retention of liquid resources in those jurisdictions, which we meet by holding cash. This retained cash can be used for general business purposes in the European sub-group or in the countries where it is located. Due to the capital restrictions, the ability to transfer cash between certain jurisdictions may be limited. In addition, transfers of cash between international jurisdictions may have adverse tax consequences that may substantially limit such activity. At December 31, 2007, the European sub-group had cash and cash equivalent balances of $758.1 million, much of which is used to satisfy these regulatory requirements. We are in compliance with all regulatory minimum net capital requirements.

Accounts Receivable and Payable

Accounts receivable and payable are recorded at their original invoice amounts. Accounts receivable are also recorded less any allowance for uncollectible amounts.

Investments

Investments in equity securities that have readily determinable fair values and investments in debt securities are classified as either trading or available-for-sale in accordance with FASB Statement No. 115, “Accounting for Certain Investments in Debt and Equity Securities”. Investments in debt securities are classified in accordance with FASB Statement No. 115 as held-to-maturity investments if the intent is to hold the investments until maturity. Trading securities are securities bought and held principally for the purpose of selling them in the near term. Securities are classified as held-to-maturity when the company has the intent and ability to hold the securities to maturity. Available-for-sale securities are those neither classified as trading nor as held to maturity. Trading and available-for-sale investments are measured at fair value. Gains or losses arising from changes in the fair value of trading investments are included in income, and gains or losses arising from changes in the fair value of available-for-sale investments are recognized in accumulated other comprehensive income (OCI), net of tax, until the investment is sold or otherwise disposed of, or until the investment is determined to be other than temporarily

impaired, at which time the cumulative gain or loss previously reported in equity is included in income. The specific identification method is used to determine the realized gain or loss on securities sold or otherwise disposed. Held-to-maturity investments are measured at amortized cost, taking into account any discounts or premiums. Gains or losses on held-to-maturity investments are recognized in income when the investments are sold or other than temporarily impaired.

Investments in joint ventures, non-controlled subsidiaries and certain investment products that are not consolidated under FIN 46R or EITF 04-5 are investments over which the company has significant influence but not control and are accounted for using the equity method, where the investment is initially recorded at cost and the carrying amount is increased or decreased to recognize the company's share of the after-tax profit or loss of the investee after the date of acquisition. Investments in joint ventures are investments jointly controlled by the company and external parties. Investments in joint ventures are also accounted for using the equity method to reflect the substance and economic reality of the company's interest in jointly controlled entities. Equity investments are included in investments on the Consolidated Balance Sheets in accordance with APB 18. The proportionate share of income or loss is included in equity in earnings of unconsolidated affiliates in the Consolidated Income Statements.

Fair value is generally determined by reference to an active trading market, using quoted closing or bid prices as of each reporting period end. When a readily ascertainable market value does not exist for an investment (such as the company's collateralized loan and debt obligations, discussed below) the fair value is calculated based on the expected cash flows of its underlying net asset base, taking into account applicable discount rates and other factors.

The company evaluates the carrying value of investments for impairment on a quarterly basis. In its impairment analysis, the company takes into consideration numerous criteria, including the duration and extent of any decline in fair value, the intent and ability of the company to hold the security for a period of time sufficient for a recovery in value, recent events specific to the issuer or industry and external credit ratings and recent downgrades with respect to issuers of debt securities held. If the decline in value is determined to be other than temporary, the carrying value of the security is written down to fair value through the income statement in accordance with FASB Statement No. 115.

The company provides investment management services to a number of collateralized loan and debt obligation entities (CLO/CDOs). These entities are investment vehicles created for the sole purpose of issuing collateralized loan and debt instruments that offer investors the opportunity for returns that vary with the risk level of their investment. The notes issued by the CLO/CDOs are backed by diversified portfolios consisting primarily of loans or structured debt. The company earns investment management fees, including subordinated management fees in some cases, for managing the collateral for the CLO/CDO entities, as well as incentive fees that are contingent on certain performance conditions. The company has invested in certain of the entities, generally taking a relatively small portion of the unrated, junior subordinated position. At December 31, 2007, the company held $39.0 million of investment in these CLO/CDOs, which represents its maximum risk of loss. The company's investments in collateralized loan or debt entities are generally subordinated to other interests in the entities and entitles the investors to receive the residual cash flows, if any, from the entities. Investors in CLO/CDOs have no recourse against the company for any losses sustained in the CLO/CDO structure.

Management has concluded that the company is not the primary beneficiary of any of the CLO/CDO entities and it has recorded its investments at fair value using discounted cash flow analyses. The excess of actual and anticipated future cash flows over the initial investment at the date of purchase is recognized as interest income over the life of the investment using the effective yield method in accordance with Emerging Issues Task Force (EITF) 99-20, "Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets." The company reviews cash flow estimates throughout the life of each CLO/CDO entity. Cash flow estimates are based on the underlying pool of securities and take into account the overall credit quality of the issuers, the forecasted default rate of the securities and the company's past experience in managing similar securities. If the updated estimate of future cash flows (taking into account both timing and amounts) is less than the last revised estimate, an impairment loss is recognized based on the excess of the carrying amount of the investment over its fair value and is recorded through the income statement, if the decline in value is determined to be other than temporary. Fair value is determined using current information, notably market yields and projected cash flows based on forecasted default and recovery rates that a market participant would use in determining the current fair value of the equity interest.

Assets Held for Policyholders and Policyholder Payables

One of the company's subsidiaries is an insurance-type entity, established to facilitate retirement savings plans. Investments and policyholder payables held by this business meet the definition of financial instruments and are carried in the Consolidated Balance Sheets as separate account assets and liabilities at fair value in accordance with the American Institute of Certified Public Accountants Statement of Position No. 03-1, "Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts." Changes in fair value are recorded and offset to zero in the Consolidated Statements of Income in other operating revenues.

The liability to the policyholders is linked to the value of the investments. The investments are legally segregated and are generally not subject to claims that arise from any of the company's other businesses. Management fees earned from policyholder investments are accounted for as described in the company's revenue recognition accounting policy.

Deferred Sales Commissions

Mutual fund shares sold without a sales commission at the time of purchase are commonly referred to as "B shares." B shares typically have an asset-based fee (12b-1 fee) that is charged to the fund over a period of years and a contingent deferred sales charge (CDSC). The CDSC is an asset-based fee that is charged to investors that redeem B shares during a stated period. Commissions paid at the date of sale to brokers and dealers for sales of mutual funds that have a CDSC are capitalized and amortized over a period not to exceed the redemption period of the related fund (generally up to six years).

Property, Equipment and Depreciation

Property and equipment includes owned property, leasehold improvements, computer hardware/software and other equipment and is stated at cost less accumulated depreciation or amortization and any previously recorded impairment in value. Expenditures for major additions and improvements are capitalized; minor replacements, maintenance and repairs are charged to expense as incurred. Depreciation is provided on property and equipment at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life: owned buildings over 50 years, leasehold improvements over the shorter of the lease term or useful life of the improvement; and computers and other various equipment between three and seven years. Purchased software is capitalized where the related costs can be measured reliably, and it is probable that the asset will generate future economic benefits, and amortized into operating expenses on a straight-line basis over its useful life, usually three years. The company re-evaluates the useful life determination for property and equipment each reporting period to determine whether events and circumstances warrant a revision to the remaining useful life. On sale or retirement, the asset cost and related accumulated depreciation are removed from the financial statements and any related gain or loss is reflected in income.

The carrying amounts of property and equipment are reviewed for impairment under FASB Statement No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets", when events or changes in circumstances indicate that the carrying values may not be recoverable. At each reporting date, an assessment is made for any indication of impairment. If an indication of impairment exists, recoverability is tested by comparing the carrying amount of the asset to the net undiscounted cash flows expected to be generated from the asset. If those net undiscounted cash flows do not exceed the carrying amount (i.e. the asset is not recoverable), the next step would be performed, which is to determine the fair value of the asset and record an impairment charge, if any.

Intangible Assets

Management contract intangible assets identified on the acquisition of a business are capitalized separately from goodwill if the fair value can be measured reliably on initial recognition (transaction date) and are amortized and recorded as operating expenses on a straight-line basis over their useful lives, usually seven to ten years, which reflects the pattern in which the economic benefits are realized. Where evidence exists that the underlying management contracts are renewed annually at little or no cost to the company, the management contract intangible asset is assigned an indefinite life and reviewed for impairment on an annual basis. The company reevaluates the useful life determination for intangible assets each reporting period to determine whether events and circumstances warrant a revision to the remaining useful life or an indication of impairment. Definite-lived intangibles are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable (i.e. carrying amount exceeds the sum of the fair value of the intangible). Intangible assets not subject to amortization are tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test consists of a comparison of the fair value of an intangible asset with its carrying amount. If the carrying amount of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. Fair value is determined using a discounted cash flow analysis.

Goodwill

Goodwill represents the excess of cost over the identifiable net assets of businesses acquired and is recorded in the functional currency of the acquired entity. Goodwill is recognized as an asset and is reviewed for impairment annually on September 30 and between annual tests when events and circumstances indicate that an impairment may have occurred. The impairment test for goodwill, as outlined in FASB Statement No. 142, "Goodwill and Other Intangible Assets", uses a two-step approach, which is performed at the reporting unit level. The company has determined that it has one reporting unit for goodwill impairment testing purposes, the consolidated Invesco Ltd. single operating segment level, which is the level at which internal reporting is generated that reflects the way that the company manages its operations and to which goodwill is naturally associated. If the carrying amount of goodwill at the reporting unit exceeds its implied fair value, then a charge for the excess would be recorded as an impairment loss. The principal method of determining fair value of the reporting unit is an income approach where future cash flows are discounted to arrive at a single present value amount. The discount rate used is derived based on the time value of money and the risk profile of the stream of future cash flows. Recent results and projections based on expectations regarding revenue, expenses, capital expenditure and acquisition earn out payments produce a present value for the reporting unit. While the company believes all assumptions utilized in our assessment are reasonable and appropriate, changes in these estimates could produce different fair value amounts and therefore different goodwill impairment assessments. The most sensitive of these assumptions are the estimated cash flows and the use of our weighted average cost of capital as the discount rate to determine present value.

The company also utilizes a market approach to provide a secondary fair value of the reporting unit by using comparable company and transaction multiples to estimate values for our single reporting unit. Discretion and judgment is required in determining whether the transaction data available represents information for companies of comparable nature, scope and size.

Debt and Financing Costs

Debt issuance costs are recognized as a deferred asset under APB 21, "Interest on Receivables and Payables". After initial recognition, debt issuance costs are measured at amortized cost. Finance charges and debt issuance costs are amortized over the term of the debt using the effective interest method. Interest charges are recognized in the Consolidated Statement of Income in the period in which they are incurred.

Treasury Shares

Treasury shares are valued at cost and are included as deductions from equity.

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, value added tax and other sales-related taxes. Revenue is recognized when there is persuasive evidence of an arrangement, delivery has occurred or services have been provided, collectibility is reasonably assured and the revenue can be reliably measured. Revenue represents management, distribution, transfer agent and other fees. Revenue is generally accrued over the period for which the service is provided, or in the case of performance-based management fees, when the contractual performance criteria have been met in accordance with Method 1 of EITF Topic No. D-96, "Accounting for Management Fees Based on a Formula," which indicates that performance fees shall be recorded and recognized at the end of the performance measurement period instead of on an interim basis throughout the measurement period. Management fee revenues are derived from providing professional expertise to manage client accounts and include fees received from institutional advisory contracts and retail mutual funds, unit trusts, investment companies with variable capital and investment trusts. For the year ended December 31, 2007, management fees from affiliated fund products were $2,481.6 million (2006: $1,996.4 million; 2005: $1,658.5 million). Management fees vary in relation to the level of client assets managed, and in certain cases are also based on investment performance. Distribution fees include 12b-1 fees received from certain affiliated mutual funds to cover allowable marketing expenses for those funds and also include asset-based sales charges paid by certain mutual funds for a period of time after the sale of those funds. Transfer agent fees are service fees charged to certain affiliated funds to cover the expense of transferring shares of a mutual fund or units of a unit trust into the investor's name. Other fees generally include trading fees derived from generally non-recurring security or investment transactions.

Distribution, service and advisory fees that are passed through to external parties are presented separately as expenses in accordance with EITF 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent."

Interest income is accrued on interest-bearing assets.

Dividend income from investments is recognized on the ex-dividend date.

Share-Based Compensation

The company issues equity-settled stock-based awards to certain employees, which are measured at fair value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest. Fair value is measured by use of the stochastic (a lattice model) or Black Scholes valuation models. The expected life of stock-based compensation awards used in the lattice model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

Prior to January 1, 2006, the company accounted for its stock-based employee compensation plans under the intrinsic value method as described in APB 25 and related interpretations. Generally, no compensation expense was recognized for stock option grants if the exercise price was at or above the quoted market price of the underlying stock on the date of grant.

Effective January 1, 2006, the company adopted FASB Statement No. 123(R), using the modified prospective transition method. Under that transition method, compensation cost recognized in 2006 includes: (a) compensation cost for all stock-based compensation granted prior to, but not yet vested, as of January 1, 2006, based on the grant-date fair value estimated in accordance with the original provisions of FASB Statement No. 123, and (b) compensation cost for all stock-based compensation granted subsequent to January 1, 2006, based on the grant-date fair value estimated in accordance with the provisions of FASB Statement No. 123(R).

Pensions

For defined contribution plans, contributions payable related to the accounting period are charged to the income statement. For defined benefit plans, the cost of providing benefits is separately determined for each plan using the projected unit credit method, based on actuarial valuations performed at each balance sheet date. A portion of actuarial gains and losses is recognized through the income statement if the net cumulative unrecognized actuarial gain or loss at the end of the prior period exceeds the greater of 10.0% of the present value of the defined benefit obligation (before deducting plan assets) at that date and 10.0% of the fair value of any plan assets. Prior service costs are recognized over the remaining service periods of active employees.

The company adopted FASB Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — an Amendment of FASB Statement Nos. 87, 88, 106 and 132(R)," on December 31, 2006. FASB Statement No. 158 requires that the net funded status of defined benefit plans be recognized on the balance sheet and that unrecognized net actuarial gains and losses and prior service costs, which have previously been recorded as part of the postretirement asset or liability, be recorded directly to other comprehensive income. Upon adoption, an increase of $34.5 million, $23.5 million net of tax, was recorded in the pension liability included within other liabilities with a corresponding reduction in accumulated other comprehensive income. The company's annual measurement date is December 31.

Advertising Costs

The company expenses the cost of all advertising and promotional activities as incurred. The company incurred advertising costs of $28.6 million for the year ended December 31, 2007 (2006: $28.5 million; 2005: $31.7 million). These amounts are included in marketing expenses in the Consolidated Statements of Income.

Leases

Rentals under operating leases, where the lessor retains substantially all the risks and benefits of ownership of the asset, are charged evenly to expense over the lease term. Benefits received and receivable as an incentive to enter an operating lease are also spread evenly over the lease term. The Company accounts for lease termination costs in accordance with FASB Statement No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," which requires that (1) a liability for costs to terminate a contract before the end of its term shall be recognized at the time termination occurs and measured at fair value and (2) a liability for costs that will continue to be incurred under a contract for its remaining term without economic benefit to the company be recognized and measured at its fair value when the company ceases to use the right conveyed by the contract, net of estimated sublease rentals that could reasonably be obtained even if the company does not anticipate entering into any subleasing arrangements.

Taxation

Income taxes are provided for in accordance with FASB Statement No. 109, "Accounting for Income Taxes." Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and the reported amounts in the Consolidated Financial Statements, using the statutory tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets to the amount that is more likely than not to be realized.

As a multinational corporation, the company operates in various locations outside of Bermuda and generates substantially all of its earnings from its subsidiaries. Deferred tax liabilities are recognized for taxes that would be payable on the unremitted earnings of the company's subsidiaries, consolidated investment products, and joint ventures, except where it is our intention to continue to indefinitely reinvest the undistributed earnings. Our Canadian and U.S. subsidiaries continue to be directly owned by Invesco Holding Company Limited (formerly INVESCO PLC, our predecessor company), which is directly owned by Invesco, Ltd. Our Canadian unremitted earnings, for which we are indefinitely reinvested, are estimated to be $880 million at December 31, 2007 compared with $600 million at December 31, 2006. If distributed as a dividend, Canadian withholding tax of 5.0% would be due. Deferred tax liabilities in the amount of $14.1 million (2006: $7.0 million) for additional U.K. tax have been recognized for unremitted earnings of certain subsidiaries that have regularly remitted earnings and are expected to continue to remit earnings in the foreseeable future. Dividends from our investment in the U.S. should not give rise to additional tax as there is no withholding tax between the U.S. and U.K., the underlying U.S. tax rate is greater than the U.K. tax rate, and the company has U.K. tax credits available. There are no additional taxes on dividends from the U.K. to Bermuda.

The company adopted FASB Interpretation No. 48 L.C., "Accounting for Uncertainty in Income Taxes – An Interpretation of FASB Statement No. 109," on January 1, 2007. Accordingly, the company reports a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. The company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

Earnings Per Share

Basic earnings per share is calculated by dividing net income available to shareholders by the weighted average number of shares outstanding during the periods, excluding treasury shares. Diluted earnings per share is computed using the treasury stock method outlined in FASB Statement No. 128, "Earnings per Share," which requires computing share equivalents and dividing net income by the total weighted average number of shares and share equivalents outstanding during the period.

Comprehensive Income

Under FASB Statement No. 130, "Reporting Comprehensive Income," the company's other comprehensive income/(loss) consists of changes in unrealized gains and losses on investment securities classified as available-for-sale, reclassification adjustments for realized gains/(losses) on those investment securities classified as available-for-sale, foreign currency translation adjustments and pension liability adjustments. Such amounts are recorded net of applicable taxes.

Dividends to Shareholders

Dividends to shareholders are recognized on the declaration date.

Translation of Foreign Currencies

The company accounts for the impact of foreign currency under the guidance provided in FASB Statement No. 52, "Foreign Currency Translation". Transactions in foreign currencies (currencies other than the functional currencies of the operation) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are remeasured into the functional currencies of the company's subsidiaries at the rates prevailing at the balance sheet date. Gains and losses arising on revaluation are included in the income statement, with the exception of differences on foreign currency borrowings that provide an effective designated hedge against a net investment in a foreign entity. These differences are taken directly to accumulated other comprehensive income in equity until the disposal of the net investment, at which time they are recognized in the income statement. At December 31, 2007 and 2006, the company did not have any hedges against net investments in foreign entities.

The company's reporting currency and the functional currency of the Parent is U.S. dollars. On consolidation, the assets and liabilities of company subsidiary operations whose functional currencies are currencies other than the U.S. dollar ("foreign operations") are translated at the rates of exchange prevailing at the balance sheet date. Income statement figures are translated at the weighted average rates for the year, which approximate actual exchange rates. Exchange differences arising on the translation of the net assets of foreign operations are taken directly to

accumulated other comprehensive income in equity. Goodwill and other fair value adjustments arising on acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at rates of exchange prevailing at the balance sheet date.

The company does not utilize derivative financial instruments to provide a hedge against interest rate or foreign exchange exposures.

Recent Accounting Pronouncements

FASB Statement No. 157, "Fair Value Measurements" and FASB Statement No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – including an amendment of FASB Statement No. 115" are effective for the company beginning January 1, 2008. FASB Statement No. 157 establishes a framework for measuring fair value, and FASB Statement No. 159 permits companies the choice of measuring certain financial instruments and other items at fair value. The company expects that the adoption of these two standards not will have a material impact on its consolidated financial statements.

In December 2007, the FASB issued FASB Statement No. 141 (revised 2007), "Business Combinations", and FASB Statement No. 160," Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51". Under FASB Statement No. 141(R), the acquirer must recognize, with certain exceptions, 100% of the fair values of assets acquired, liabilities assumed, and noncontrolling interests in acquisitions of less than 100% controlling interest when the acquisition constitutes a change in control of the acquired entity. Additionally, when an acquirer obtains partial ownership in an acquiree, an acquirer recognizes and consolidates assets acquired, liabilities assumed and any noncontrolling interests at 100% of their fair values at that date regardless of the percentage ownership in the acquiree. As goodwill is calculated as a residual, all goodwill of the acquired business, not just the acquirer's share, is recognized under this "full-goodwill" approach. Contingent consideration obligations that are elements of consideration transferred are recognized as of the acquisition date as part of the fair value transferred in exchange for the acquired business. Acquisition-related costs incurred in connection with a business combination shall be expensed. FASB Statement No. 160 establishes new accounting and reporting standards for noncontrolling interests (formerly known as "minority interests") in a subsidiary and for the deconsolidation of a subsidiary.

FASB Statement No. 141(R) and FASB Statement No. 160 will be effective for the company beginning January 1, 2009. FASB Statement No. 141(R) will be applied prospectively, while FASB Statement No. 160 requires retroactive adoption of the presentation and disclosure requirements for existing minority interests but prospective adoption of all of its other requirements. The company is currently assessing the impact of these two new standards.

2. ACQUISITIONS AND DISPOSITIONS

Acquisition of PowerShares Capital Management LLC

On September 18, 2006, the company acquired 100% of the limited liability company interests of PowerShares Capital Management LLC ("PowerShares"). The initial consideration for the transaction was $107.5 million, which included transaction costs of $6.3 million. The initial purchase price did not include contingent consideration, or "earn-outs", of up to $630.0 million, payable in two components, as detailed below:

- $130.0 million payable when aggregate management fees total $50.0 million or more in any consecutive 12-month period in Year 1 to Year 4 (referred to as the second contingent payment);
- A payment (referred to as the third contingent payment) calculated at the end of Year 5 based on compound annual growth in management fees from an assumed base of $17.5 million at closing. The Year 5 management fees are reduced by $50.0 million if the second contingent payment is earned. For a compound annual growth rate (CAGR) in Year 5 between 15% and 75%, $5.0 million for each CAGR point above 15%, for a maximum payment of $300.0 million for a 75% CAGR. For a CAGR in Year 5 between 75% and 100%, $300.0 million, plus an additional $8.0 million for each CAGR point above 75%, for a maximum total payment of $500.0 million for a 100% CAGR.

At the company's option, up to 35% of the contingent payments are payable in equity. The additional purchase price will not be recognized until the contingency is resolved. Any such payments would result in an increase to goodwill.

At the date of the acquisition, PowerShares managed assets of approximately $6.3 billion, offering 37 exchange-traded funds to investors. PowerShares offered 105 exchange-traded funds, with assets under management of $14.5 billion as of December 31, 2007 (2006: $8.5 billion). Tax deductible goodwill and management contract intangible assets of $107.1 million were recorded in relation to this acquisition. The company evaluated current industry practice and estimated a value of ten times earnings before interest, taxes, depreciation and amortization of the acquired entity to arrive at the value of $99.7 million for management contract intangible assets.

The management contract intangibles were assigned an indefinite useful life and are therefore not subject to amortization. The acquired management contracts are renewable at minimal cost to the company; it is the company's intention to renew these contracts indefinitely; the increased demand in the asset management industry for exchange-traded fund products and the independence of these contracts from other assets acquired contributed to the company's determination of an indefinite useful life. The excess additional purchase price of $7.4 million was allocated to goodwill.

The fair value of net assets acquired was determined as follows:

$ in millions	
Property and equipment	2.6
Receivables	3.4
Cash and cash equivalents	2.1
Payables	(7.7)
Net assets	0.4
Goodwill	7.4
Management contract intangibles	99.7
Fair value of net assets acquired	107.5
Satisfied by:	
Cash paid to seller at closing	101.2
Transaction costs	6.3
Total purchase price	107.5

The results of operations of PowerShares were included in the company's Consolidated Statements of Income from the date of acquisition. From September 18, 2006 through the end of 2006, PowerShares' net income was $0.9 million.

At December 31, 2007, the second contingent earn-out payment of $129.6 million was earned and accrued, to be paid in 2008, and reflected as an increase to goodwill. The amount was adjusted down by $0.4 million following a recalculation of the initial consideration paid. As detailed above, this contingent payment became payable when aggregate earn-out management fees as defined in the agreement reached $50.0 million for the preceding twelve months.

Acquisition of WL Ross & Co. LLC

On October 3, 2006, the company acquired 100% of the limited liability company interests of WL Ross & Co. LLC ("WL Ross"), one of the industry's leading financial restructuring groups. WL Ross manages assets for institutional investors in the U.S., Europe and Asia. The initial consideration for the transaction was $134.1 million, which included $30.0 million of deferred consideration and transaction costs of $4.1 million. Such deferred consideration was classified as a current liability at the date of acquisition, as it represented a contractually guaranteed payment. Additional contingent consideration, or "earn-outs", of up to $245.0 million is payable over the five years following the date of the acquisition depending on the achievement of annual fund launch targets over the five years following the completion of the acquisition. The additional purchase price will not be recognized until the contingency is resolved and the additional consideration is issued or issuable. Any such payments would result in an increase to goodwill.

At the time of the acquisition, WL Ross managed assets of approximately $2.6 billion. At December 31, 2007, WL Ross's assets under management were $6.8 billion (2006: $2.8 billion). Due to the terms of an employment agreement, a prepaid compensation asset of $100.0 million, amortizable over five years, was recognized as a result of the acquisition and is included within prepaid assets on the balance sheet at December 31, 2006. Tax deductible goodwill, management contracts and other intangible assets of $27.4 million have been recorded in relation to this acquisition. Identified intangibles are being amortized over a weighted average useful life of five years.

The fair value of net assets acquired was determined as follows:

$ in millions	
Property and equipment	3.0
Receivables	4.8
Cash and cash equivalents	6.8
Other	0.9
Payables	(8.8)
Net assets	6.7
Goodwill	13.7
Management contract intangibles	13.7
Prepaid compensation	100.0
Fair value of net assets acquired	134.1
Satisfied by:	
Cash paid to seller at closing	100.0
Deferred consideration	30.0
Transaction costs	4.1
Total purchase price	134.1

The book value of net assets acquired was approximately equal to the fair value of these assets and liabilities. The results of operations of WL Ross are included in the company's Consolidated Statements of Income from the date of acquisition. From October 3, 2006 through the end of 2006, WL Ross's net income was $1.3 million.

During the fourth quarter of 2007, payments of $44.8 million were made related to the WL Ross acquisition, of which $30.0 million related to deferred consideration. Goodwill was increased by $18.9 million during 2007. Of this $18.9 million, $14.8 million related to the earn-out payment and $4.1 million related to other goodwill adjustments.

The following unaudited pro forma results of operations for the years ended December 31, 2006 and 2005 assume that the acquisitions of PowerShares and WL Ross had taken place on January 1, 2005, the earliest period presented herein. These unaudited pro forma results are not necessarily indicative of the actual results of operations that would have been achieved nor are they necessarily indicative of future results of operations.

$ in millions (except per share amounts)	2006	2005
Operating revenues	3,294.4	2,904.7
Net income	491.8	226.6
Basic earnings per share	1.24	0.57
Diluted earnings per share	1.21	0.56

Disposition of AMVESCAP Retirement Business

On July 15, 2005, the company completed the sale of a portion of the AMVESCAP Retirement business. This business provided administrative, recordkeeping, brokerage, trust and custodial services for retirement plans, individual retirement accounts, and education savings programs and accounts. The company disposed of all rights, title and interests in this business, including all of the issued and outstanding capital of one of its subsidiaries, AMVESCAP Services Inc. The results of this business are included through the closing date of the transaction. The disposal is analyzed as follows:

$ in millions	
Non-current assets	6.2
Current assets, including cash of $0.6 million	9.6
Current liabilities assumed	7.7
	23.5
Gain on sale recognized in 2005	32.6
Gain on sale recognized in 2006	1.7
Gain on sale recognized in 2007	1.6
Cash consideration received (2007: $1.6 million, 2006: $1.7 million, 2005: $56.1 million)	59.4

Other

In December 2005, the company outsourced its banking operations in Germany and on January 31, 2006, completed the sale of its German banking license. Included in other gains and losses, net in the 2006 Consolidated Statements of Income is a gain of $0.2 million related to this transaction.

3. INVESTMENTS

Current Investments

$ in millions	2007	2006
Available-for-sale investments:		
Seed money in affiliated funds	**60.9**	97.1
Foreign time deposits	**22.7**	11.1
Other	**1.0**	5.9
Trading investments:		
Investments related to deferred compensation plans*	**58.8**	64.8
Other	**27.8**	1.9
Held-to-maturity investments:		
U.S. Treasury and government agency securities	**6.0**	7.0
Total current investments	**177.2**	187.8

Non-current Investments

$ in millions	2007	2006
Available-for-sale investments:		
Collateralized loan and debt obligations	**39.0**	48.9
Other	**8.6**	8.6
Held-to-maturity investments:		
U.S. Treasury and government agency securities	**—**	4.0
Equity method investments	**74.7**	18.4
Total non-current investments	**122.3**	79.9

* Investments related to deferred compensation plans include investments in affiliated mutual fund product that are held to economically hedge current and non-current deferred compensation liabilities.

Investments classified as available-for-sale and trading are recorded at fair value. Investments classified as held-to-maturity are recorded at amortized cost.

The company provides investment management services to a number of collateralized loan and debt obligation (CLO/CDO) entities that meet the definition of variable interest entities (VIEs) as defined in FIN No. 46 (revised December 2003), “Consolidation of Variable Interest Entities.” The company has invested in certain of the entities, generally taking a relatively small portion of the unrated, junior subordinated position. At December 31, 2007, the company held $39.0 million of investment in these CLO/CDOs, which represents its maximum risk of loss. Our investments in collateralized loan or debt entities are generally subordinated to other interests in the entities and entitles the investors to receive the residual cash flows, if any, from the entities. Investors in CLO/CDOs have no recourse against the company for any losses sustained in the CLO/CDO structure. Management has concluded that the company is not the primary beneficiary of any of the CLO/CDO entities and it has recorded its investments at fair value using discounted cash flow analyses. An increase or decrease in the discount rate of 1.0% would change the valuation of the CLO/CDOs by $0.9 million (2006: $1.2 million). Dividend income for these investments is recorded in other income on the Consolidated Statements of Income.

Realized gains and losses recognized in the income statement during the year from investments classified as available-for-sale are as follows:

$ in millions	2007 Proceeds from sales	2007 Gross Realized Gains	2007 Gross Realized Losses	2006 Proceeds from sales	2006 Gross Realized Gains	2006 Gross Realized Losses	2005 Proceeds from sales	2005 Gross Realized Gains	2005 Gross Realized Losses
Current available-for-sale investments	**102.8**	**20.6**	**—**	239.4	9.7	(0.4)	418.5	3.0	(1.9)
Non–current available-for-sale investments	**9.0**	**2.6**	**(5.4)**	14.9	8.4	(1.3)	8.5	2.6	(0.1)

Upon the sale of available-for-sale securities, realized gains of $17.8 million, $16.4 million and $3.6 million were transferred from accumulated other comprehensive income into the Consolidated Statements of Income during 2007, 2006, and 2005, respectively. The portion of trading gains and losses for the period that relates to trading securities still held at December 31, 2007 and December 31, 2006 were $4.7 million and $4.4 million, respectively.

Gross unrealized holding gains and losses recognized in other accumulated comprehensive income from available-for-sale investments are presented in the table below:

$ in millions	2007 Cost	2007 Gross Unrealized Holding Gains	2007 Gross Unrealized Holding Losses	2007 Fair Value	2006 Cost	2006 Gross Unrealized Holding Gains	2006 Gross Unrealized Holding Losses	2006 Fair Value
Current:								
Seed money in affiliated funds	**58.6**	**3.0**	**(0.7)**	**60.9**	88.2	9.4	(0.5)	97.1
Foreign time deposits	**22.7**	**—**	**—**	**22.7**	11.1	—	—	11.1
Other	**1.0**	**—**	**—**	**1.0**	1.1	4.8	—	5.9
Current available-for-sale investments	**82.3**	**3.0**	**(0.7)**	**84.6**	100.4	14.2	(0.5)	114.1
Non–current:								
Collateralized debt obligations	**41.4**	**0.6**	**(3.0)**	**39.0**	45.9	4.0	(1.0)	48.9
Other	**6.9**	**1.7**	**—**	**8.6**	6.9	1.7	—	8.6
Non–current available-for-sale investments:	**48.3**	**2.3**	**(3.0)**	**47.6**	52.8	5.7	(1.0)	57.5
	130.6	**5.3**	**(3.7)**	**132.2**	153.2	19.9	(1.5)	171.6

The net carrying amount, gross unrecognized gains, gross unrecognized losses and estimated fair value of held to maturity securities is as follows:

$ in millions	2007 Net carrying amount	2007 Gross unrecognized gains	2007 Gross unrecognized losses	2007 Fair Value	2006 Net carrying amount	2006 Gross unrecognized gains	2006 Gross unrecognized losses	2006 Fair Value
Treasury and governmental agency securities	**6.0**	**—**	**—**	**6.0**	11.0	—	(0.1)	10.9

Available-for-sale and held to maturity debt securities as of December 31, 2007, by maturity, are set out below:

$ in millions	Available-for-sale (Fair Value)	Held to maturity (Net Carrying Amount)
Less than one year	**22.7**	**6.0**
One to five years	**27.3**	**—**
Five to ten years	**11.7**	**—**
Greater than ten years	**—**	**—**
Total available-for-sale and held to maturity debt securities	**61.7**	**6.0**

The following table provides the breakdown of available-for-sale investments with unrealized losses at December 31, 2007:

	Less than 12 months		12 months or greater		Total	
$ in millions	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Seed money in affiliated funds	**8.7**	**(0.5)**	**—**	**(0.2)**	**8.7**	**(0.7)**
Collateralized debt obligations	**—**	**(2.0)**	**23.7**	**(1.0)**	**23.7**	**(3.0)**
	8.7	**(2.5)**	**23.7**	**(1.2)**	**32.4**	**(3.7)**

The following table provides the breakdown of available-for-sale investments with unrealized losses at December 31, 2006:

	Less than 12 months		12 months or greater		Total	
$ in millions	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Seed money in affiliated funds	**33.1**	**(0.5)**	**—**	**—**	**33.1**	**(0.5)**
Collateralized debt obligations	**—**	**—**	**7.8**	**(1.0)**	**7.8**	**(1.0)**
	33.1	**(0.5)**	**7.8**	**(1.0)**	**40.9**	**(1.5)**

The company has reviewed investment securities for other-than-temporary impairment in accordance with its accounting policy outlined in Note 1. The gross unrealized losses in collateralized debt obligations during 2007 and 2006 were primarily caused by discount rate changes. The gross unrealized losses in seed money during 2007 and 2006 were primarily caused by declines in the market value of the underlying funds. The company does not consider any material portion of its securities to be other-than-temporarily impaired because the securities are expected to recover their value over time and the company has the intent and ability to hold the securities until this recovery occurs.

The company owns 100% of the voting control of its subsidiary entities, directly or indirectly, with the exception of the following entities, which are consolidated with resulting minority interests:

Name of Company	Country of Incorporation	% Voting Interest Owned
INVESCO Real Estate GmbH	Germany	75.1%
INDIA Asset Recovery Management Limited	India	80.1%

Following are the company's investments in joint ventures and affiliates, which are accounted for using the equity method and are recorded as long-term investments on the Consolidated Balance Sheets:

Name of Company	Country of Incorporation	% Voting Interest Owned
INVESCO Great Wall Fund Management Company Limited	China	49.0%
TAIYO Fund Management Co. LLC	U.S.	40.0%
Pocztylion — ARKA	Poland	29.3%

Equity method investments also include the company's investments in various of its sponsored private equity, real estate and other investment entities. The company's investment is generally less than 5% of the capital of these entities. These entities include variable interest entities for which the company has determined that it is not the primary beneficiary and other investment products structured as partnerships for which the company is the general partner and the other limited partners lack either substantive kick-out or participation rights. See Note 18 for additional information. Equity in earnings of unconsolidated affiliates for the year ended December 31, 2007 was $48.1 million (2006: $4.3 million; 2005: $0.7 million).

4. OTHER CURRENT ASSETS

Components of other current assets are as follows:

$ in millions	2007	2006
Deferred tax assets, net	**32.5**	25.7
Property held for sale	**4.7**	11.9
Deferred financing costs	**6.4**	6.3
Other accounts receivable	**159.7**	194.7
	203.3	238.6

During 2006, property held for sale of $15.8 million was transferred from land and buildings to other current assets and was written down to its estimated recoverable amount, resulting in a loss of $4.6 million.

5. ASSETS HELD FOR POLICYHOLDERS AND POLICYHOLDER PAYABLES

One of the company's subsidiaries, INVESCO Pensions Limited, is an insurance-type company which was established to facilitate retirement savings plans in the U.K. The entity holds assets on its balance sheet that are legally segregated and are generally not subject to claims that arise from any other Invesco business and which are managed for its clients with an offsetting liability. Both the asset and the liability are reported at fair value. At December 31, 2007, the assets held for policyholders and the linked policyholder payables were $1,898.0 million (2006: $1,574.9 million). Changes in the fair values of these assets and liabilities are recorded in the income statement, where they offset, because the value of the policyholder payables is linked to the value of the assets held for policyholders.

6. PROPERTY AND EQUIPMENT

Changes in property and equipment balances are as follows:

$ in millions	Technology and Other Equipment	Software	Land and Buildings *	Total
Cost:				
January 1, 2007	**484.0**	**228.4**	**85.7**	**798.1**
Foreign exchange	**12.6**	**3.6**	**0.6**	**16.8**
Additions	**16.3**	**18.9**	**1.5**	**36.7**
Transfer to investments	**—**	**—**	**(4.7)**	**(4.7)**
Re-classifications	**(1.0)**	**—**	**1.0**	**—**
Disposals	**(46.5)**	**(13.0)**	**—**	**(59.5)**
December 31, 2007	**465.4**	**237.9**	**84.1**	**787.4**
Accumulated depreciation:				
January 1, 2007	**(399.3)**	**(194.9)**	**(5.2)**	**(599.4)**
Foreign exchange	**(11.0)**	**(3.2)**	**—**	**(14.2)**
Depreciation expense	**(33.0)**	**(18.0)**	**(1.1)**	**(52.1)**
Re-classifications	**0.4**	**—**	**(0.4)**	**—**
Disposals	**45.5**	**12.8**	**—**	**58.3**
December 31, 2007	**(397.4)**	**(203.3)**	**(6.7)**	**(607.4)**
Net book value:				
December 31, 2007	**68.0**	**34.6**	**77.4**	**180.0**

$ in millions	Technology and Other Equipment	Software	Land and Buildings*	Total
Cost:				
January 1, 2006	492.9	207.8	88.7	789.4
Foreign exchange	31.8	6.9	9.9	48.6
Acquisitions	3.4	—	2.2	5.6
Additions	21.2	16.0	2.7	39.9
Transfer to investments	—	—	(19.8)	(19.8)
Transfer from investments	—	—	2.0	2.0
Disposals	(65.3)	(2.3)	—	(67.6)
December 31, 2006	484.0	228.4	85.7	798.1
Accumulated depreciation:				
January 1, 2006	(394.8)	(171.1)	(7.4)	(573.3)
Foreign exchange	(31.1)	(5.3)	(0.7)	(37.1)
Depreciation expense	(35.7)	(20.5)	(1.1)	(57.3)
Transfer to investments	—	—	4.0	4.0
Disposals	62.3	2.0	—	64.3
December 31, 2006	(399.3)	(194.9)	(5.2)	(599.4)
Net book value:				
December 31, 2006	84.7	33.5	80.5	198.7

* *Included within land and buildings are $36.8 million at December 31, 2007 (2006: $36.6 million) in non-depreciable land assets.*

7. INTANGIBLE ASSETS

Intangible assets are predominately investment management contracts acquired through acquisitions. Amortization of investment management contracts is included within general and administrative costs in the Consolidated Statements of Income. No impairments of intangible assets have been identified in the periods presented. The weighted average amortization period of intangible assets is nine years.

$ in millions	2007	2006
Cost:		
January 1	**205.3**	91.4
Foreign exchange	**0.3**	0.5
Business acquisitions	**—**	113.4
December 31	**205.6**	205.3
Accumulated amortization:		
January 1, 2007	**(39.4)**	(29.3)
Foreign exchange	**—**	(0.1)
Amortization expense	**(12.0)**	(10.0)
December 31	**(51.4)**	(39.4)
Net book value:		
December 31	**154.2**	165.9

Management contracts include $99.7 million of amounts acquired in 2006 related to the PowerShares acquisition that have indefinite lives and therefore are not subject to amortization.

Estimated amortization expense for each of the five succeeding fiscal years based upon the company's intangible assets at December 31, 2007 is as follows:

Years ended December 31,	$ in millions
2008	12.0
2009	12.0
2010	11.4
2011	7.5
2012	4.3

8. GOODWILL

The table below details changes in the goodwill balance:

$ in millions	2007	2006
January 1	**6,360.7**	6,069.9
Business acquisitions – earn-outs	**157.9**	23.0
Other adjustments	**(3.0)**	(0.8)
Foreign exchange	**332.4**	268.6
December 31	**6,848.0**	6,360.7

Prior to the strategic initiative that commenced in 2005 (see Note 13), the components of the company were separate businesses and reporting units. As a result of the 2005 goodwill impairment review, the company recognized a non-cash goodwill impairment charge of $16.6 million ($10.4 million after tax, or $0.03 per share) related to the former Private Wealth Management reporting unit. The key assumptions used in the discounted cash flow analysis used to determine the fair value of the Private Wealth Management reporting unit included: a) cash flow periods of 20 years; and b) a discount rate of 12.0%, which was based upon the company's weighted average cost of capital, adjusted for the risks associated with the operations. A variance in the discount rate could have a significant impact on the amount of the goodwill impairment charge recorded.

9. OTHER CURRENT LIABILITIES

$ in millions	2007	2006
Accruals and other liabilities	**322.3**	277.2
Compensation and benefits	**71.5**	88.5
Accrued bonus	**356.1**	302.0
Accrued deferred compensation	**14.3**	3.1
Accounts payable	**235.4**	168.5
Other	**21.5**	18.5
Other current liabilities	**1,021.1**	857.8

10. LONG-TERM DEBT

	2007		2006	
$ in millions	Book Value	Fair Value	Book Value	Fair Value
Unsecured Senior Notes:				
5.9% — due January 15, 2007	**—**	**—**	300.0	299.9
4.5% — due December 15, 2009	**300.0**	**297.9**	300.0	292.2
5.625% — due April 17, 2012	**300.0**	**300.8**	—	—
5.375% — due February 27, 2013	**350.0**	**341.8**	350.0	346.0
5.375% — due December 15, 2014	**200.0**	**194.1**	200.0	196.4
Floating rate credit facility expiring March 31, 2010	**126.4**	**126.4**	129.0	129.0
Total long-term debt	**1,276.4**	**1,261.0**	1,279.0	1,263.5
Less: current maturities of long-term debt	**—**	**—**	(300.0)	(299.9)
Long-term debt	**1,276.4**	**1,261.0**	979.0	963.6

Analysis of Borrowings by Maturity:

$ in millions	December 31, 2007
2008	**—**
2009	**300.0**
2010	**126.4**
2011	**—**
2012	**300.0**
Thereafter	**550.0**
Total long-term debt	**1,276.4**

There are no restrictive covenants in the company’s Senior Note agreements.

The floating rate credit facility provides for borrowings of various maturities, contains certain conditions and is unsecured. As of December 31, 2007, $773.6 million (2006: $771.0 million) remained available on the credit facility. Standard conditions for borrowing under the facility exist, such as compliance with laws, payment of taxes and maintenance of insurance. The company pays quarterly commitment fees and an annual administration fee for the maintenance of the credit facility. These fees, which are not significant in amount, are recorded in interest expense on the Consolidated Statements of Income.

Financial covenants under the credit facility include the quarterly maintenance of a debt/EBITDA ratio, as defined in the credit facility, of not greater than 3.25:1.00 and a coverage ratio (EBITDA, as defined in the credit facility/interest payable for the four consecutive fiscal quarters ended before the date of determination) of not less than 4.00:1.00. Examples of restrictive covenants in the credit facility include, but are not limited to: prohibitions on creating, incurring or assuming any liens; making or holding external loans; entering into certain restrictive merger arrangements; selling, leasing, transferring or otherwise disposing of assets which generated up to 20% of the consolidated operating income of the borrower; making certain investments; making a material change in the nature of our business; making an amendment to company bylaws that would have a material adverse effect; making a significant accounting policy change in certain situations; making certain limitations on subsidiary entities; becoming a general partner to certain investments; transacting with affiliates except in the ordinary course of business; and incurring a certain amount of indebtedness through the non-guarantor subsidiaries. The company was in compliance with these covenants for the years ended December 31, 2007 and 2006.

Fees, which range from 9 to 25 basis points, and borrowing margins, which range from 36 to 75 basis points, are derived from tiers defined by debt/EBITDA ratios, as outlined in the credit facility. Interest is payable on the credit facility based upon LIBOR, Prime, Federal Funds or other bank-provided rates in existence at the time of each borrowing. The weighted average interest rate on the credit facility was 5.28% at December 31, 2007 (2006: 5.74%).

Because an active market does not exist for the company's debt in which to obtain current market price information, fair value amounts disclosed in the table above were derived from indicative pricing and analysis from various debt market-makers. Such analysis included comparison of the terms of the company's debt with other actively traded debt of similar companies.

11. COMMON, ORDINARY, EXCHANGEABLE AND TREASURY SHARES

Movements in common, ordinary and exchangeable shares issued and outstanding are represented in the table below:

in millions	Common Shares	Ordinary Shares	Exchangeable Shares
January 1, 2005	—	810.7	28.1
Exercise of options	—	1.4	—
Business combinations	—	0.5	—
Conversion of exchangeable shares into ordinary shares	—	5.5	(5.5)
December 31, 2005	—	818.1	22.6
Exercises of options	—	10.5	—
Business combinations	—	0.5	—
Conversion of exchangeable shares into ordinary shares	—	2.8	(2.8)
December 31, 2006	—	831.9	19.8
Exercise of options	**—**	**15.0**	**—**
Business combinations	**—**	**0.6**	**—**
Conversion of exchangeable shares into ordinary shares	**—**	**19.8**	**(19.8)**
Cancellation of ordinary shares held in treasury shares	**—**	**(19.4)**	**—**
Cancellation of ordinary shares and issuance of common shares	**847.9**	**(847.9)**	**—**
One-for-two share capital consolidation	**(423.9)**	**—**	**—**
December 4, 2007	**424.0**	**—**	**—**
Exercise of options	**0.7**	**—**	**—**
December 31, 2007	**424.7**	**—**	**—**

Common Shares of Invesco Ltd.

	2007	
in millions	Number	Book Value
Authorized common shares of 20 cents each	**1,050.0**	**210.0**
Issued and outstanding common shares of 20 cents each	**424.7**	**84.9**

On December 4, 2007, INVESCO PLC became a wholly-owned subsidiary of Invesco Ltd. and the shareholders of INVESCO PLC received common shares of Invesco Ltd. in exchange for their ordinary shares of INVESCO PLC. The primary listing of shares of the company moved from the London Stock Exchange to the New York Stock Exchange. This transaction was accounted for in a manner similar to a pooling of interests. A share capital consolidation, also known as a reverse stock split, on a one-for-two basis was immediately effected. Share amounts and prices have been retroactively restated to reflect the reverse stock split, where appropriate.

As of December 31, 2007, unissued common shares were reserved for the following purposes:

Shares in millions	Shares	Prices *	Last Expiration Date
Options arising from acquisitions	**0.4**	**1373p-2732p**	**Feb 2010**
Subscription agreement (options) with the Employee Share Option Trust	**12.1**	**513p-3360p**	**Apr 2013**
Options granted under the AMVESCAP 2000 Share Option Plan	**17.3**	**639p-2880p**	**Dec 2015**
Options granted under Sharesave plans	**1.0**	**572p-1008p**	**May 2010**

* Share option prices are in pounds sterling, the currency of the awards. Upon exercise, the exercise price will be converted to U.S. dollars using the rate prevailing on the exercise date.

Ordinary Shares of INVESCO PLC

in millions	2006 Number	2006 Book Value
Authorized ordinary shares of 10 cents each	1,050.0	$105.0
Allotted, called up and fully paid ordinary shares of 10 cents each (2005: 10 cents each)	831.9	$ 83.2
Authorized and issued deferred sterling shares of £1 each	0.1	$ 0.1

As of December 31, 2006, unissued ordinary shares were reserved for the following purposes:

Shares in millions	Shares	Prices	Last Expiration Date
Options arising from acquisitions	0.9	686p-1366p	Feb 2010
Conversion of exchangeable shares	19.8	—	Dec 2009
Subscription agreement (options) with the Employee Share Option Trust	33.6	25p-1680p	Apr 2013
Options granted under the AMVESCAP 2000 Share Option Plan	45.4	319.25p-1440p	Dec 2015
Options granted under Sharesave plans	1.8	268p-805p	May 2010

Exchangeable Shares

The exchangeable shares issued by INVESCO Inc. were exchangeable into ordinary shares of INVESCO PLC on a one-for-one basis at any time at the request of the holder. They had, as nearly as practicable, the economic equivalence of the ordinary shares of INVESCO PLC, including the same voting and dividend rights as the ordinary shares. Prior to the December 4, 2007 share capital reorganization, all of the company's exchangeable shares were redeemed in accordance with their terms, and each holder of INVESCO Inc. exchangeable shares received one INVESCO PLC ordinary share. Prior to their redemption, the exchangeable shares were included as part of shareholders' equity in the Consolidated Balance Sheet to present a complete view of the company's capital structure, as they were economically equivalent to ordinary shares.

Treasury Shares

On June 13, 2007, the company's board of directors authorized a share repurchase program of up to $500.0 million of the ordinary shares of INVESCO PLC. The share repurchase authorization has an expiration of June 30, 2008 and is expected to be fully utilized by that date. Through December 4, 2007, 19.4 million ordinary shares had been repurchased at a cost of $253.3 million, which was reflected as an increase in Treasury Shares on the Consolidated Balance Sheet. On November 30, 2007, 19.4 million Treasury Shares were cancelled. Between December 4 and 31, 2007, 3.5 million common shares of Invesco Ltd. were purchased at a cost of $99.6 million, reflected as Treasury Shares on the Consolidated Balance Sheet. Of the total share repurchase program amount authorized, $154.5 million remains as of December 31, 2007. The share purchases in December 2007 included 0.3 million common shares at a cost of $7.4 million from current executive officers of the company that have not been included in arriving at the remaining authorized amount.

Treasury shares include trust shares that represent the holdings of the common shares of Invesco Ltd. by its employee share ownership trusts in association with certain employee share-based payment programs. They are accounted for under the treasury stock method. The Invesco Global Stock Plan trust purchased 13.3 million INVESCO PLC ordinary shares at a cost of $330.8 million before December 4, 2007, which were converted to common shares of Invesco Ltd. on that date. Between December 4 and 31, 2007, there were no purchases of common shares under the Invesco Global Stock Plan trust. See Note 19, Share-Based Compensation.

The trustees of the Employee Share Option Trust waived dividends amounting to $3.6 million in 2007 (2006: $3.2 million). The trustees of the Global Stock Plan waived dividends amounting to $1.5 million in 2007 (2006: $1.0 million); however the company paid an equivalent amount of cash in lieu of a dividend to certain deferred share-based award recipients per the terms of the awards.

Movements in Treasury Shares comprise:

in millions	Trust Shares	Treasury Shares
January 1, 2005	50.7	—
Distribution of ordinary shares	(1.1)	—
December 31, 2005	49.6	—
Purchases of ordinary shares	19.2	—
Distribution of ordinary shares	(2.8)	—
December 31, 2006	66.0	—
Purchases of ordinary shares	**26.5**	**19.4**
Dividend shares	**0.5**	**—**
Distribution of ordinary shares	**(3.1)**	**—**
Cancellation of ordinary shares held in Treasury	**—**	**(19.4)**
One-for-two share capital consolidation	**(44.9)**	**—**
December 4, 2007	**45.0**	**—**
Purchases of common shares	**—**	**3.5**
Distribution of common shares	**(3.5)**	**—**
December 31, 2007	**41.5**	**3.5**

The market price of common shares at the end of 2007 was $31.38. The total market value of the company's combined 45.0 million trust and treasury shares was $1,412.1 million on December 31, 2007.

12. ACCUMULATED OTHER COMPREHENSIVE INCOME

The components of accumulated other comprehensive income at December 31 were as follows:

$ in millions	2007	2006	2005
Net unrealized gains (losses) on available-for-sale investments	**1.6**	18.4	25.0
Tax on unrealized gains (losses) on available-for-sale investments	**(2.2)**	(2.6)	(4.7)
Cumulative foreign currency translation adjustments	**987.9**	636.8	368.5
Tax on cumulative foreign currency translation adjustments	**6.3**	8.0	3.1
Pension liability adjustments	**(59.1)**	(66.8)	(57.6)
Tax on pension liability adjustments	**17.6**	20.7	17.4
Total accumulated other comprehensive income	**952.1**	614.5	351.7

Total other comprehensive income details are presented below.

$ in millions	2007	2006	2005
Net Income	**673.6**	482.7	219.8
Unrealized holding gains (losses) on available-for-sale investments	**1.0**	9.8	(0.5)
Tax on unrealized holding (gains) losses on available-for-sale investments	**0.2**	(1.1)	(4.7)
Reclassification adjustments for (gains) losses on available-for-sale investments included in net income	**(17.8)**	(16.4)	(3.6)
Tax on reclassification adjustments for gains (losses) on available-for-sale investments included in net income	**0.2**	3.2	—
Foreign currency translation adjustments	**351.1**	268.3	360.4
Tax on foreign currency translation adjustments	**(1.7)**	4.9	3.1
Adjustments to pension liability	**7.7**	25.3	6.8
Tax on adjustments to pension liability	**(3.1)**	(7.7)	(2.0)
Total other comprehensive income	**1,011.2**	769.0	579.3

13. RESTRUCTURING CHARGE

In 2005, the company commenced a strategic initiative to identify steps required to move toward becoming a more integrated global investment manager. The company began the process of integrating enterprise support functions, such as Human Resources, Finance and Legal and Compliance. In addition, the company began to combine its managed account platforms

and merge certain client service functions across the company's retail business. Measures were implemented that reduced headcount, eliminated office space in certain locations, and streamlined the company's product line. The plan was completed in 2006. The company recorded restructuring charges of $13.1 million in 2006 ($8.3 million net of tax) and $62.6 million ($48.0 million net of tax, or $0.12 per share) in 2005 related to these initiatives in accordance with FASB Statement No. 146, "Accounting for Costs Associated with Exit or Disposal Activities."

The following table summarizes restructuring liabilities for the three years ended December 31, 2007:

$ in millions	Staff termination	Property	Fund rationalization	Other	Total restructuring liabilities
Total charge at initial recognition	32.0	20.4	6.9	3.3	62.6
Less non-cash charges	—	(7.0)	—	—	(7.0)
Cash charges recognized as expense during the year	32.0	13.4	6.9	3.3	55.6
Cash paid	(15.8)	(4.6)	—	(2.8)	(23.2)
Foreign exchange	(0.3)	—	—	—	(0.3)
December 31, 2005	15.9	8.8	6.9	0.5	32.1
Charge recognized as expense during the year	13.1	—	—	—	13.1
Cash paid	(23.0)	(8.9)	(4.4)	(0.4)	(36.7)
Foreign exchange	0.6	0.2	—	—	0.8
December 31, 2006	6.6	0.1	2.5	0.1	9.3
Cash paid	**(6.6)**	**(0.1)**	**(2.5)**	**(0.1)**	**(9.3)**
December 31, 2007	—	—	—	—	--
Cumulative charges incurred (gross)	**45.1**	**20.4**	**6.9**	**3.3**	**75.7**

Staff termination, fund rationalization and other costs were accrued in current liability accounts. Property costs were included in other liabilities and reflect calculations of the lease payments for the remaining term in excess of the estimated sublease proceeds that could reasonably be obtained.

14. GEOGRAPHIC INFORMATION

The company operates under one business segment, asset management. Geographical information is presented below. The company generally records intercompany services and transfers as if the services or transfers were provided to third parties at current market prices.

$ in millions	U.S.	U.K./Ireland	Canada	Europe/Asia	Total
2007					
Operating revenues	**1,587.7**	**1,436.2**	**697.3**	**157.7**	**3,878.9**
Inter-company	**61.3**	**(163.5)**	**(22.0)**	**124.2**	**—**
	1,649.0	**1,272.7**	**675.3**	**281.9**	**3,878.9**
Long-lived assets	**80.1**	**81.1**	**8.4**	**10.4**	**180.0**
2006					
Operating revenues	1,456.2	1,033.8	624.1	132.6	3,246.7
Inter-company	51.5	(130.4)	(14.0)	92.9	—
	1,507.7	903.4	610.1	225.5	3,246.7
Long-lived assets	90.8	85.0	11.3	11.6	198.7
2005					
Operating revenues	1,463.4	704.2	592.1	112.9	2,872.6
Inter-company	30.8	(62.8)	(10.6)	42.6	—
	1,494.2	641.4	581.5	155.5	2,872.6

Operating revenues reflect the geographical regions from which services are provided.

15. OTHER GAINS AND LOSSES, NET

$ in millions	2007	2006	2005
Other gains:			
Gain on sale of investments	**32.2**	18.1	5.6
Gain on sale of business	**1.6**	1.9	32.6
Net foreign exchange gains	**—**	8.5	—
Total other gains	**33.8**	28.5	38.2
Other losses:			
Other than temporary impairment of available-for-sale investments	**(5.4)**	—	—
Loss incurred on fund liquidation	**(8.2)**	—	(11.3)
Other realized losses	—	(1.7)	(2.0)
Net foreign exchange losses	**(10.3)**	—	(11.5)
Total other losses	**(23.9)**	(1.7)	(24.8)
Other gains and losses, net	**9.9**	26.8	13.4

16. TAXATION

The company's (provision)\benefit for income taxes is summarized as follows:

$ in millions	2007	2006	2005
Current:			
Federal	**(107.4)**	(98.2)	(11.7)
State	**(9.0)**	(10.4)	(6.2)
Foreign	**(260.6)**	(181.8)	(114.3)
	(377.0)	(290.4)	(132.2)
Deferred:			
Federal	**25.1**	25.9	(38.7)
State	**2.5**	(1.2)	0.9
Foreign	**(7.9)**	11.1	18.9
	19.7	35.8	(18.9)
Total income tax (provision)\benefit	**(357.3)**	(254.6)	(151.1)

The net deferred tax recognized in our balance sheet at December 31 includes the following:

$ in millions	2007	2006
Deferred Tax Assets:		
Deferred compensation arrangements	**116.7**	112.9
Onerous lease provisions	**19.1**	16.7
Tax loss carryforwards	**55.1**	43.1
Post-retirement medical, pension and other benefits	**33.3**	32.5
Fixed asset depreciation	**12.8**	7.5
Unrealized foreign exchange	**13.8**	13.3
Investment basis differences	**10.1**	5.2
Other	**17.0**	11.4
Total Deferred Tax Assets	**277.9**	242.6
Valuation Allowance	**(51.2)**	(39.2)
Deferred Tax Assets, net of valuation allowance	**226.7**	203.4
Deferred Tax Liabilities:		
Deferred sales commissions	**(17.8)**	(20.2)
Intangible asset amortization	**(17.9)**	(16.7)
Undistributed earnings of subsidiaries	**(14.1)**	(7.0)
Basis differences on available-for-sale assets	**(4.1)**	(3.2)
Revaluation reserve	**(6.4)**	(6.4)
Other	**(0.1)**	(5.7)
Total Deferred Tax Liabilities	**(60.4)**	(59.2)
Net Deferred Tax Assets	**166.3**	144.2

Net current deferred tax assets of $32.5 million (2006: $25.7 million) are included in other current assets on the Consolidated Balance Sheets (see Note 4).

A reconciliation between the statutory rate and the effective tax rate on income from operations for the years ended December 31, 2007, 2006 and 2005 is as follows:

	2007	2006	2005
Statutory Rate	**35.0%**	30.0%	30.0%
Foreign jurisdiction statutory income tax rates	**(4.6%)**	2.5%	5.3%
State taxes, net of federal tax effect	**0.9%**	2.1%	1.9%
Additional tax on unremitted earnings	**1.1%**	0.9%	0.0%
Change in valuation allowance for unrecognized tax losses	**0.8%**	0.0%	1.2%
Non-deductible expenses related to relisting/redomicile	**0.4%**	0.0%	0.0%
Europe and Asia restructuring provisions	**0.0%**	0.0%	2.6%
Non-deductible investment write-off/non-taxable income	**(0.3%)**	(0.5%)	1.5%
Other	**1.3%**	(0.5%)	(1.7%)
Effective tax rate (excluding minority interest)	**34.6%**	34.5%	40.8%
Income from minority interests	**(5.9%)**	(9.9%)	(9.4%)
Effective tax rate per Consolidated Statements of Income	**28.7%**	24.6%	31.4%

The company's effective tax rate for 2006 and 2005 is reconciled to the U.K. statutory tax rate of 30% as that was the statutory rate of our predecessor company INVESCO PLC. As a result of the change in our domicile in 2007 to Bermuda, the U.S. statutory rate of 35.0% is used for 2007.

The company's subsidiaries operate in several taxing jurisdictions around the world, each with its own statutory income tax rate. As a result, the blended average statutory tax rate will vary from year to year depending on the mix of the profits and losses of the company's subsidiaries. The majority of our profits are earned in the U.S., Canada and the U.K. The current U.K. statutory tax rate is 30.0%, the Canadian statutory tax rate is 36.0% and the U.S. Federal statutory tax rate is 35.0%.

On July 19, 2007, legislation was enacted that will decrease the U.K.'s tax rate to 28.0% effective April 1, 2008. On December 14, 2007, legislation was enacted to reduce the Canadian income tax rate over the next five years. Beginning January 1, 2008, the Canadian rate will be reduced to 33.5%, with further reductions to 33.0% in 2009, 32.0% in 2010, 30.5% in 2011, and finally 29.0% in 2012. The reduction in our Canadian and U.K. deferred tax assets in 2007 as a result of these rate changes increased our effective tax rate by 0.3% and is included in "Other" above.

At December 31, 2007, the company had tax loss carryforwards accumulating in certain subsidiaries in the aggregate of $139.8 million (2006: $107.1 million), approximately $13.9 million of which expire between 2008 and 2013, with the remaining $125.9 million having an indefinite life. A full valuation allowance has been recorded against the deferred tax assets related to these losses based on a history of losses in these subsidiaries which make it unlikely that the deferred tax assets will be realized.

Deferred tax liabilities are recognized for taxes that would be payable on the unremitted earnings of the company's subsidiaries, consolidated investment products, and joint ventures except where it is our intention to continue to indefinitely reinvest the undistributed earnings. Our Canadian and U.S. subsidiaries continue to be directly owned by Invesco Holding Company Limited (formerly INVESCO PLC, our predecessor company), which is directly owned by Invesco, Ltd. Our Canadian unremitted earnings, for which we are indefinitely reinvested, are estimated to be $880 million at December 31, 2007 compared with $600 million at December 31, 2006. If distributed as a dividend, Canadian withholding tax of 5.0% would be due. Deferred tax liabilities in the amount of $14.1 million (2006: $7.0 million) for additional U.K. tax have been recognized for unremitted earnings of certain subsidiaries that have regularly remitted earnings and are expected to continue to remit earnings in the foreseeable future. Dividends from our investment in the U.S. should not give rise to additional tax as there is no withholding tax between the U.S. and U.K., the underlying U.S. tax rate is greater than the U.K. tax rate, and we have U.K. tax credits available. There are no additional taxes on dividends from the U.K. to Bermuda.

FIN 48, which became effective on January 1, 2007, clarifies the accounting for uncertain income tax positions. Upon adoption of FIN 48, the company recognized an increase of approximately $17.6 million in income tax reserves for uncertain income tax positions, and a corresponding reduction to beginning retained earnings.

At adoption, the company had approximately $68.5 million of gross unrecognized income tax benefits (UTBs). Of this total, $29.0 million (net of tax benefits in other jurisdictions and the federal benefit of state taxes) represents the amount of unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate in future periods. A reconciliation of the change in the UTB balance from January 1, 2007 to December 31, 2007 is as follows:

$ in millions	**Gross Unrecognized Income Tax Benefits**
Balance at January 1, 2007	**68.5**
Additions for tax positions related to the current year	**8.6**
Additions for tax positions related to prior years	**—**
Other reductions for tax positions related to prior years	**(4.2)**
Settlements	**(3.9)**
Balance at December 31, 2007	**69.0**

The company recognizes accrued interest and penalties, as appropriate, related to unrecognized tax benefits as a component of the income tax provision. At December 31, 2007, the total amount of gross unrecognized tax benefits was $69.0 million. Of this total, $24.8 million (net of tax benefits in other jurisdictions and the federal benefit of state taxes) represents the amount of unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate in future periods. The Consolidated Balance Sheet includes accrued interest and penalties of $30.8 million at December 31, 2007, including $3.5 million in 2007 tax expense. As a result of the expiration of statutes of limitations for various jurisdictions and anticipated legislative changes it is reasonably possible that the company's gross unrecognized tax benefits balance may change within the next twelve months by a range of zero to $15.0 million. The company and its subsidiaries are routinely examined by various taxing authorities worldwide. The company and its subsidiaries file income tax returns in the federal jurisdiction, various states and foreign jurisdictions. With few exceptions, the company is no longer subject to income tax

examinations by the primary tax authorities for years before 2003. Management monitors changes in tax statutes and regulations and the issuance of judicial decisions to determine the potential impact to uncertain income tax positions. As of December 31, 2007, management had identified no other potential subsequent events that could have a significant impact on the unrecognized tax benefits balance.

17. EARNINGS PER SHARE

The calculation of earnings per share is as follows:

in millions, except per share data	Net Income	Weighted Average Number of Shares*	Per Share Amount*
2007			
Basic earnings per share	**$673.6**	**398.0**	**$1.69**
Dilutive effect of share-based awards	**—**	**12.3**	**—**
Diluted earnings per share	**$673.6**	**410.3**	**$1.64**
2006			
Basic earnings per share	$482.7	396.1	$1.22
Dilutive effect of share-based awards	—	10.0	—
Diluted earnings per share	$482.7	406.1	$1.19
2005			
Basic earnings per share	$219.8	397.0	$0.55
Dilutive effect of share-based awards	—	5.5	—
Diluted earnings per share	$219.8	402.5	$0.54

* Prior period weighted average number of shares and earnings per share amounts have been adjusted to give effect to the one-for-two reverse stock split that the company effected on December 4, 2007 in connection with its relisting and redomicile. See Note 1 for additional information.

See Note 19 for a summary of share awards outstanding under the company's stock-based payment programs. These programs could result in the issuance of common shares that would affect the measurement of basic and diluted earnings per share.

Options to purchase 15.5 million common shares at a weighted average exercise price of 1886p were outstanding during the year ended December 31, 2007 (2006: 37.1 million share options over the ordinary shares of INVESCO PLC at a weighted average exercise price of 917p; 2005: 108.8 million share options over the ordinary shares of INVESCO PLC at a weighted average exercise price of 607p), but were not included in the computation of diluted earnings per share because the option's exercise price was greater than the average market price of the common shares and therefore their inclusion would have been anti-dilutive. No shares of time-vested share incentive awards and no contingently issuable shares (including performance-vested share incentive awards) were excluded from the computation of diluted earnings per share during the year ended December 31, 2007, 2006 and 2005 due to their inclusion being anti-dilutive.

The company excluded 1.0 million contingently issuable common shares from the diluted earnings per share computation for the year ended December 31, 2007 (2006: 42.2 million contingently issuable ordinary shares of INVESCO PLC) because the necessary performance conditions for the shares to be issuable had not been satisfied at the end of the period.

18. CONSOLIDATED INVESTMENT PRODUCTS

The company transacts with various private equity, real estate and other investment entities sponsored by the company for the investment of client assets in the normal course of business. Certain of these investments are considered to be variable interest entities in which the company is the primary beneficiary and are consolidated into the company's financial statements. Other partnership entities are consolidated under EITF 04-5, as the company is the general partner and is presumed to have control, in the absence of substantive kick-out or participating rights of the other limited partners. The following table reflects this impact of consolidation of these investment products into the income statements for the periods ended December 31, 2007, 2006 and 2005 and balance sheets as of December 31, 2007 and 2006. The company's risk is limited to its equity ownership (generally less than 5%) and any uncollected management fees. During the fourth quarter of 2007, the company deconsolidated several variable interest entities, as the company determined that it was no longer the primary beneficiary of the arrangements as a result of reconsideration events.

Balance Sheets

$ in millions	Before Consolidation	Variable Interest Entities	Other Consolidated Investment Products	Consolidated Total
As of December 31, 2007				
Current assets	**4,155.8**	**34.3**	**4.3**	**4,194.4**
Non-current assets	**7,543.4**	**816.5**	**370.9**	**8,730.8**
Total assets	**11,699.2**	**850.8**	**375.2**	**12,925.2**
Current liabilities	**3,634.1**	**5.9**	**0.9**	**3,640.9**
Non-current liabilities	**1,455.9**	**(1.0)**	**117.6**	**1,572.5**
Total liabilities	**5,090.0**	**4.9**	**118.5**	**5,213.4**
Minority interests in equity of consolidated entities	**14.0**	**850.5**	**256.7**	**1,121.2**
Total shareholders' equity	**6,595.2**	**(4.6)**	**—**	**6,590.6**
Total liabilities, minority interests and shareholders' equity	**11,699.2**	**850.8**	**375.2**	**12,925.2**

$ in millions	Before Consolidation	Variable Interest Entities	Other Consolidated Investment Products	Consolidated Total
As of December 31, 2006				
Current assets	3,630.0	76.6	2.4	3,709.0
Non-current assets	7,054.7	1,214.9	249.9	8,519.5
Total assets	10,684.7	1,291.5	252.3	12,228.5
Current liabilities	3,356.7	8.0	0.7	3,365.4
Non-current liabilities	1,157.5	(0.2)	37.2	1,194.5
Total liabilities	4,514.2	7.8	37.9	4,559.9
Minority interests in equity of consolidated entities	5.1	1,285.1	214.4	1,504.6
Total shareholders' equity	6,165.4	(1.4)	—	6,164.0
Total liabilities, minority interests and shareholders' equity	10,684.7	1,291.5	252.3	12,228.5

Statements of Income

$ in millions	Before Consolidation	Variable Interest Entities	Other Consolidated Investment Products	Consolidated Total
Year ended December 31, 2007				
Total operating revenues	**3,872.4**	**(0.7)**	**7.2**	**3,878.9**
Total operating expenses	**(2,876.3)**	**(2.8)**	**(5.5)**	**(2,884.6)**
Operating income	**996.1**	**(3.5)**	**1.7**	**994.3**
Equity in earnings of unconsolidated affiliates	**52.2**	**(4.1)**	**—**	**48.1**
Interest income	**48.5**	**—**	**—**	**48.5**
Other investment income	**9.9**	**202.7**	**11.6**	**224.2**
Interest expense	**(71.3)**	**—**	**—**	**(71.3)**
Income before income taxes and minority interest	**1,035.4**	**195.1**	**13.3**	**1,243.8**
Income tax provision	**(357.5)**	**0.2**	**—**	**(357.3)**
Income before minority interest	**677.9**	**195.3**	**13.3**	**886.5**
Minority interest income of consolidated entities, net of tax	**(4.3)**	**(195.3)**	**(13.3)**	**(212.9)**
Net income	**673.6**	**—**	**—**	**673.6**

$ in millions	Before Consolidation	Variable Interest Entities	Other Consolidated Investment Products	Consolidated Total
Year ended December 31, 2006				
Total operating revenues	3,231.5	10.7	4.5	3,246.7
Total operating expenses	(2,478.2)	(5.4)	(3.9)	(2,487.5)
Operating income	753.3	5.3	0.6	759.2
Equity in earnings of unconsolidated affiliates	9.9	(5.6)	—	4.3
Interest income	26.9	—	—	26.9
Other investment income	26.8	246.5	47.8	321.1
Interest expense	(77.2)	—	—	(77.2)
Income before income taxes and minority interest	739.7	246.2	48.4	1,034.3
Income tax provision	(256.3)	1.7	—	(254.6)
Income before minority interest	483.4	247.9	48.4	779.7
Minority interest income of consolidated entities, net of tax	(0.7)	(247.9)	(48.4)	(297.0)
Net income	482.7	—	—	482.7

$ in millions	Before Consolidation	Variable Interest Entities	Other Consolidated Investment Products	Consolidated Total
Year ended December 31, 2005				
Total operating revenues	2,878.1	(8.2)	2.7	2,872.6
Total operating expenses	(2,453.9)	(8.2)	(2.6)	(2,464.7)
Operating income	424.2	(16.4)	0.1	407.9
Equity in earnings of unconsolidated affiliates	—	0.7	—	0.7
Interest income	16.7	—	—	16.7
Other investment income	13.4	125.6	3.2	142.2
Interest expense	(85.1)	—	—	(85.1)
Income before income taxes and minority interest	369.2	109.9	3.3	482.4
Income tax provision	(148.3)	(2.8)	—	(151.1)
Income before minority interest	220.9	107.1	3.3	331.3
Minority interest income of consolidated entities, net of tax	(1.1)	(107.1)	(3.3)	(111.5)
Net income	219.8	—	—	219.8

At December 31, 2007, the company's maximum risk of loss in significant VIEs in which the company is not the primary beneficiary is presented in the table below.

$ in millions	Company's Maximum Risk of Loss
Collateralized debt obligations	39.0
Private equity investments	19.6
Support agreements (See Note 22)	33.0
Total	91.6

19. SHARE-BASED COMPENSATION

The company recognized total expenses of $105.2 million, $140.6 million and $40.6 million related to equity-settled share-based payment transactions in 2007, 2006 and 2005, respectively. The total income tax benefit recognized in the Consolidated Statements of Income for share-based compensation arrangements was $36.8 million for 2007 (2006: $47.4 million; 2005: $13.7 million).

Cash received from exercise of share options and similar instruments granted under share-based compensation arrangements was $137.4 million in 2007 (2006: $66.8 million; 2005: $7.7 million). The tax benefit realized from share option exercises was $38.2 million in 2007 (2006: $17.9 million; 2005: $nil).

Share Incentive Awards

Share incentive awards, which are used to retain and motivate key executives and the next generation of management of the company and to ensure future succession in the business, are broadly classified into two categories: time-vested and performance-vested share awards. All equity awards are granted under the company's Global Stock Plan (GSP).

Time-vested awards vest ratably over or cliff-vest at the end of a period of continued employee service. Performance-vested awards cliff-vest at the end of a defined vesting period of continued employee service upon the company's attainment of certain performance criteria, generally the attainment of cumulative EPS growth targets at the end of the vesting period reflecting a compound annual growth rate of between 10.0% and 15.0% per annum during a three-year period. Time-vested and performance-vested share incentive awards are granted in the form of restricted shares or deferred share awards. Dividends accrue directly to the employee holder of restricted shares, and cash payments in lieu of dividends are made to employee holders of certain deferred share awards. There is therefore no discount to the fair value of these share incentive awards at their grant date. Pursuant to these plans, the company granted 6.8 million awards in 2007 at a weighted average share price of 1251p. Throughout this note, share award numbers and share prices have been adjusted to reflect the one-for-two share consolidation that occurred on December 4, 2007.

	2007		
millions of shares, except fair values	Time-Vested	Performance-Vested	Weighted Average Grant Date Fair Value (pence)
Unvested at the beginning of year	**15.6**	**4.6**	750.10
Granted during the year	**4.9**	**1.9**	1251.24
Forfeited during the year	**(1.4)**	**(0.3)**	852.30
Vested and distributed during the year	**(3.9)**	—	664.76
Unvested at the end of the year	**15.2**	**6.2**	915.69

	2006		2005	
millions of shares	Time-Vested	Performance-Vested	Time-Vested	Performance-Vested
Unvested at the beginning of year	16.6	2.5	15.8	—
Granted during the year	1.7	2.2	2.5	2.5
Forfeited during the year	(0.7)	(0.1)	(1.7)	—
Vested and distributed during the year	(2.0)	—	—	—
Unvested at the end of the year	15.6	4.6	16.6	2.5

The awards outstanding at December 31, 2007 had a weighted average remaining contractual life of 2.01 years.

The total grant date fair value of shares vested during 2007 was $51.7 million (2006: $29.3 million; 2005: $8.1million). The weighted average fair value at the date of grant of these share incentive awards was 665p (2006: 684p; 2005: 668p).

Deferred share awards that do not include dividend rights or cash payments in lieu of dividends are valued using the Black-Scholes model. There were no such awards granted in 2007. The assumptions used in the Black-Scholes model for these awards granted in 2006 and 2005 are as follows:

	2006	2005
Weighted average share price	1034p	666p
Expected term	5.3 years	4.0 years
Expected dividend yield	1.84%	2.25%

At December 31, 2007, there was $209.4 million of total unrecognized compensation cost related to non-vested share incentive awards; that cost is expected to be recognized over a weighted average period of 1.80 years.

Share Options

The company maintains two option plans: the 2000 Share Option Plan and the No. 3 Executive Share Option Scheme. As of December 31, 2007, 29.7 million shares were reserved for awards under these option plans. The company has not made any awards under the latter plan since April 2003.

Since November 2002, the exercises of share options awarded under the 2000 Plan are subject to the satisfaction of the performance conditions described further below. The performance targets for the plan for options granted after November 2002 provide that an option granted to an eligible employee may be exercised only if earnings per share since the date of the award has grown by a specified percentage in excess of a weighted average of the U.K. Retail Price Index and the U.S. Consumer Price Index (the Composite Index) over the preceding three years. Upon the exercise of share options, the company either issues new shares or can utilize shares held by employee trusts (see Note 11) to satisfy the exercise.

The share option plans provide for a grant price equal to the quoted market price of the company's shares on the date of grant. The cliff vesting period is three years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the company before the options vest.

	2007		2006		2005	
$ in millions, except prices	**Options**	**Weighted Average Exercise Price (pence)**	**Options**	**Weighted Average Exercise Price (pence)**	**Options**	**Weighted Average Exercise Price (pence)**
Outstanding at the beginning of year	**40.5**	**1220.54**	64.4	1086.18	67.5	1114.40
Granted during the year	**—**	**—**	—	—	3.1	665.00
Forfeited during the year	**(3.1)**	**1399.81**	(19.1)	936.38	(5.7)	1243.44
Exercised during the year	**(7.7)**	**855.27**	(4.8)	673.44	(0.5)	517.76
Outstanding at the end of the year	**29.7**	**1296.72**	40.5	1220.54	64.4	1086.18
Exercisable at the end of the year	**21.3**	**1546.31**	24.4	1560.44	31.7	1409.50

No grants were issued in 2007 or 2006. The options outstanding at December 31, 2007 had a range of exercise prices from 50p to 3360p, and a weighted average remaining contractual life of 4.19 years (for options exercisable at December 31, 2007, the weighted average remaining contractual life is 3.13 years). The weighted average grant date fair value of options granted during 2005 was 394p. The total intrinsic value of options exercised during the years ended December 31, 2007, 2006 and 2005 was $67.9 million, $40.4 million and $3.0 million, respectively. At December 31, 2007, the aggregate intrinsic value of options outstanding and options exercisable was $275.5 million and $122.1 million, respectively. The market price at the end of 2007 was $31.38 (2006: 1192p). Upon exercise, the sterling exercise price will be converted to U.S. dollars using the foreign exchange rate in effect on the exercise date.

On February 12, 2007, 6.2 million performance-based share options granted in 2003 vested. No expense for these options was recorded in 2004, 2005 or during the first six months of 2006 based upon the expectation that the required performance targets for the vesting of these options would not be attained. As a result of the improved performance in 2006, the company recorded a charge of $44.7 million in the second half of 2006 ($0.08 per share, net of tax), representing the current year and cumulative previously unrecognized cost to the company of these awards.

The share option programs were valued using a stochastic model (a lattice model) using the following assumptions for 2005 (no grants were issued in 2007 or 2006):

	2005
Weighted average share price	876p
Weighted average exercise price	878p
Expected volatility	52.0%
Expected term	7.8 years
Risk free rate	4.2%
Expected dividends	2.2%

Expected volatility was determined by calculating the historical volatility of the company's share price over the previous five years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

At December 31, 2007, there was $3.3 million of total unrecognized compensation cost related to non-vested share options under the two option plans; that cost is expected to be recognized over a weighted average period of 1 year.

Sharesave Plans

The company operates a number of sharesave plans under which eligible employees may save up to £250 per month for periods up to three years. Options awarded under these plans may be exercised at the end of the contract periods, or alternatively the employee may have his or her savings returned. At December 31, 2007, 1.0 million shares were reserved for awards under sharesave plans.

The employee share purchase plans are open to almost all employees and provide for a purchase price equal to the market price on the date of grant, less 15.0% to 20.0%. The shares can be purchased at the end of the 27- to 42-month savings contract. As of December 31, 2007, there are 1.0 million options to purchase shares outstanding under these programs. The fair value of these options was determined using the stochastic valuation model (a lattice model), and the weighted average contractual life of these awards is 1.89 years at December 31, 2007.

At December 31, 2007, there was $5.2 million of total unrecognized compensation cost related to non-vested share options granted under sharesave plans; that cost is expected to be recognized over a weighted average period of 1.46 years.

Employee Share Ownership Plan

The company sponsors the Invesco Employee Share Ownership Plan (ESOP) for certain of its U.S.-based employees. The ESOP was a leveraged employee stock ownership retirement plan designed to invest primarily in company shares. The plan was closed to further participants effective January 1, 2000, and no contributions were made into this plan after this date. All shares held by the ESOP have been allocated to employee accounts.

Adoption of FAS 123(R)

As a result of adopting FAS 123(R) on January 1, 2006, the company’s income before income taxes and minority interest and net income for the year ended December 31, 2006 are $63.8 million and $42.0 million lower, respectively, than if it had continued to account for share-based compensation under APB 25. Basic and diluted earnings per share for the year ended December 31, 2006 are $0.10 lower than if the company continued to account for share-based compensation under APB 25.

Prior to adoption of FAS 123(R), the company presented all tax benefits of deductions resulting from the exercise of share options as operating activities in the Consolidated Statements of Cash Flows. FAS 123(R) requires the cash flows resulting from the tax benefits resulting from tax deductions in excess of the compensation cost recognized for those options (excess tax benefits) to be classified as financing activities. The $12.3 million excess tax benefit classified as a financing activity in 2006 would have been classified as an operating activity if the company had not adopted FAS 123(R).

The following table illustrates the effect of the change from applying the APB 25 option of FAS 123 to applying FAS 123(R) in 2006 on income before income taxes and minority interest, net income, net cash provided by operating activities, net cash used in financing activities and earnings per share:

	2006			
$ in millions, except earnings per share	**Income before income taxes and minority interest**	**Net income**	**Net cash provided by operating activities**	**Net cash used in financing activities**
As reported	1,034.3	482.7	455.9	(163.1)
Add: Total share-based compensation expense determined under FAS 123 (R) for all awards, net of related tax effects of $47.4 million	140.6	93.2	(5.6)	(12.3)
Deduct: Share-based compensation expense calculated under APB 25, net of related tax effects of $25.6 million	(76.8)	(51.2)	—	—
Pro forma amounts	1,098.1	524.7	450.3	(175.4)

Earnings per share:	
Basic—as reported	$ 1.22
Basic—pro forma	$ 1.32
Diluted—as reported	$ 1.19
Diluted—pro forma	$ 1.29

The following table illustrates the effect of the change from applying FAS 123(R) in 2005 on net income and earnings per share:

$ in millions, except earnings per share	**2005 Net income**
As reported	219.8
Deduct: Total share-based compensation expense determined under FAS 123(R) for all awards, net of related tax effects of $17.7 million	(34.9)
Add: Share-based compensation expense calculated under APB 25, net of related tax effects of $13.7 million	26.9
Pro forma amount	211.8

Earnings per share:	
Basic—as reported	$ 0.55
Basic—pro forma	$ 0.53
Diluted—as reported	$ 0.54
Diluted—pro forma	$ 0.53

20. OPERATING LEASES

The company leases office space in the majority of its locations of business under non-cancelable operating leases. Sponsorship and naming rights commitments relate to INVESCO Field at Mile High, a sports stadium in Denver, Colorado. These leases and commitments expire on varying dates through 2022. Certain leases provide for renewal options and contain escalation clauses providing for increased rent based upon maintenance, utility and tax increases.

As of December 31, 2007, the company's total future commitments by year under non-cancelable operating leases are as follows:

$ in millions	Total	Buildings	Sponsorship and Naming Rights	Other
2008	**64.5**	**56.6**	**6.0**	**1.9**
2009	**63.7**	**55.9**	**6.0**	**1.8**
2010	**57.3**	**49.6**	**6.0**	**1.7**
2011	**50.7**	**43.1**	**6.0**	**1.6**
2012	**49.1**	**41.5**	**6.0**	**1.6**
Thereafter	**302.7**	**247.9**	**51.5**	**3.3**
Gross lease commitments	**588.0**	**494.6**	**81.5**	**11.9**
Less: future minimum payments expected to be received under non-cancelable subleases	**(159.1)**	**(159.1)**	**—**	**—**
Net lease commitments	**428.9**	**335.5**	**81.5**	**11.9**

The company recognized $57.7 million, $46.6 million, and $52.9 million in operating lease costs in the Consolidated Statements of Income in 2007, 2006 and 2005, respectively. These costs are net of $1.6 million, $1.8 million and $1.0 million of sublease income in 2007, 2006 and 2005, respectively.

The company maintains approximately $39.2 million in letters of credit from a variety of banks. The letters of credit are generally one-year automatically-renewable facilities and are maintained for various reasons. Approximately $26.1 million of the letters of credit support office lease obligations.

21. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

The company operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the company in funds under the control of trustees. When employees leave the plans prior to vesting fully in the contributions, the contributions payable by the company are reduced by the amount of forfeited contributions.

The total cost charged to the Consolidated Statements of Income for the year ended December 31, 2007 of $44.3 million (2006: $38.1 million; 2005: $60.5 million) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As of December 31, 2007, contributions of $21.2 million (2006: $19.5 million) due for the current year had not been paid to the plans.

Defined Benefit Plans

The company maintains legacy defined benefit pension plans for qualifying employees of its subsidiaries in the U.K., Ireland, Germany, Taiwan and the U.S. All defined benefit plans are closed to new participants, and the U.S. plan benefits have been frozen. The company also maintains a post-retirement medical plan in the U.S., which was closed to new participants in 2005. In 2006, the plan was amended to eliminate benefits for all participants who will not meet retirement eligibility by 2008. The assets of all defined benefit schemes are held in separate trustee-administered funds. Under the plans, the employees are generally entitled to retirement benefits based on final salary at retirement.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were valued as of December 31, 2007. The benefit obligation, the related current service cost and prior service cost were measured using the projected unit credit method.

Obligations and Funded Status

The amounts included in the Consolidated Balance Sheets arising from the company's obligations and plan assets in respect of its defined benefit retirement plans is as follows:

	Retirement Plans		Medical Plan	
$ in millions	**2007**	**2006**	**2007**	**2006**
Benefit obligation	**(381.0)**	(378.8)	**(47.7)**	(44.6)
Fair value of plan assets	**341.3**	329.5	**7.6**	7.3
Funded status	**(39.7)**	(49.3)	**(40.1)**	(37.3)
Amounts recognized in the Consolidated Balance Sheets:				
Non-current assets	**1.6**	1.9	**—**	—
Current liabilities	**(3.2)**	—	**(0.7)**	(0.8)
Non-current liabilities	**(38.1)**	(51.2)	**(39.4)**	(36.5)
Funded status	**(39.7)**	(49.3)	**(40.1)**	(37.3)

Changes in the benefit obligations were as follows:

	Retirement Plans		Medical Plan	
$ in millions	**2007**	**2006**	**2007**	**2006**
January 1	**378.7**	334.4	**44.6**	72.4
Service cost	**7.5**	8.4	**0.1**	0.7
Interest cost	**19.3**	16.1	**2.6**	2.5
Contributions from plan participants	**—**	—	**0.7**	0.8
Actuarial (gains)/losses	**(19.7)**	(0.6)	**2.1**	(3.7)
Exchange difference	**4.3**	38.9	**—**	—
Benefits paid	**(9.0)**	(7.6)	**(2.4)**	(2.2)
Plan amendments	**0.2**	—	**—**	(25.9)
Settlement and other	**(0.3)**	(10.8)	**—**	—
December 31	**381.0**	378.8	**47.7**	44.6

Plan amendments in 2006 for the medical plan reflect the adjustment to eliminate benefits for all participants who will not meet retirement eligibility by 2008.

Key assumptions used in plan valuations are detailed below. Appropriate local mortality tables are also used. The weighted average assumptions used to determine defined benefit obligations at December 31, 2007 and 2006 are:

	Retirement Plans		Medical Plan	
	2007	**2006**	**2007**	**2006**
Discount rate	**5.73%**	5.10%	**5.75%**	5.75%
Expected rate of salary increases	**5.82%**	5.41%	**N/A**	N/A
Future pension/ medical cost trend rate increases	**3.28%**	2.86%	**5.50%-9.00%**	5.50%-9.00%

Changes in the fair value of plan assets in the current period were as follows:

	Retirement Plans		Medical Plan	
$ in millions	**2007**	**2006**	**2007**	**2006**
January 1	**329.5**	254.1	**7.3**	7.0
Actual return on plan assets	**10.1**	31.6	**0.5**	0.6
Exchange difference	**3.4**	32.9	**—**	—
Contributions from the company	**7.6**	27.7	**—**	—
Contributions from plan participants	**—**	—	**0.4**	0.5
Benefits paid	**(9.0)**	(7.6)	**(0.6)**	(0.8)
Settlement and other	**(0.3)**	(9.2)	**—**	—
December 31	**341.3**	329.5	**7.6**	7.3

The components of the amount recognized in accumulated other comprehensive income/(loss) at December 31, 2007 and 2006 are as follows:

	Retirement Plans		Medical Plan	
$ in millions	**2007**	**2006**	**2007**	**2006**
Prior service cost/(credit)	**0.4**	0.3	**(19.9)**	(21.9)
Transition obligation	**(0.1)**	(0.1)	**—**	—
Net actuarial loss/(gain)	**55.4**	62.7	**23.3**	25.8
	55.7	62.9	**3.4**	3.9

The amounts in accumulated other comprehensive income expected to be amortized into net periodic benefit cost during the year ending December 31, 2008 are as follows:

$ in millions	**Retirement Plans**	**Medical Plan**
Prior service cost/(credit)	—	(2.0)
Net actuarial loss/(gain)	1.4	3.7
Total	1.4	1.7

The total accumulated benefit obligation, the accumulated benefit obligation and fair value of plan assets for plans with accumulated benefit obligations in excess of plan assets and the projected benefit obligation and fair value of plan assets for pension plans with projected benefit obligations in excess of plan assets are as follows:

	Retirement Plans	
$ in millions	**2007**	**2006**
Plans with accumulated benefit obligation in excess of plan assets:		
Accumulated benefit obligation	**(342.0)**	(300.8)
Fair value of plan assets	**327.4**	284.4
Plans with projected benefit obligation in excess of plan assets:		
Projected benefit obligation	**(368.7)**	(346.6)
Fair value of plan assets	**327.4**	295.5

Components of Net Periodic Benefit Cost

The components of net periodic benefit cost in respect of these defined benefit plans are as follows:

	Retirement Plans			Medical Plan		
$ in millions	**2007**	**2006**	**2005**	**2007**	**2006**	**2005**
Service cost	**(7.6)**	(8.4)	(18.3)	**(0.1)**	(0.7)	(4.2)
Interest cost	**(19.3)**	(16.1)	(15.1)	**(2.6)**	(2.5)	(3.8)
Expected return on plan assets	**22.6**	19.0	15.3	**0.4**	0.5	0.5
Amortization of prior service cost/(credit)	**—**	—	—	**2.0**	1.8	(0.4)
Amortization of net actuarial gain/(loss)	**(1.9)**	(3.0)	(4.1)	**(4.6)**	(4.5)	(1.9)
Settlement	**(0.1)**	(0.1)	—	**—**	—	—
Net periodic benefit cost	**(6.3)**	(8.6)	(22.2)	**(4.9)**	(5.4)	(9.8)

Assumptions

The weighted average assumptions used to determine net periodic benefit cost for the years ended December 31, 2007, 2006 and 2005 are:

	Retirement Plans		
	2007	**2006**	**2005**
Discount rate	**5.10%**	4.61%	5.22%
Expected return on plan assets	**6.74%**	6.84%	6.95%
Expected rate of salary increases	**5.41%**	4.82%	4.76%
Future pension rate increases	**2.86%**	2.75%	2.75%

	Medical Plan		
	2007	2006	2005
Discount rate	**5.75%**	5.75%	5.50%
Expected return on plan assets	**7.00%**	7.00%	8.00%
Expected rate of salary increases	**N/A**	N/A	4.50%
Future medical cost trend rate increases	**5.50%-9.00%**	5.50%-9.00%	5.50%-9.00%

In developing the expected rate of return, the company considers long-term compound annualized returns based on historical and current market data. Using this reference information, the company develops forward-looking return expectations for each asset category and an expected long-term rate of return for a targeted portfolio. Discount rate assumptions were based upon AA-rated corporate bonds of suitable terms and currencies.

The assumed health care cost rates are as follows:

	Medical Plan		
	2007	2006	2005
Health care cost trend rate assumed for next year	**9.0%**	9.0%	9.0%
Rate to which cost trend rate gradually declines	**5.5%**	5.5%	5.5%
Year the rate reaches level it is assumed to remain thereafter	**2011**	2010	2009

A one percent change in the assumed rate of increase in healthcare costs would have the following effects:

$ in millions	Increase	Decrease
Effect on aggregate service and interest costs	**0.4**	**(0.3)**
Effect on defined benefit obligation	**5.9**	**(4.9)**

Plan Assets

The analysis of the plan assets at the balance sheet date was as follows:

	Retirement Plans			Medical Plan		
$ in millions	2007	% Fair Value of Plan Assets	2006	2007	% Fair Value of Plan Assets	2006
Equity instruments	**222.4**	65.2	230.0	**3.5**	46.1	2.9
Debt instruments	**97.3**	28.5	76.8	**3.8**	50.0	4.1
Other assets	**21.6**	6.3	22.7	**0.3**	3.9	0.3
	341.3	100.0	329.5	**7.6**	100.0	7.3

The investment policies and strategies for plan assets held by defined benefit plans include:

- Funding — to have sufficient assets available to pay members benefits;
- Security — to maintain the minimum Funding Requirement;
- Stability — to have due regard to the employer's ability in meeting contribution payments given their size and incidence.

Certain plan assets are invested in affiliated funds. Plan assets are not held in company stock.

Cash Flows

The estimated amounts of contributions expected to be paid to the plans during 2008 is $7.9 million for retirement plans, with no expected contribution to the medical plan.

There are no future annual benefits of plan participants covered by insurance contracts issued by the employer or related parties.

The benefits expected to be paid in each of the next five fiscal years and in the five fiscal years thereafter are as follows:

$ in millions	Retirement Plans	Medical Plan
Expected benefit payments:		
2008	**8.9**	**2.0**
2009	**8.3**	**2.2**
2010	**9.0**	**2.4**
2011	**11.2**	**2.5**
2012	**10.9**	**2.6**
Thereafter in the succeeding five years	**68.3**	**14.1**

Adoption of FASB Statement No. 158

Effective December 31, 2006, the company adopted the recognition and disclosure provisions of FASB Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — an Amendment of FASB Statement No. 87, 88, 106 and 132(R)." FASB Statement No. 158 required the company to recognize the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of its retirement plans and medical plan in the December 31, 2006 Consolidated Balance Sheet, with a corresponding adjustment to accumulated other comprehensive income, net of tax. The adjustment to accumulated other comprehensive income at adoption represents the net unrecognized actuarial losses, unrecognized prior service costs and unrecognized transition obligation remaining from the initial adoption of FASB Statement No. 87, "Employers' Accounting for Pensions", all of which were previously netted against the plans' funded status in the company's balance sheet pursuant to the provisions of FASB Statement No. 87. These amounts will be subsequently recognized as net periodic pension cost pursuant to the company's historical accounting policy for amortizing such amounts. Further, actuarial gains and losses that arise in subsequent periods will be recognized as a component of other comprehensive income. Those amounts will be subsequently recognized as a component of net periodic pension cost on the same basis as the amounts recognized in accumulated other comprehensive income at the adoption of FASB Statement No. 158.

The incremental effects of adopting the provisions of FASB Statement No. 158 on the company's Consolidated Balance Sheet at December 31, 2006 are presented in the following table. The adoption of FASB Statement No. 158 had no effect on the company's Consolidated Statement of Income for the year ended December 31, 2006, or for any prior period presented, and it will not affect the company's operating results in future periods.

The following table illustrates the effect of the adoption of the recognition provisions of FASB Statement No. 158 at December 31, 2006:

$ in million	Before Application of FAS 158	Adjustments	After Application of FAS 158
Asset for pension benefits	5.1	(3.2)	1.9
Non-current deferred income tax asset	107.5	11.0	118.5
Total assets	12,220.7	7.8	12,228.5
Liability for pension benefits	57.2	31.3	88.5
Total liabilities	4,591.2	31.3	4,559.9
Accumulated other comprehensive income	638.0	(23.5)	614.5
Total shareholders' equity	6,187.5	(23.5)	6,164.0

22. OTHER COMMITMENTS AND CONTINGENCIES

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

The company's private equity products are structured as limited partnerships. The company's investment may take the form of the general partner or a limited partner. The private equity funds are structured such that each partner makes capital commitments that are to be drawn down over the life of the partnership as investment opportunities are identified. At December 31, 2007, the company's undrawn capital commitments were $60.2 million (2006: $19.2 million).

The volatility and valuation dislocations that occurred during 2007 in certain sectors of the fixed income market have generated some pricing issues in many areas of the market. As a result of these valuation dislocations, during the fourth quarter of 2007, Invesco elected to enter into contingent support agreements for two of its investment trusts to enable them to sustain a stable pricing structure. These two trusts are unregistered trusts that invest in fixed income securities and are available only to accredited investors. The fair value of these agreements at December 31, 2007 was estimated to be $4.5 million, which was recorded in other current liabilities on the Consolidated Balance Sheet at that date as a guarantee obligation in accordance with FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others – An Interpretation of FASB Statements No. 5, 57, and 107 and Rescission of FASB Interpretation No. 34." As of the date of this Annual Report on Form 10-K, the maximum support that could be provided under these agreements is $33.0 million. No payments have been made under either agreement nor has Invesco realized any losses from the support agreements through the date of this Report. These trusts were not consolidated because the company was not deemed to be the primary beneficiary under FIN 46R.

Acquisition Contingencies

Contingent consideration related to acquisitions includes the following:

- $500.0 million earn-out relating to the PowerShares acquisition. A contingent payment up to a maximum of $500.0 million will be due in October 2011, five years after the date of acquisition. The maximum payment would require a compound annual growth rate in management fees of 100%. At the company's option, up to 35% of the contingent payment is payable in equity.
- $220.0 million earn-out relating to the WL Ross acquisition. Contingent payments of up to $55.0 million are due each year for the five years following the October 2006 date of acquisition based on the size and number of future fund launches. The maximum contingent payments of $220.0 million would require annual fund launches to total $4.0 billion. The first anniversary payment equaled $44.8 million and was paid in October 2007.

Legal Contingencies

Following the industry-wide regulatory investigations, multiple lawsuits based on market timing allegations were filed against various parties affiliated with Invesco. These lawsuits were consolidated in the United States District Court for the District of Maryland, together with market timing lawsuits brought against affiliates of other mutual fund companies, and on September 29, 2004, three amended complaints were filed against company-affiliated parties: (1) a putative shareholder class action complaint brought on behalf of shareholders of AIM funds formerly advised by INVESCO Funds Group, Inc.; (2) a derivative complaint purportedly brought on behalf of certain AIM funds and the shareholders of such funds; and (3) an ERISA complaint purportedly brought on behalf of participants in the company's 401(k) plan. On September 15, 2006, the court dismissed the ERISA lawsuit with prejudice. The plaintiff has appealed that dismissal to the United States Court of Appeals for the Fourth Circuit. Oral argument was held on December 5, 2007. The company and plaintiffs have reached a settlement in principle of the shareholder class action and derivative lawsuits. The proposed settlement, which is subject to court approval, calls for a payment by the company of $9.8 million, recorded in general and administrative costs in the 2007 Consolidated Statement of Income, in exchange for dismissal with prejudice of all pending claims. In addition, under the terms of the proposed settlement the company may incur certain costs in connection with providing notice of the proposed settlement to affected shareholders. Based on information currently available, it is not believed that any such incremental notice costs will have any material effect on the consolidated financial position or results of operations of the company.

The company and/or company-affiliated parties have also been named as defendants in a lawsuit alleging that one or more of the company's funds inadequately employed fair value pricing, and thereby made such funds more susceptible to market timing. The lawsuit is a purported class action seeking unspecified monetary damages. It is now pending in the State court in Madison County, Illinois after a series of removals to the United States District Court for the Southern District of Illinois and remands back to the State Court. The Auditor of the State of West Virginia, in his capacity as securities commissioner, has initiated administrative proceedings against many mutual fund companies, including AIM, seeking disgorgement and other monetary relief based on allegations similar to those underlying the market timing lawsuits. The action against AIM was initiated on August 30, 2005. AIM's time to respond to the Auditor's proceeding has not yet elapsed. Although there can be no assurances, based on information currently available, the company does not believe it is probable that the ultimate outcome of any of these actions will have a material adverse effect on the company's consolidated financial position or results of operations.

The asset management industry also is subject to extensive levels of ongoing regulatory oversight and examination. In the United States and other jurisdictions in which the company operates, governmental authorities regularly make inquiries, hold investigations and administer market conduct examinations with respect to compliance with applicable laws and regulations.

Additional lawsuits or regulatory enforcement actions arising out of these inquiries may in the future be filed against the company and related entities and individuals in the U.S. and other jurisdictions in which the company and its affiliates operate. Any material loss of investor and/or client confidence as a result of such inquiries and/or litigation could result in a significant decline in assets under management, which would have an adverse effect on the company's future financial results and its ability to grow its business.

In the normal course of its business, the company is subject to various litigation matters. Although there can be no assurances, at this time management believes, based on information currently available to it, that it is not probable that the ultimate outcome of any of these actions will have a material adverse effect on the consolidated financial condition or results of operations of the company.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities consist of the following:

$ in millions	Note Reference	2007 Book Value	2007 Fair Value	2006 Book Value	2006 Fair Value
Cash and cash equivalents	1	**915.8**	**915.8**	778.9	778.9
Cash and cash equivalents of consolidated investment products	18	**36.6**	**36.6**	55.4	55.4
Investments	3	**299.5**	**299.5**	267.7	267.6
Investments of consolidated investment products	18	**1,205.6**	**1,205.6**	1,482.0	1,482.0
Assets held for policyholders	5	**1,898.0**	**1,898.0**	1,574.9	1,574.9
Policyholder payables	5	**(1,898.0)**	**(1,898.0)**	(1,574.9)	(1,574.9)
Total debt	10	**(1,276.4)**	**(1,261.0)**	(1,279.0)	(1,263.5)
Borrowings of consolidated investment products	18	**(116.6)**	**(116.6)**	(37.0)	(37.0)

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risk existing at each balance sheet date. For the majority of financial instruments, standard market conventions and techniques such as quoted market prices and discounted cash flow analysis are used to determine fair value. Dealer quotes are used for the remaining financial instruments. All methods of assessing fair value result in a general approximation of value, and such value may never actually be realized.

Cash and cash equivalents, marketable securities and investments are financial assets with carrying values that approximate fair value because of the short maturity of those instruments. Because an active market does not exist for the company's debt in which to obtain current market price information, fair value amounts disclosed in the table above were derived from indicative pricing and analysis from various debt market-makers. Such analysis included comparison of the terms of the company's debt with other actively traded debt of similar companies.

The company does not hold collateral as security for its financial assets, nor have any other credit enhancements been offered to the other party to the receivables.

Book value approximates fair value for cash deposits, which comprise deposits placed primarily in affiliated money market accounts and seven-day deposits. Interest income recognized during the year was $48.5 million (2006: $26.9 million; 2005: $16.7 million).

24. GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

Prior to the December 4, 2007, redomicile and relisting discussed in Note 1, Invesco Holding Company Limited (the "Issuer", formerly INVESCO PLC), a subsidiary of Invesco Ltd. (the "Parent") issued 5.625% $300.0 million senior notes

due 2012, 4.5% $300.0 million senior notes due 2009, 5.375% $350.0 million senior notes due 2013 and 5.375% $200.0 million senior notes due 2014. These senior notes are fully and unconditionally guaranteed as to payment of principal, interest and any other amounts due thereon by the Parent together with the following wholly owned subsidiaries: A I M Management Group, Inc., AIM Advisors, Inc., INVESCO North American Holdings, Inc., and INVESCO Institutional (N.A.), Inc. (the "Guarantors"). The company's remaining consolidated subsidiaries are "Non-Guarantors." The guarantees of each of the guarantor subsidiaries are joint and several. Presented below are condensed consolidating balance sheets as of December 31, 2007 and 2006 and condensed consolidating income and cash flow statements of the company for the years ended December 31, 2007, 2006 and 2005. The 2007 data has been presented with the new Parent separately stated.

Condensed Consolidating Balance Sheets

$ in millions	Guarantors	Non-Guarantors	Issuer	Parent	Eliminations	Consolidated
2007						
Assets held for policyholders	**—**	**1,898.0**	**—**	**—**	**—**	**1,898.0**
Other current assets	**109.4**	**2,159.3**	**16.1**	**11.6**	**—**	**2,296.4**
Total current assets	**109.4**	**4,057.3**	**16.1**	**11.6**	**—**	**4,194.4**
Goodwill	**2,302.8**	**4,040.2**	**505.0**	**—**	**—**	**6,848.0**
Investments in subsidiaries	**662.5**	**1,759.6**	**1,514.5**	**6,605.2**	**(10,541.8)**	**—**
Other non-current assets	**101.4**	**1,770.6**	**10.8**	**—**	**—**	**1,882.8**
Total assets	**3,176.1**	**11,627.7**	**2,046.4**	**6,616.8**	**(10,541.8)**	**12,925.2**
Policyholder payables	**—**	**1,898.0**	**—**	**—**	**—**	**1,898.0**
Other current liabilities	**427.8**	**1,305.4**	**4.3**	**5.4**	**—**	**1,742.9**
Total current liabilities	**427.8**	**3,203.4**	**4.3**	**5.4**	**—**	**3,640.9**
Intercompany balances	**121.2**	**218.3**	**(360.3)**	**20.8**	**—**	**—**
Non-current liabilities	**24.8**	**271.3**	**1,276.4**	**—**	**—**	**1,572.5**
Total liabilities	**573.8**	**3,693.0**	**920.4**	**26.2**	**—**	**5,213.4**
Minority interests in equity of consolidated entities	**—**	**1,121.2**	**—**	**—**	**—**	**1,121.2**
Total shareholders' equity	**2,602.3**	**6,813.5**	**1,126.0**	**6,590.6**	**(10,541.8)**	**6,590.6**
Total liabilities, minority interests and shareholders' equity	**3,176.1**	**11,627.7**	**2,046.4**	**6,616.8**	**(10,541.8)**	**12,925.2**

$ in millions	Guarantors	Non-Guarantors	Parent and Issuer*	Eliminations	Consolidated
2006					
Assets held for policyholders	—	1,574.9	—	—	1,574.9
Other current assets	142.4	1,950.1	41.6	—	2,134.1
Total current assets	142.4	3,525.0	41.6	—	3,709.0
Goodwill	2,318.5	3,555.2	487.0	—	6,360.7
Investments in subsidiaries	476.0	2,306.5	6,475.8	(9,258.3)	—
Other non-current assets	94.3	2,064.3	0.2	—	2,158.8
Total assets	3,031.2	11,451.0	7,004.6	(9,258.3)	12,228.5
Policyholder payables	—	1,574.9	—	—	1,574.9
Other current liabilities	284.6	1,126.5	379.4	—	1,790.5
Total current liabilities	284.6	2,701.4	379.4	—	3,365.4
Intercompany balances	151.1	376.6	(527.7)	—	—
Non-current liabilities	0.7	204.9	988.9	—	1,194.5
Total liabilities	436.4	3,282.9	840.6	—	4,559.9
Minority interests in equity of consolidated entities	—	1,504.6	—	—	1,504.6
Total shareholders' equity	2,594.8	6,663.5	6,164.0	(9,258.3)	6,164.0
Total liabilities, minority interests and shareholders' equity	3,031.2	11,451.0	7,004.6	(9,258.3)	12,228.5

* Prior to December 4, 2007, the Parent entity, INVESCO PLC, was also the issuer of the debt.

Condensed Consolidating Statements of Income

$ in millions	Guarantors	Non-Guarantors	Issuer	Parent	Eliminations	Consolidated
2007						
Total operating revenues	**772.3**	**3,106.6**	**—**	**—**	**—**	**3,878.9**
Total operating expenses	**(562.7)**	**(2,282.9)**	**(28.2)**	**(10.8)**	**—**	**(2,884.6)**
Operating income/(loss)	**209.6**	**823.7**	**(28.2)**	**(10.8)**	**—**	**994.3**
Equity in earnings of unconsolidated affiliates	**75.9**	**183.1**	**684.7**	**684.4**	**(1,580.0)**	**48.1**
Other income/(expense)	**(1.5)**	**214.4**	**(11.5)**	**—**	**—**	**201.4**
Income/(loss) before income taxes and minority interest	**284.0**	**1,221.2**	**645.0**	**673.6**	**(1,580.0)**	**1,243.8**
Income tax (provision)/benefit	**(71.6)**	**(293.2)**	**7.5**	**—**	**—**	**(357.3)**
Income before minority interest	**212.4**	**928.0**	**652.5**	**673.6**	**(1,580.0)**	**886.5**
Minority interest income of consolidated entities, net of tax	**—**	**(212.9)**	**—**	**—**	**—**	**(212.9)**
Net income	**212.4**	**715.1**	**652.5**	**673.6**	**(1,580.0)**	**673.6**

$ in millions	Guarantors	Non-Guarantors	Parent and Issuer*	Eliminations	Consolidated
2006					
Total operating revenues	769.0	2,477.7	—	—	3,246.7
Total operating expenses	(540.5)	(1,928.3)	(18.7)	—	(2,487.5)
Operating income/(loss)	228.5	549.4	(18.7)	—	759.2
Equity in earnings of unconsolidated affiliates	60.9	147.3	481.6	(685.5)	4.3
Other income/(expense)	(4.3)	262.8	12.3	—	270.8
Income/(loss) before income taxes and minority interest	285.1	959.5	475.2	(685.5)	1,034.3
Income tax (provision)/benefit	(79.8)	(182.3)	7.5	—	(254.6)
Income before minority interest	205.3	777.2	482.7	(685.5)	779.7
Minority interest income of consolidated entities, net of tax	—	(297.0)	—	—	(297.0)
Net income	205.3	480.2	482.7	(685.5)	482.7

* Prior to December 4, 2007, the Parent entity, INVESCO PLC, was also the issuer of the debt.

$ in millions	Guarantors	Non-Guarantors	Parent and Issuer*	Eliminations	Consolidated
2005					
Total operating revenues	722.6	2,150.0	—	—	2,872.6
Total operating expenses	(570.8)	(1,895.2)	1.3	—	(2,464.7)
Operating income/(loss)	151.8	254.8	1.3	—	407.9
Equity in earnings of unconsolidated affiliates	79.3	80.1	252.0	(410.7)	0.7
Other income/(expense)	(31.3)	137.6	(32.5)	—	73.8
Income/(loss) before income taxes and minority interest	199.8	472.5	220.8	(410.7)	482.4
Income tax (provision)/benefit	(40.4)	(109.7)	(1.0)	—	(151.1)
Income before minority interest	159.4	362.8	219.8	(410.7)	331.3
Minority interest income of consolidated entities, net of tax	—	(111.5)	—	—	(111.5)
Net income	159.4	251.3	219.8	(410.7)	219.8

* Prior to December 4, 2007, the Parent entity, INVESCO PLC, was also the issuer of the debt.

Condensed Consolidating Statements of Cash Flows

$ in millions	Guarantors	Non-Guarantors	Issuer	Parent	Eliminations	Consolidated
2007						
Net cash provided by operating activities	**14.6**	**469.9**	**418.0**	**92.7**	**(81.5)**	**913.7**
Net cash (used in)/provided by investing activities	**(9.1)**	**(33.6)**	**203.0**	**—**	**(206.7)**	**(46.4)**
Net cash used in financing activities	**—**	**(296.3)**	**(646.0)**	**(86.7)**	**288.2**	**(740.8)**
Increase/(decrease) in cash and cash equivalents	**5.5**	**140.0**	**(25.0)**	**6.0**	**—**	**126.5**

$ in millions	Guarantors	Non-Guarantors	Parent and Issuer*	Eliminations	Consolidated
2006					
Net cash provided by operating activities	124.5	362.1	34.5	(65.2)	455.9
Net cash (used in)/provided by investing activities	(134.8)	(132.4)	8.5	—	(258.7)
Net cash provided by/(used in) financing activities	0.5	(214.7)	(14.1)	65.2	(163.1)
(Decrease)/increase in cash and cash equivalents	(9.8)	15.0	28.9	—	34.1

* Prior to December 4, 2007, the Parent entity, INVESCO PLC, was also the issuer of the debt.

$ in millions	Guarantors	Non-Guarantors	Parent and Issuer*	Eliminations	Consolidated
2005					
Net cash provided by operating activities	19.9	347.6	143.1	(203.7)	306.9
Net cash (used in)/provided by investing activities	(28.1)	1.4	138.7	—	112.0
Net cash used in financing activities	—	(172.9)	(281.8)	203.7	(251.0)
(Decrease)/increase in cash and cash equivalents	(8.2)	176.1	—	—	167.9

* Prior to December 4, 2007, the Parent entity, INVESCO PLC, was also the issuer of the debt.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

N/A

Item 9A. ***Controls and Procedures***

Disclosure Controls and Procedures

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 December 31, 2007. 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.

Report of Management on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in the Securities Exchange Act of 1934 Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our chief executive officer and chief financial officer, management assessed the effectiveness of our internal control over financial reporting as of December 31, 2007. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. Based on our assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2007.

Our management, including our chief executive officer and chief financial officer, has evaluated any change in our internal control over financial reporting that occurred during the fourth quarter of 2007, and has concluded that there was no change during the fourth quarter of 2007 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Since the evaluation date referenced above, there have been no significant changes in our internal control over financial reporting or in other factors that could significantly affect these controls.

Our independent auditors, Ernst & Young LLP, have issued an audit report on the effectiveness of our internal control over financial reporting. This report appears in Part II, Item 8, “Financial Statements and Supplementary Data” of this Annual Report on Form 10-K.

Item 9B. ***Other Information***

None.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

Invesco has filed the certification of its Chief Financial Officer with the New York Stock Exchange ("NYSE") as required pursuant to Section 303A.12 of the NYSE Listed Company Manual. In addition, Invesco has filed the Sarbanes-Oxley Act Section 302 certifications of its Chief Executive Officer and Chief Financial Officer with the Securities and Exchange Commission, which certifications are attached hereto as Exhibit 31.0 and Exhibit 31.1, respectively.

The information required by this Item will be included in the definitive Proxy Statement for the company's annual meeting of shareholders, which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2007, and is incorporated by reference in this Report.

Item 11. *Executive Compensation*

The information required by this Item will be included in the definitive Proxy Statement for the company's annual meeting of shareholders, which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2007, and is incorporated by reference in this Report.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information required by this Item will be included in the definitive Proxy Statement for the company's annual meeting of shareholders, which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2007, and is incorporated by reference in this Report.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by this Item will be included in the definitive Proxy Statement for the company's annual meeting of shareholders, which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2007, and is incorporated by reference in this Report.

Item 14. *Principal Accountant Fees and Services*

The information required by this Item will be included in the definitive Proxy Statement for the company's annual meeting of shareholders, which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2007, and is incorporated by reference in this Report.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a)(1) The financial statements filed as part of this Report are listed in Part II, Item 8, "Financial Statements and Supplementary Data."

(a)(2) No financial statement schedules are required to be filed as part of this Report because all such schedules have been omitted. Such omission has been made on the basis that information is provided in the financial statements or related footnotes in Part II, Item 8, "Financial Statements and Supplementary Data," or is not required to be filed as the information is not applicable.

(a)(3) The exhibits listed on the Exhibit Index are included with this Report.

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	Amended and Restated Bye-Laws of Invesco Ltd., incorporating amendments up to and including December 4, 2007, incorporated by reference to exhibit 3.2 to Invesco's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 12, 2007
4.1	Specimen Certificate for Common Shares of Invesco Ltd., incorporated by reference to exhibit 4.1 to Invesco's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 12, 2007
4.2	Indenture, dated as of February 27, 2003, for AMVESCAP's 5.375% Senior Notes Due 2013, among AMVESCAP PLC, A I M Advisors, Inc., A I M Management Group Inc., INVESCO Institutional (N.A.), Inc., INVESCO North American Holdings, Inc. and SunTrust Bank, incorporated by reference to exhibit 2.12 to AMVESCAP's Annual Report on Form 20-F for the year ended December 31, 2002, filed with the Securities and Exchange Commission on March 27, 2003
4.3	Indenture, dated as of December 14, 2004, for AMVESCAP's 4.500% Senior Notes due 2009 among AMVESCAP PLC, A I M Advisors, Inc., A I M Management Group Inc., INVESCO Institutional (N.A.), Inc., INVESCO North American Holdings, Inc. and SunTrust Bank, incorporated by reference to exhibit 2.10 to AMVESCAP's Annual Report on Form 20-F for the year ended December 31, 2004, filed with the Securities and Exchange Commission on June 29, 2005
4.4	Indenture, dated as of December 14, 2004, for AMVESCAP's 5.375% Senior Notes due 2014, among AMVESCAP PLC, A I M Advisors, Inc., A I M Management Group Inc., INVESCO Institutional (N.A.), Inc., INVESCO North American Holdings, Inc. and SunTrust Bank, incorporated by reference to exhibit 2.11 to AMVESCAP's Annual Report on Form 20-F for the year ended December 31, 2004, filed with the Securities and Exchange Commission on June 29, 2005
4.5	Indenture, dated as of April 11, 2007, for AMVESCAP's 5.625% Senior Notes Due 2012, among AMVESCAP PLC, A I M Advisors, Inc., A I M Management Group Inc., INVESCO Institutional (N.A.), Inc., INVESCO North American Holdings, Inc. and The Bank of New York Trust Company, N.A., incorporated by reference to exhibit 99.1 to AMVESCAP's Report on Form 6-K, filed with the Securities and Exchange Commission on April 18, 2007
4.6	Supplemental Indenture, dated as of November 27, 2007, among INVESCO PLC, a public limited company organized under the laws of England and Wales, and formerly known as AMVESCAP PLC, A I M Advisors, Inc., A I M Management Group Inc., INVESCO Institutional (N.A.), Inc., and INVESCO North American Holdings, Inc., Invesco Ltd., a Bermuda corporation, and U.S. Bank National Association, as Successor Trustee to SunTrust Bank, incorporated by reference to exhibit 4.1 to Invesco's Current Report on Form 8-K, filed with the Securities and Exchange Commission on November 30, 2007

4.7	Supplemental Indenture No. 2, dated as of November 27, 2007, among INVESCO PLC, a public limited company organized under the laws of England and Wales, and formerly known as AMVESCAP PLC, A I M Advisors, Inc., A I M Management Group Inc., INVESCO Institutional (N.A.), Inc., and INVESCO North American Holdings, Inc., Invesco Ltd., a Bermuda corporation, and The Bank of New York Trust Company, N.A., incorporated by reference to exhibit 4.2 to Invesco's Current Report on Form 8-K, filed with the Securities and Exchange Commission on November 30, 2007
4.8	Supplemental Indenture, dated as of November 27, 2007, among INVESCO PLC, a public limited company organized under the laws of England and Wales, and formerly known as AMVESCAP PLC, A I M Advisors, Inc., A I M Management Group Inc., INVESCO Institutional (N.A.), Inc., and INVESCO North American Holdings, Inc., Invesco Ltd., a Bermuda corporation, and U.S. Bank National Association, as Successor Trustee to SunTrust Bank, incorporated by reference to exhibit 4.3 to Invesco's Current Report on Form 8-K, filed with the Securities and Exchange Commission on November 30, 2007
4.9	Supplemental Indenture, dated as of November 27, 2007, among INVESCO PLC, a public limited company organized under the laws of England and Wales, and formerly known as AMVESCAP PLC, A I M Advisors, Inc., A I M Management Group Inc., INVESCO Institutional (N.A.), Inc., and INVESCO North American Holdings, Inc., Invesco Ltd., a Bermuda corporation, and U.S. Bank National Association, as Successor Trustee to SunTrust Bank, incorporated by reference to exhibit 4.4 to Invesco's Current Report on Form 8-K, filed with the Securities and Exchange Commission on November 30, 2007
4.10	Guarantee, dated February 27, 2003, with respect to AMVESCAP's 5.375% Senior Notes Due 2013, made by A I M Management Group Inc., A I M Advisors, Inc., INVESCO Institutional (N.A.), Inc. and INVESCO North American Holdings, Inc., incorporated by reference to exhibit 4.20 to AMVESCAP's Annual Report on Form 20-F for the year ended December 31, 2002, filed with the Securities and Exchange Commission on March 27, 2003.
10.1	Amended and Restated Five Year Credit Agreement, dated as of December 3, 2007, among INVESCO PLC, Invesco Ltd., the banks, financial institutions and other institutional lenders from time to time a party thereto and Bank of America, N.A., as administrative agent
10.2	Third Amended and Restated Purchase and Sale Agreement, dated as of August 18, 2003, among Citibank, N.A., Citicorp North America, Inc., A I M Management Group Inc., A I M Distributors, Inc., A I M Advisors, Inc. and Invesco Funds Group, Inc.
10.3	Amendment No. 4 to Facility Documents, dated as of August 24, 2001 among A I M Management Group Inc., A I M Advisors, Inc., A I M Distributors, Inc., Citibank, N.A., Bankers Trust Company and Citicorp North America, Inc., incorporated by reference to exhibit 4.4 to AMVESCAP's Annual Report on Form 20-F for the year ended December 31, 2001, filed with the Securities and Exchange Commission on April 4, 2002
10.4	Amendment No. 5 to Facility Documents, dated as of August 18, 2003, among Invesco Funds Group, Inc., A I M Management Group Inc., A I M Advisors, Inc., A I M Distributors, Inc., Citibank, N.A., Citicorp North America, Inc. and Deutsche Bank Trust Company Americas

10.5	Global Stock Plan, as amended and restated as of August 31, 2005
10.6	No. 3 Executive Share Option Scheme, as revised as of August 2006
10.7	2000 Share Option Plan, as revised as of January 26, 2005
10.8	Invesco ESOP, as amended and restated, generally effective as of February 1, 2005
10.9	Wholesale Representatives Deferral Plan, amended and restated effective as of December 10, 2002
10.10	2003 Share Option Plan (Canada), dated June 2003
10.11	Deferred Fees Share Plan, incorporated by reference to exhibit 4.22 to Invesco's Annual Report on Form 20-F for the year ended December 31, 2000, filed with the Securities and Exchange Commission on May 17, 2001.
10.12	Rules of the AMVESCAP International Sharesave Plan, dated May 8, 1997
10.13	Master Employment Agreement, dated July 28, 2005, between Martin L. Flanagan and AMVESCAP PLC, incorporated by reference to exhibit 4.18 to AMVESCAP's Annual Report on Form 20-F for the year ended December 31, 2005, filed with the Securities and Exchange Commission on June 23, 2006.
10.14	Global Partner Agreement, dated November 10, 2005, between AMVESCAP PLC and Loren M. Starr
10.15	Global Partner Agreement, dated January 1, 2001, between AIM Funds Management Inc. and Philip A. Taylor
10.16	Global Partner Agreement, dated July 12, 2001, between INVESCO UK Limited and Robert J. Yerbury
10.17	Global Partners Employment Contract, dated April 1, 2000, between INVESCO Pacific Holdings Limited and Andrew Lo
10.18	Global Partner Agreement, dated January 3, 2001, between James I. Robertson and AMVESCAP Group Services, Inc., incorporated by reference to exhibit 4.16 to AMVESCAP's Annual Report on Form 20-F for the year ended December 31, 2004, filed with the Securities and Exchange Commission on June 29, 2005.
16	Letter, dated January 17, 2008, from Ernst & Young LLP (UK) to the Commission, incorporated by reference to exhibit 16 to Invesco's Current Report on Form 8-K, filed with the Securities and Exchange Commission on January 18, 2008
21	List of Subsidiaries
23.1	Consent of Ernst & Young LLP, dated February 25, 2008
31.1	Certification of Martin L. Flanagan pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Loren M. Starr pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Martin L. Flanagan 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 Loren M. Starr 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

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.

By: /s/ MARTIN L. FLANAGAN
Name: **Martin L. Flanagan**
Title: **President and Chief Executive Officer**

Date: February 29, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities indicated and on the dates indicated.

Name	Title	Date
/s/ MARTIN L. FLANAGAN **Martin L. Flanagan**	Chief Executive Officer (Principal Executive Officer) and President; Director	February 29, 2008
/s/ LOREN M. STARR **Loren M. Starr**	Senior Managing Director and Chief Financial Officer (Principal Financial Officer)	February 29, 2008
/s/ DAVID A. HARTLEY **David A. Hartley**	Chief Accounting Officer (Principal Accounting Officer)	February 29, 2008
/s/ REX D. ADAMS **Rex D. Adams**	Chairman and Director	February 29, 2008
/s/ SIR JOHN BANHAM **Sir John Banham**	Director	February 29, 2008
/s/ JOSEPH R. CANION **Joseph R. Canion**	Director	February 29, 2008
/s/ JEROME P. KENNEY **Jerome P. Kenney**	Director	February 29, 2008
/s/ DENIS KESSLER **Denis Kessler**	Director	February 29, 2008
/s/ EDWARD P. LAWRENCE **Edward P. Lawrence**	Director	February 29, 2008
/s/ J. THOMAS PRESBY **J. Thomas Presby**	Director	February 29, 2008
/s/ JAMES I. ROBERTSON **James I. Robertson**	Director	February 29, 2008

EXHIBIT 10.1

EXECUTION VERSION

Published Deal CUSIP Number: _____
Published Revolving Commitment CUSIP Number: _____

U.S. $900,000,000

AMENDED AND RESTATED FIVE YEAR CREDIT AGREEMENT

Dated as of December 3, 2007

Among

INVESCO PLC
as Borrower

INVESCO LTD.
as Parent

and

THE INITIAL LENDERS NAMED HEREIN
as Initial Lenders

and

BANK OF AMERICA, N.A.
as Administrative Agent

BANC OF AMERICA SECURITIES LLC

and

CITIGROUP GLOBAL MARKETS INC.
as Joint Lead Arrangers and Book Managers

CITIBANK N.A.
as Syndication Agent

HSBC BANK USA, NATIONAL ASSOCIATION,
JPMORGAN CHASE BANK, N.A.
and
WACHOVIA BANK, NATIONAL ASSOCIATION
as Co-Documentation Agents

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AMENDED AND RESTATED FIVE YEAR CREDIT AGREEMENT

This Amended and Restated Five Year Credit Agreement (the " Agreement ") is entered into as of December 3, 2007 among INVESCO PLC, a company organized under the laws of England and Wales, and its successors (the " Borrower "), INVESCO LTD., a company organized under the laws of Bermuda (the " Parent "), the banks, financial institutions and other institutional lenders (the " Initial Lenders ") listed on the signature pages hereof, and BANK OF AMERICA, N.A. (" Bank of America "), as administrative agent (the " Administrative Agent " or " Agent ") for the Lenders (as hereinafter defined), hereby agree as follows:

PRELIMINARY STATEMENTS:

The Borrower, Bank of America (as Administrative Agent) and certain lenders party thereto (the " Existing Lenders ") entered into that certain Five Year Credit Agreement dated March 31, 2005 pursuant to which the Existing Lenders provided the Borrower with a revolving credit facility in an initial principal amount of up to $900,000,000 (the " Existing Credit Agreement "). To facilitate a corporate reorganization of the Borrower and its Subsidiaries resulting in (i) the formation of the Parent as the holding company of the Borrower (and the Borrower as a wholly owned Subsidiary of the Parent) and (ii) the distribution by the Borrower to the Parent of the Borrower's ownership interest in certain of its foreign subsidiaries (the " Reorganization "), the Borrower has requested that the Administrative Agent and the Existing Lenders amend and restate the Existing Credit Agreement (the " Amendment and Restatement ") upon the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01 Amendment and Restatement . In order to facilitate the Amendment and Restatement and otherwise to effectuate the desires of the Borrower, the Administrative Agent and the Lenders:

(a) The Borrower, the Administrative Agent and the Lenders hereby agree that upon the effectiveness of this Agreement, the terms and provisions of the Existing Credit Agreement which in any manner govern or evidence the obligations of the Borrower and the Guarantors, the rights and interests of the Administrative Agent and the Lenders and any terms, conditions or matters related to any thereof, shall be and hereby are amended and restated in their entirety by the terms, conditions and provisions of this Agreement, and the terms and provisions of the Existing Credit Agreement, except as otherwise expressly provided herein, shall be superseded by this Agreement.

(b) Notwithstanding this amendment and restatement of the Existing Credit Agreement, including anything in this Section 1.01 , and of any related "Loan Documents" (as such term is defined in the Existing Credit Agreement and referred to herein, individually or

collectively, as the " Existing Credit Documents "), (i) all of the indebtedness, liabilities and obligations owing by any Person under the Existing Credit Agreement and other Existing Credit Documents shall continue as obligations hereunder, and (ii) each of this Agreement and the Notes and any other Loan Document (as defined herein) is given as a substitution of and modification of, and not as a payment of or novation of, the indebtedness, liabilities and obligations of the Borrower under the Existing Credit Agreement or any Existing Credit Document and neither the execution and delivery of such documents nor the consummation of any other transaction contemplated hereunder is intended to constitute a novation of the Existing Credit Agreement or of any of the other Existing Credit Documents or any obligations thereunder. Upon the effectiveness of this Agreement, all Advances (including all Swing Line Loans) owing by the Borrower, and outstanding under the Existing Credit Agreement shall continue as Advances hereunder and shall constitute advances hereunder. Base Rate Advances under the Existing Credit Agreement shall accrue interest at the Base Rate hereunder and the parties hereto agree that the Interest Periods for all Eurocurrency Rate Advances outstanding under the Existing Credit Agreement on the Effective Date shall remain in effect without renewal, interruption or extension as Eurocurrency Rate Advances under this Agreement and accrue interest at the Eurocurrency Rate hereunder.

Section 1.02 Certain Defined Terms . As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

" Adjusted Debt " outstanding on any date means the sum, without duplication, of (a) the aggregate principal amount of all Debt of the Parent and its Subsidiaries, on a Consolidated basis, outstanding on such date of the kinds referred to in clauses (a), (c), (d), (e), (f) and (h) (exclusive in clause (h) of the Debt of the kind referred to in clauses (b) and (g)) of the definition of "Debt" and (b) the aggregate principal amount of all Debt of the Parent and its Subsidiaries, on a Consolidated basis, outstanding on such date of the kinds referred to in clause (i) of the definition of Debt that relates to Debt of other Persons of the kinds referred to in clauses (a), (c), (d), (e), (f) and (h) (exclusive in clause (h) of the Debt of the kind referred to in clauses (b) and (g)), of the definition of "Debt".

" Administrative Agent's Account " means (a) in the case of Advances denominated in Dollars the account of the Administrative Agent maintained by the Administrative Agent at Bank of America with its office at Charlotte, North Carolina, ABA No. 026009593, Account No. 1366212250600 Bank of America N.A. New York, NY Account Name: Corporate Credit Support Re: INVESCO, and (b) in the case of Advances denominated in Sterling, the account of the Administrative Agent maintained by the Administrative Agent at Midland Bank PLC with its office at 110 Cannon Street, EC4N 6AA London, England, for the account of Bank of America, N.A., Account # 00478549 Ref: INVESCO.

" Advance " means an advance by a Lender to the Borrower as part of a Borrowing and, unless such Borrowing is a Swing Line Loan, refers to a Base Rate Advance or a Eurocurrency Rate Advance (each of which shall be a " Type " of Advance), and, as the context may require, includes an advance of a Swing Line Loan by the Swing Line Lender to the Borrower.

" Affiliate " means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 10% or more of the Voting Stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

" Applicable Accounting Standards " means either (i) International Financial Reporting Standards, or (ii) if the Parent has elected to change its accounting policies or reporting practices in accordance with Section 5.02(h)(ii) , US GAAP; provided , that, following any such change, commencing with the next occurring quarter end, with respect to financial reporting, covenant compliance or other financial measurements over time, Applicable Accounting Standards shall be US GAAP during the entire applicable measurement or reporting period in question following any such change in accordance with Section 5.02(h)(ii) .

" Applicable Lending Office " means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurocurrency Lending Office in the case of a Eurocurrency Rate Advance.

" Applicable Margin " means, as of any date, a percentage per annum determined by reference to the Performance Level applicable on such date as set forth below:

Performance Level	Applicable Margin for Base Rate Advances	Applicable Margin for Eurocurrency Rate Advances
I	0%	0.360%
II	0%	0.400%
III	0%	0.475%
IV	0%	0.575%
V	0%	0.750%

For purposes of this definition, the Performance Level shall be determined as at the end of each fiscal quarter of the Parent based upon the calculation of the Debt/EBITDA Ratio for such fiscal quarter set forth in the compliance certificate delivered pursuant to Section 5.01(j)(i) or (ii) . The Applicable Margin shall be adjusted (if necessary) upward or downward as of the first day of each fiscal quarter to reflect the Performance Level as of the last day of the immediately preceding fiscal quarter; *provided* that if such compliance certificate is delivered after the first day of a fiscal quarter, such adjustment shall be made on the first day following the delivery of such compliance certificate and shall be deemed to have become effective as of the first day of such fiscal quarter. Initially, from the Effective Date until the next date for which a compliance certificate is delivered pursuant to Section 5.01(j)(i) or (ii) , the Applicable Margin shall be determined by reference to Performance Level I.

" Applicable Percentage " means, as of any date, a percentage per annum determined by reference to the Performance Level applicable on such date as set forth below:

Performance Level	Applicable Percentage
I	0.090%
II	0.100%
III	0.125%
IV	0.175%
V	0.250%

For purposes of this definition, the Performance Level shall be determined as at the end of each fiscal quarter of the Parent based upon the calculation of the Debt/EBITDA Ratio for such fiscal quarter set forth in the compliance certificate delivered pursuant to Section 5.01(j)(i) or (ii) . The Applicable Percentage shall be adjusted (if necessary) upward or downward as of the first day of each fiscal quarter to reflect the Performance Level as of the last day of the immediately preceding fiscal quarter; *provided* that if such compliance certificate is delivered after the first day of a fiscal quarter, such adjustment shall be made on the first day following the delivery of such compliance certificate and shall be deemed to have become effective as of the first day of such fiscal quarter. Initially, from the Effective Date until the next date for which a compliance certificate is delivered pursuant to Section 5.01(j)(i) or (ii) , the Applicable Percentage shall be determined by reference to Performance Level I.

" Approved Fund " means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

" Arrangers " means the entities listed as Joint Lead Arrangers on the cover page hereto.

" Assignee Group " means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

" Assignment and Assumption " means an assignment and assumption agreement entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of Exhibit C attached hereto.

" Assuming Lender " means an Eligible Assignee not previously a Lender that becomes a Lender hereunder pursuant to Section 2.05(b) .

" Assumption Agreement " means an agreement in substantially the form of Exhibit D attached hereto by which an Eligible Assignee agrees to become a Lender hereunder pursuant to Section 2.05(b) , in each case agreeing to be bound by all obligations of a Lender hereunder.

" Bank of America " has the meaning specified in the recital of parties to this Agreement.

" Base Rate " means for any day a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus 1/2 of 1% and (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate." The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

" Base Rate Advance " means an Advance denominated in Dollars that bears interest as provided in Section 2.07(a)(i) .

" Borrower " has the meaning specified in the recital of parties to this Agreement.

" Borrowing " means a borrowing consisting of simultaneous Advances of the same Type, and in the case of Eurocurrency Rate Advances, having the same Interest Period, made by each of the Lenders pursuant to Section 2.01 or a Swing Line Borrowing, or both, as the context may require.

" Business Day " means a day of the year other than a day on which banks are required or authorized by law to close in New York City and Charlotte, North Carolina and, if the applicable Business Day relates to any Eurocurrency Rate Advances, a day on which dealings are carried on in the London interbank market and banks are open for business in London.

" Capital Leases " means all leases that have been or should be, in accordance with Applicable Accounting Standards, recorded as capital leases.

" Commitment " means, as to any Lender, the Dollar amount set forth opposite its name on the signature pages hereof or, if such Lender has entered into any Assumption Agreement or Assignment and Assumption, the Dollar amount set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.06(c) , in each case as such amount may be reduced pursuant to Section 2.05(a) or increased pursuant to Section 2.05(b) .

" Consolidated " refers to the consolidation of accounts in accordance with Applicable Accounting Standards.

" Convert ", " Conversion " and " Converted " each refers to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.08 or 2.09 .

" Debt " of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of

such Person's business and payable on customary terms), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property) (other than trade payables incurred in the ordinary course of such Person's business and payable on customary terms), (e) all obligations of such Person as lessee under Capital Leases, (f) all obligations, contingent or otherwise, of such Person in respect of acceptances, letters of credit or similar extensions of credit, (g) all net payment obligations of such Person in respect of Hedge Agreements on the date of determination, (h) all Debt of others referred to in clauses (a) through (g) above or clause (i) below guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through a written agreement (1) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (2) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (3) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (4) otherwise to assure a creditor against loss, and (i) all Debt referred to in clauses (a) through (h) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt, provided that, in no event shall "Debt" include any obligations of the Parent or any of its Subsidiaries incurred in connection with any securitization program described in Section 5.02(d)(ii) .

" Debt/EBITDA Ratio " means, as of any date of determination, the ratio of Adjusted Debt (excluding (i) Subsidiary Non-Recourse Debt and (ii) so long as the Parent and its Subsidiaries own 100% of the Office Equipment Sale and Leaseback Bonds, liabilities with respect to the Office Equipment Sale and Leaseback Lease, in each case to the extent otherwise included in Adjusted Debt) to EBITDA (excluding for purpose of this calculation of EBITDA only that portion of EBITDA attributable to the net income, expenses, losses, charges and gains of each Special Purpose Subsidiary) for each period of four consecutive fiscal quarters of the Parent ended on or immediately prior to such time.

" Default " means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

" Defaulting Lender " means any Lender that (a) has failed to fund any portion of the Advances or participations in Swing Line Loans required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, unless such failure has been cured, (b) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless such failure is the subject of a good faith

dispute or unless such failure has been cured or (c) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding.

" Disclosed Litigation " has the meaning specified in Section 4.01(i) .

" Dollars " and the " $ " sign each means lawful money of the United States of America.

" Domestic Lending Office " means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assumption Agreement or the Assignment and Assumption pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

" EBITDA " means, for any period, net income (or net loss) of the Parent and its Subsidiaries, on a Consolidated basis *plus* the sum of (a) interest expense, (b) income tax expense, (c) depreciation expense, (d) amortization expense, (e) extraordinary losses, (f) exceptional losses, and (g) all non-cash charges exclusive of any non-cash charge to the extent it represents a reserve for cash expenditures in any future period, *minus* (x) extraordinary gains and (y) exceptional gains, in each case determined in accordance with Applicable Accounting Standards for such period, and (z) all non-cash gains exclusive of gains for which the Parent expects cash proceeds in a future period; *provided* , that, for purposes of calculating EBITDA for the Parent and its Subsidiaries for any period, the EBITDA of any Person (or assets or division of such Person) acquired by the Parent or any of its Subsidiaries during such period shall be included on a *pro forma* basis for such period (assuming the consummation of such acquisition occurred on the first day of such period).

" Effective Date " has the meaning specified in Section 3.01 .

" Eligible Assignee " means (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; and (d) any other Person (other than a natural person) approved by (i) the Administrative Agent and the Swing Line Lender, and (ii) unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed); *provided* that notwithstanding the foregoing, "Eligible Assignee" shall not include the Parent, the Borrower or any of the Parent's Affiliates or Subsidiaries; and *provided further* , *however* , that an Eligible Assignee shall include only a Lender, an Affiliate of a Lender or another Person, which, through its lending offices, is capable of lending Sterling to the Borrower without the imposition of any additional Indemnified Taxes

" Environmental Laws " means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

" Equivalent " in Dollars of Sterling on any date means the equivalent in Dollars of Sterling determined by using the quoted spot rate at which Bank of America's principal office in London offers to exchange Dollars for Sterling in London at 11:00 A.M. (London time) two Business Days prior to such date, and the " Equivalent " in Sterling of Dollars means the equivalent in Sterling of Dollars determined by using the quoted spot rate at which Bank of America's principal office in London offers to exchange Sterling for Dollars in London at 11:00 A.M. (London time) two Business Days prior to such date.

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

" ERISA Affiliate " means any Person that for purposes of Title IV of ERISA is a member of any Loan Party's controlled group, or under common control with any Loan Party, within the meaning of Section 414 (b) or (c) of the Internal Revenue Code or, for purposes of Sections 412(c)(ii) and 412(u) of the Internal Revenue Code, under Section 414(m) or (o) of the Internal Revenue Code.

" ERISA Event " means (a) (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC, or (ii) at the time when the requirements of subsection (1) of Section 4043(b) of ERISA (without regard to subsection (2) of such Section) are applicable to any Loan Party or any ERISA Affiliate an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to a Plan within the following 30 days; (b) the filing by any Loan Party or any ERISA Affiliate of an application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of any Loan Party or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by any Loan Party or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for the imposition of a lien under Section 302(f) of ERISA on the assets of any Loan Party or any ERISA Affiliate shall have been met with respect to any Plan; (g) the adoption of an amendment to a Plan requiring any Loan Party or any ERISA Affiliate to provide security to such Plan pursuant to Section 307 of ERISA; or (h) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, a Plan, *provided* , *however* , that the event or condition set forth in Section 4042(a)(4) of ERISA shall be an ERISA Event only if the PBGC has notified any Loan Party or any ERISA Affiliate that it has made a determination under such section or that it is considering termination of a Plan on such grounds.

" Exchange Act " means the Securities Exchange Act of 1934, as amended.

" Eurocurrency Base Rate " has the meaning specified in the definition of Eurocurrency Rate.

" Eurocurrency Lending Office " means, with respect to any Lender, the office of such Lender specified as its "Eurocurrency Lending Office" opposite its name on Schedule I hereto or in the Assumption Agreement or the Assignment and Assumption pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

" Eurocurrency Rate " means for any Interest Period with respect to a Eurocurrency Rate Advance, a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{Eurocurrency Rate} = \frac{\text{Eurocurrency Base Rate}}{1.00 - \text{Eurocurrency Reserve Percentage}}$$

Where,

" Eurocurrency Base Rate " means, for such Interest Period:

(a) the rate per annum equal to the British Banker's Association LIBOR Rate (" BBA LIBOR "), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as designated by the Administrative Agent from time to time) as approximately 11:00 A.M. (London time), two Business Days prior to the commencement of such Interest Period, for deposits in the relevant currency (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period.

(b) If such rate referenced in the preceding clause (a) is not available at such time for any reason, then the "Eurocurrency Base Rate" for such Interest Period shall be the rate per annum determined by the Administrative Agent to be the rate at which deposits in the relevant currency for delivery on the first day of such Interest Period in Same Day Funds in the approximate amount of the Eurocurrency Rate Advance being made, continued or converted by Bank of America and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch (or other Bank of America branch or Affiliate) to major banks in the London or other offshore interbank market for such currency at their request at approximately 11:00 A.M. (London time) two Business Days prior to the commencement of such Interest Period.

" Eurocurrency Reserve Percentage " means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including any emergency,

supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"). The Eurocurrency Rate for each outstanding Eurocurrency Rate Advance shall be adjusted automatically as of the effective date of any change in the Eurocurrency Reserve Percentage.

" Eurocurrency Rate Advance " means an Advance that bears interest as provided in Section 2.07(a)(ii) .

" Events of Default " has the meaning specified in Section 6.01 .

" Existing Debt " means the Debt of the Parent and its Subsidiaries outstanding as of March 31, 2005, as listed on Schedule 4.01(v) .

" Federal Funds Rate " means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

" Fee Letter " means the letter agreement, dated February 2, 2005, among the Borrower, the Administrative Agent and Banc of America Securities LLC (" BAS ").

" Fund " means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

" Guarantors " means Parent, INVESCO Institutional (N.A.) Inc., a Delaware corporation, INVESCO North American Holdings, Inc., a Delaware corporation, AIM Management Group Inc., a Delaware corporation, AIM Advisors, Inc., a Delaware corporation and upon the execution and delivery of an Assumption of Guaranty (as defined in the Subsidiary Guaranty) pursuant to Section 5.01(h) or otherwise by any other Subsidiary of the Parent, such other Subsidiary.

" Guaranty " means each of the Parent Guaranty and the Subsidiary Guaranty.

" Hedge Agreements " means interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements.

" Initial Lenders " has the meaning specified in the recital of parties to this Agreement.

" Insufficiency " means, with respect to any Plan, the amount, if any, of its unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA.

" Interest Period " means, for each Eurocurrency Rate Advance comprising part of the same Borrowing, the period commencing on the date of such Eurocurrency Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurocurrency Rate Advance and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, with respect to Eurocurrency Rate Advances, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period for each Eurocurrency Rate Advance shall be one, two, three or six months, as the Borrower may, upon notice received by the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; *provided* , *however* , that:

(i) the Borrower may not select any Interest Period that ends after the Termination Date;

(ii) Interest Periods commencing on the same date for Eurocurrency Rate Advances comprising part of the same Borrowing shall be of the same duration;

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, *provided* , *however* , that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(iv) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

" Internal Control Event " means, (i) a material weakness in *internal control over financial reporting* , as that term is defined in Rule 13a-15(f) of the Exchange Act, of the Parent and its Subsidiaries, or (ii) material fraud that involves members of the senior management of the Parent or any Subsidiary.

" Internal Revenue Code " means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

" International Financial Reporting Standards " means the accounting standards and principles issued or published by the International Accounting Standards Board and interpreted by the International Financial Reporting Interpretations Committee and

applicable in the circumstances as of the date of a report, as such principles are supplemented, amended or modified from time to time.

" Investment " in any Person means any purchase or other acquisition of any capital stock, warrants, rights, options, obligations or other securities or all or substantially all of the assets of such Person, any capital contribution to such Person or any other investment in such Person (other than a loan or advance), including, without limitation, any arrangement pursuant to which the investor incurs Debt of the types referred to in clauses (h) and (i) of the definition of " Debt " in respect of such Person.

" Lenders " means the Initial Lenders, each Assuming Lender and each Person that shall become a party hereto pursuant to Section 8.06 .

" Lien " means any lien, security interest or other charge or encumbrance of any kind, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

" Loan Documents " means this Agreement, the Notes and each Guaranty.

" Loan Parties " means the Borrower and each Guarantor (each a " Loan Party ").

" Mandatory Costs " means with respect to any period, the percentage rate per annum determined in accordance with Schedule 1.01 .

" Material Adverse Change " means any material adverse change in the business, condition (financial or otherwise), operations, performance or properties of the Parent and its Subsidiaries taken as a whole (or where the context requires for time periods prior to the Effective Date, the Borrower and its Subsidiaries taken as a whole).

" Material Adverse Effect " means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance or properties of the Parent and its Subsidiaries taken as a whole, (b) the rights and remedies of the Administrative Agent or any Lender under this Agreement or any Note or (c) the ability of the Borrower to perform its obligations under this Agreement or any Note.

" Material Subsidiary " means each Subsidiary of the Parent to which as of the end of any fiscal year of the Parent is attributed twenty percent or more of the Consolidated operating income of the Parent and its Subsidiaries taken as a whole, determined by reference to the most recent annual audited financial statements delivered by the Parent, or with respect to the fiscal year ended December 31, 2006, the Borrower, to the Lenders pursuant to Section 5.01(j) or, in the case of any Subsidiary of the Parent that is acquired or is merged with or into any other Subsidiary of the Parent, determined by reference to the pro forma financial statements of the Parent and its Subsidiaries prepared in accordance with Applicable Accounting Standards as of the most recent fiscal year end of the Parent, or with respect to the fiscal year ended December 31, 2006, the Borrower, giving effect to such acquisition or merger as if such transaction had been consummated as of the last day of such fiscal year.

" Multiemployer Plan " means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which any Loan Party or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

" Multiple Employer Plan " means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that is maintained for current or former employees of any Loan Party or any ERISA Affiliate and at least one Person other than such Loan Party and the ERISA Affiliates.

" Note " means a promissory note, or as requested by any Lender, an amended and restated promissory note, of the Borrower payable to the order of any Lender, in substantially the form of Exhibit A hereto, evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Advances made by such Lender, as it may be amended, restated or modified from time to time, or any substitute therefor or replacement thereof.

" Notice of Borrowing " has the meaning specified in Section 2.02(a) .

" Office Equipment Sale and Leaseback " means a sale and leaseback transaction pursuant to which Invesco Group Services, Inc. will sell the office equipment for its Atlanta, Georgia headquarters facility to the Development Authority of Fulton County for an aggregate price not to exceed $20,000,000 and then lease back such office equipment from the Development Authority of Fulton County.

" Office Equipment Sale and Leaseback Bonds " means those certain industrial revenue bonds issued by the Development Authority of Fulton County for the purpose of financing the purchase by the Development Authority of Fulton County of that certain office equipment the subject matter of the Office Equipment Sale and Leaseback.

" Office Equipment Sale and Leaseback Lease " the lease by Invesco Group Services, Inc. of that certain office equipment subject to the Office Equipment Sale and Leaseback from the Development Authority of Fulton County.

" Overnight Rate " means, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent or the Swing Line Lender, as the case may be, in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in Sterling, the rate of interest per annum at which overnight deposits in Sterling, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of Bank of America in the applicable offshore interbank market for such currency to major banks in such interbank market.

" Parent " has the meaning specified in the recital of parties to this Agreement.

" Parent Guaranty " means that certain Guaranty dated as of the date hereof executed and delivered by the Parent in favor of the Administrative Agent in substantially

the form of Exhibit E-2 , as amended, supplemented or otherwise modified from time to time.

" PBGC " means the Pension Benefit Guaranty Corporation (or any successor).

" Performance Level " means, as of any date of determination, the level set forth below as then applicable:

I Debt/EBITDA Ratio is less than or equal to 1.25:1.00.

II Debt/EBITDA Ratio is greater than 1.25:1.00 but less than or equal to 1.75:1.00.

III Debt/EBITDA Ratio is greater than 1.75:1.00 but less than or equal to 2.25:1.00.

IV Debt/EBITDA Ratio is greater than 2.25:1.00 but less than or equal to 2.75:1.00.

V Debt/EBITDA Ratio is greater than 2.75:1.00.

" Permitted Liens " means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced except as otherwise provided: (a) Liens for taxes, assessments or other governmental charges being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable Accounting Standards or, if otherwise applicable, generally accepted accounting principles, shall have been made and maintained in accordance with Applicable Accounting Standards or, if otherwise applicable, generally accepted accounting principles, and past practices of the Parent and its Subsidiaries therefor and as to which any enforcement, collection, execution, levy or foreclosure proceeding which shall commence or have commenced could not reasonably be expected to result in a Material Adverse Effect; (b) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable Accounting Standards or, if otherwise applicable, generally accepted accounting principles, shall have been made therefor and as to which any enforcement, collection, execution, levy or foreclosure proceeding which shall commence or have commenced could not reasonably be expected to result in a Material Adverse Effect; (c) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of business (i) in connection with workers' compensation, unemployment insurance and other types of social security or (ii) to secure (or to obtain letters of credit that secure) the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, performance bonds, purchase, construction or sales contracts and other similar obligations, in each case not incurred or made in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property; (d) any Liens securing

attachments or judgments unless the judgment it secures results or has resulted in an Event of Default under Section 6.01(f) ; and (e) leases or subleases granted to others, easements, rights of way and other encumbrances on title to real property that, in the case of any property material to the operation of the business of the Parent and its Subsidiaries taken as a whole, do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes.

" Person " means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

" Plan " means a Single Employer Plan or a Multiple Employer Plan.

" Pro Rata Share " of any amount means, with respect to any Lender at any time, the product of such amount *times* a fraction the numerator of which is the amount of such Lender's Commitment at such time and the denominator of which is the Total Commitment at such time.

" Register " has the meaning specified in Section 8.07(d) .

" Relevant Taxing Authority " means the taxing authority with which the applicable Treaty Form is required to be filed, in the country of residence of a Lender.

" Related Parties " means with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

" Required Lenders " means at any time Lenders owed greater than 50% of the then aggregate unpaid principal amount of the Advances owing to Lenders, including participations in all Swing Line Loans then outstanding, or, if no such principal amount is then outstanding, Lenders holding greater than 50% of the Commitments *provided* that the portion of the aggregate unpaid principal amount of the Advances owing to or deemed held by, and the Commitment of, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

" Restricted Subsidiary " means the Borrower and each Subsidiary of the Parent that (a) is a Guarantor or a Subsidiary of a Subsidiary Guarantor or (b) is subject to any agreement described in Section 5.02(i)(i) , (ii) or (iii) , *provided* that such Subsidiary shall be a Restricted Subsidiary under this clause (b) only so long as such agreement is in effect.

" Same Day Funds " means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in Sterling, same day or other funds as may be determined by the Administrative Agent, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in Sterling.

" Sarbanes-Oxley " means the Sarbanes-Oxley Act of 2002.

" Securities Laws " means the Securities Act, the Exchange Act, Sarbanes-Oxley and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or the Public Company Accounting Oversight Board, as each of the foregoing may be amended and in effect on any applicable date hereunder.

" Securities Act " means the Securities Act of 1933, as amended.

" Significant Subsidiary " means each Subsidiary of the Parent, including the Borrower, that (a) is organized under the laws of the United States or any political subdivision thereof or (b) is an operating Subsidiary of the Parent or a Subsidiary of the Parent that directly or indirectly owns an operating Subsidiary of the Parent.

" Single Employer Plan " means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that is maintained for employees of any Loan Party or any ERISA Affiliate and no Person other than any Loan Party and the ERISA Affiliates.

" Solvent " and " Solvency " mean, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

" Special Purpose Subsidiary " means a Subsidiary created or acquired, and wholly owned, directly or indirectly, by the Parent whose primary business is investing in real estate properties or other investment assets, the acquisition of which properties or assets are financed in whole, or in part, with Subsidiary Non-Recourse Debt, and whose primary assets consist of such real estate properties and other investment assets.

" Sterling " means lawful money of the United Kingdom of Great Britain and Northern Ireland.

" Subsidiary " of any Person means any corporation, limited liability company, partnership, joint venture, trust or estate of which (or in which) more than 50% of (a) in the case of a corporation, the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) in the case of a

limited liability company, partnership or joint venture, the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) in the case of a trust or estate, the beneficial interest in such trust or estate, in each instance above is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

" Subsidiary Guarantor " means each Guarantor other than the Parent.

" Subsidiary Guaranty " means that certain Guaranty dated as of March 31, 2005 executed and delivered by each Subsidiary Guarantor in favor of the Administrative Agent in substantially the form of Exhibit E-1 , as amended, supplemented or otherwise modified from time to time.

" Subsidiary Non-Recourse Debt " means with respect to all Special Purpose Subsidiaries of the Parent, Debt incurred by such Special Purpose Subsidiaries up to an aggregate principal amount for all such Special Purpose Subsidiaries at any time outstanding not to exceed $500,000,000, (i) the proceeds of which are used to finance the acquisition of real estate properties and other investment assets by such Special Purpose Subsidiary, (ii) that is not Guaranteed by either the Borrower nor any Guarantor, and (iii) where recourse for repayment of such Debt is contractually limited to such Special Purpose Subsidiary and the specific real estate properties or other investment assets of such Special Purpose Subsidiary financed with the proceeds thereof.

" Swing Line " means the revolving credit facility made available by the Swing Line Lender pursuant to Section 2.03 .

" Swing Line Borrowing " means a borrowing of a Swing Line Loan pursuant to Section 2.03 .

" Swing Line Lender " means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

" Swing Line Loan " has the meaning specified in Section 2.03(a) .

" Swing Line Loan Notice " means a notice of a Swing Line Borrowing pursuant to Section 2.03(b) , which, if in writing, shall be substantially in the form of Exhibit B-2 .

" Swing Line Sublimit " means an amount equal to the lesser of (a) $50,000,000 and (b) the Total Commitments. The Swing Line Sublimit is part of, and not in addition to, the Total Commitment.

" Termination Date " means the earlier of March 31, 2010, and the date of termination in whole of the Commitments pursuant to Section 2.05 or 6.01 .

" Total Commitment " means, at any time, the aggregate amount of the Lenders' Commitments at such time.

" Treaty Form " means a form of claim for the benefits of an income tax treaty between the United Kingdom and the country of residence of a Lender or the Administrative Agent, as is specified from time to time by the Financial Intermediaries and Claims Office (International) of the Board of Inland Revenue for the United Kingdom.

" Type " has the meaning therefor in the definition of Advance.

" US GAAP " means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

" Voting Stock " means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

" Withdrawal Liability " has the meaning specified in Part I of Subtitle E of Title IV of ERISA.

Section 1.03 Computation of Time Periods . In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.04 Accounting Terms . All accounting terms not specifically defined herein shall be construed in accordance with Applicable Accounting Standards as in effect for the relevant period of time or measurement.

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

Section 2.01 The Advances . Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until the Termination Date in an aggregate principal amount (based in respect of any Advance denominated in Sterling on the Equivalent in Dollars), not to exceed at any time outstanding the amount of such Lender's Commitment less such Lender's Pro Rata Share of the aggregate outstanding principal amount of all Swing Line Loans. Each Borrowing shall be in an aggregate amount of $5,000,000 (or the Equivalent thereof in Sterling) or an integral multiple of $1,000,000 (or the Equivalent thereof in Sterling) in excess thereof and shall consist of Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitments. Within the limits of each Lender's Commitment, the Borrower may borrow under this Section 2.01 , prepay pursuant to Section 2.10 and reborrow under this Section 2.01 .

Section 2.02 Making the Advances . (a) Each Borrowing shall be made on notice, given not later than (x) 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Eurocurrency Rate Advances denominated in Dollars, (y) 11:00 A.M. (New York City time) on the fifth Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Eurocurrency Rate Advances denominated in Sterling, or (z) 9:00 A.M. (New York City time) on the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances, by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice thereof. Each such notice of a Borrowing (a " Notice of Borrowing ") shall be by telephone, confirmed immediately in writing, and signed by a duly authorized officer of the Borrower in substantially the form of Exhibit B-1 hereto, specifying therein the requested (i) date of such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing consisting of Eurocurrency Rate Advances, the initial Interest Period and whether such Advance shall be in Dollars or in Sterling. Each Lender shall, before 11:00 A.M. (New York City time) on the date of such Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at the applicable Administrative Agent's Account, in Same Day Funds, such Lender's Pro Rata Share of such Borrowing. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III , the Administrative Agent will make such funds available to the Borrower at the Administrative Agent's address referred to in Section 8.02 .

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select Eurocurrency Rate Advances for any Borrowing if the aggregate amount of such Borrowing is less than $5,000,000 (or the Equivalent thereof in Sterling) or if the obligation of the Lenders to make Eurocurrency Rate Advances shall then be suspended pursuant to Section 2.08 or 2.12 and (ii) the Eurocurrency Rate Advances may not be outstanding as part of more than ten separate Borrowings.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to be comprised of Eurocurrency Rate Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Article III , including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the time of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's Pro Rata Share of such Borrowing, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.02 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such amount available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest

thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Advances comprising such Borrowing and (ii) in the case of such Lender, the Overnight Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

Section 2.03 Swing Line Loans .

(a) The Swing Line . Subject to the terms and conditions set forth herein, the Swing Line Lender agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.03 , to make Advances (each such Advance, a " Swing Line Loan ") to the Borrower from time to time on any Business Day during the period from the Effective Date to the Termination Date in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Pro Rata Share of the aggregate outstanding principal amount of Advances of the Swing Line Lender, may exceed the amount of such Lender's Commitment; *provided, however* , that after giving effect to any Swing Line Loan, (i) the aggregate outstanding principal amount of all Advances and all Swing Line Loans shall not exceed the Total Commitment, and (ii) the aggregate outstanding principal amount of the Advances of any Lender plus such Lender's Pro Rata Share of the aggregate outstanding principal amount of all Swing Line Loans shall not exceed such Lender's Commitment, and *provided, further* , that the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.03 , prepay under Section 2.10 , and reborrow under this Section 2.03 . Each Swing Line Loan shall be in Dollars. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Pro Rata Share times the amount of such Swing Line Loan.

(b) Borrowing Procedures . Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by telephone. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 P.M. (New York City time) on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of $1,000,000, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a duly authorized officer of the Borrower. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing

Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 P.M. (New York City time) on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.03(a) , or (B) that one or more of the applicable conditions specified in Section 3.02 is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 P.M. (New York City time) on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower in Same Day Funds.

(c) Refinancing of Swing Line Loans .

(i) The Swing Line Lender at any time in its sole and absolute discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Advance in an amount equal to such Lender's Pro Rata Share of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Notice of Borrowing for purposes hereof) and in accordance with the requirements of Section 2.02 , without regard to the minimum and multiples specified in Section 2.01 for the principal amount of Base Rate Advances, but subject to the unutilized portion of the Total Commitments and the conditions set forth in Section 3.02 . The Swing Line Lender shall furnish the Borrower with a copy of the applicable Notice of Borrowing promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Pro Rata Share of the amount specified in such Notice of Borrowing available to the Administrative Agent in immediately available funds for the account of the Swing Line Lender at the Administrative Agent's office not later than 1:00 P.M. (New York City time) on the day specified in such Notice of Borrowing, whereupon, subject to Section 2.03(c)(ii) , each Lender that so makes funds available shall be deemed to have made a Base Rate Advance to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such an Advance in accordance with Section 2.03(c)(i) , the request for Base Rate Advances submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.03(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(i) , the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment

is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Advances or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.03(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; *provided, however* , that each Lender's obligation to make Advances pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 3.02 . No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations .

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Pro Rata Share of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Pro Rata Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the all amounts owing hereunder and under any Loan Document and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender . The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until a Lender funds its Base Rate Advance or risk participation pursuant to this Section 2.03 to refinance such Lender's Pro Rata Share of any Swing Line Loan, interest in respect of such Pro Rata Share shall be solely for the account of the Swing Line Lender, and after such Lender funds its Base Rate Advance or risk participation pursuant to this Section 2.03 to refinance such Lender's Pro Rata Share of any Swing Line Loan, such interest shall be for the account of such Lender.

(f) Payments Directly to Swing Line Lender . The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

Section 2.04 Fees .

(a) Facility Fee . The Borrower agrees to pay to the Administrative Agent for the account of each Lender a facility fee on the aggregate amount of such Lender's Commitment from the Effective Date in the case of each Initial Lender and from the effective date specified in the Assumption Agreement or the Assignment and Assumption pursuant to which it became a Lender in the case of each other Lender until the Termination Date at a rate per annum equal to the Applicable Percentage in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December (each, a " Facility Fee Payment Date "), commencing with the Facility Fee Payment Date first occurring after the Effective Date, and on the Termination Date.

(b) Agent's Fees . The Borrower shall pay to the Administrative Agent for its own account such fees as may from time to time be agreed between the Borrower and the Administrative Agent, including without limitation in the Fee Letter.

Section 2.05 Termination, Reduction or Increase of the Commitments .

(a) Termination or Reduction . The Borrower shall have the right, upon at least three Business Days' notice to the Administrative Agent, to terminate in whole or permanently reduce ratably in part the unused portions of the respective Commitments of the Lenders, *provided* that each partial reduction of the Total Commitment shall be in the aggregate amount of $50,000,000 or an integral multiple of $1,000,000 in excess thereof.

(b) Increase in Aggregate of the Commitments . The Borrower may at any time, by notice to the Administrative Agent, propose that the Total Commitment be increased (such aggregate amount being, a " Commitment Increase "), effective as at a date prior to the Termination Date (an " Increase Date ") as to which agreement is to be reached by an earlier date specified in such notice (a " Commitment Date "); *provided , however ,* that (A) the Borrower may not propose more than two Commitment Increases in any twelve month period, (B) the minimum proposed Commitment Increase per notice shall be $50,000,000, (C) in no event shall the Total Commitment at any time exceed $1,200,000,000, (D) at the time of and after giving effect to such Commitment Increase, the Debt/EBITDA Ratio is less than or equal to 2.75:1.00, (E) no Default shall have occurred and be continuing on such Increase Date and (F) an officer's certificate as to corporate authorization for such Commitment Increase and other appropriate documentation reasonably requested by the Administrative Agent, any Increasing Lender (as defined below) or any Assuming Lender are received by the Administrative Agent. The Administrative Agent shall notify the Lenders thereof promptly upon its receipt of any such notice. The Administrative Agent agrees that it will cooperate with the Borrower in discussions with the Lenders and other Eligible Assignees with a view to arranging the proposed Commitment Increase through the increase of the Commitments of one or more of the Lenders (each such Lender that is willing to increase its Commitment hereunder being an " Increasing Lender ") and the addition of one or more other Eligible Assignees as Assuming Lenders and as parties to this Agreement; *provided, however ,* that it shall be in each Lender's sole discretion

whether to increase its Commitment hereunder in connection with the proposed Commitment Increase; and *provided further* that the minimum Commitment of each such Assuming Lender that becomes a party to this Agreement pursuant to this Section 2.05(b) , shall be at least equal to $25,000,000. If any of the Lenders agree to increase their respective Commitments by an aggregate amount in excess of the proposed Commitment Increase, the proposed Commitment Increase shall be allocated among such Lenders as determined at such time by the Borrower. If agreement is reached on or prior to the applicable Commitment Date with any Increasing Lenders and Assuming Lenders as to a Commitment Increase (which may be less than but not greater than specified in the applicable notice from the Borrower), such agreement to be evidenced by a notice in reasonable detail from the Borrower to the Administrative Agent on or prior to the applicable Commitment Date, such Assuming Lenders, if any, shall become Lenders hereunder as of the applicable Increase Date, the Commitments of such Assuming Lenders shall be, as of the Increase Date, the amounts specified in such notice and the Commitments of each Increasing Lender shall be, as of the Increase Date, increased by the amounts specified in such notice; *provided* that:

(x) the Administrative Agent shall have received (with copies for each Lender, including each such Assuming Lender) by no later than 10:00 A.M. (New York City time) on the applicable Increase Date a copy certified by the Secretary, an Assistant Secretary or a comparable officer of the Borrower, of the resolutions adopted by the Board of Directors of the Borrower authorizing such Commitment Increase;

(y) each such Assuming Lender shall have delivered to the Administrative Agent by no later than 10:00 A.M. (New York City time) on such Increase Date, an appropriate Assumption Agreement in substantially the form of Exhibit D hereto, duly executed by such Assuming Lender and the Borrower; and

(z) each such Increasing Lender shall have delivered to the Administrative Agent by no later than 10:00 A.M. (New York City time) on such Increase Date confirmation in writing satisfactory to the Administrative Agent as to its increased Commitment.

(c) In the event that the Administrative Agent shall have received notice from the Borrower as to its agreement to a Commitment Increase on or prior to the applicable Commitment Date and each of the actions provided for in clauses (x) through (z) above shall have occurred prior to 10:00 A.M. (New York City time) on the applicable Increase Date to the satisfaction of the Administrative Agent, the Administrative Agent shall notify the Lenders (including any Assuming Lenders) and the Borrower of the occurrence of such Commitment Increase by telephone, confirmed immediately in writing, and in any event no later than 1:00 P.M. (New York City time) on such Increase Date and shall record in the Register the relevant information with respect to each Increasing Lender and Assuming Lender. Each Increasing Lender and each Assuming Lender shall, before 2:00 P.M. (New York City time) on the applicable Increase Date, make available for the account of its Applicable Lending Office to the Administrative Agent at the applicable Administrative Agent's Account, in Same Day Funds, in the case of such Assuming Lender, an amount equal to such Assuming Lender's Pro Rata Share of the Borrowings then outstanding (calculated based on its Commitment as a percentage of the

aggregate Commitments outstanding after giving effect to the relevant Commitment Increase) and, in the case of such Increasing Lender, an amount equal to the excess of (i) such Increasing Lender's Pro Rata Share of the Borrowings then outstanding (calculated based on its Commitment as a percentage of the aggregate Commitments outstanding after giving effect to the relevant Commitment Increase) over (ii) such Increasing Lender's Pro Rata Share of the Borrowings then outstanding (calculated based on its Commitment (without giving effect to the relevant Commitment Increase) as a percentage of the aggregate Commitments (without giving effect to the relevant Commitment Increase). After the Administrative Agent's receipt of such funds from each such Increasing Lender and each such Assuming Lender, the Administrative Agent will promptly thereafter cause to be distributed like funds to the other Lenders for the account of their respective Applicable Lending Offices in an amount to each other Lender such that the aggregate amount of the outstanding Advances owing to each Lender after giving effect to such distribution equals such Lender's ratable portion of the Borrowings then outstanding (calculated based on its Commitment as a percentage of the aggregate Commitments outstanding after giving effect to the relevant Commitment Increase), *provided* that the Borrower will be subject to the payment of other costs, if any, pursuant to Section 8.04(c) in connection with any such distribution. Within five Business Days after the Borrower receives notice from the Administrative Agent, the Borrower, at its own expense, shall execute and deliver to the Administrative Agent Notes payable to the order of each Assuming Lender, if any, and, each Increasing Lender, dated as of the applicable Increase Date, in a principal amount equal to such Lender's Commitment after giving effect to the relevant Commitment Increase, and substantially in the form of Exhibit A attached hereto. The Administrative Agent, upon receipt of such Notes, shall promptly deliver such Notes to the respective Assuming Lenders and Increasing Lenders.

(d) In the event that the Administrative Agent shall not have received notice from the Borrower as to such agreement on or prior to the applicable Commitment Date or the Borrower shall, by notice to the Administrative Agent prior to the applicable Increase Date, withdraw its proposal for a Commitment Increase or any of the actions provided for above in clauses (b)(i)(x) through (b)(i)(z) shall not have occurred by 10:00 A.M. (New York City time) on such Increase Date, such proposal by the Borrower shall be deemed not to have been made. In such event, any actions theretofore taken under clauses (b)(i)(x) through (b)(i)(z) above shall be deemed to be of no effect and all the rights and obligations of the parties shall continue as if no such proposal had been made.

Section 2.06 Repayment of Advances .

(a) The Borrower shall repay to the Administrative Agent for the ratable account of the Lenders on the Termination Date the aggregate principal amount of all Advances then outstanding together with all accrued and unpaid interest, fees and costs associated therewith. Repayments made pursuant to this clause (a) shall be in the same currency in which such outstanding Advances were made.

(b) The Borrower shall repay each Swing Line Loan together with accrued and unpaid interest thereon on the earlier to occur of (i) the date twenty-one (21) days after such Swing Line Loan is made and (ii) the Termination Date.

Section 2.07 Interest on Advances .

(a) Scheduled Interest . The Borrower shall pay interest on the unpaid principal amount of each Advance owing to each Lender from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances . During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate in effect from time to time *plus* (y) the Applicable Margin in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(ii) Eurocurrency Rate Advances . During such periods as such Advance is a Eurocurrency Rate Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (x) the Eurocurrency Rate for such Interest Period for such Advance *plus* (y) the Applicable Margin in effect from time to time *plus* (z) in the case of each Advance in Sterling, the Mandatory Cost, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Eurocurrency Rate Advance shall be Converted or paid in full.

(iii) Swing Line Loans . With respect to each Swing Line Loan, a rate per annum equal at all times to (i) the sum of (x) the Base Rate in effect from time to time *plus* (y) the Applicable Margin for Base Rate Advances in effect from time to time, or (ii) such other rate from time to time offered by the Swing Line Lender and accepted by the Borrower, in either event payable in arrears on the date of repayment or refinancing, in whole or in part, of such Swing Line Loan.

(b) Default Interest . Upon the occurrence and during the continuance of an Event of Default, the Borrower shall pay interest on (i) the unpaid principal amount of each Advance owing to each Lender, payable in arrears on the dates referred to in clause (a)(i) or (a)(ii) above, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on such Advance pursuant to clause (a)(i) or (a)(ii) above and (ii) to the fullest extent permitted by law, the amount of any interest, fee or other amount payable hereunder that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on Base Rate Advances pursuant to clause (a)(i) above.

Section 2.08 Interest Rate Determination .

(a) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for purposes of Section 2.07(a)(i) or (ii) .

(b) If, with respect to any Eurocurrency Rate Advances, the Required Lenders notify the Administrative Agent that the Eurocurrency Rate for any Interest Period for such Advances

will not adequately reflect the cost to such Required Lenders of making, funding or maintaining their respective Eurocurrency Rate Advances for such Interest Period, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon (i) each Eurocurrency Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (ii) the obligation of the Lenders to make, or to Convert Base Rate Advances into, Eurocurrency Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(c) If the Borrower shall fail to select the duration of any Interest Period for any Eurocurrency Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.02 , the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period for such Eurocurrency Rate Advance, Convert into Base Rate Advances.

(d) On the date on which the aggregate unpaid principal amount of Eurocurrency Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than $5,000,000, such Advances shall automatically Convert into Base Rate Advances.

(e) Upon the occurrence and during the continuance of any Event of Default, (i) each Eurocurrency Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurocurrency Rate Advances shall be suspended.

Section 2.09 Optional Conversion of Advances . The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business Day, with respect to Advances in Dollars, or the fifth Business Day, with respect to Advances in Sterling, prior to the date of the proposed Conversion and subject to the provisions of Sections 2.08 and 2.12 , Convert all Advances of one Type comprising the same Borrowing into Advances of the other Type; *provided , however* , that any Conversion of Eurocurrency Rate Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurocurrency Rate Advances, any Conversion of Base Rate Advances into Eurocurrency Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and no Conversion of any Advances shall result in more separate Eurocurrency Rate Borrowings than permitted under Section 2.02(b) . Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted, and (iii) if such Conversion is into Eurocurrency Rate Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

Section 2.10 Prepayments of Advances .

(a) Optional Prepayments . The Borrower may, upon notice to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, given not later than 11:00 A.M. (New York City time) on the third Business Day, with respect to Advances in Dollars, or the fifth Business Day, with respect to Advances in Sterling, prior to the date of

such proposed prepayment, in the case of Eurocurrency Rate Advances, and not later than 11:00 A.M. (New York City time) on the day of such proposed prepayment, in the case of Base Rate Advances, and if such notice is given the Borrower shall, prepay the outstanding principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid, with such prepayment to be made in the currency in which such Advances were made; *provided, however* , that (x) except in the case of prepayments of Swing Line Loans, as described in clause (z) below, each partial prepayment shall be in an aggregate principal amount of $5,000,000 or the Equivalent thereof in Sterling or an integral multiple of $1,000,000 or the Equivalent thereof in Sterling in excess thereof, (y) in the event of any such prepayment of a Eurocurrency Rate Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c) and (z) in the case of a Swing Line Loan, the Borrower may prepay the outstanding principal amount of such Swing Line Loan, together with accrued interest to the date of such prepayment on the principal amount prepaid, at any time in minimum increments of $100,000.

(b) Mandatory Prepayments .

(i) If at any time the sum of (A) the aggregate principal amount of all Advances denominated in Dollars then outstanding plus (B) the Equivalent in Dollars of the aggregate principal amount of all Advances denominated in Sterling then outstanding exceeds the Total Commitment on such date, the Borrower shall, within two Business Days after receipt of such notice given pursuant to (ii) below, prepay the outstanding principal amount of any Advances in an aggregate amount sufficient to reduce such sum to an amount not to exceed the Total Commitment on such date.

(ii) Each prepayment made pursuant to this Section 2.10(b) (A) shall be made together with any interest accrued to the date of such prepayment on the principal amounts prepaid and, in the case of any prepayment of a Eurocurrency Rate Advance on a date other than the last day of an Interest Period or at its maturity, any additional amounts which such Borrower shall be obligated to reimburse to the Lenders in respect thereof pursuant to Section 8.04(c) , and (B) shall be made in the currency in which the Advances subject to such prepayment were made. The Administrative Agent shall give prompt notice of any prepayment required under this Section 2.10(b) to the Borrower and the Lenders.

(c) Hedging Agreements . All Hedging Agreements, if any, between Borrower and any Lender or its affiliates are independent agreements governed by the written provisions of such Hedging Agreements, which will remain in full force and effect, unaffected by any repayment, prepayment, acceleration, reduction, increase or change in terms of this Agreement or the Notes, except as otherwise expressly provided in said written swap agreements, and any payoff statements from the Administrative Agent relating to this Agreement shall not apply to said Hedging Agreements, except as otherwise expressly provided in such payoff statement.

Section 2.11 Increased Costs .

(a) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation occurring after the date hereof, (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law) issued or made after the date hereof, or (iii) the Mandatory Cost, as calculated hereunder, not representing the cost to any Lender of complying with the requirements of the Bank of England and/or the Financial Services Authority or the European Central Bank in relation to its making, funding or maintaining Eurocurrency Rate Advances, there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurocurrency Rate Advances (excluding for purposes of this Section 2.11 any such increased costs resulting from (i) Indemnified Taxes or Other Taxes (as to which Section 2.14 shall govern) and (ii) changes in taxes measured by or imposed upon the net income or gross income or franchise taxes, or taxes measured by or imposed upon capital or net worth, or branch taxes, of such Lender or its Applicable Lending Office), then the Borrower shall from time to time, within ten days of demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost; *provided* that, before making any such demand, each Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Applicable Lending Office if the making of such a designation would avoid the need for, or reduce the amount of, such additional cost and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(b) If any Lender reasonably determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority regarding capital adequacy (whether or not having the force of law) issued or made after the date hereof affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of this type, and such Lender reasonably determines that the rate of return on its or such controlling corporation's capital as a consequence is reduced to a level below that which such Lender or such controlling corporation would have achieved but for the occurrence of such conditions, then, within ten days of demand by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend hereunder.

(c) If a Lender changes its Applicable Lending Office (other than pursuant to this Section 2.11 or Section 2.12 or 2.14(h)) and the effect of such change, as of the date of such change, would be to cause the Borrower to become obligated to pay any additional amounts under this Section 2.11 , the Borrower shall not be obligated to pay such additional amount.

(d) A certificate of a Lender setting forth the amount of any claim made under this Section 2.11 and identifying with reasonable specificity the basis for calculating such amount,

shall be delivered to the Borrower and the Administrative Agent and shall be conclusive absent manifest error.

Section 2.12 Illegality; Circumstances Affecting Availability . Notwithstanding any other provision of this Agreement, if any Lender shall notify the Administrative Agent (who will promptly notify the Borrower and the other Lenders) that the introduction of or any change in or in the interpretation of any law or regulation after the date hereof makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for any Lender or its Eurocurrency Lending Office to perform its obligations hereunder to make Eurocurrency Rate Advances or to fund or maintain Eurocurrency Rate Advances hereunder, or if the Administrative Agent determines that by reason of circumstances affecting foreign exchange and interbank markets generally, the Eurocurrency Rate cannot be determined, then (A) each Eurocurrency Rate Advance will automatically, upon such demand, Convert into a Base Rate Advance, and (B) the obligation of the Lenders to make Eurocurrency Rate Advances or to Convert Base Rate Advances into Eurocurrency Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension or inability to determine the Eurocurrency Rate no longer exist or that such Lender has entered into one or more Assignment and Assumptions pursuant to Section 8.06 assigning its Commitment to one or more Eligible Assignees; *provided* that, before making any such demand, each Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Applicable Lending Office if the making of such a designation would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

Section 2.13 Payments Generally and Computations .

(a) General . All payments hereunder and under the Notes to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. The Borrower shall make each payment hereunder and under the Notes not later than 11:00 A.M. (New York City time) on the day when due in Dollars, in the case of Advances denominated in Dollars, or in Sterling, in the case of Advances denominated in Sterling, to the Administrative Agent at the applicable Administrative Agent's Account in Same Day Funds. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or facility fees ratably (other than amounts payable pursuant to Section 2.11 , 2.14 or 8.04(c)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Assumption and recording of the information contained therein in the Register pursuant to Section 8.06(c) , from and after the effective date specified in such Assignment and Assumption, the Administrative Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Assumption shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves. Upon any Assuming Lender becoming a Lender hereunder as a result of a Commitment Increase pursuant to Section 2.05(b) and upon the Administrative Agent's receipt of such Lender's Assumption Agreement and recording the information contained therein in the Register, from and after the

applicable Increase Date, the Administrative Agent shall make all payments hereunder and under the Notes in respect of the interest assumed thereby to such Assuming Lender.

(b) All computations of interest based on the Base Rate or the Federal Funds Rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurocurrency Rate, of interest for Swing Line Loans if not based on the Base Rate, and of facility fees, shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or facility fees are payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or facility fee, as the case may be; *provided* , *however* , that, if such extension would cause payment of interest on or principal of Eurocurrency Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Overnight Rate.

Section 2.14 Taxes .

(a) Except as otherwise required by law, any and all payments by the Borrower hereunder or under the Notes issued hereunder shall be made, in accordance with Section 2.13 , free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings and all liabilities with respect thereto (all such taxes, levies, imposts, deductions, charges, withholdings, and liabilities in respect of payments hereunder or under the Notes being hereafter referred to as " Taxes "), *excluding* , in the case of payments made to any Lender or the Administrative Agent (A) Taxes imposed on or measured by its net income, and franchise Taxes, branch Taxes, Taxes on doing business and Taxes measured by or imposed upon its capital or net worth, in each case imposed as a result of such Lender (and or such Lender's Applicable Lending Office) or the Administrative Agent being organized under the laws of, or being a legal resident of, or having a fixed place of business or a permanent establishment or doing business in the jurisdiction imposing such Tax (other than any such connection arising solely from such Lender (and or such Lender's Applicable Lending Office) or the Administrative Agent having executed, delivered or performed its obligations, or having

received a payment, or having enforced its rights and remedies, under this Agreement or any of the other Loan Documents), (B) United Kingdom withholding Taxes except to the extent such United Kingdom withholding Taxes would not have been imposed but for a change, after the date such Lender or the Administrative Agent (as the case may be) becomes a party hereto, in United Kingdom tax law or United Kingdom officially published Inland Revenue practice or an amendment or revocation, after the date such Lender or the Administrative Agent (as the case may be) becomes a party hereto, of an applicable United Kingdom income tax treaty with Austria, Denmark, Finland, France, Germany, Ireland, Iceland, Luxembourg, Netherlands, Norway, Sweden, Switzerland or the United States, (C) United Kingdom Taxes imposed as a result of the failure of the Inland Revenue to approve, on or before a payment of interest to a Lender hereunder, a claim by such Lender for exemption from such United Kingdom Taxes, where such failure is due to such Lender's failure to timely submit a validly completed and executed Treaty Form within a time sufficient for the Inland Revenue to approve such Lender's claim prior to such payment of interest, it being understood that after any such approval by the Inland Revenue of such Lender's claim for exemption, such United Kingdom Taxes with respect to such Lender shall not be excluded from the application of this Section 2.14(a) , and (D) United States withholding Taxes except to the extent such United States withholding Taxes are imposed solely as a result of (1) a change, after the date such Lender or the Administrative Agent (as the case may be) becomes a party hereto, in the Internal Revenue Code or any regulations promulgated thereunder (or in the official interpretation of the Internal Revenue Code or any regulations promulgated thereunder) or an amendment or revocation or change in official interpretation, after the date such Lender or the Administrative Agent (as the case may be) becomes a party hereto, of an applicable United States income tax treaty with Austria, Denmark, Finland, France, Germany, Ireland, Iceland, Luxembourg, Netherlands, Norway, Sweden or the United Kingdom or (2) the failure by the Borrower to timely request an updated or successor Form W-8BEN or W-8ECI, as appropriate, under Section 2.14(e) (all such non-excluded Taxes hereinafter referred to as " Indemnifiable Taxes "). If the Borrower shall be required by law to deduct any Indemnifiable Taxes from or in respect of any sum payable hereunder or under any Note issued hereunder to any Lender or the Administrative Agent or, if the Administrative Agent shall be required by law to deduct any Indemnifiable Taxes from or in respect of any sum paid or payable hereunder or under any Note to any Lender, (i) the sum payable shall be increased as may be necessary so that after making all required deductions for Indemnifiable Taxes (including deductions for Indemnifiable Taxes, whether by the Borrower or the Administrative Agent, applicable to additional sums payable under this Section 2.14) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower (or, as the case may be and as required by applicable law, the Administrative Agent) shall make such deductions and (iii) the Borrower (or, as the case may be and as required by applicable law, the Administrative Agent) shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any present or future stamp or documentary taxes or any other excise (other than income) or property taxes, charges or similar levies that arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, or performing under this Agreement or the Notes or any document to be furnished under or in connection with any thereof or any modification or amendment in respect of this Agreement or the Notes (hereinafter referred to as " Other Taxes ").

(c) The Borrower shall indemnify each Lender and the Administrative Agent for the full amount of Indemnifiable Taxes or Other Taxes imposed on or paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within 30 days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Indemnifiable Taxes under Section 2.14(a) by the Borrower, the Borrower shall furnish to the Administrative Agent, at its address referred to in Section 8.02 , the original or a certified copy of a receipt evidencing such payment to the extent such receipt is received by the Borrower, or other written proof of payment reasonably satisfactory to the Administrative Agent showing payment thereof. In the case of any payment hereunder or under the Notes issued hereunder by or on behalf of the Borrower through an account or branch outside the United Kingdom or by or on behalf of the Borrower by a payor that is not a United Kingdom person, if the Borrower determines that no Indemnifiable Taxes are payable in respect thereof, the Borrower shall furnish, or shall cause such payor to furnish, to the Administrative Agent, at such address, an opinion of counsel acceptable to the Administrative Agent stating that such payment is exempt from Indemnifiable Taxes.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender and on the date of the Assumption Agreement or the Assignment and Assumption pursuant to which it becomes a Lender in the case of each other Lender, and from time to time thereafter as requested in writing by the Borrower shall provide each of the Administrative Agent and the Borrower with (i) two original Internal Revenue Service Form W-8BEN or W-8ECI, as appropriate, or any successor or other from prescribed by the Internal Revenue Service, certifying that such Lender is exempt from United States withholding tax and (ii) to the extent that any such form or other certification becomes obsolete with respect to any Lender, such Lender shall, upon the written request of the Borrower to such Lender and the Administrative Agent, promptly provide either an updated or successor form or certification to the Borrower and the Administrative Agent unless, in each case, any change in treaty, law or regulation has occurred after the date such Lender becomes a party hereunder which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender so advises the Borrower and the Administrative Agent.

(f) Each Lender shall (i) as soon as reasonably practicable following the date it becomes a party hereto, submit to its Relevant Taxing Authority a validly completed Treaty Form (or successor Treaty Form thereto) claiming exemption from United Kingdom withholding Tax on interest, or (ii) (A) on or before the date it becomes a party hereto, furnish to the Borrower, with a copy to the Administrative Agent, a certificate substantially in the form of Exhibit I (a " U.K. Tax Compliance Certificate ") certifying that such Lender (1) is a Bank within the meaning of Section 840A of the Income and Corporation Taxes Act of 1988 of the United Kingdom and (2) is within the charge to corporation tax in the United Kingdom with respect to payment hereunder and (B) agree, upon reasonable request by the Borrower, to provide to the Borrower and the Administrative Agent, to the extent it is legally entitled to do so, such other forms as may be required by law in order to establish the legal entitlement of such Lender to an exemption from United Kingdom withholding Tax with respect to payments under this

Agreement and the Notes issued hereunder, unless, in each case, any change in treaty, law or regulation has occurred after the date such Lender becomes a party hereunder which renders any such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender so advises the Borrower and the Administrative Agent.

(g) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form described in Section 2.14(e) or (f) (*other than* if the Borrower has failed to timely request with reasonable notice any appropriate renewal, successor or other form or if any such form otherwise is not required under subsection (e) or (f)), such Lender shall not be entitled to indemnification under Section 2.14(a) or (c) with respect to Indemnifiable Taxes imposed by the United Kingdom or the United States by reason of such failure; *provided* , *however* , that should a Lender become subject to Indemnifiable Taxes or United Kingdom withholding Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as such Lender shall reasonably request to assist such Lender to recover such Indemnifiable Taxes or United Kingdom withholding Taxes.

(h) If a condition or an event occurs which would, or would upon the passage of time or giving notice, result in the payment of any additional amounts pursuant to this Section 2.14 , each Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(i) If the Administrative Agent or any Lender, in its sole opinion, determines that it has finally and irrevocably received or been granted a refund in respect of any Indemnifiable Taxes or Other Taxes as to which indemnification has been paid by the Borrower pursuant to Section 2.14 (a) or (c) , it shall promptly remit such refund to the Borrower, net of all out-of-pocket expenses of the Administrative Agent or such Lender; *provided* , *however* , that the Borrower upon the request of the Administrative Agent or such Lender, agrees promptly to return such refund to such party in the event such party is required to repay such refund to the relevant taxing authority. The Administrative Agent or such Lender shall provide the Borrower with a copy of any notice or assessment from the relevant taxing authority (deleting any confidential information contained therein) requiring the repayment of such refund. Nothing contained herein shall impose an obligation on the Administrative Agent or any Lender to apply for any refund or to disclose to any party any information regarding their proprietary information regarding tax affairs and computations. If the Borrower determines in good faith that a reasonable basis exists for contesting any Taxes for which indemnification has been demanded hereunder, the relevant Lender or the Administrative Agent, as applicable, to the extent permitted by law, rule or regulation, shall reasonably cooperate with the Borrower in challenging such Taxes at the Borrower's expense if so requested by the Borrower in writing.

(j) If a Lender changes its Applicable Lending Office (other than pursuant to subsection (h) above or Section 2.11 or 2.12) and the effect of such change, as of the date of such change, would be to cause the Borrower to become obligated to pay any additional amounts under this Section 2.14 , the Borrower shall not be obligated to pay such additional amount.

(k) A certificate of a Lender setting forth such amount or amounts as shall be necessary to compensate such Lender specified in Section 2.14 (a) , (b) , or (c) above, as the case may be, and identifying with reasonable specificity the basis for calculation of such amount or amounts, shall be delivered to the Borrower and the Administrative Agent and shall be conclusive absent manifest error.

(l) The obligations of a Lender under this Section 2.14 shall survive the termination of this Agreement and the payment of the Advances and all amounts payable hereunder.

Section 2.15 Sharing of Payments, Etc . If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances owing to it (other than pursuant to Section 2.11 , 2.14 or 8.04(c)) in excess of its ratable share of payments on account of the Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; *provided , however* , that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all of its rights of payment (including the right of setoff) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

Section 2.16 Use of Proceeds . The proceeds of the Advances shall be available (and the Borrower agrees that it shall use such proceeds) solely (i) to refinance Existing Debt, (ii) to provide liquidity support for commercial paper issued by the Borrower and (iii) for working capital and other general corporate purposes (including acquisitions) of the Borrower and its Subsidiaries and (following use of such proceeds by the Borrower to pay a dividend to the Parent or to make an intercompany loan to the Parent) the Parent and its Subsidiaries.

ARTICLE III

CONDITIONS TO EFFECTIVENESS AND LENDING

Section 3.01 Conditions Precedent to Effectiveness . This Agreement shall become effective on the date (the " Effective Date ") the Borrower sends written notice to the Administrative Agent requesting that this Agreement become effective; provided , that following conditions precedent have been satisfied:

(a) The Borrower shall have paid all fees and expenses of the Administrative Agent and the Lenders payable hereunder and accrued as of the Effective Date (including the accrued fees and expenses of counsel to the Administrative Agent).

(b) On the Effective Date, the following statements shall be true and the Administrative Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the Effective Date, stating that:

(i) The representations and warranties contained in Section 4.01 are correct in all material respects on and as of the Effective Date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(c) The Administrative Agent shall have received on or before the Effective Date the following, each dated such day, in form and substance satisfactory to the Administrative Agent and (except for the Notes) in sufficient copies for each Lender:

(i) If requested by a Lender, a replacement Note payable to the order of each such Lender, in a principal amount equal to each such Lender's Commitment.

(ii) Certified copies of the resolutions of the Board of Directors (or committee thereof) of the Borrower and each other Loan Party approving this Agreement, the Notes and each Guaranty to which it is or is to be a party, and of all documents evidencing other necessary corporate action and governmental and other third party approvals and consents, if any, with respect to this Agreement, the Notes and each Guaranty.

(iii) A certificate of the Secretary or an Assistant Secretary of each Loan Party certifying the names and true signatures of the officers of such Loan Party authorized to sign the Loan Documents to which it is a party and the other documents to be delivered hereunder.

(iv) A reaffirmation of the Subsidiary Guaranty executed by each Subsidiary Guarantor, and the Parent Guaranty duly executed by the Parent.

(v) An opinion of Alston & Bird, LLP, counsel for the Loan Parties, in substantially the form of Exhibit F attached hereto.

(vi) An opinion of Linklaters, English counsel for the Borrower, in substantially the form of Exhibit G attached hereto and to such other matters as any Lender through the Administrative Agent may reasonably request.

(vii) An opinion of APPLEBY, Bermuda counsel for the Parent, in substantially the form of Exhibit H attached hereto and to such other matters as any Lender through the Administrative Agent may reasonably request.

(d) An acceptance of the appointment of the Process Agent (as such term is defined in Section 8.12) for each of the Parent and the Borrower.

Section 3.02 Conditions Precedent to Each Borrowing and Each Increase Date . The obligation of each Lender to make an Advance on the occasion of each Borrowing and each increase of Commitments pursuant to Section 2.05(b) shall be subject to the conditions precedent that the Effective Date shall have occurred and on the date of such Borrowing or such Increase

Date the following statements shall be true (and each of the giving of the applicable Notice of Borrowing and request for Commitment increase and the acceptance by the Borrower of the proceeds of such Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing or such Increase Date such statements are true):

(a) the representations and warranties contained in Section 4.01 (excluding, in the case of Borrowings, clauses (g) and (i)(i) of Section 4.01) are correct in all material respects on and as of the date of such date, before and after giving effect to such Borrowing or such Increase Date and to the application of the proceeds therefrom, as though made on and as of such date except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been correct in all material respects on and as of such earlier date (other than in the case of the representations and warranties made in Section 4.01(d) , which shall be correct in all material respects on and as of such date of Borrowing or such Increase Date as though made on and as of such date, without regard to any earlier date referenced therein), and

(b) no event has occurred and is continuing, or would result from such Borrowing or from the application of the proceeds therefrom, or such Increase Date that constitutes a Default.

Section 3.03 Determinations Under Section 3.01 . For purposes of determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated by this Agreement shall have received notice from such Lender prior to the date that the Borrower, by notice to the Lenders, designates as the proposed Effective Date, specifying its objection thereto. The Administrative Agent shall promptly notify the Lenders and the Borrower of the occurrence of the Effective Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.01 Representations and Warranties of the Parent and the Borrower . Each of the Parent and the Borrower represents and warrants as follows:

(a) Each Loan Party (i) is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, (ii) is duly qualified and in good standing in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed is not reasonably likely to have a Material Adverse Effect and (iii) has all requisite power and authority (including, without limitation, all governmental licenses, permits and other approvals) to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted except where failure to possess such power or authority is not reasonably likely to have a Material Adverse Effect.

(b) Set forth on Schedule 4.01(b) hereto is a complete and accurate list of all Subsidiaries of each Loan Party as of March 31, 2005, showing as of such date (as to each such Subsidiary) the jurisdiction of its incorporation or organization. All of the outstanding capital stock of all of such Subsidiaries has been validly issued, is fully paid and non-assessable and is owned by such Loan Party or one or more of its Subsidiaries free and clear of all Liens. Each such Subsidiary (i) is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, (ii) is duly qualified and in good standing in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed is not reasonably likely to have a Material Adverse Effect and (iii) has all requisite power and authority (including, without limitation, all governmental licenses, permits and other approvals) to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted except where failure to possess such power or authority is not reasonably likely to have a Material Adverse Effect.

(c) The execution, delivery and performance by each Loan Party of this Agreement, the Notes and each other Loan Document to which it is or is to be a party, and the incurrence of the obligations provided for herein and therein, are within such Loan Party's corporate powers, have been duly authorized by all necessary corporate action, and do not (i) contravene such Loan Party's charter or bylaws, (ii) violate any law (including, without limitation, the Securities Exchange Act of 1934), rule, regulation (including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award, (iii) conflict with or result in the breach of, or constitute a default under, any contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting any Loan Party, any of its Subsidiaries or any of their properties or (iv) result in or require the creation or imposition of any Lien upon or with respect to any of the properties of any Loan Party or any of its Subsidiaries. No Loan Party or any of its Subsidiaries is in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or in breach of any such contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument, the violation or breach of which is reasonably likely to have a Material Adverse Effect.

(d) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for (i) the due execution, delivery, recordation, filing or performance by any Loan Party of this Agreement, the Notes or any other Loan Document to which it is or is to be a party, or for the performance of any Loan Document or (ii) the exercise by the Administrative Agent or any Lender of its rights under the Loan Documents as of March 31, 2005, except for the authorizations, approvals, actions, notices and filings listed on Schedule 4.01(d) , all of which have been duly obtained, taken, given or made and are in full force and effect.

(e) This Agreement has been, and each of the Notes and each other Loan Document when delivered hereunder will have been, duly executed and delivered by each Loan Party party thereto. This Agreement is, and each of the Notes and each other Loan Document when delivered hereunder will be, the legal, valid and binding obligation of each Loan Party party thereto, enforceable against such Loan Party in accordance with its terms.

(f) The Consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as at December 31, 2006, and the related Consolidated and consolidating statements of income and Consolidated statement of cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, and the Consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as at June 30, 2007, and the related Consolidated and consolidating statements of income and Consolidated statement of cash flows of the Borrower and its Subsidiaries for the six months then ended, duly certified by the chief financial officer of the Borrower, copies of which have been furnished to each Lender in accordance with Section 5.01(j) of the Existing Credit Agreement, fairly present, subject, in the case of said balance sheets as at June 30, 2007, and said statements of income and cash flows for the six months then ended, to year-end audit adjustments, the Consolidated and consolidating financial condition of the Borrower and its Subsidiaries as at such dates and the Consolidated and consolidating results of the operations of the Borrower and its Subsidiaries for the periods ended on such dates, all in accordance with International Financial Reporting Standards applied on a consistent basis.

(g) Since December 31, 2006, there has been no Material Adverse Change.

(h) No written information, exhibit or report furnished by any Loan Party to any Agent or any Lender in connection with the negotiation of the Loan Documents or pursuant to the terms of the Loan Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein not misleading in light of the circumstances under which they were made.

(i) There is no action, suit, investigation, litigation or proceeding affecting any Loan Party or, to the best knowledge of the Loan Parties, any of its Subsidiaries pending or, to the best knowledge of the Loan Parties, threatened before any court, governmental agency or arbitrator that (i) would be reasonably likely to have a Material Adverse Effect as of March 31, 2005 (other than the matters described on Schedule 4.01(i) hereto (the " Disclosed Litigation ")) and there has been no change or other development in the Disclosed Litigation which is reasonably likely to result in a material adverse change in the business, financial condition or results of operations of the Parent and its Subsidiaries, taken as a whole, or (ii) purports to affect the legality, validity or enforceability of this Agreement, any Note or any other Loan Document or the consummation of the transactions contemplated hereby.

(j) Following application of the proceeds of each Advance, not more than 25 percent of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a Consolidated basis) subject to the provisions of Section 5.02(a) or 5.02(d) or subject to any restriction contained in any agreement or instrument between the Borrower and any Lender or any Affiliate of any Lender relating to Debt and within the scope of Section 6.01(e) will be margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System). Neither the making of any Advance nor the use of proceeds thereof will violate or be inconsistent with the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System.

(k) No ERISA Event has occurred or is reasonably expected to occur with respect to any Plan that has resulted in or is reasonably expected to result in a Material Adverse Effect.

(l) Schedule B (Actuarial Information) to the most recent annual report (Form 5500 Series) required to be filed for each Plan, copies of which have been filed with the Internal Revenue Service and, with respect to each Plan whose funded current liability percentage (as defined in Section 302(d)(8) of ERISA) is less than 100%, furnished to the Lenders, is complete and accurate and fairly presents the funding status of such Plan, and since the date of such Schedule B there has been no material adverse change in such funding status.

(m) Neither any Loan Party nor any ERISA Affiliate has incurred or is reasonably expected to incur (i) any liability under Section 4064 or 4069 of ERISA or (ii) any Withdrawal Liability to any Multiemployer Plan that has resulted or would be reasonably likely to result in a Material Adverse Effect.

(n) Neither any Loan Party nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and, to the best knowledge of any Loan Party or any ERISA Affiliate, no such Multiemployer Plan is reasonably expected to be in reorganization or to be terminated, within the meaning of Title IV of ERISA.

(o) Each Loan Party and each of its Subsidiaries and Affiliates has filed, has caused to be filed or has been included in all tax returns (Federal, state, local and foreign) required to be filed and has paid all taxes shown thereon to be due, together with applicable interest and penalties.

(p) Neither any Loan Party nor any of its Subsidiaries is an “investment company”, or a company “controlled by” an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended. Neither the making of any Advances nor the application of the proceeds or repayment thereof by the Borrower, nor the consummation of the other transactions contemplated hereby, will violate any provision of such Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

(q) [Intentionally Deleted]

(r) Each Subsidiary of the Parent engaged in advisory or management activities, if any, is duly registered as an investment adviser as and to the extent required under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder. Each Subsidiary of the Parent engaged in the broker-dealer business, if any, is duly registered as a broker-dealer as and to the extent required under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder and, as and to the extent required is a member in good standing of the National Association of Securities Dealers, Inc.

(s) As of the Effective Date, neither the Parent nor any of its Subsidiaries is in default and no waiver of default is in effect with respect to the payment of any principal or interest of any Existing Debt for borrowed money.

(t) The obligations of each Loan Party under the Loan Documents to which it is a party constitute direct, unconditional and general obligations of such Loan Party that rank and will rank at least pari passu in priority of payment and in all other respects with all other Debt of such Loan Party.

(u) Each Loan Party is, individually and together with its Subsidiaries, Solvent.

(v) Set forth on Schedule 4.01(v) hereto is a complete and accurate list of all Existing Debt showing as of the date hereof the principal amount outstanding thereunder.

(w) The Parent and each of its Significant Subsidiaries owns or has fully sufficient right to use, free from all material restrictions (other than Permitted Liens and Liens permitted under Section 5.02(a)), all real and personal (including, without limitation, intellectual) properties that are necessary for the operation of their respective businesses as currently conducted.

(x) As of the Effective Date, except under documents governing any Existing Debt, and except as may be provided by applicable laws, rules or regulations (including those restrictions imposed by governmental authorities), no Subsidiary of the Parent (other than any Special Purpose Subsidiary) is party to any agreement prohibiting, conditioning or limiting the payment of dividends or other distributions to the Parent or any of its Subsidiaries or the repayment of Debt owed to the Parent by any Subsidiary of the Parent.

(y) Environmental Compliance . The Parent and each Subsidiary is in compliance with all Environmental Laws, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

ARTICLE V

COVENANTS OF THE BORROWER

Section 5.01 Affirmative Covenants . So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, each of the Parent and the Borrower will:

(a) Compliance with Laws, Etc . Comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include (to the extent applicable), without limitation, compliance with the Investment Advisers Act of 1940, as amended, ERISA and environmental laws, except where the failure to do so would not, and would not be reasonably expected to, have a Material Adverse Effect.

(b) Payment of Taxes, Etc . Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, all taxes, assessments, claims and governmental charges or levies imposed upon it or upon its property, except to the extent that any failure to do so would not, and would not be reasonably expected to, have a Material Adverse Effect; *provided, however* , that neither the Parent nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, claim or charge that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained.

(c) Maintenance of Insurance . Maintain, and cause each of its Significant Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged

in similar businesses and owning similar properties in the same general areas in which the Parent or such Significant Subsidiary operates.

(d) Preservation of Corporate Existence, Etc . Preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its existence, legal structure, legal name, rights (charter and statutory), permits, licenses, approvals, registrations, privileges and franchises; *provided, however* , that the Borrower may change its name to INVESCO Holding Company Limited by December 31, 2007, and the Parent and its Subsidiaries may consummate any merger or consolidation permitted under Section 5.02(c) ; and *provided further* that neither the Parent nor any of its Subsidiaries shall be required to preserve any right, permit, license, approval, registration, privilege or franchise if the Board of Directors of the Parent or such Subsidiary shall determine that the failure to so maintain such existence (in the case of any Subsidiary that is not a Loan Party) or such rights and franchises (in the case of the Parent or any of its Subsidiaries) would not, and would not be reasonably expected to, have a Material Adverse Effect.

(e) Visitation Rights . At any reasonable time and from time to time, permit the Administrative Agent or any of the Lenders or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Parent and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Parent and any of its Subsidiaries with any of their officers or directors and with their independent certified public accountants.

(f) Keeping of Books . Keep, and cause each of its Significant Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Parent and each such Significant Subsidiary in accordance with generally accepted accounting principles applicable to such Person in effect from time to time.

(g) Maintenance of Properties, Etc . Take all reasonable action to maintain and preserve, and cause each of its Subsidiaries to take all reasonable action to maintain and preserve, all of its properties that are necessary in the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to so maintain and preserve such properties would not, and would not be reasonably expected to, have a Material Adverse Effect.

(h) New Material Subsidiaries . Promptly and in any event within 30 days following the request of the Required Lenders made after either (i) the organization or acquisition of any new Material Subsidiary or (ii) the delivery of audited annual financial statements pursuant to Section 5.01(j) that indicate that a Subsidiary of the Parent that is not at such time a Guarantor is a Material Subsidiary, cause such Material Subsidiary to execute and deliver an Assumption of Guaranty (as defined in the Guaranty), together with such documents as the Required Lenders may request evidencing corporate action taken to authorize such execution and delivery and the incumbency and signatures of officers of such Material Subsidiary, *provided* that a Material Subsidiary shall not be required to become a Guarantor if (A) a guaranty by such Material Subsidiary would result in materially adverse tax consequences to the Parent and its Subsidiaries or shareholders of the Parent or (B) a guaranty by such Material Subsidiary is prohibited or limited by regulatory requirements or applicable law.

(i) Use of Proceeds . Use the proceeds of the Advances solely as provided in Section 2.16 and otherwise in accordance with the terms hereof.

(j) Reporting Requirements . Furnish to the Administrative Agent and the Lenders:

(i) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Parent, Consolidated and, consistent with past practice subject to any change in Applicable Accounting Standards, consolidating balance sheets of the Parent and its Subsidiaries as of the end of such quarter and Consolidated and, consistent with past practice subject to any change in Applicable Accounting Standards, consolidating statements of income and Consolidated cash flows of the Parent and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer of the Parent as having been prepared in accordance with Applicable Accounting Standards and certificates of the chief financial officer of the Parent as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03 , *provided* that in the event of any material change in Applicable Accounting Standards used in the preparation of such financial statements, the Parent shall also provide, at the request of the Administrative Agent, (a) a statement of reconciliation conforming such financial statements to the Applicable Accounting Standards as in effect on the Effective Date and (b) another certificate of the chief financial officer of the Parent setting forth in reasonable detail the calculations, utilizing such former Applicable Accounting Standards as of the Effective Date, necessary to demonstrate compliance with Section 5.03 ; *provided further* that the statement of reconciliation required under clause (a) above shall only be required once at the end of the fiscal period immediately following such a change in the Applicable Accounting Standard and shall not be required if a statement of reconciliation was given pursuant to Section 5.01(j)(ii)(A)(ii)(a) below.

(ii) (A) as soon as available and in any event within 120 days after the end of each fiscal year of the Parent, a copy of the annual report for such year for the Parent and its Subsidiaries, containing a Consolidated balance sheet of the Parent and its Subsidiaries as of the end of such fiscal year and a Consolidated statement of income and Consolidated cash flows of the Parent and its Subsidiaries for such fiscal year, in each case accompanied by (i) a report and opinion as to such Consolidated financial statements by Ernst & Young LLP or other independent public accountants approved by the audit committee of the Parent's board of directors and, if other than Deloitte & Touche LLP, KPMG LLP, or PricewaterhouseCoopers LLP, reasonably acceptable to the Required Lenders (the " Auditor "), which report and opinion shall be prepared in accordance with applicable audit standards, and which report and opinion shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit, and (ii) certificates of the chief financial officer of the Parent as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03 , *provided* that in the event of any material change in Applicable Accounting Standards used in the preparation of such financial statements, the Borrower shall also provide, at the request of the

Administrative Agent, (a) a statement of reconciliation conforming such financial statements to the Applicable Accounting Standards in effect as of the Effective Date and (b) another certificate of the chief financial officer of the Parent setting forth in reasonable detail the calculations, utilizing such former Applicable Accounting Standards as of the Effective Date, necessary to demonstrate compliance with Section 5.03 ; *provided further* that the statement of reconciliation required under clause (a) above shall only be required once at the end of the fiscal year immediately following such a change in the Applicable Accounting Standard and shall not be required if a statement of reconciliation was given pursuant to Section 5.01(j)(i)(a) above.

(B) as soon as available and in any event within 120 days after the end of each fiscal year of the Parent (i) consistent with past practice subject to any change in Applicable Accounting Standards, a copy of consolidating balance sheets as of the end of such fiscal year and consolidating statements of income, and (ii) following such time as Section 404 of Sarbanes-Oxley is applicable to the Parent, a report of management on the Parent's internal control over financial reporting pursuant to Item 308(a) of Regulation S-K promulgated under the Exchange Act, a report of the Auditor on management's assessment of the Parent's internal control over financial reporting pursuant to Item 308(b) of Regulation S-K promulgated under the Exchange Act, and an independent assessment by the Auditor as to the effectiveness of the Parent's internal control over financial reporting;

(iii) as soon as possible and in any event within five days after the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer of the Parent setting forth details of such Default and the action that the Parent has taken and proposes to take with respect thereto;

(iv) promptly after the commencement thereof, notice of all actions and proceedings before any court, governmental agency or arbitrator affecting the Parent or any of its Subsidiaries of the type described in Section 4.01(i) ;

(v) (A) promptly and in any event within 20 days after any Loan Party or any ERISA Affiliate knows or has reason to know that (1) any ERISA Event has occurred which could result in a material liability of any Loan Party or any ERISA Affiliate, or (2) any Loan Party or any ERISA Affiliate has incurred or is reasonably expected to incur a material liability under Section 4064 or 4069 of ERISA, a statement of the chief financial officer of the Borrower describing such ERISA Event and the circumstances giving rise to, and the amount of such liability and the action, if any, that such Loan Party or such ERISA Affiliate has taken and proposes to take with respect thereto and (B) on the date any records, documents or other information must be furnished to the PBGC with respect to any Plan pursuant to Section 4010 of ERISA, a copy of such records, documents and information;

(vi) promptly and in any event within two Business Days after receipt thereof by any Loan Party or any ERISA Affiliate, copies of each notice from the PBGC stating its intention to terminate any Plan or to have a trustee appointed to administer any Plan;

(vii) promptly upon request from the Administrative Agent or any Lender, copies of each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) required to be filed with respect to each Plan whose funded current liability percentage (as defined in Section 302 (d)(8) of ERISA) is less than 100%;

(viii) promptly and in any event within 20 days after receipt thereof by any Loan Party or any ERISA Affiliate from the sponsor of a Multiemployer Plan, copies of each notice concerning (A) the imposition on any Loan Party or any ERISA Affiliate of Withdrawal Liability in a material amount by any such Multiemployer Plan, (B) the reorganization or termination, within the meaning of Title IV of ERISA, of any such Multiemployer Plan or (C) the amount of liability incurred, or that may be incurred, by any Loan Party or any ERISA Affiliate in connection with any event described in clause (A) or (B),

(ix) promptly and in any event within five Business Days after the organization or acquisition of any Material Subsidiary, notice of such event;

(x) following such time as Section 404 of Sarbanes-Oxley is applicable to the Borrower, promptly, notice of the Auditor's determination (in connection with its preparation of its report under Section 5.01(j)(ii)(A)) or the Parent's determination of the occurrence or existence of any Internal Control Event at any time; and

(xi) such other information respecting the Parent or any of its Subsidiaries as the Administrative Agent or any Lender acting through the Administrative Agent may from time to time reasonably request.

Documents required to be delivered pursuant to Section 5.01(j)(i) or (ii) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Parent posts such documents, or provides a link thereto on the Parent's website on the Internet at the website address listed on Schedule 8.02 ; or (ii) on which such documents are posted on the Parent's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); *provided* that: (i) the Parent shall deliver paper copies of such documents to the Administrative Agent until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) the Parent shall notify the Administrative Agent (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e. , soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the compliance certificate required by Section 5.01(j)(i) and (ii) to the Administrative Agent. Except for such compliance certificate, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Parent with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Parent and the Borrower hereby acknowledge that (a) the Administrative Agent and/or the Arrangers will make available to the Lenders information provided by or on behalf of

the Parent and/or the Borrower hereunder (collectively, " Borrower Materials ") by posting the Borrower Materials on IntraLinks or another similar electronic system (the " Platform ") and (b) certain of the Lenders may be "public-side" Lenders (*i.e.*, Lenders that do not wish to receive material non-public information with respect to the Borrower or its securities) (each, a " Public Lender "). Each of the Parent and the Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC", the Parent and the Borrower shall be deemed to have authorized the Administrative Agent, each Arranger and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Parent and the Borrower or its securities for purposes of United States Federal and state securities laws (*provided, however* , that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 8.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor"; and (z) the Administrative Agent and each Arranger shall be entitled to treat the Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor".

(k) Internal Control Events . Following such time as Section 404 of Sarbanes-Oxley is applicable to the Parent, upon notification from the Administrative Agent to the Parent that the Required Lenders require remediation of any Internal Control Event of which they have received notice pursuant to Section 5.01(j)(x) or as reported in any report delivered pursuant to Section 5.01(j)(ii) , remediate or cause to be remediated such Internal Control Event, and to test and confirm such remediation, not later than the end of the time period reasonably agreed by the Required Lenders with the Parent as necessary for such remediation (the " Remediation Period "). It is understood that the Remediation Period will require a sufficient period of time to permit testing required by the relevant Securities Laws.

Section 5.02 Negative Covenants . So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, neither the Parent nor the Borrower will at any time:

(a) Liens, Etc . Create, incur, assume or suffer to exist, or permit any of its Subsidiaries to create, incur, assume or suffer to exist, any Lien on or with respect to any of its properties of any character (including, without limitation, accounts) whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any accounts or other right to receive income, *excluding* , *however* , from the operation of the foregoing restrictions the following:

(i) Permitted Liens;

(ii) Liens on deposit accounts of the Parent and its Subsidiaries in respect of their cash pooling operations;

(iii) purchase money Liens upon or in real property or equipment acquired or held by the Parent or any of its Subsidiaries in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the

purpose of financing the acquisition of any such property or equipment, or Liens existing on any such property or equipment at the time of acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property); *provided , however* , that no such Lien shall extend to or cover any properties of any character other than the property or equipment being acquired, and no such extension, renewal or replacement shall extend to or cover any property not theretofore subject to the Lien being extended, renewed or replaced; and *provided further* that the aggregate principal amount of the Debt secured by Liens permitted by this clause (iii) and clause (iv) below shall not exceed $100,000,000 at any time outstanding;

(iv) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Parent or any Subsidiary of the Parent or becomes a Subsidiary of the Parent; *provided* that such Liens were not created in contemplation of such merger, consolidation or investment and do not extend to any assets other than those of the Person merged into or consolidated with the Parent or such Subsidiary or acquired by the Parent or such Subsidiary; *provided , further* , that the aggregate principal amount of the Debt secured by Liens permitted by this clause (iv) and clause (iii) above shall not exceed $100,000,000 at any time outstanding;

(v) Liens arising pursuant to one or more securitization programs permitted pursuant to Section 5.02(d)(ii) ;

(vi) the replacement, extension or renewal of any Lien permitted by clauses (iii) through (iv) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or addition of any direct or contingent obligor) of the Debt secured thereby;

(vii) Liens existing as of March 31, 2005 as described on Schedule 5.02(a) ;

(viii) Liens which are floating charges under English law in the form of an “industry standard” granted by INVESCO Pensions Limited (“ IPL ”) on its revolving business assets (without attaching to any particular asset until the floating charge crystallises on insolvency events which will result in steps being taken to make payment of a dividend to creditors or where the reinsurance creditor reasonably considers this may happen) to reinsurance creditors to support the obligations of IPL thereto under reinsurance contracts and limited in the amount secured to the amount which would have been recoverable had the secured amount been an unsecured debt owed to a direct policy holder of IPL;

(ix) Liens to secure Subsidiary Non-Recourse Debt, *provided* that no such Lien shall extend to or cover any properties or assets other than the property or assets being acquired with such Subsidiary Non-Recourse Debt and proceeds thereof; and

(x) Liens on the office equipment sold and leased back pursuant to the Office Equipment Sale and Leaseback and proceeds thereof.

(b) Loans . Make or hold, or permit any of its Subsidiaries to make or hold, loans or advances to any Person other than (i) loans or advances between or among the Parent and any of its Subsidiaries, (ii) loans or advances to Affiliates of the Parent in an aggregate principal amount at any one time outstanding not to exceed $100,000,000 *provided* that all such loans or advances made to Affiliates that are employees of the Parent or any Subsidiary shall not exceed $25,000,000 in an aggregate principal amount at any one time outstanding, and (iii) loans or advances not otherwise permitted by clauses (i) and (ii) above in an aggregate amount at any one time outstanding not to exceed $40,000,000.

(c) Mergers, Etc . Merge into or consolidate with any Person or permit any Person to merge into it, or permit any of its Subsidiaries to do so, except that

(i) any of the Parent's Subsidiaries, other than the Borrower and Subsidiaries of the Borrower, may merge into the Parent,

(ii) any of the Borrower's Subsidiaries may merge into the Borrower,

(iii) any Subsidiary of the Parent that is not a Restricted Subsidiary may merge with any other Subsidiary of the Parent that is not a Restricted Subsidiary,

(iv) any Subsidiary of a Subsidiary Guarantor may merge with any Subsidiary Guarantor or a Subsidiary of a Subsidiary Guarantor,

(v) any Subsidiary Guarantor may merge with any other Subsidiary of the Borrower, and

(vi) mergers in connection with acquisitions of Investments to the extent not prohibited pursuant to Section 5.02(e) ;

provided , *however* , that in each case, immediately after giving effect thereto, no event shall occur and be continuing that constitutes a Default and, in the case of any such merger to which the Borrower is a party, the Borrower is the surviving corporation or, in the case of any merger to which a Guarantor, but not the Borrower, is a party, the surviving corporation is a Guarantor and is not (as a result of such merger) subject to any agreement described in Section 5.02(i)(iv) .

(d) Sales, Etc. of Assets . Sell, lease, transfer or otherwise dispose of, or permit any of its Subsidiaries to sell, lease, transfer or otherwise dispose of, any assets, or grant any option or other right to purchase, lease or otherwise acquire any assets, except:

(i) in a transaction authorized by subsection (c) of this Section ,

(ii) the sale or other disposition to a third-party investor by the Parent or any of its Subsidiaries of its rights to receive distribution fees and contingent deferred sales charges pursuant to a securitization program,

(iii) the Parent and its Subsidiaries may, during any fiscal year of the Parent, sell, lease, transfer or otherwise dispose of assets (including equity securities owned by such Persons) which generated up to, but not to exceed, twenty percent (20%) of the

Consolidated operating income of the Parent during the immediately preceding fiscal year of the Parent,

(iv) any Subsidiary of the Parent that is not a Restricted Subsidiary may sell, lease, transfer or otherwise dispose of all or substantially all of its assets to (a) the Parent, (b) the Borrower, (c) a wholly-owned Subsidiary of the Parent or the Borrower that is not a Restricted Subsidiary, or (d) a Guarantor,

(v) any Subsidiary Guarantor or any Subsidiary of a Subsidiary Guarantor may sell, lease, transfer or otherwise dispose of all or substantially all of its assets to any other Subsidiary Guarantor or a Subsidiary of a Subsidiary Guarantor,

(vi) sales or other dispositions of obsolete equipment and furniture, and

(vii) the sale of office equipment of Invesco Group Services, Inc. pursuant to the Office Equipment Sale and Leaseback.

(e) Investments . Make, or permit any of its Subsidiaries to make, any Investment in any Person unless each of the following conditions are satisfied: (i) at the time of making, and after giving effect to, such Investment, no Event of Default shall have occurred and be continuing, and (ii) if and to the extent such Investment relates to the purchase or acquisition of all of the capital stock of, or all or substantially all of the assets of, such Person (A) such Person shall be in substantially similar lines of business as the Parent and its Subsidiaries or businesses reasonably related or complimentary thereto, (B) after giving effect to such Investment, the Parent will, on a *pro forma* basis, be in compliance with the financial covenants set forth in Section 5.03 , and (C) members of the board of directors of the Parent or investing Subsidiary prior to such purchase or acquisition shall continue to constitute a majority of such members of such board immediately following the effectiveness of such purchase or acquisition.

(f) Change in Nature of Business . Make, or permit any of its Significant Subsidiaries to make, any material change in the nature of its business as carried on at the date hereof.

(g) Charter Amendments . Amend, or permit any of its Significant Subsidiaries to amend, its certificate of incorporation or bylaws in a manner that has a Material Adverse Effect.

(h) Accounting Changes . Make or permit, or permit any of its Significant Subsidiaries to make or permit, any material change in accounting policies or reporting practices, except (i) as required by Securities Laws, the Security Exchange Commission or generally accepted accounting principles applicable to the Parent or such Significant Subsidiary, (ii) to adopt US GAAP (A) on or before December 31, 2008 with respect to the Parent and its Subsidiaries on a consolidated basis and (B) at any time with respect separately to any Significant Subsidiary of the Parent, or (iii) any change by a Significant Subsidiary to International Financial Reporting Standards as may be required by applicable regulatory authorities.

(i) Limitations on Certain Restrictions on Subsidiaries . Enter into or suffer to exist, or permit any of its Subsidiaries (other than any Special Purpose Subsidiary) to enter into or suffer to exist, any agreement prohibiting, conditioning or limiting (i) the payment of dividends

by any Subsidiary of the Parent, (ii) the payment of Debt of a Subsidiary of the Parent to the Parent, the Borrower or other Subsidiaries of the Parent, (iii) the ability of any Subsidiary of the Parent to guaranty Debt of the Borrower or the Parent, or (iv) the creation or assumption of any Lien upon any of its material property or material assets, other than in each such case, (A) under this Agreement and the other Loan Documents in favor of the Administrative Agent and the Lenders and (in the case of clause (iv) immediately above) any other agreement that permits the granting of Liens in favor of the Lenders, (B) in connection with any Existing Debt (including any extensions or refinancing of any such Existing Debt), (C) restrictions contained in documents governing Debt of a Person that is acquired by, and not merged with or into, the Parent or any Subsidiary of the Parent, (D) as required by any law or regulation applicable to such Person or (E) with respect to clause (iv) above only, with respect to purchase money liens, capital leases and operating leases, but only as to the assets so purchased or leased.

(j) Partnerships, Etc . Become a general partner in any general or limited partnership or joint venture, or permit any of its Subsidiaries to do so, other than any Subsidiary the sole assets of which consist of its interest in such partnership or joint venture.

(k) Transactions with Affiliates . Conduct, or permit any of its Subsidiaries to conduct, transactions with any of their Affiliates except in the ordinary course of business of and pursuant to the reasonable requirements of the Parent's, the Borrower's or such Subsidiary's business and upon fair and reasonable terms that are no less favorable to the Parent, the Borrower or such Subsidiary, as the case may be, than those which would be obtained in a comparable arm's-length transaction with a Person not an Affiliate; *provided* that the foregoing restrictions shall not apply to

(i) any transaction (A) between any Loan Parties, (B) between any Subsidiary of the Parent that is not a Restricted Subsidiary and any other Subsidiary of the Parent that is not a Restricted Subsidiary (C) between the Borrower and any of its Subsidiaries, (D) between any Subsidiary Guarantor and any of its Subsidiaries, (E) with any Special Purpose Subsidiary, and (F) between the Parent or any of its Subsidiaries and their respective employees to make loans to such employees for purposes of exercising stock options of such employees and paying tax liabilities of such employees associated therewith, *provided* that the total of all such loans shall not exceed $25,000,000 in an aggregate principal amount at any one time outstanding, and

(ii) transactions between the Parent or any Subsidiary or other Investment Company sponsored by the Parent or any Subsidiary or for which the Parent or any Subsidiary provides advisory, administrative, supervisory, management, consulting, underwriting or similar services, that are otherwise permissible under the Investment Company Act of 1940, the Investment Advisers Act of 1940 and the applicable management contract.

(l) Non-Guarantor Subsidiary Debt . Permit its Subsidiaries, other than the Borrower and Subsidiaries that are Guarantors, collectively to incur Adjusted Debt in excess of $100,000,000 in aggregate principal amount at any one time outstanding; *provided* , *however* , that the foregoing restriction shall not apply to any (i) Adjusted Debt of a Subsidiary (including any Person that will be or become a Subsidiary) of the Parent that is incurred or assumed in

connection with a transaction that is permitted pursuant to Section 5.02(e)(ii) or (ii) Subsidiary Non-Recourse Debt.

Section 5.03 Financial Covenants . So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Parent will:

(a) Debt/EBITDA Ratio . Maintain at the end of each fiscal quarter of the Parent a Debt/EBITDA Ratio of not greater than 3.25:1.00.

(b) Coverage Ratio . Maintain at the end of each fiscal quarter of the Parent a ratio of EBITDA (excluding for purpose of this calculation of EBITDA only that portion of EBITDA attributable to the net income, expenses, losses, charges and gains of each Special Purpose Subsidiary) for the four consecutive fiscal quarters of the Parent ended on or immediately prior to the date of determination to interest payable on, and amortization of debt discount in respect of, Adjusted Debt (excluding from Adjusted Debt for purposes of this Section 5.03(b) (i) Subsidiary Non-Recourse Debt and (ii) so long as the Parent and its Subsidiaries own 100% of the Office Equipment Sale and Leaseback Bonds, liabilities with respect to the Office Equipment Sale and Leaseback Lease, in each case to the extent otherwise included in Adjusted Debt) for such period, of not less than 4.00:1.00.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01 Events of Default . If any of the following events (" Events of Default ") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable; or the Borrower shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement or any Note within three Business Days after the same becomes due and payable; or

(b) Any representation or warranty made by the Parent, the Borrower or any Loan Party under any Loan Document or by either of the Parent or the Borrower (or any of its respective officers) in connection with any Loan Document shall prove to have been incorrect in any material respect when made; or

(c) (i) The Parent or the Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(d) , (e) or (j) , 5.02 or 5.03 , or (ii) the Parent or the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) The Parent or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal or notional amount of at least $50,000,000 (or the equivalent thereof in any other currencies) in the aggregate (but excluding Debt outstanding hereunder) of the Parent or such Subsidiary (as the case may be), when the

same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(e) The Parent or any of its Significant Subsidiaries or any Guarantor shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Parent or any of its Significant Subsidiaries or any Guarantor seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 45 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Parent or any of its Significant Subsidiaries or any Guarantor shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) Any judgment or order for the payment of money in excess of $50,000,000 (or the equivalent thereof in any other currencies) shall be rendered against the Parent or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; *provided , however ,* that any such judgment or order shall not be an Event of Default under this Section 6.01(f) if and for so long as (i) the amount of such judgment or order in excess of $50,000,000 (or the equivalent thereof in any other currencies) is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least “A” by A.M. Best Company, has been notified of, and has not disputed the claim made for payment of, the amount of such excess amount; or

(g) Any non-monetary judgment or order shall be rendered against the Parent or any of its Subsidiaries that could be reasonably expected to have a Material Adverse Effect, and there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) (i) Any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange

Commission under the Securities Exchange Act of 1934), directly or indirectly, of Voting Stock of the Parent (or other securities convertible into such Voting Stock) representing 33% or more of the combined voting power of all Voting Stock of the Parent; or (ii) during any period of up to 24 consecutive months, commencing after the date of this Agreement, individuals who at the beginning of such 24-month period were directors of the Parent shall cease for any reason to constitute a majority of the board of directors of the Parent; or

(i) Any ERISA Event shall have occurred with respect to a Plan, or any Loan Party or any ERISA Affiliate shall have incurred or be reasonably expected to incur liability under Section 4064 or 4069 of ERISA, and the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Plan and the Insufficiency of any and all other Plans with respect to which an ERISA Event shall have occurred and then exist (or the liability of the Loan Parties and the ERISA Affiliates incurred or expected to be incurred with respect to Section 4064 or 4069 of ERISA or related to such ERISA Event) exceeds $25,000,000; or

(j) Any Loan Party or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan in an amount that, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Loan Parties and the ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), exceeds $25,000,000 or requires payments exceeding $5,000,000 per annum; or

(k) Any Loan Party or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, and as a result of such reorganization or termination the aggregate annual contributions of the Loan Parties and the ERISA Affiliates to all Multiemployer Plans that are then in reorganization or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such reorganization or termination occurs by an amount exceeding $25,000,000;

(l) Any governmental authority or regulatory body shall have enacted, issued, promulgated, enforced or entered any law, rule, regulation, judgment, decree, injunction or other order (whether temporary, preliminary or permanent) which is in effect and which prohibits, enjoins or otherwise restricts the Parent or any of its Subsidiaries in a manner that has a Material Adverse Effect; or

(m) Any material provision of either Guaranty shall for any reason cease to be valid and binding on any applicable Guarantor or any Guarantor shall so state in writing, but in either case, only if such event could reasonably be expected to have a Material Adverse Effect;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Advances and the Notes, all interest thereon and all other amounts payable under this Agreement and the Notes to be forthwith due and payable and pursue all rights under

any Guaranty, whereupon the Advances and the Notes, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided, however* , that in the event of an actual or deemed entry of an order for relief with respect to the Parent or any Significant Subsidiary or any Guarantor under the Bankruptcy Code of the United States, or any other liquidation, conservatorship, bankruptcy, reorganization or other similar debtor relief laws of the United States, the United Kingdom or Bermuda, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the Notes, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

Section 6.02 Application of Funds . After the exercise of remedies provided for in Section 6.01 (or after the Notes have automatically become immediately due and payable as set forth in Section 6.01), any amounts received on account of the Notes, all interest thereon and all other amounts payable under this Agreement (and with Advances, collectively referred to in this Section 6.02 as the " Obligations ") shall be applied by the Administrative Agent in the following order:

First , to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article II) payable to the Administrative Agent in its capacity as such;

Second , to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees, charges and disbursements of counsel to the respective Lenders and amounts payable under Article II), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third , to payment of that portion of the Obligations constituting accrued and unpaid interest on any Swing Line Loans, payable only to the Swing Line Lender;

Fourth , to payment of that portion of the Obligations constituting unpaid principal on any Swing Line Loans, payable only to the Swing Line Lender;

Fifth , to payment of that portion of the Obligations constituting accrued and unpaid interest on any of the Advances (other than Swing Line Loans), payable to the Lenders, ratably among them in proportion to the respective amounts described in this clause Fifth held by them;

Sixth , to payment of that portion of the Obligations constituting unpaid principal on any of the Advances (other than Swing Line Loans), ratably among the Lenders in proportion to the respective amounts described in this clause Sixth held by them;

Last , the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

ARTICLE VII

ADMINISTRATIVE AGENT

Section 7.01 Appointment and Authority . Each of the Lenders hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and neither the Borrower, the Parent nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

Section 7.02 Rights as a Lender . The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Parent, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 7.03 Exculpatory Provisions . The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Parent, the Borrower or any of its respective Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage

of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct, *provided* , such limitation of liability of the Administrative Agent shall not prohibit or limit any cause of action the Borrower may otherwise have against any Lender. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower or a Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 7.04 Reliance by Administrative Agent . The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) reasonably believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and reasonably believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Parent or the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in good faith in accordance with the advice of any such counsel, accountants or experts.

Section 7.05 Delegation of Duties . The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Section 7.06 Resignation of Administrative Agent . The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any

such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower so long as no Event of Default has occurred and is continuing, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; *provided* that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section ; *provided* , such Lenders so acting directly shall be and be deemed to be protected by all indemnities and other provisions herein for the benefit and protection of the Administrative Agent as if each such Lender were itself the Administrative Agent. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 8.04 shall continue in effect for the benefit of such retiring Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as Swing Line Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swing Line Lender and (b) the Swing Line Lender shall be discharged from all of its respective duties and obligations hereunder or under the other Loan Documents.

Section 7.07 Non-Reliance on Administrative Agent and Other Lenders . Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 7.08 No Other Duties, Etc . Anything herein to the contrary notwithstanding, none of the Arrangers listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender.

Section 7.09 Administrative Agent May File Proofs of Claim . In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel, and all other amounts, due the Lenders and the Administrative Agent under Section 8.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.04 and 8 .04 .

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting any amount owing by a Loan Party to a Lender or the Administrative Agent or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 7.10 Guaranty Matters . The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion, to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty if such Person ceases to be a Subsidiary of the Borrower or a Subsidiary of the Parent as a result of a transaction permitted hereunder.

Upon request by the Administrative Agent at any time, the Lenders shall promptly confirm in writing the Administrative Agent’s authority to release any Guarantor from its obligations under the Subsidiary Guaranty pursuant to this Section 7.10 .

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Amendments, Etc . No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however* , that no such amendment, waiver or consent shall:

(a) waive any condition set forth in Section 3.01 without the written consent of each Lender;

(b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated) or require any Lender to make Advances in any currency other than Dollars or Sterling without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment or mandatory prepayment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on any Advance, or (subject to clause (iii) of the last proviso to this Section 8.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; *provided, however* , that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest at the Default Rate;

(e) change Section 2.15 or Section 6.02 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(f) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder without the written consent of each Lender; or

(g) and except in connection with permitted asset sales under Section 5.02(d) and other transactions permitted hereunder and in accordance with Section 7.10 hereof, release any Guarantor from its Guaranty without the written consent of each Lender **;**

and, *provided further* , that (i) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or

any other Loan Document; and (iii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended and no payment due such Lender may be reduced or extended without the consent of such Lender.

Section 8.02 Notices; Effectiveness; Electronic Communication .

(a) Notices Generally . Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower, the Parent, the Administrative Agent or the Swing Line Lender, to the address, telecopier number, electronic mail address(es) or telephone number specified for such Person on Schedule 8.02 ; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address(es) or telephone number specified for such Lender's Domestic Lending Office on Schedule I .

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications . Notices and other communications to the Lenders hereunder, except for any notice of service of process under Section 8.12 or otherwise which shall be given in writing only as provided by applicable law, may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender pursuant to Article II . The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the

next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform . THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the " Agent Parties ") have any liability to the Parent, the Borrower, any Lender, or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Parent's, the Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; *provided, however* , that in no event shall any Agent Party have any liability to the Borrower, any Lender, or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc . Each of the Borrower, the Administrative Agent, and the Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Administrative Agent and Lenders . The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Notices of Borrowing and Swing Line Loan Notices) that the Administrative Agent or such Lender reasonably believes has been given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice that the Administrative Agent, such Lender or such Related Party reasonably believes has been given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the

Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

Section 8.03 No Waiver; Remedies . No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 8.04 Expenses; Indemnity; Damage Waiver .

(a) Costs and Expenses . The Borrower shall pay (i) all reasonable out of pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out of pocket expenses incurred by the Administrative Agent, any Lender (including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent and any Lender), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section , or (B) in connection with the Advances made or the Notes issued hereunder, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Advances or Notes.

(b) Indemnification by The Borrower . The Borrower agrees to indemnify and hold harmless the Administrative Agent and each Lender and each of their Affiliates and each Related Party of the foregoing Persons (each, an " Indemnified Party ") from and against (i) any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees, charges, disbursements and expenses of counsel for any Indemnified Party) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) the Notes, this Agreement, any other Loan Document, any of the transactions contemplated herein or therein, the actual or proposed use of the proceeds of the Advances, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents except to the extent such claim, damage, loss, liability or expense resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower or any other Loan Party, its respective directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated.

(c) Other Costs . If any payment of principal of, or Conversion of, any Eurocurrency Rate Advance is made (i) by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.08(c) or (d) , 2.10 or 2.12 , acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason, (ii) by an Eligible Assignee to a Lender other than on the last day of the Interest Period for such Advance upon an assignment of rights and obligations under this Agreement pursuant to Section 8.06 as a result of a demand by the Borrower pursuant to Section 8.11 , or (iii) as part of a distribution by the Administrative Agent to a Lender as a result of a Commitment Increase pursuant to Section 2.05(c) , the Borrower shall, upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance, less the return such Lender reasonably expects to receive on its redeployment of funds.

(d) Reimbursement by Lenders . To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party thereof, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or against any Related Party thereof acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this subsection (d) are subject to the provisions of Section 2.02(e) .

(e) Waiver of Consequential Damages, Etc . To the fullest extent permitted by applicable law, no Loan Party shall assert, and each hereby waives, any claim against any Indemnified Party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Advance or the use of the proceeds thereof. No Indemnified Party referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby except as a result of such Indemnified Party's gross negligence of willful misconduct.

(f) Survival . Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section and Sections 2.11 and 2.14 herein shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Total Commitment and the repayment,

satisfaction or discharge of all the other obligations of the Borrower and any other Loan Party in connection with any Loan Document.

Section 8.05 Right of Set-off . Upon the occurrence and during the continuance of any Event of Default, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the Note held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrower after any such set-off and application, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender and its Affiliates may have.

Section 8.06 Successors and Assigns .

(a) Successors and Assigns Generally . The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (except by operation of law or to the extent permitted hereunder) and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection (b) of this Section , (ii) by way of participation in accordance with the provisions of subsection (d) of this Section , and (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders . Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances (including for purposes of this subsection (b), participations in Swing Line Loans) at the time owing to it); *provided* that

(i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Advances at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Advances outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect

to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $10,000,000 and increments of $1,000,000 in excess thereof unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); *provided, however* , that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advances or the Commitment assigned, except that this clause (ii) shall not apply to rights of the Swing Line Lender in respect of Swing Line Loans;

(iii) any assignment of a Commitment must be approved by the Administrative Agent and the Swing Line Lender unless the Person that is the proposed assignee is itself a Lender, *provided that* the approval of the Administrative Agent shall not be required in the case of an assignment of a Commitment to an Affiliate of a Lender (in either case, whether or not the proposed assignee would otherwise qualify as an Eligible Assignee), and *provided further* that such approval shall not be unreasonably withheld or delayed; and

(iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount, if any, required as set forth in Schedule 8.06 , and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire, and the Administrative Agent shall further deliver such administrative questionnaire to the Borrower.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section , from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement with respect to the interest assigned and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement in addition to any rights and obligations it may theretofore have as a Lender, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.11 , 2.14 , and 8.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section .

(c) Register . The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Advances owing to each Lender pursuant to the terms hereof from time to time (the " Register "). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and the Lenders at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations . Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or the Parent, the Borrower or any of the Parent's Affiliates or Subsidiaries) (each, a " Participant ") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances (including such Lender's participations in Swing Line Loans) owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 8.01 that affects such Participant. Subject to subsection (e) of this Section , the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.11 , 2.14 and 8.04 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section . To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.05 as though it were a Lender, *provided* such Participant agrees to be subject to Section 2.15 as though it were a Lender.

(e) Limitation upon Participant Rights . A Participant shall not be entitled to receive any greater payment under Section 2.11 or 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.14 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.14 as though it were a Lender.

(f) Certain Pledges . Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note(s), if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender

from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Electronic Execution of Assignments . The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(h) Resignation as Swing Line Lender after Assignment . Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Advances pursuant to subsection (b) above, Bank of America may, upon 30 days' notice to the Borrower and the Lenders, resign as Swing Line Lender. In the event of any such resignation, the Borrower shall be entitled to appoint from among the Lenders a successor Swing Line Lender hereunder; *provided, however* , that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as Swing Line Lender. If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Advances or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.03(c) . Upon the appointment of a successor and acceptance of such appointment by the Swing Line Lender, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swing Line Lender, as the case may be.

Section 8.07 Treatment of Certain Information; Confidentiality . Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section , to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Parent or the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section actually known to or caused by the disclosing party or (y) becomes available to the

Administrative Agent, any Lender, or any of their respective Affiliates on a nonconfidential basis from a source other than the Parent or the Borrower.

For purposes of this Section , " Information " means all information received from the Parent, the Borrower or any Subsidiary of the Parent relating to the Parent, the Borrower or any such Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Parent, the Borrower or any such Subsidiary, *provided* that, in the case of information received from the Parent, the Borrower or any such Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Parent, the Borrower or a Subsidiary of either thereof, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable law, including Federal and state securities laws with respect to Lenders subject to such laws and only to the extent such laws are applicable to such Lender.

Section 8.08 Governing Law . This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 8.09 Execution in Counterparts . This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 8.10 Survival of Representations and Warranties . All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing or any Advance, and shall continue in full force and effect as long as any Advance or any other Obligation hereunder shall remain unpaid or unsatisfied.

Section 8.11 Replacement of Lenders . (i) If any Lender requests compensation under Section 2.11 , (ii) if the Borrower is required to pay any additional amount to any Lender or any governmental authority for the account of any Lender pursuant to Section 2.14 , (iii) if any Lender is, or within 15 Business Days of such assignment or delegation was, a Defaulting

Lender, (iv) if any Lender is unable to make Eurocurrency Rate Advances pursuant to Section 2.12 , or (v) if any Lender shall fail to provide any consent, or consent to any waiver or amendment, agreed to by the Required Lenders then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 8.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), *provided* that:

(a) the Borrower shall have paid (or cause to be paid) to the Administrative Agent the assignment fee specified in Section 8.06(b) ;

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 8.04(c) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 2.11 or payments required to be made pursuant to Section 2.14 , such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws;

(e) no Default or Event of Default shall have occurred and be continuing; and

(f) such parties to the assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption and the assignee shall deliver to the Administrative Agent an administrative questionnaire.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Section 8.12 Jurisdiction, Etc .

(a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the Notes, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. The Parent and the Borrower each hereby agree that service of process in any such action or proceeding brought in any such New York State court or in such federal court may be made upon the Parent or the Borrower c/o IVZ Inc. at its offices at 1315 Peachtree Street N.E., Suite 500, Atlanta, Georgia 30309, Attention: General Counsel (the " Process Agent "), and hereby further agrees that the failure of the Process Agent to give any

notice of any such service to the Parent or the Borrower, as applicable, shall not impair or affect the validity of such service or of any judgment rendered in any action or proceeding based thereon. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or the Notes in the courts of any jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the Notes in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) To the extent that either the Parent or the Borrower has or hereafter may acquire any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, each of the Parent and the Borrower hereby irrevocably waives such immunity in respect of its obligations under this Agreement and the other Loan Documents.

Section 8.13 Judgment .

(a) Rate of Exchange . If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due hereunder or under the Notes in another currency into Dollars, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Administrative Agent could purchase such other currency with Dollars in New York City, New York, at the close of business on the Business Day immediately preceding the day on which final judgment is given, together with any premiums and costs of exchange payable in connection with such purchase.

(b) Indemnity . The obligation of the Borrower in respect of any sum due from it to the Administrative Agent or any Lender hereunder or under any Note shall, notwithstanding any judgment in a currency other than Dollars, be discharged only to the extent that on the Business Day next succeeding receipt by the Administrative Agent or such Lender of any sum adjudged to be so due in such other currency, the Administrative Agent or such Lender, as the case may be, may, in accordance with normal banking procedures, purchase Dollars with such other currency. If the Dollars so purchased are less than the sum originally due to the Administrative Agent or such Lender in Dollars, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender against such loss, and if the Dollars so purchased exceed the sum originally due to any the Administrative Agent or any Lender in Dollars, the Administrative Agent or such Lender agrees to remit to the Borrower such excess.

Section 8.14 Waiver of Jury Trial . EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION .

Section 8.15 USA PATRIOT Act Notice . Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower and the Parent that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the " Act "), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Act.

Section 8.16 Consent to Reorganization . The Lenders and the Administrative Agent hereby consent to the Reorganization.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

INVESCO PLC

By: _____
Name: _____
Title: _____

INVESCO LTD.

By: _____
Name: _____
Title: _____

ADMINISTRATIVE AGENT :

BANK OF AMERICA, N.A. , as Administrative Agent

By: _____

Name: _____

Title: _____

LENDERS :

$95,000,000.00 **BANK OF AMERICA, N.A.** , as a Lender

By: _____
Name: _____
Title: _____

$95,000,000.00

CITIBANK N.A. , as a Lender

By: _____

Name: _____

Title: _____

$85,000,000.00

HSBC BANK USA,
NATIONAL ASSOCIATION , as a Lender

By: _____
Name: _____
Title: _____

$85,000,000.00

JPMORGAN CHASE BANK, N.A. , as a Lender

By: _____

Name: _____

Title: _____

$85,000,000.00

WACHOVIA BANK, NATIONAL ASSOCIATION , as a Lender

By: _____

Name: _____

Title: _____

$65,000,000.00

DEUTSCHE BANK AG, NEW YORK BRANCH , as a Lender

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

$65,000,000.00

SUNTRUST BANK ATLANTA , as a Lender

By: _____

Name: _____

Title: _____

$55,000,000.00

CIBC INC. , as a Lender

By: _____
Name: _____
Title: _____

$55,000,000.00

ROYAL BANK OF CANADA EUROPE LIMITED, as a Lender

By: _____
Name: _____
Title: _____

$43,000,000.00

THE BANK OF NEW YORK , as a Lender

By: _____

Name: _____

Title: _____

$43,000,000.00

BARCLAYS BANK PLC , as a Lender

By: _____

Name: _____

Title: _____

$43,000,000.00

BNP PARIBAS , as a Lender

By: _____

Name: _____

Title: _____

$43,000,000.00

STATE STREET BANK AND TRUST COMPANY , as a Lender

By: _____

Name: _____

Title: _____

$43,000,000.00

THE TORONTO-DOMINION BANK , as a Lender

By: _____

Name: _____

Title: _____

EXHIBIT 10.2

THIRD AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

among

A I M MANAGEMENT GROUP INC.,
as Seller

A I M DISTRIBUTORS, INC.,
as Distributor

A I M ADVISORS, INC.,
as Advisor

INVESCO FUNDS GROUP, INC.,
as Advisor

CITIBANK, N.A.,
as Purchaser

and

CITICORP NORTH AMERICA, INC.,
as Program Agent

Dated as of August 18, 2003

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THIRD AMENDED AND RESTATED
PURCHASE AND SALE AGREEMENT

THIRD AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT dated as of August 18, 2003 (as amended and supplemented, this "Agreement") among CITIBANK, N.A. (together with its successors and assigns, the "Purchaser"), CITICORP NORTH AMERICA, INC., as agent for the Purchaser (together with its permitted successors and assigns, the "Program Agent"), A I M MANAGEMENT GROUP INC. (together with its permitted successors and assigns, the "Seller"), A I M DISTRIBUTORS, INC. (together with its permitted successors and assigns, the "Distributor"), A I M ADVISORS, INC. ("AAI") and INVESCO FUNDS GROUP, INC. ("IFG").

WITNESSETH

WHEREAS, the Seller, the Distributor, AAI, the Purchaser and the Program Agent are parties to that certain Second Amended and Restated Purchase and Sale Agreement dated as of December 14, 2000 (as amended and supplemented prior to the date hereof, the "Existing AIM Purchase Agreement");

WHEREAS, the Distributor, IFG, the Purchaser and the Program Agent are parties to that certain Purchase and Sale Agreement dated as of December 14, 2000 (as amended and supplemented prior to the date hereof, the "Existing INVESCO Purchase Agreement"); and

WHEREAS, the parties hereto desire to combine, amend and restate the Existing AIM Purchase Agreement and the Existing INVESCO Purchase Agreement as set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions .

Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Definitions List attached hereto as Appendix A.

Section 1.02. Rules of Construction.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires (a) each use in this Agreement of a singular version of a pronoun shall be deemed to include references to the plural, and vice versa, (b) Article and Section headings are for convenience of reference only and shall not affect the construction of this Agreement, and (c) references to "this section" or words of similar import shall be deemed to refer to the entire section and not to a particular subsection, and references to "hereunder",

"herein" or words of similar import shall be deemed to refer to this entire Agreement and not to the particular section or subsection.

ARTICLE II
PURCHASE AND SALE OF RECEIVABLES; ADDITIONAL FUNDS

Section 2.01. Purchase of Receivables.

On each Purchase Date and subject to and upon the terms and conditions set forth in this Agreement, the Seller shall sell, transfer, convey and assign to the Purchaser on and as of such Purchase Date, all of the Seller's right, title and interest in, to and under the Receivables and the Collections and Ancillary Rights in respect thereof relating to the sales of Shares (other than Excluded Shares) of each Fund for the Purchase Period to which such Purchase Date relates, and the Purchaser shall purchase from the Seller such Receivables and Ancillary Rights in respect thereof and Collections for an amount equal to the aggregate Purchase Prices payable in respect of such Receivables. The Purchase Prices to be paid by the Purchaser on each Purchase Date shall be paid in immediately available funds by wire transfer to the Seller's Account. Notwithstanding anything in this Agreement to the contrary, the Purchaser shall not purchase on any Purchase Date and the Seller shall not sell to the Purchaser any Receivables relating to any Excluded Shares.

Section 2.02. Purchase Notices .

With respect to the Receivables to be purchased on any Purchase Date, the Seller shall transmit or shall cause to be transmitted to the Program Agent, not later than 10:00 a.m. (New York City time) on the Business Day which is two Business Days prior to such proposed Purchase Date, a Purchase Notice; provided , however , that no more than two (2) Purchase Dates shall occur in any calendar week. The Seller agrees that it shall deliver from time to time prior to the Termination Date, but no less frequently than once each calendar month, a Purchase Notice, sufficient to initiate the sale of the Receivables for the period from the immediately preceding Sale Cutoff Date to the Sale Cutoff Date specified in such Purchase Notice, which Sale Cutoff Date shall not be more than five (5) Business Days prior to the proposed Purchase Date.

The Seller may, unless otherwise notified to the contrary by the Program Agent, transmit Purchase Notices to the Program Agent by electronic mail (each, an "E-Mail Purchase Notice"); provided , that , (i) each E-Mail Purchase Notice shall be formatted as the Program Agent may designate from time to time, (ii) each E-Mail Purchase Notice shall be sent to the Program Agent at an electronic mail address designated by the Program Agent, and (iii) the executed signature page for each E-Mail Purchase Notice shall be transmitted via facsimile transmission to the Program Agent at the facsimile numbers specified for the Program Agent in Section 9.03. Each E-Mail Purchase Notice shall be deemed given when receipt of such transmission is acknowledged by the Program Agent.

Section 2.03. Additional Funds and Companies .

Unless an Event of Termination (or an event which, with the passage of time or notice, or both, would constitute an Event of Termination) shall have occurred and be continuing, the Seller may request that on the applicable Addition Effective Date an Additional

Eligible Fund become a "Fund" under this Agreement and if such Additional Eligible Fund is not a series of an existing "Company" under this Agreement the Seller may request that the investment company of which such Additional Fund is a series becomes a "Company" under this Agreement; provided , that such additional investment company (the "Additional Company") is registered with the SEC under the Investment Company Act. On and as of such Addition Effective Date, (i) each Additional Eligible Fund and Additional Company shall become a Fund and a Company, respectively, hereunder, (ii) the Servicing Agreement shall be deemed to be supplemented to reflect such addition, (iii) Schedules II and IV hereto shall be deemed to be supplemented to add the applicable information relating to such Fund set forth in the Additional Eligible Fund Addendum relating to such Additional Eligible Fund and (iv) any reference in this Agreement to any change or modification since the date of this Agreement to the underwriting agreement, distribution plan, advisory agreement, prospectus, the fundamental investment objectives or contingent deferred sales charge arrangement in respect of such Additional Eligible Fund shall be deemed to refer to any change or modification thereof since such Addition Effective Date.

The term "Addition Effective Date" shall mean with respect to any Additional Eligible Fund, the first date on which all of the following conditions shall have been satisfied:

(i) the Program Agent shall have received a fully executed Additional Eligible Fund Addendum, together with such signed opinions of counsel to the applicable Company, the Distributor, the applicable Advisor and the Seller, each dated a date reasonably near the Addition Effective Date, as the Program Agent shall have reasonably requested, all in form, scope and substance reasonably satisfactory to the Program Agent; provided , however , that neither the Seller nor the Distributor will be required to deliver a True Sale opinion in connection with such addition;

(ii) the Program Agent shall have received such instruments, certificates and documents regarding the addition of such Additional Eligible Fund from the Distributor, the Seller, the applicable Advisor and the applicable Company, as the Program Agent shall have reasonably requested; provided , however , that an officer's certificate in the form of Exhibits B-1 and B-2 shall not be required;

(iii) the Program Agent and the Seller shall have agreed in writing to any change in the Purchase Price Percentage applicable to the Receivables relating to such Fund; and

(iv) the Program Agent shall have received evidence satisfactory to it that (a) the conditions in respect of such Additional Eligible Fund set forth in Section 3.01 of this Agreement immediately after the Addition Effective Date shall be satisfied, and (b) that on such Addition Effective Date the Receivables relating to such Additional Eligible Fund shall constitute Eligible Receivables.

ARTICLE III
CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to Effectiveness .

The effectiveness of each of the Existing Purchase Agreements was subject to the fulfillment of the following conditions precedent:

(a) such Existing Purchase Agreement, the Servicing Agreement, the Collection Agency Agreement, the Irrevocable Payment Instructions, the Underwriting Agreement and the Transfer Agreement (as such terms are defined in such Existing Purchase Agreement) shall each have been duly executed by the parties thereto and shall each be in full force and effect, and the Program Agent shall have received fully executed copies thereof;

(b) the Program Agent shall have received fully executed copies of each Underwriting Agreement, Distribution Plan, Prospectus and Advisory Agreement relating to each Fund which shall be in full force and effect and shall be in form and substance reasonably satisfactory to the Program Agent;

(c) the Program Agent shall have received such opinions of counsel as it shall have reasonably requested in form, scope and substance reasonably satisfactory to the Program Agent;

(d) the Program Agent shall have received a signed certificate of the President or a Vice President and a Secretary or Assistant Secretary of the Distributor (as defined in such Existing Purchase Agreement), the Seller (as defined in such Existing Purchase Agreement)and the applicable Advisor, substantially in the form of Exhibits B-1, B-2 and B-3 hereto, respectively;

(e) the Program Agent shall have received time stamped receipt copies of proper financing statements duly filed under the UCC of all jurisdictions that the Program Agent may reasonably deem necessary or desirable in order to perfect the ownership interest of the Seller in the Receivables (as defined in such Existing Purchase Agreement) sold pursuant to the Transfer Agreement and to perfect the ownership interest of the Purchaser in the Purchased Receivables (as defined in such Existing Purchase Agreement) relating to each Fund, as contemplated by such Existing Purchase Agreement, and the Collections in respect thereto, each of which shall be in form, scope and substance satisfactory to the Program Agent as of the date given;

(f) the Program Agent shall have received certified copies of requests for information (Form UCC-11) (or a similar search report certified by a party acceptable to the Program Agent), dated reasonably near the initial Purchase Date under such Existing Purchase Agreement, listing all effective financing statements which name the Distributor or the Seller (under their present names or any previous names), as debtor and which are filed in the jurisdictions in which filings were required to be made pursuant to Section 3.01(e) of such Existing Purchase Agreement, together with copies of such financing statements (none of which, shall indicate any Adverse Claim on any Receivables); and

(g) the Board of Trustees of each Company shall have approved the Distribution Plan and Underwriting Agreement relating to each Fund related to such Company by a vote of the majority of its Trustees who are not interested persons, within the meaning of the Investment Company Act, in recognition of the transactions contemplated by the Facility Documents by resolution acceptable as of the date given to the Program Agent.

Section 3.02. Conditions Precedent to the Purchaser's Obligation to Purchase Receivables .

The obligation of the Purchaser to purchase Receivables relating to a Fund on any Purchase Date shall be subject to the fulfillment at or prior to the time of such Purchase Date of the following conditions:

(a) no Event of Termination (or event which, with the passage of time or notice, or both, would constitute an Event of Termination) shall have occurred and be continuing at or prior to such Purchase Date or shall result therefrom and there shall not be continuing any proceeding of the type referred to in Section 6.01(f);

(b) the Seller (as Servicer or otherwise) shall have delivered to the Program Agent all Purchaser Reports, Transfer Agent Reports and Sub-transfer Agent Reports as and when required to have been delivered pursuant to this Agreement and the Servicing Agreement, which shall be in form and substance reasonably satisfactory to the Purchaser and the Program Agent;

(c) the Receivables relating to such Fund to be purchased on the applicable Purchase Date shall constitute Eligible Receivables;

(d) each of the Facility Documents shall be in full force and effect;

(e) as of the Calculation Date relating to the calendar month immediately preceding the Purchase Date upon which such Receivables are to be sold, the Weighted Average Percentage Decline in the Net Asset Value of Shares of all Funds (adjusted for stock splits and excluding declines in the Net Asset Value resulting from the payment of Normal Distributions) from the end of the immediately preceding calendar month shall not be twenty-five percent (25%) or more, unless the aggregate Net Asset Value of Shares of the Funds relating to Purchased Receivables shall thereafter rise to a level of at least seventy-six percent (76%) of the aggregate Net Asset Value of Shares of the Funds as of the Calculation Date immediately preceding the Calculation Date that the condition specified in this clause (e) was not satisfied and was not subsequently complied with; provided , that , for the avoidance of doubt, this condition shall be satisfied with respect to any Purchase Date that does not occur on a Calculation Date if it was satisfied as of the Calculation Date immediately preceding such Purchase Date.

(f) such Fund or the Company in respect of such Fund shall not be prevented by any Authority or by any Applicable Law from paying Collections or Related Collections relating to such Fund to the Demand Deposit Account for further credit to the Collection Account in accordance with the applicable Irrevocable Payment Instruction and neither such Fund nor the Company in respect of such Fund shall have so asserted in writing;

(g) the Purchaser and the Program Agent shall have received from the Distributor, the Advisors and the Seller such instruments and documents as the Purchaser and the Program Agent may have reasonably requested in connection with the Receivables relating to such Fund and any Purchase Price payable on any such Purchase Date;

(h) immediately after giving effect to all such purchases on such Purchase Date, the aggregate Unamortized Aggregate Purchase Price relating to the Purchased Receivables of all Funds shall not exceed the Purchase Limit;

(i) such Fund or the Company relating to such Fund shall not be subject to any of the events described in clauses (g), (q) or (r) of Section 6.01; and

(j) such Fund (and in the case of any Fund which constitutes a Portfolio, the related Company in respect of such Fund) shall not have proposed or effected a merger, consolidation or other combination with or sale of its assets other than a Permitted Merger or proposed or effected any Liquidation Plan.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties of the Seller, the Distributor and each Advisor .

The Seller, the Distributor and each Advisor (provided that for purposes of the representations and warranties to be made by an Advisor under this Section 4.01, each reference to Funds, Receivables or Purchased Receivables shall be deemed to refer only to the Funds in respect of which such Advisor acts as investment advisor and to the Receivables and Purchased Receivables relating to such Funds) represents and warrants to the Purchaser and the Program Agent, as to itself, on and as of the date hereof and on and as of each Purchase Date, as follows:

(a) it is duly organized and is validly existing and in good standing under the laws of the jurisdiction of its incorporation, with full corporate power and authority to own and operate its property, conduct the business in which it is now engaged and to execute and deliver and perform its obligations under this Agreement and the other Facility Documents to which it is a party;

(b) it is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the nature of its business or the performance of its obligations under this Agreement and the other Program Documents to which it is a party requires such qualification, where the failure to be so qualified could give rise to a reasonable possibility of an Adverse Effect;

(c) the execution, delivery and performance by it of this Agreement, the other Facility Documents to which it is a party and the other instruments and agreements contemplated hereby or thereby have been duly authorized by all requisite corporate action and have been duly executed and delivered by it and constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, except as such enforceability may be limited

by applicable bankruptcy laws and any other similar laws affecting the rights and remedies of creditors generally and by equitable principles;

(d) (i) it has the requisite corporate power and authority and legal right to execute and deliver this Agreement and the other Facility Documents to which it is a party and to perform its obligations hereunder and thereunder, and (ii) the Distributor and the Seller have the requisite corporate power and authority and legal right to from time to time, sell Receivables (and in the case of the Seller, the Ancillary Rights with respect thereto) relating to each Fund, and the Collections with respect thereto in accordance with the terms of the Facility Documents and it has duly authorized each such sale by all necessary action;

(e) neither the execution and delivery of this Agreement, the other Program Documents to which it is a party, or any instrument or agreement referred to herein or therein, or contemplated hereby or thereby, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms, conditions and provisions hereof or thereof by it (i) will conflict with, or result in a breach or violation of, or constitute a default under, its certificate of incorporation or by-laws, (ii) will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of the giving of notice or the passage of time (or both) would constitute such a conflict with, breach or violation of, or default under, or permit any such acceleration in, any contractual obligation or any agreement or document to which it is a party or by which it or any of its properties is bound (or to which any such obligation, agreement or document relates, or under any Underwriting Agreement, any Advisory Agreement or any Distribution Plan) where such conflict, breach or violation could give rise to a reasonable possibility of an Adverse Effect, (iii) will violate any Applicable Law, the violation of which could give rise to a reasonable possibility of an Adverse Effect, (iv) could give rise to or permit the creation or imposition of any Adverse Claim upon any Receivables or any Collections or any Related Collections relating to any Fund, or (v) could, in and of themselves, give rise to the termination of any Underwriting Agreement, any Advisory Agreement or any Distribution Plan;

(f) it has obtained all Governmental Authorizations and Private Authorizations, and made all Governmental Filings necessary for the execution, delivery and performance by it of this Agreement, the other Program Documents to which it is party and the agreements and instruments contemplated hereby or thereby and no consents which have not been obtained or waivers under any instruments to which it is a party or by which it or any of its properties is bound are required to be obtained or made by it in connection with the execution, delivery or performance of this Agreement and the other Program Documents, except to the extent the failure to so obtain or make the same could not give rise to a reasonable possibility of an Adverse Effect;

(g) it is not in default in any of its obligations under this Agreement or any other Program Document to which it is a party which default could give rise to a reasonable possibility of an Adverse Effect;

(h) there are no proceedings or investigations pending, or, to the best of its knowledge, threatened, against it before any Authority (i) asserting the invalidity of this Agreement, any other Facility Document to which it is a party or any certificate, document or

agreement executed by it in connection herewith or therewith, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Facility Document, or (iii) seeking any determination or ruling which, if granted, could adversely affect the performance by it of its obligations under, or the validity or enforceability of, this Agreement, any other Facility Document to which it is a party or any agreement, certificate or document executed by it in connection herewith or therewith, which in each case, could reasonably be expected to give rise to an Adverse Effect;

(i) it is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act;

(j) it is not engaged principally or as one of its important activities in the business of extending, or arranging for the extension of, credit for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System and no part of the proceeds of the purchase price paid to it for Receivables under any Facility Document will be used to purchase or carry any margin stock within the meaning of said regulation or to extend credit to others for such purpose;

(k) (i) all information (including, without limitation, the Purchaser Reports, the Transfer Agent Reports, the Sub-transfer Agent Reports and the E-Mail Reports) provided by it or any of its Affiliates, any Transfer Agent, any Sub-transfer Agent (other than information prepared by an Unaffiliated Agent) or by any of their respective agents, auditors, legal counsel or other representatives or any other Person at the request of any of the foregoing to the Purchaser, the Program Agent or any other Person in writing for purposes of or in connection with this Agreement, the other Facility Documents to which it or any of its Affiliates is a party or the transactions contemplated hereby or thereby (including without limitation each Purchaser Report, each Transfer Agent Report and each Sub-transfer Agent Report (other than a Transfer Agent Report or Sub-transfer Agent Report prepared by an Unaffiliated Agent)) is, and all such information hereafter provided by any such Person to the Purchaser, the Program Agent or any other Person in writing will be true, correct and complete in all material respects on the date such information is stated or certified and no such information contains, or will contain, any material misrepresentation or any omission to state therein matters necessary to make the statements made therein not misleading in any material respect, and (ii) to the best of its knowledge, all information (including, without limitation, the Transfer Agent Reports and the Sub-transfer Agent Reports) prepared or provided by or on behalf of any Unaffiliated Agent, to the Purchaser or the Program Agent in writing for purposes of or in connection with this Agreement, the other Facility Documents or the transactions contemplated hereby or thereby is, and all such information hereafter provided by any such Unaffiliated Agent to the Purchaser, the Program Agent or any other Person in writing will be true, correct and complete in all material respects on the date such information is stated or certified and, to the best of its knowledge, no such information contains, or will contain, any material misrepresentation or any omission to state therein matters necessary to make the statements made therein not misleading in any material respect;

(l) neither the Transfer Agent, any Company nor any Fund is prevented by any Applicable Law from paying the Collections or Related Collections directly to the Demand

Deposit Account for further credit to the Collection Account in accordance with the applicable Irrevocable Payment Instruction;

(m) the Purchased Receivables relating to each Fund constitute Eligible Receivables;

(n) no Share of a Fund to which a Purchased Receivable relates contains any Conversion Feature other than a Permitted Conversion Feature;

(o) no Share of a Fund (including, without limitation, a Share of a Fund resulting from one or more Permitted Free Exchanges) taken into account in computing the Purchase Price paid pursuant to this Agreement entitles the holder thereof to redeem the same in a Free Redemption except in the specific situations set forth in the Prospectus of such Fund as in effect on the date hereof;

(p) each of the Companies and each Advisor has complied with the Fundamental Investment Objectives relating to each Fund and such Fundamental Investment Objectives for each such Fund have not changed from those set forth in Schedule IV to the Purchase Agreement, except as shall have been consented to in writing by the Program Agent;

(q) it, each Company, each Fund, the Advisory Agreements, the Underwriting Agreements, the Prospectus of each Fund, the Distribution Plans and the CDSC arrangements, in each case relating to Shares of each Fund, are in compliance in all material respects with Applicable Law, including, without limitation, Rule 12b-1 of the Investment Company Act and the Conduct Rules;

(r) the Asset Based Sales Charge and CDSC arrangement relating to the Shares of each Fund and the payments provided for in, and actually being made pursuant to, the Distribution Plan and the Prospectus for each such Fund are fairly and accurately described in the Distribution Plan and Prospectus relating to each such Fund; and

(s) a true, correct and complete copy of each Underwriting Agreement, each Distribution Plan, each Advisory Agreement and each Prospectus in effect on the date of this Agreement has been delivered to the Program Agent on or before the date hereof, such Underwriting Agreements, Distribution Plans and Advisory Agreements are each in full force and effect and have not been amended or modified in any manner after the date hereof, except for such amendments or modifications to the Prospectuses which do not affect any Fundamental Investment Objectives set forth in Schedule IV hereto or any CDSC arrangement and which do not otherwise give rise to a reasonable possibility of an Adverse Effect, unless the same is consented to in writing by the Program Agent and such consent specifies the Fundamental Investment Objectives relating to each affected Fund and amends Schedule IV in order to accurately and completely reflect the fundamental investment objectives of each such affected Fund set forth in the then current Prospectus of such Funds.

Section 4.02. Additional Representations and Warranties of the Seller .

The Seller represents and warrants to the Purchaser and the Program Agent on and as of the date hereof and on and as of each Purchase Date as follows:

(a) each transfer of Receivables and the Ancillary Rights with respect thereto to the Purchaser under this Agreement constitutes a valid and complete True Sale to the Purchaser of all right, title and interest in and to such Purchased Receivables, the Ancillary Rights with respect thereto and the Collections in respect thereto, free and clear of any Adverse Claim; such transfer has not been made with an intent to hinder, delay or defraud any present or future creditor; the Purchase Price for such Purchased Receivables and the Ancillary Rights with respect thereto is fair consideration and of reasonably equivalent value to the Purchased Receivables; and immediately after each purchase pursuant to this Agreement the Seller will remain solvent and will have adequate capital for the conduct of its business;

(b) immediately after each purchase of Receivables by the Seller under the Transfer Agreement and immediately prior to each purchase of Receivables and the Ancillary Rights with respect thereto by the Purchaser hereunder, (i) no party claiming through the Distributor or the Seller has any right, title or interest in such Receivables, the Ancillary Rights with respect thereto or the Collections in respect thereto, including any payments or Proceeds in respect thereto, (ii) the Seller owns such Receivables, the Ancillary Rights with respect thereto and the Collections in respect thereto free and clear of all Adverse Claims or other such restrictions on transfer created by or arising out of the acts or omissions of the Seller, the Distributor, the Transfer Agent or any Selling Agent or any of its Affiliates, and (iii) such Receivables, the Ancillary Rights with respect thereto and the right to Collections in respect thereto have not been sold, transferred or assigned by the Seller to any other Person;

(c) all action necessary or advisable to protect, preserve and perfect the Purchaser's first priority ownership interest in the Purchased Receivables, the Ancillary Rights in respect thereto and the Collections in respect thereto, free and clear of all Adverse Claims has been duly and effectively taken and no security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of such Purchased Receivables or Ancillary Rights in respect thereto is required to be on file or on record in any jurisdiction, except such as may have been filed, recorded or made as contemplated by this Agreement and the other Facility Documents;

(d) the Seller's jurisdiction of incorporation is the State of Delaware and the Seller's principal place of business and principal executive office is 11 Greenway Plaza, Suite 100, Houston, Texas 77046, or such other address as the Seller shall designate upon prior written notice to the Program Agent, and the places where its records concerning the Purchased Receivables are kept are at the addresses specified on Schedule VII hereto or such other location as the Seller shall designate upon prior written notice to the Program Agent;

(e) this Agreement and the actions of the Seller required to be taken pursuant to the terms hereof are and at all times shall be effective to transfer to the Purchaser all of the Seller's right, title and interest in, to and under the Purchased Receivables and the Ancillary Rights with respect thereto free and clear of any Adverse Claim; and

(f) the Seller owns all of the outstanding capital stock of the Distributor.

Section 4.03. Additional Representations and Warranties of the Distributor.

The Distributor represents and warrants to each of the Purchaser and the Program Agent on and as of the date hereof and on and as of each Purchase Date, as follows:

(a) each transfer of Receivables to the Seller under the Transfer Agreement constitutes a valid and complete True Sale to the Seller of all right, title and interest of the Distributor in and to such Receivables and the Collections in respect thereto, free and clear of all Adverse Claims; such transfer has not been made with an intent to hinder, delay or defraud any present or future creditor; the purchase price for such Receivables is fair consideration and of reasonably equivalent value to the Receivables; and immediately after each purchase pursuant to the Transfer Agreement the Distributor will remain solvent and will have adequate capital for the conduct of its business;

(b) immediately prior to each purchase of Receivables by the Seller under the Transfer Agreement, (i) no party claiming through the Distributor has any right, title or interest in such Receivables or the Collections in respect thereto, including any payments or Proceeds in respect thereto, (ii) the Distributor owns such Receivables and the Collections in respect thereto free and clear of all Adverse Claims or other restrictions on transfer, and (iii) such Receivables and the right to Collections in respect thereto have not been sold, transferred or assigned by the Distributor to any other Person;

(c) all action necessary or advisable to protect, preserve and perfect the Seller's first priority ownership interest in the Purchased Receivables and the Collections in respect thereto, free and clear of all Adverse Claims has been duly and effectively taken and no security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of such Receivables is required to be on file or on record in any jurisdiction, except as have been filed or recorded;

(d) the Distributor's jurisdiction of incorporation is the State of Delaware and the Distributor's principal place of business and principal executive office is 11 Greenway Plaza, Suite 100, Houston, Texas 77046, or such other address as the Seller shall designate upon prior written notice to the Program Agent, and the places where its records, if any, concerning the Purchased Receivables are kept are at the addresses specified on Schedule VII hereto or such other location as the Distributor shall designate upon prior written notice to the Program Agent;

(e) the Transfer Agreement and the actions of the Distributor required to be taken pursuant to the terms thereof are and at all times shall be effective to transfer to the Seller all of the Distributor's right, title and interest in the Purchased Receivables free and clear of all Adverse Claims; and

(f) a true and complete copy of the Transfer Agreement has been delivered to the Program Agent and has not been amended in any manner which gives rise to a reasonable possibility of an Adverse Effect.

ARTICLE V
COVENANTS

Section 5.01. Affirmative Covenants of the Seller, the Distributor and each Advisor .

The Seller, the Distributor and each Advisor (provided that an Advisor's obligations under this Section 5.01 in respect of any Fund or in respect of the Receivables or Purchased Receivables relating to any Fund shall be deemed to refer to the Funds for which such Advisor acts as investment advisor and the Receivables and Purchased Receivables relating to such Funds) covenants and agrees that it shall:

(a) and shall cause the Transfer Agent to, and shall use its best efforts to cause each Selling Agent to, (i) duly observe and conform to all requirements of Applicable Law relative to it, the conduct of its business or its properties or assets, (ii) preserve and keep in full force and effect its corporate existence, rights, privileges and franchises, and (iii) obtain, maintain and keep in full force and effect all Governmental Authorizations and Private Authorizations which are necessary or appropriate to properly carry out the transactions contemplated to be performed by it under this Agreement and the other Program Documents, except in such case where the failure to so observe, conform to, preserve, obtain, maintain or keep in full force and effect could not give rise to a reasonable possibility of an Adverse Effect;

(b) duly fulfill all obligations on its part to be performed under or in connection with this Agreement and the other Facility Documents and the agreements and instruments entered into in connection herewith or therewith and use its best efforts to cause each Company to duly fulfill and perform its obligations under the Facility Documents, the non-performance of which gives rise to a reasonable possibility of an Adverse Effect;

(c) promptly deliver to the Program Agent copies of any amendments or modifications to its certificate of incorporation or by-laws, certified by one of its authorized officers;

(d) (i) promptly give written notice to the Program Agent of the occurrence of any Event of Termination (or event which, with the passage of time or notice, or both, would constitute an Event of Termination), the failure of any conditions precedent set forth in Section 3.02 to be fully satisfied during the period prior to the Termination Date, or any material breach of any term or condition of any Facility Document, which in each case relates to or is caused by it or any of the Affiliates or the performance of any such Persons under any Facility Document, (ii) give written notice to the Program Agent, promptly after it becomes aware thereof, of any other Event of Termination (or event which with the passage of time, notice or both would constitute such an Event of Termination), or the failure of any other conditions precedent set forth in Section 3.02 or any other material breach of any terms or conditions of any Facility Documents, (iii) promptly give written notice to the Program Agent of any litigation or proceedings with respect to it or any Significant Affiliates of the Seller or affecting it, any Significant Affiliates of the Seller or any of their respective assets or properties, which if adversely determined, could give rise to a reasonable possibility of an Adverse Effect, and (iv) upon request by the Program Agent, provide such other information concerning its and the

Seller's Significant Affiliates' assets, financial condition or operations, as the Program Agent may from time to time reasonably request;

(e) cause to be computed, paid and discharged when due all taxes, assessments and other charges or levies of any Authority imposed upon it, or upon any of its income or assets, prior to the day on which any lien could be imposed in respect thereof unless and to the extent that the same shall be contested in good faith by appropriate proceedings and could not give rise to a reasonable possibility of an Adverse Effect;

(f) to the extent obtained or received by it, furnish or cause to be furnished to the Program Agent a copy of all Private Authorizations and all Governmental Authorizations obtained or made or required to be obtained or made by it in connection with the transactions contemplated by this Agreement, the Transfer Agreement, the Servicing Agreement and any other Facility Document to which it is a party;

(g) the Distributor and the Seller shall annually or more frequently as the Program Agent may request upon the occurrence of an Event of Termination (or an event which upon the passage of time or notice, or both, would constitute an Event of Termination) and at the sole cost and expense of the Seller (i) cause an independent nationally recognized accounting firm selected by it and reasonably satisfactory to the Program Agent to enter its premises (and each other Person to whom it delegates any of its duties under the Facility Documents) and examine and audit the books, records and accounts relating to the Receivables, the Collections in respect thereto and its or such other Person's performance under the Facility Documents, (ii) permit such accounting firm to discuss its or such other Person's affairs, finances, accounts and performance under the Facility Documents with its or such other Person's officers, partners, employees and accountants, (iii) cause such accounting firm to provide the Purchaser and the Program Agent with a certified report in respect of the foregoing, which shall be in form and scope reasonably satisfactory to the Program Agent and the Purchaser, and (iv) authorize such accounting firm to discuss such affairs, finances, records and accounts with representatives of the Program Agent or the Purchaser and any Permitted Designee; provided , however , that so long as no Event of Termination (or an event which upon the passage of time or notice, or both, would constitute an Event of Termination) shall have occurred or be continuing, such audits shall be limited to one per year and it shall not be obligated to reimburse the Purchaser or the Program Agent for costs or expenses of any single audit which together with the costs and expenses of all other audits of the Distributor or the Seller, as the case may be, under this Section 5.01(g) exceed $7,500 per annum;

(h) permit and cause each Person to which it delegates any of its duties under the Facility Documents to permit the Purchaser, the Program Agent or any Permitted Designee to, upon reasonable advance notice and during normal business hours, visit and inspect its and such Person's books, records and accounts relating to the Receivables, the Collections and Related Collections in respect thereto and its and such other Person's performance under the Facility Documents and to discuss the foregoing with its and such other Person's officers, partners, employees and accountants, all as often as the Purchaser, the Program Agent, any such Permitted Designee may reasonably request, all at the cost and expense of the requesting party; provided , however , that if under the terms of any agreement with any Person to whom it delegates any of its duties hereunder, only the Seller, such Advisor or the Distributor, as the case

may be, is permitted to visit and inspect such Person's books, records and accounts, it shall at the request of the Program Agent or any Permitted Designee, exercise the rights specified in this Section 5.01(h) on behalf of such requesting parties, as frequently as the terms of any such agreement permit, but in no event less frequently than annually; provided , further , however , that so long as no Event of Termination (or event which with the passage of time, notice or both, would constitute an Event of Termination) shall have occurred and be continuing, such inspections by the Purchaser, the Program Agent or any Permitted Designee shall be limited to no more than two per calendar year;

(i) promptly, at its expense, execute and deliver to the Program Agent and the Purchaser such further instruments and documents, and take such further action as the Program Agent or the Purchaser may from time to time reasonably request, in order to further carry out the intent and purpose of this Agreement and the other Facility Documents and to establish and protect the rights, interests and remedies created, or intended to be created, hereby and thereby, including, without limitation, the execution, delivery, recordation and filing of financing statements and continuation statements under the UCC of any applicable jurisdiction;

(j) immediately deliver to the Program Agent copies of all notices, requests, agreements, amendments, supplements, waivers and other documents received or delivered by it under or with respect to any of the Facility Documents or any Selling Agent's Agreement to the extent that such notices, requests, agreements, supplements, waivers and other documents relate to any matter, change, situation, action or occurrence which gives rise to a reasonable possibility of an Adverse Effect;

(k) in the event that, notwithstanding the Irrevocable Payment Instructions it shall receive any Collections or Related Collections from any Company or the Transfer Agent, promptly upon its receipt of any such Collections or Related Collections remit the same to the Demand Deposit Account for further credit to the Collection Account and until such funds are so deposited into the Demand Deposit Account, ensure that such amounts are not commingled with any other funds;

(l) promptly notify the Program Agent and the Purchaser of any material adverse change with respect to its or any of the Seller's Significant Affiliates' business, properties (in respect of properties, other than in the ordinary course of business, as conducted on September 30, 2000), condition (financial or otherwise), results of operation or prospects since September 30, 2000;

(m) promptly furnish to the Program Agent such other information as the Program Agent or the Purchaser may reasonably request;

(n) subject to its fiduciary obligations, if any, to the Funds and by a change in applicable law after the date of this Agreement, use its best efforts to discourage any change in the Fundamental Investment Objectives in respect of any Fund as set forth in Schedule IV hereto, and, in the event it is unable to use its best efforts as a consequence of its fiduciary obligations to the Funds or by any such applicable law, it shall, prior to taking any action inconsistent with such best efforts, or failing to take the action it could otherwise take: (i) notify the Purchaser and the Program Agent, in writing of the nature of such change, (ii) provide certification by one of its

responsible officers that such change is necessary in order to comply with such fiduciary obligations or by such a change in applicable law, and (iii) unless waived by the Program Agent, enter into such undertakings as the Program Agent shall request, in form, scope and substance satisfactory to the Program Agent whereby it will hold the Program Agent and the Purchaser harmless from any and all losses, costs, expenses and damages sustained as a consequence of any such change in Fundamental Investment Objectives, except to the extent (A) such change is required solely by a change in law applicable to such Fund, or (B) to the extent the Purchaser or the Program Agent, as the case may be, is indemnified for such loss pursuant to any other provision of the Facility Documents; provided , that notwithstanding the foregoing, changes in such Fundamental Investment Objectives in respect of any Fund as set forth in Schedule IV hereto may be made with the prior written consent of the Program Agent;

(o) use its best efforts to cause each Company to comply with all Applicable Law;

(p) subject to its fiduciary obligations, if any, to the Funds, use its best efforts to obtain the approval of the Board of Trustees of each Company in respect of Shares of each Fund to: (a) annually re-approve the Distribution Plan and the Underwriting Agreement relating to each Fund (if necessary in order to continue payments in respect of the Purchased Receivables relating to each such Fund) and its practices with respect thereto by each Company as of the date of this Agreement, and (b) in the event any of the foregoing shall be terminated with respect to any such Fund, to approve a new distribution plan and distribution agreement between the Distributor and each Company in respect of such Fund so as to permit the continued payments in respect of the Purchased Receivables relating to such Fund as though no such termination had occurred and in the event that it is unable to use its best efforts as a consequence of such fiduciary obligations to the Funds, it shall, prior to taking any action inconsistent with such best efforts, or failing to take any action it could otherwise take: (i) notify the Purchaser and the Program Agent in writing of the nature of such failure to use its best efforts, and (ii) provide certification by a responsible officer of the Seller that such failure to use its best efforts is required in order to comply with such fiduciary obligations;

(q) provide prompt written notice to the Program Agent of any action by its Board of Trustees, or officers or the Board of Trustees of any Company, to make or propose any modification, amendment or supplement to, or any waiver of any provisions of, or any termination of, any Distribution Plan, any Advisory Agreement, any CDSC arrangement, any Underwriting Agreement, any Prospectus (other than modifications to the Prospectuses which neither affect the CDSC arrangement, the Fundamental Investment Objectives as reflected in Schedule IV hereto or otherwise give rise to a reasonable possibility of an Adverse Effect) or the Fundamental Investment Objectives of any Company with respect thereto, each as in effect on the date of this Agreement (or as hereafter modified, amended, waived or supplemented with the written consent of the Program Agent), or any modification, amendment, supplement or waiver in the amounts payable or actually being paid thereunder in respect of the Receivables, each as in effect on the date of this Agreement, or if a new distribution plan, advisory agreement, contingent deferred sales charge arrangement, prospectus or underwriting agreement is proposed to be approved and entered into, provide the Program Agent with copies of any such proposed modification, amendment, supplement or waiver, as adopted, and a newly adopted distribution plan, contingent deferred sales charge arrangement, advisory agreement or underwriting

agreement promptly after such proposal, modification, amendment, supplement, waiver or adoption has been made;

(r) use its best efforts to keep each Irrevocable Payment Instruction in full force and effect;

(s) take all action necessary to protect and perfect the Purchaser's first priority ownership interest in the Purchased Receivables and the Collections in respect thereof, free and clear of all Adverse Claims;

(t) (i) cause or ensure that all information (other than information prepared by an Unaffiliated Agent) provided in writing to the Purchaser, the Program Agent or any other Person for purposes of or in connection with this Agreement or any other Facility Document or the transactions contemplated hereby or thereby by it, any of its Affiliates, the Transfer Agent, each Sub-transfer Agent, each of its agents, representatives, officers, employees, auditors or counsel (or any other Person at its request, its agents, representatives, officers, employees, auditors or counsel) is, and all such information hereafter provided in writing by any such Person to the Purchaser, the Program Agent or any other Person to be true, correct and complete in all material respects on the date such information is stated or certified and ensure that no information contains, or will contain, any material misrepresentation or any omission to state therein matters necessary to make the statements made therein not misleading in any material respect, and (ii) use its best efforts to cause or ensure that all information provided in writing to the Purchaser, the Program Agent for purposes of or in connection with this Agreement or any other Facility Document or the transactions contemplated hereby or thereby which is prepared by each Unaffiliated Agent is, and all such information hereafter provided in writing to the Purchaser, the Program Agent or any other Person will be true, correct and complete in all material respects on the date such information is stated or certified and use its best efforts to ensure that no such information contains, or will contain, any material misrepresentation or any omission to state therein matters necessary to make the statements made therein not misleading in any material respect;

(u) in respect of each Advisor, manage each Fund for which it acts as investment advisor in accordance with the fundamental investment objectives and policies in respect of such Fund as reflected in the most current Prospectus for each Fund; and

(v) cause and ensure that all actions, which the opinion of Ballard Spahr Andrews & Ingersoll, LLP dated on or about the date hereof on certain bankruptcy matters including "true sale" assumes will be taken or not taken by it, will be taken or not taken by it.

Section 5.02. Negative Covenants of the Seller, the Distributor and each Advisor.

The Seller, the Distributor and each Advisor covenants and agrees that it shall not:

(a) permit to exist any Adverse Claims on, or otherwise attempt to transfer any interest in, any Receivables, any Ancillary Rights in respect thereto, the Collections or Related Collections or the Seller's Class A and C CDSC Portion or any interest in any of the foregoing; provided , however , that in the event that the Purchaser shall determine not to purchase certain Receivables relating to Shares of any Fund or the Seller determines to sell or pledge the

Seller's Class A and C CDSC Portion, the Seller may transfer all or a portion of its interest in such Receivables and the Ancillary Rights with respect thereto to another Person provided each of the following conditions are met: (1) that such Person, the Program Agent and the Purchaser shall have entered into a mutually satisfactory intercreditor agreement and amendment to the Collection Agency Agreement as contemplated by Section 15(a) thereof, and (2) the Program Agent shall have received such certificates and opinions as it may reasonably request in connection therewith all in form, scope and substance reasonably satisfactory to the Program Agent;

(b) in respect of the Seller and the Distributor, change its jurisdiction of incorporation from the jurisdiction specified in Section 4.02(d) or 4.03(d), as applicable, or move its principal executive office or the place where it keeps its records concerning the Purchased Receivables from the offices specified in Sections 4.02(d) or 4.03(d) or Schedule VII, as applicable, unless (a) it shall have given to the Program Agent and the Purchaser not less than twenty (20) days prior written notice of its intention to do so, clearly describing the new jurisdiction or new location and (b) it shall have taken such action, satisfactory to the Program Agent and the Purchaser, to maintain the title or ownership of the Purchaser in the Purchased Receivables and the Ancillary Rights with respect thereto at all times fully perfected and in full force and effect;

(c) without the prior written consent of the Program Agent, amend, waive, terminate or otherwise modify the terms of any Irrevocable Payment Instruction or the Transfer Agreement or take any action inconsistent with any Irrevocable Payment Instruction or the Transfer Agreement; provided , that it may, without the consent of the Program Agent (but with prompt written notice to the Program Agent), amend Schedule I to the Irrevocable Payment Instruction solely to add an Additional Eligible Fund to such Schedule in accordance with Section 2.03;

(d) until the Program Termination Date, change its operations in a manner which could give rise to a reasonable possibility of an Adverse Effect, without the prior written consent of the Program Agent;

(e) reflect the Purchased Receivables or Collections in respect thereto as being owned by it or any of its Affiliates;

(f) upon the occurrence of a Complete Termination (as defined in the Distribution Plan in effect on the date hereof) in respect of Shares of any Fund, directly or indirectly compensate the Distributor or any other Person for any services for which the Service Fee for such terminated Fund were intended to compensate the Distributor;

(g) (i) cancel, terminate, amend, modify, supplement or waive any term or condition of any Underwriting Agreement, any Distribution Plan, any Advisory Agreement, any Fundamental Investment Objectives, or the CDSC obligations of any holders of Shares of any Fund, each as in effect on the date hereof (or as hereafter modified, amended or supplemented with the written consent of the Program Agent) (other than to permit Free Redemptions as contemplated by the Prospectus of such Fund in effect on the date hereof (or as hereafter modified, amended or supplemented with the written consent of the Program Agent)), except

with the prior written consent of the Program Agent; provided , that with respect to the Advisory Agreements, the consent of the Program Agent shall only be required in connection with any such amendment, modification or waiver to the extent the same gives rise to a reasonable possibility of an Adverse Effect, (ii) take any action designed to permit any Company to do so, (iii) undertake any actions that are inconsistent with a program to maintain each Distribution Plan, each CDSC arrangement, any Irrevocable Payment Instruction, each Underwriting Agreement and the practices of any Company in respect thereof, each as in effect on the date hereof (or as hereafter modified, amended or supplemented with the written consent of the Program Agent) in full force and effect as they exist on the date of this Agreement and to maintain good relations with each Company and the Board of Trustees of each Company, or (iv) without limiting the generality of the foregoing, take any action or omit to take any action (other than redemptions of Shares in the ordinary course of business as contemplated by the Prospectus for each Fund in effect on the date of this Agreement) that could with respect to clauses (i), (ii), (iii) or (iv) of this Section 5.02(g), result in either (A) the aggregate Sales Charge paid or payable by any Company in respect of the sales of Shares of any Fund being less than the Maximum Aggregate Sales Charge Allowable (including interest thereon at the Maximum Interest Allowable) which, as of the last date upon which Receivables are purchased by the Purchaser under the Purchase Agreement, is equal to not less than the sum of 6.25% of the total Issue Price of the Shares of such fund sold during such period, plus interest thereon at the prime rate in effect plus one percent (1%) per annum, (B) the amount in clause (A) above accruing less frequently than daily or being payable in installments less frequently than monthly or in amounts which are less on the average than the daily equivalent of .75% per annum of the average daily Net Asset Value, or (C) otherwise could give rise to a reasonable possibility of an Adverse Effect;

(h) except as a result of a Permitted Change in Control, or as specifically consented to in writing by the Program Agent: (i) sell or otherwise dispose of all or a substantial portion of its assets, (ii) consolidate with or merge into any other entity, or (iii) acquire all or substantially all of the assets of another Person, if any such actions gives rise to a reasonable possibility of an Adverse Effect;

(i) permit the record ownership on the records of the Transfer Agent of any Share of any Fund to be in the name of any Sub-transfer Agent's street account, unless (w) such Sub-transfer Agent for such Omnibus Shares has tracking capabilities, procedures and reporting practices sufficient to allocate Collections and Related Collections in respect of such Omnibus Shares as contemplated by the Allocation Procedures, (x) the Program Agent shall have approved in writing the form of the Sub-transfer Agent Report of such Sub-transfer Agent which sets forth the methodology to be used by such Sub-transfer Agent to allocate Shares as contemplated by the Allocation Procedures, (y) if such Sub-transfer Agent is not a Specified Sub-transfer Agent, such Sub-transfer Agent will, no later than the second (2 nd) Business Day following the end of the calendar week in which Shares held in its Omnibus Account are redeemed, remit such CDSCs to the Demand Deposit Account in accordance with the applicable Irrevocable Payment Instruction, and (z) if such Sub-transfer Agent is a Specified Sub-transfer Agent, such Sub-transfer Agent will, no later than the tenth (10 th) Business Day of the calendar month next following the calendar month in which the Shares relating to such CDSCs were redeemed, remit all CDSCs in respect of the Omnibus Shares in its related Omnibus Account to the Demand Deposit Account in accordance with the applicable Irrevocable Payment Instruction;

Section 5.03. Additional Covenants of the Seller.

The Seller covenants and agrees that it shall:

(a) keep proper books of record and account in accordance with its normal business practice in which full and appropriate entries shall be made of all dealings or transactions in relation to its business and activities and shall mark its data processing or other records, if any, so as to clearly indicate that the Purchased Receivables and the Ancillary Rights in respect thereto have been sold to the Purchaser;

(b) furnish to the Program Agent and the Purchaser:

(A) annually within 150 days after the end of each fiscal year: (i) unaudited consolidated financial statements of the Seller and its respective subsidiaries prepared in accordance with GAAP for such fiscal year, (ii) audited consolidated financial statements of AMVESCAP plc and its respective subsidiaries (including the Seller, each Advisor and the Distributor) prepared in accordance with generally accepted accounting principles in the United Kingdom for such fiscal year, and (iii) unaudited balance sheets of each Advisor and the Distributor if not included in clause (i) above, prepared in accordance with GAAP for such fiscal year and, in any event, an unaudited income statement and balance sheet of each Advisor and the Distributor prepared in accordance with GAAP for such year; and

(B) promptly upon preparation, copies of the semi-annual unaudited reports and annual audited reports of each Company;

(c) use the Purchase Prices paid to it on each Purchase Date hereunder solely for the purpose of purchasing Receivables or for reimbursing itself for the purchase price of the Receivables purchased under the Transfer Agreement pursuant to and in accordance with the terms of the Transfer Agreement; provided , that the Seller shall be entitled to retain the profit resulting from any difference between the purchase price paid to the Seller for the Receivables and the purchase price paid by the Seller for the Receivables;

(d) on the second Business Day following remittance to the Collection Account of the Seller's Class A and C CDSC Portion, notify the Collection Agent and the Program Agent in writing of the amount thereof by telefax or electronic mail and instruct the Collection Agent to immediately remit such amount to the Seller's Account;

(e) treat each transfer of Receivables and the Ancillary Rights with respect thereto pursuant to this Agreement as a sale and not as a secured loan on its financial statements, books and records and tax returns, including without limitation its United States federal income tax returns, except to the extent such treatment is prohibited by a change in Applicable Law after the date hereof;

(f) cause each other Person acting on its behalf or as its agent to keep such books, records, accounts and other information, as Persons carrying out similar functions typically maintain, so as to verify and document its compliance with its obligations under the Facility Documents; and

(g) not sell any Receivables to the Purchaser if, as of the Calculation Date relating to the calendar month immediately preceding the Purchase Date upon which such Receivables are to be sold, the Weighted Average Percentage Decline in the Net Asset Value of Shares of all Funds (adjusted for stock splits and excluding declines in the Net Asset Value resulting from the payment of Normal Distributions) from the end of the immediately preceding calendar month shall not be twenty-five percent (25%) or more, unless the aggregate Net Asset Value of Shares of the Funds relating to Purchased Receivables shall thereafter rise to a level of at least seventy-six percent (76%) of the aggregate Net Asset Value of Shares of the Funds as of the Calculation Date immediately preceding the Calculation Date that the condition specified in this clause (g) was not satisfied and was not subsequently complied with.

Section 5.04. Additional Covenants of the Distributor.

The Distributor covenants and agrees that it shall:

(a) use its best efforts to cause each Selling Agent to duly fulfill all obligations on such Selling Agent's part to be performed under or in connection with this Agreement, the Underwriting Agreements, the Distribution Plans and the other Facility Documents, the non-performance of which gives rise to a reasonable possibility of an Adverse Effect;

(b) keep proper books of record and account in accordance with its normal business practice in which full and appropriate entries shall be made of all dealings or transactions in relation to its business and activities and shall mark its data processing or other records, if any, so as to clearly indicate that the Purchased Receivables have been sold to the Seller;

(c) promptly (i) notify the Program Agent in writing of all filings with the SEC, any report on Form N-SAR (or successor form), any registration statement on Form N-1A (or successor form), any prospectus, any statement of additional information or any amendment or supplement to any of the foregoing of each Fund, all proxy statements and all other notices (out of the ordinary course) to shareholders of any Company or any Fund and any other filings (out of the ordinary course) made by any Company in respect of any Fund, and (ii) to the extent the same are not readily obtainable by the Program Agent through the Securities and Exchange Commission's Electronic Data Gathering, Analysis and Retrieval system or other public on-line sources, deliver to the Program Agent copies of such filings and mailings; and

(d) treat each transfer of Receivables pursuant to the Transfer Agreement as a sale and not as a secured loan on its financial statements, books and records and tax returns, including without limitation its United States federal income tax returns, except to the extent such treatment is prohibited by a change in Applicable Law after the date hereof;

(e) ensure that (A) the tracking capabilities of the Distributor, each Company and each Transfer Agent and each Sub-transfer Agent for each Fund are sufficient to: (i) track which Receivables constitute Purchased Receivables and the Shares in respect thereto as contemplated by the Allocation Procedures, and (ii) to allocate Collections and Related Collections in accordance with this Agreement (including the Allocation Procedures) and the Collection Agency Agreement, (B) that all CDSCs are remitted to the Demand Deposit Account in accordance with the Irrevocable Payment Instructions, and (C) the Transfer Agent in respect of each Fund is party to the Irrevocable Payment Instruction with the Company in respect of such Fund;

(f) exercise on behalf of the Purchaser all of the rights under the Underwriting Agreements, the Distribution Plans, each Irrevocable Payment Instruction, the Transfer Agreement and at law or equity to cause each Company and the Transfer Agent to pay to the Demand Deposit Account for further credit to the Collection Account all amounts due from each Company or the holders of the Shares in respect of the Purchased Receivables in accordance with the applicable Irrevocable Payment Instruction; (ii) assist the Servicer in investigating delinquencies in the payment of Collections by any Company and the Transfer Agent; (iii) respond to inquiries of the Purchaser and the Program Agent relating to the Purchased Receivables and each Company's and the Transfer Agent's performance under the Facility Documents; and (iv) assist the Servicer in enforcement of the Purchaser's rights with respect to the Purchased Receivables and the Ancillary Rights with respect thereto;

(g) maintain its net capital at such levels as are required by Applicable Law;

(h) cause each other Person acting on its behalf or as its agent to keep such books, records, accounts and other information, as Persons carrying out similar functions typically maintain, so as to verify and document its compliance with its obligations under the Facility Documents; and

(i) use its best efforts to cause (a) each Sub-transfer Agent (other than a Specified Sub-transfer Agent), no later than the second (2 nd) Business Day following the end of the calendar week in which Shares held in such Sub-transfer Agent's Omnibus Account are redeemed, to remit such CDSCs to the Demand Deposit Account in accordance with the applicable Irrevocable Payment Instruction, and (b) each Specified Sub-transfer Agent, no later than the tenth (10 th) Business Day of the calendar month next following the calendar month in which the Shares relating to such CDSCs were redeemed, to remit all CDSCs in respect of the Omnibus Shares in such Sub-transfer Agent's Omnibus Account to the Demand Deposit Account in accordance with the applicable Irrevocable Payment Instruction.

ARTICLE VI
EVENTS OF TERMINATION

Section 6.01. Events of Termination.

If any of the following events (each an "Event of Termination") shall occur:

(a) the Distributor, the Seller (as Servicer or otherwise), any Advisor, the Transfer Agent, any Sub-transfer Agent or any Company shall fail to make or cause to be made

in the manner and when due any payment or deposit to be made or to be caused to be made by it under this Agreement or any of the other Facility Documents and such failure shall continue for three (3) Business Days; or

(b) the Distributor, the Seller (as Servicer or otherwise), any Advisor, the Transfer Agent or any Sub-transfer Agent shall fail to perform or observe any covenant or agreement on its part to be performed or observed under any Facility Document (other than those described in clause (a) of this Section 6.01) and such failure shall continue for three (3) Business Days; provided , that in respect of any Sub-transfer Agent such failure gives rise to a reasonable possibility of an Adverse Effect; or

(c) (i) any representation or warranty made or deemed made by the Distributor, the Seller (as Servicer or otherwise), any Advisor (or any of their respective officers) under or in connection with any Facility Document shall have been incorrect in any material respect when made or deemed made, or (ii) any Purchaser Report, Transfer Agent Report, Sub-transfer Agent Report (including without limitation any Transfer Agent Report or Sub-transfer Agent Report prepared by any Unaffiliated Agent) or any other statement, certificate or report delivered by or on behalf of the Distributor or the Seller (as Servicer or otherwise) in connection with this Agreement or any other Facility Document, shall have been false, incorrect or misleading in any material respect when delivered; or

(d) the Seller, any Advisor or any of their Significant Affiliates shall fail to pay, any amount in respect of any of its Debt in excess of $10,000,000, when the same becomes due and payable, or there shall occur any default by the Seller, any Advisor or any such Significant Affiliate which results or could result in any of its Debt in excess of $10,000,000 being declared due and payable prior to its stated maturity date or due date; or

(e) (i) the Purchaser shall cease to have a 100% undivided ownership interest in any Purchased Receivable, the Ancillary Rights with respect thereto and the Collections in respect thereto, free and clear of any Adverse Claim, or (ii) any purchase of Receivables and the Collections in respect thereto by the Seller pursuant to the Transfer Agreement or the Purchaser pursuant to this Agreement shall for any reason not constitute a True Sale thereof; or

(f) (i) the Seller, any Advisor or any of their Significant Affiliates shall generally not pay its Debts as such Debts become due, or shall admit in writing its inability to pay its Debts generally, or shall make a general assignment for the benefit of creditors or in the case of the Distributor, the Distributor shall otherwise become “insolvent” within the meaning of SIPA; or (ii) any proceeding shall be instituted by or against the Seller, any Advisor or any such Significant Affiliate seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its Debts under any Law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of fifteen (15) days; or (iii) any of the actions sought in any proceeding described in (ii) above (including an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its

property) shall occur; or (iv) the Seller, any Advisor or any such Significant Affiliate shall take any action to authorize any of the actions set forth above in this Section 6.01(f); or

(g) there shall have occurred any material adverse change in (i) the financial condition of the Seller, the Distributor, any Advisor or each Company since September 30, 2000; or (ii) the Seller's, the Distributor's or each Company's operations as they relate to their respective abilities to perform their obligations under any Facility Document, or which gives rise to a reasonable possibility of an Adverse Effect; or

(h) any Underwriting Agreement, any Advisory Agreement, any Distribution Plan, any Fundamental Investment Objectives, the CDSC arrangements applicable to holders of Shares of any Fund or the terms of any Conversion Feature in respect of any Share of any Fund, each as in effect on the date of this Agreement (or as hereafter modified, amended, waived or supplemented with the written consent of the Program Agent), shall be amended, waived, supplemented or modified, in a manner or by any means (including a change in Applicable Law) which, in the reasonable opinion of the Program Agent, could give rise to a reasonable possibility of an Adverse Effect, including, but not limited to (a) any change which could result in the aggregate Sales Charge paid or payable by the applicable Company in respect of the Shares of such Fund being less than the Maximum Aggregate Sales Charge Allowable as of the date hereof or (b) any change to or modification or waiver of the CDSC arrangements or Conversion Feature arrangements in respect of Shares of such Fund as in effect on the date of this Agreement (or as hereafter modified, amended or supplemented with the written consent of the Program Agent), or (c) any change in the Fundamental Investment Objectives as reflected in Schedule IV hereto in respect of Shares of any Fund; or

(i) any Underwriting Agreement, any Distribution Plan, any Advisory Agreement or any CDSC arrangement applicable to holders of Shares of any Fund, in each case as in effect on the date of this Agreement (or as hereafter modified, amended, waived or supplemented with the written consent of the Program Agent), shall be terminated, no longer enforceable, or be otherwise ineffective, in whole or in part, for any reason, whether voluntarily or involuntarily, including without limitation by any Authority or as a result of any change in Applicable Law, unless (x) in respect of the applicable Fund a replacement Underwriting Agreement, Distribution Plan or Advisory Agreement, as the case may be, has become effective and which has terms, in the reasonable opinion of the Program Agent at least as favorable to the Distributor, the applicable Advisor and the Purchaser, as the Underwriting Agreement, the Distribution Plan or the Advisory Agreement, as the case may be, each as in effect on the date of this Agreement (or as hereafter modified, amended or supplemented with the written consent of the Program Agent), including, without limitation, in respect of the timing and amount payable in respect of the Purchased Receivables relating to such Fund as described in clause (h) above, and (y) no reasonable possibility of an Adverse Effect shall arise as a result thereof; or

(j) except as a result of a Permitted Change in Control, the Seller shall cease to own directly or indirectly a majority of the issued and outstanding stock and a majority of the voting securities of the Distributor; or

(k) the Securities Investor Protection Corporation, established under SIPA, shall have applied for a protective decree against the Distributor and the Distributor shall have failed to obtain a dismissal of such application within thirty (30) days after such application; or

(l) the SEC shall have revoked the broker/dealer registration of the Distributor; or

(m) the Distributor shall have failed to meet the minimum capital requirements prescribed from time to time by Rule 15c3-1 under the Exchange Act and such failure is not cured within thirty (30) days after such failure, it being understood that a determination by a relevant Authority shall not be deemed conclusive evidence of such failure so long as the Distributor is diligently contesting such determination in good faith by appropriate proceedings; or

(n) the SEC or any other Authority shall have modified or terminated or shall propose to modify, revoke, repeal or terminate Rule 12b-1 of the Investment Company Act or the Conduct Rules in a manner which gives rise to a reasonable possibility of an Adverse Effect; or

(o) the Distributor shall cease to be registered as a broker/dealer under the Exchange Act and with the NASD or any Advisor shall cease to be registered as an investment advisor under the Investment Advisers Act; or

(p) any Company, any Transfer Agent or any Sub-transfer Agent shall fail to make or cause to be made in a timely manner any payment or deposit required to be made under any Distribution Plan, Underwriting Agreement or any Irrevocable Payment Instruction, or any Company or the Transfer Agent shall fail to withhold from redemption proceeds paid to any holder of a Share any CDSCs required to be withheld and remit such funds to the Demand Deposit Account for further credit to the Collection Account in accordance with any Irrevocable Payment Instruction and such failure shall continue for three (3) Business Days, or any such Person shall be prevented by any Authority or by any Applicable Law from doing so or any Company, the Transfer Agent or Sub-transfer Agent shall so assert in writing; or

(q) each Company shall be required by any Authority or any Applicable Law to suspend the sale of Shares of any Fund under circumstances that gives rise to a reasonable possibility of an Adverse Effect; or

(r) each Company shall cease to regularly offer Shares of any Fund to the public under circumstances that gives rise to a reasonable possibility of an Adverse Effect; or

(s) except as a result of a Permitted Change in Control, either AAI or IFG, as the case may be (or any successor advisor resulting from a Permitted Change in Control) shall cease to act as the investment advisor of any Fund under the applicable Advisory Agreement; or

(t) except as a result of a Permitted Change in Control or as specifically consented to in writing by the Program Agent, the Seller, any Advisor or the Distributor, as the case may be, shall (i) sell or otherwise dispose of all or a substantial portion of its assets, (ii) consolidate with or merge into any other entity, or (iii) acquire all or substantially all of the

assets of another Person, unless the assets acquired are less than twenty-five percent (25%) of the assets of the Seller, such Advisor or the Distributor, as the case may be;

then in respect of any occurrence of any such event, the Program Agent may in respect of each such occurrence, by notice to the Seller to be given within ninety (90) days of the Program Agent's receipt of notice of occurrence of each such event, declare the Termination Date to have occurred (in which case the Termination Date shall be deemed to have occurred); provided , that, upon the occurrence of any event (without any requirement for the giving of notice) described in subsection (f) or (k) of this Section 6.01, the Termination Date shall be deemed automatically to have occurred. Notwithstanding the foregoing, if an Event of Termination shall have occurred as a result of a breach of Section 4.01(k) or Section 5.01(t) and such breach relates solely to the information prepared by a Sub-transfer Agent that constitutes an Unaffiliated Agent (the "Affected Sub-transfer Agent"), then (i) the Purchaser and the Program Agent, at the request of the Seller, hereby agree to negotiate in good faith to amend this Agreement, the Collection Agency Agreement and the Allocation Procedures to the extent necessary so as to permit the continued purchase of Receivables which do not relate to such Affected Sub-transfer Agent, and (ii) the Program Agent agrees that it shall not declare the Termination Date to have occurred as a result of any such breach if either (A) the amendments referred to in clause (i) above have been agreed upon by the Program Agent and the Seller within thirty (30) days after the Seller has knowledge of any such breach, or (B) the Seller shall have demonstrated to the reasonable satisfaction of the Program Agent (to be evidenced by written confirmation from the Program Agent), within thirty (30) days after the Seller has knowledge of any such breach, that the systems, procedures and/or reporting practices of the Affected Sub-transfer Agent have been modified so as to avoid further breaches relating to the information to be prepared by such Affected Sub-transfer Agent.

ARTICLE VII
THE PROGRAM AGENT

Section 7.01. Authorization and Action.

The Purchaser hereby irrevocably appoints and authorizes the Program Agent to take such action as agent on its behalf and to exercise such powers under this Agreement, and the other Facility Documents as are delegated to the Program Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement or the other Facility Documents, the Program Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Purchaser; provided , however , that the Program Agent shall not be required to take any action which exposes the Program Agent to personal liability or which is contrary to this Agreement, the other Program Documents or Applicable Law.

Section 7.02. Program Agent's Reliance, Etc.

Neither the Program Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any of the other Program Documents, except for its or their own gross

negligence or willful misconduct. Without limiting the generality of the foregoing, the Program Agent: (i) may consult with legal counsel (including counsel for the Seller, the Distributor or any Advisor), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to the Purchaser and shall not be responsible to the Purchaser for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement or the other Program Documents; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or the other Program Documents on the part of the Seller (as Servicer or otherwise), the Distributor or any Advisor or to inspect the property (including the books and records) of the Seller, the Distributor or any Advisor; (iv) shall not be responsible to the Purchaser for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, the other Program Documents or any other instrument or document furnished pursuant hereto or thereto; and (v) shall incur no liability under or in respect of this Agreement or any other Program Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram, cable or telex or as otherwise specified in Section 9.03) believed by it to be genuine and signed or sent by the proper party or parties.

Section 7.03. Indemnification.

The Purchaser agrees to indemnify the Program Agent (to the extent not reimbursed by or on behalf of the Seller) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Program Agent in any way relating to or arising out of this Agreement or any other Program Document or any action taken or omitted by the Program Agent under this Agreement or any other Program Document; provided , that the Purchaser shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Program Agent. Without limitation of the foregoing, the Purchaser agrees to reimburse the Program Agent promptly upon demand for any out-of-pocket expenses (including counsel fees) incurred by the Program Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) or legal advice in respect of rights or responsibilities under this Agreement or the other Program Documents, to the extent that the Program Agent is not reimbursed for such expenses by or on behalf of the Seller.

Section 7.04. Rights of the Program Agent.

The Seller hereby agrees that the Program Agent is hereby authorized to deliver an Allocation Notice to the Collection Agent (i) upon the occurrence of any Event of Termination (or event which with the passage of time or notice, or both, would constitute an Event of Termination) which relates to the Seller, the Distributor, any Advisor or any Significant Affiliate, or (ii) at any time that the Program Agent in its sole discretion believes that the event contemplated in Section 6.01(f) could occur in respect of the Seller, the Distributor, any Advisor or any of their Significant Affiliates.

ARTICLE VIII

Section 8.01. Undertakings; Payment of Damages.

The Seller hereby irrevocably and unconditionally agrees for the benefit of (i) the Purchaser and the Program Agent, and (ii) in respect of the obligations of the Distributor, the Transfer Agent and each Advisor under the Facility Documents to cause the Distributor, the Transfer Agent and each Advisor to perform and punctually and completely carry out each and every covenant of the Distributor, such Advisor and the Transfer Agent under this Agreement, the Transfer Agreement, the Servicing Agreement and each other Facility Document in accordance with the terms thereof.

Section 8.02. Agreement Not Affected.

The Purchaser and the Program Agent may proceed to exercise any right or remedy which it might have pursuant to this Article VIII without regard to any actions or omissions of the Purchaser, the Program Agent or any other Person. The validity of this Article VIII shall not be affected by any action or inaction which may be taken under or in respect of any Program Document. The Purchaser and the Program Agent at its option may proceed in the first instance against the Seller to obtain a remedy under any Program Document in the amount and in the manner set forth in such Program Document, without being obliged to resort first to any claim or action against the Distributor, any Advisor or the Transfer Agent.

Section 8.03. Waiver of Notice; No Offset; No Subrogation.

The Seller hereby waives any and all notices or demands to which it may otherwise be entitled in connection with the pursuit of any remedy hereunder, under any other Facility Document or, to the extent permitted under Applicable Law; provided , that this sentence shall not constitute a waiver on behalf of the Distributor, any Advisor or the Transfer Agent of any notice or demand to which the Distributor, any Advisor or the Transfer Agent is entitled under the Facility Documents. The obligations of the Seller under this Article VIII shall not be subject to any defense, counterclaim or right of offset which the Seller, the Distributor, any Advisor or any other Person has or may have against the Purchaser, the Program Agent or any other Person, whether in respect of this Agreement, any other Facility Document, any Purchased Receivables or otherwise, but nothing herein shall limit the right of the Seller to pursue any claim in a separate action.

ARTICLE IX
MISCELLANEOUS

Section 9.01. No Waiver; Modifications in Writing.

No failure or delay on the part of the Program Agent or the Purchaser exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to the Program Agent and the Purchaser, at law or in equity. No amendment, modification, supplement, termination or

waiver of this Agreement shall be effective unless the same shall be in writing and signed by each of the parties hereto. Any waiver of any provision of this Agreement, and any consent to any departure by any party to this Agreement from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on any party to this Agreement in any case shall entitle the Seller, any Advisor or the Distributor to any other or further notice or demand in similar or other circumstances.

Section 9.02. Payment.

Unless otherwise provided herein, whenever any payment to be made hereunder shall be due on a non-Business Day, such payment shall be made on the next succeeding Business Day. All amounts owing and payable by the Seller, any Advisor or the Distributor to the Purchaser or the Program Agent under this Agreement shall be paid in immediately available funds without counterclaim, setoff, deduction, defense, abatement, suspension or deferment, but nothing herein shall limit the right of the Seller, any Advisor or the Distributor to pursue any claim in a separate action. Each of the Seller, any Advisor and the Distributor hereby agrees to pay interest on any amounts payable by it under this Agreement, which shall not be paid in full when due, for the period commencing on the due date thereof until, but not including, the date the same is paid in full at the Post-Default Rate. For purposes of calculating the Post-Default Rate Interest, any amount received by or on behalf of the Purchaser or the Program Agent after 3:00 p.m. (New York City time) shall be deemed to have been received on the next succeeding Business Day.

Section 9.03. Notices, Etc.

(a) Except as expressly provided in this Agreement, all notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be personally delivered or sent by registered, certified or express mail, postage prepaid, or by prepaid telegram (with messenger delivery specified in the case of a telegram), or by telecopier, or by prepaid courier service. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 9.03, notices, demands, instructions and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses (or to their respective telecopier numbers) indicated below:

If to the Purchaser:

Citibank, N.A.
Global Securitized Markets
388 Greenwich Street, 19 th Floor
New York, New York 10013
Attention: Mr. Joseph Diamente, B Share Servicing
Telephone No.: (212) 816-0497
Facsimile No.: (212) 816-0336

If to the Program Agent:

Citicorp North America, Inc.
Global Securitized Markets
388 Greenwich Street, 19 th Floor
New York, New York 10013
Attention: Mr. Joseph Diamente, B Share Servicing
Telephone No.: (212) 816-0497
Facsimile No.: (212) 816-0336

With a copy to:

Citicorp North America, Inc.
Global Securitized Markets
450 Mamaroneck Avenue
Harrison, New York 10528
Attention: B Share Servicing
Telephone No.: (914) 899-7137
Facsimile No.: (914) 899-7903

If to the Seller:

A I M Management Group Inc.
11 Greenway Plaza
Suite 100
Houston, Texas 77046
Attention: Controller
Telephone No.: (713) 626-1919
Facsimile No.: (713) 871-9348

With a copy to:

11 Greenway Plaza
Suite 100
Houston, Texas 77046
Attention: General Counsel
Telephone No.: (713) 626-1919
Facsimile No.: (713) 993-9185

If to the Distributor:

A I M Distributors, Inc.
11 Greenway Plaza
Suite 100
Houston, Texas 77046
Attention: General Counsel
Telephone No.: (713) 626-1919
Facsimile No.: (713) 993-9185

With a copy to:

A I M Distributors, Inc.
11 Greenway Plaza
Suite 100
Houston, Texas 77046
Attention: Controller
Telephone No.: (713) 626-1919
Facsimile No.: (713) 871-9348

If to AAI:

A I M Advisors, Inc.
11 Greenway Plaza
Suite 100
Houston, TX 77046
Attention: Controller
Telephone No.: (713) 626-1919
Facsimile No.: (713) 871-9348

With a copy to:

11 Greenway Plaza
Suite 100
Houston, TX 77046
Attention: Controller
Telephone No.: (713) 626-1919
Facsimile No.: (713) 871-9348

If to IFG:

INVESCO Funds Group, Inc.
7800 East Union Avenue
Mail Stop 201
Denver, Colorado 80237
Attention: Ronald L. Grooms
Telephone No.: (303) 930-6267
Facsimile No.: (303) 930-6307

With a copy to:

A I M Management Group Inc.
11 Greenway Plaza
Suite 100
Houston, Texas 77046
Attention: Controller
Telephone No.: (713) 626-1919
Facsimile No.: (713) 871-9348

A I M Management Group Inc.
11 Greenway Plaza
Suite 100

Houston, Texas 77046
Attention: General Counsel
Telephone No.: (713) 626-1919
Facsimile No.: (713) 993-9185

(b) All notices, demands, consents, requests and other communications to be sent or delivered hereunder shall be deemed to be given or become effective for all purposes of this Agreement as follows: (a) when delivered in person, when given; (b) when sent by mail, when received by the Person to whom it is given, unless it is mailed by registered, certified or express mail, in which case it shall be deemed given or effective on the earlier of the date of receipt or refusal; and (c) when sent by telegram, telecopy or other form of rapid transmission shall be deemed to be given or effective when receipt of such transmission is acknowledged.

Section 9.04. Costs and Expenses; Indemnification.

(a) Regardless of whether or not any of the transactions contemplated hereby are actually consummated, the Seller agrees to promptly pay on demand (i) all reasonable costs and expenses in connection with the administration and any modification, amendment and waiver of this Agreement, the Transfer Agreement, the Servicing Agreement and the other Facility Documents, provided , however , that the Program Agent agrees to pay the reasonable costs associated with any amendment or modification of the Facility Documents, if such amendment or modification is made upon the request of the Program Agent, unless such amendment or modification is required or is requested as a result of a breach by, or by a change in circumstances relating to, the Seller, the Distributor, any Advisor, any of their Affiliates, any Transfer Agent, any Sub-transfer Agent, any Company or any Fund or as a result of any Event of Termination (or event which with the giving of notice or the lapse of time, or both, would constitute an Event of Termination), (ii) all costs and expenses incurred in connection with the enforcement of, or preservation of, any rights under this Agreement, the Transfer Agreement, the Servicing Agreement and the other Facility Documents, (iii) subject to Section 5.01(g), all actuarial fees, UCC filing fees and periodic auditing expenses in connection with the transactions contemplated by this Agreement, the Transfer Agreement, the Servicing Agreement and the other Facility Documents, and (iv) all reasonable fees and disbursements of counsel in connection with the foregoing.

(b) Indemnification . The Seller agrees to indemnify and hold harmless the Purchaser (including without limitation any Transferee), the Program Agent, and each of their respective Affiliates and the respective officers, directors, employees, agents, advisors of, and any Person controlling any of, the foregoing (each, an “Indemnified Party”) from and against any and all damages, losses, liabilities, expenses, obligations, penalties, actions, suits, judgments and disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel) (collectively the “Liabilities”) that are incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (and regardless of whether or not any such transactions are consummated) any of the transactions contemplated by the Facility Documents, including without limitation, any one or more of following:

(i) the execution, delivery, enforcement, performance, administration of, or otherwise arising out of or incurred in connection with this Agreement, the Transfer Agreement, the Servicing Agreement, any Irrevocable Payment Instruction or any other Facility Document;

(ii) preparation for a defense of, any investigation, litigation or proceeding arising out of this Agreement or any other Facility Documents or the transactions contemplated hereby or thereby ; provided , however , that the Seller's obligation under this Section 9.04(b)(ii) to indemnify any Indemnified Party in respect of any Liability described in this clause (ii) shall be limited, solely in respect of costs and expenses incurred in the preparation of any such defense during the period prior to the date that any service of process (whether as a party, as a witness or otherwise) is made on such Indemnified Party (or any other Person with custody over the Purchased Receivables, the Collections or Proceeds thereof) in respect thereof, to $100,000 in respect of such costs and expenses of such Indemnified Party relating to any single investigation, litigation or proceeding and to $200,000 in respect of all such costs and expenses of such Indemnified Party, incurred during any twelve month period, relating to all to such investigations, litigations or proceedings;

(iii) any failure or alleged (by Persons other than the Indemnified Party) failure by the Distributor, the Seller (as Servicer or otherwise) or any Advisor to perform any of its obligations, covenants, or agreement contained in any Facility Documents to which it is a party promptly and fully;

(iv) any representation or warranty made or deemed made by the Distributor, the Seller (as Servicer or otherwise) or any Advisor, contained in this Agreement or any Facility Documents or in any certificate, written statement or report (including without limitation each Purchase Report, each Transfer Agent Report and each Sub-transfer Agent Report) delivered by or on behalf of any such Person in connection herewith or therewith is, or is alleged (by Persons other than the Indemnified Party) to have been false or misleading in any respect when made or any information (including without limitation any Sub-transfer Agent Report or any Transfer Agent Report) prepared or provided by the Seller, the Distributor, any Advisor, any of their Affiliates, any Sub-transfer Agent, Transfer Agent or by any other Person (including, without limitation, any Unaffiliated Agent) to the Purchaser or the Program Agent in writing for purposes of or in connection with any Facility Document shall fail to be true, correct and complete in all material respects on the date such information is stated or certified or any such information shall contain any material misrepresentation or any omission to state therein matters necessary to make the statements made therein not misleading in any material respect;

(v) any failure by the Distributor, the Seller (as Servicer or otherwise) or any Advisor to comply promptly and fully with any Applicable Law or any contractual obligation binding upon it;

(vi) any failure of any transfer of Receivables by the Distributor to the Seller under the Transfer Agreement or any failure of any transfer of Receivables by the Seller to the initial Purchaser under this Agreement to constitute a True Sale;

(vii) any failure to vest in the Purchaser a first priority perfected ownership interest in the Purchased Receivables, the Ancillary Rights with respect thereto and the Collections related thereto free and clear of all Adverse Claims or any commingling of Collections with any other funds;

(viii) any action or omission, not expressly required or contemplated to occur by the Facility Documents by the Distributor, the Seller (as Servicer or otherwise) or any Advisor, which has the effect of reducing or impairing the rights of the Purchaser or the Program Agent with respect to the Purchased Receivables and the Collections related thereto or under any Facility Document or which otherwise gives rise to an Adverse Effect;

(ix) any failure by the Distributor, the Seller (as Servicer or otherwise) or any Advisor, to make or cause to be made in the manner and when due any payment or deposit required to be paid by such party pursuant to any Facility Document or any failure of any Sub-transfer Agent to remit all CDSCs in respect of Omnibus Shares in its related Omnibus Account to the Demand Deposit Account as and when specified in the Irrevocable Payment Instruction;

(x) any failure of any Distribution Plan, any Irrevocable Payment Instruction, any Underwriting Agreement or any other Facility Document to comply with any Applicable Law, unless such failure results from the failure of the Program Agent to, at the written request of the Seller (which written request shall specify that such amendment is required for such document to comply with Applicable Law), consent to an amendment to any such document which could not give rise to a reasonable possibility of an Adverse Effect and which is necessary in order for such document to comply with the Applicable Law;

(xi) the execution, delivery, enforcement, performance, administration of, any Selling Agent's Agreement, the failure or alleged failure (by Persons other than the Indemnified Party) of any Selling Agent to perform its obligations under any Selling Agent's Agreement to which it is a party, any representation or warranty made by any Selling Agent is, or is alleged (by Persons other than the Indemnified Party) to have been false or misleading in any respect when made or deemed made, the failure of any Selling Agent to comply promptly and fully with Applicable Law, or any other action or omission by any Selling Agent not expressly required or contemplated to occur by the Program Documents;

(xii) if on any Purchase Date any condition precedent set forth in Article III of this Agreement shall not have been fully satisfied;

(xiii) any proceeding by or against the Distributor, the Seller (as Servicer or otherwise) or any Advisor seeking to adjudicate such Person, bankrupt or insolvent, or

seeking liquidation, winding up, administration, reorganization, arrangement, adjustment, protection, relief, or composition of such Person or the debts of such Person under any Law relating to bankruptcy, insolvency, liquidation, administration, reorganization or relief of debtors or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian, administrator, liquidator, or other similar official for such Person or for a substantial part of such Person's property;

(xiv) any change in Applicable Law after May 2, 1995 which causes any of the representations and warranties of the Distributor or the Seller (as Servicer or otherwise) set forth herein or in any Facility Document to no longer be true and correct as though such representation or warranty had been made on the date of such change in Applicable Law or which alters the obligations of the Distributor, the Seller (as Servicer or otherwise), any Advisor or any Company as set forth in the Facility Documents other than in each case (i) a change in Law applicable on an industry wide basis resulting in a Complete Termination of the Distribution Plan of any Fund, or (ii) a reduction in the Maximum Aggregate Sales Charge Allowable or in the annual limitation on the amount payable by any Company in respect of the Sales Charge in respect of the Receivables relating to any Fund resulting solely from a change in Law applicable on an industry wide basis;

(xv) the adoption by any Company or any Fund of a Liquidation Plan;

(xvi) any amendment to the Prospectus in respect of a Fund in effect on the date hereof which changes the computation or timing of the CDSC or the rights of the Distributor in respect thereof;

(xvii) Free Redemptions in excess of the Annual Redemption Threshold, it being understood that the amount payable in respect of this clause from and after the first day upon which the Annual Redemption Threshold has been met, shall be an amount equal to the CDSCs that would have been payable upon the redemption of each Share relating to a Purchased Receivable had each such excess redemption not constituted a Free Redemption and shall be paid in arrears on each Monthly Settlement Date);

(xviii) any Adverse Claim in respect of the Receivables or the Collections; and

(xix) the Seller's Class A and C CDSC Portion being remitted to the Demand Deposit Account or the Collection Account, including without limitation, the Seller's failure to properly identify such amounts.

provided , however , that the Seller shall not be required to indemnify any Indemnified Party in respect of any Liability to the extent such Liability: (I) is found in a final, non-appealable judgment by a court of competent jurisdiction or is agreed in writing by the Indemnified Party to have resulted directly and primarily from one or more of the following (A) such Indemnified Party's gross negligence or willful misconduct, or (B) the Purchased Receivables proving to be uncollectible or, for the avoidance of doubt, being payable in an amount less than expected as a result of changes in the Net Asset Value of the Shares, except to the extent that such

uncollectibility or reduction in the amount payable is attributable to what would not have occurred but for any one or more of the events described in clauses (i) through (xix); (II) constitutes a liability arising out of a Take-out Transaction, except to the extent such Liability is attributable to or would not have occurred but for any one or more of the events described in clauses (i) through (xix) above; or (III) constitutes consequential damages, it being understood that the limitation set forth in clause (III) of this Section 9.04(b) is not intended to preclude any Transferee from being the beneficiary of, or from having the same rights to indemnification under this Section 9.04(b) that such Transferee would have as Purchaser if it were the signatory to this Agreement and the other Facility Documents to which the Purchaser is a party.

(c) Without prejudice to the survival of any other agreement of the Seller hereunder, the agreement and obligations of the Seller contained in this Section 9.04 shall survive the termination of this Agreement.

Section 9.05. Taxes.

(a) Any and all payments by the Distributor, the Seller, any Advisor, the Transfer Agent or any Company under this Agreement, the Transfer Agreement, the Purchase Agreement, any Irrevocable Payment Instruction or any other Facility Document shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding , taxes imposed on the recipient's income, and franchise taxes imposed on the recipient, by (i) the United States federal government, (ii) the jurisdiction under the laws of which the recipient is organized or any political subdivision thereof, (iii) by the jurisdiction in which is located the principal executive office of the recipient or any political subdivision thereof or (iv) by any other jurisdiction which asserts the authority to impose such tax on the basis of contacts the recipient maintains with such jurisdiction other than the contacts arising out of the transactions contemplated hereby (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Distributor, the Seller, any Advisor, the Transfer Agent or any Company shall be required by Law to deduct any Taxes from or in respect of any sum payable hereunder or under any other Facility Document, (i) the sum payable hereunder or thereunder shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 9.05) the recipient receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Distributor, the Seller, any Advisor, the Transfer Agent or any Company shall make such deductions and (iii) the Seller shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with Applicable Law.

(b) In addition, the Seller agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any transfer of Receivables in connection herewith or from the execution, delivery or registration of, or otherwise with respect to, this Agreement, the Transfer Agreement or any other Facility Document other than any such Tax imposed in respect of a Take-out Transaction (hereinafter referred to as "Other Taxes").

(c) The Seller will indemnify the Program Agent and the Purchaser for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 9.05) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted, so long as there is a reasonable basis for the assertion of such Taxes or Other Taxes. This indemnification shall be made within 30 days from the date the Program Agent or the Purchaser makes written demand therefor to the Seller.

(d) Within thirty (30) days after the date of any payment of Taxes, the Seller will furnish to the Purchaser and the Program Agent the original or a certified copy of a receipt evidencing payment thereof.

(e) Unless the Seller, the Distributor or the applicable Advisor, as the case may be, shall have assumed responsibility for contesting a Tax or Other Tax described in paragraph (c) of this Section 9.05 as provided in the next sentence, the Purchaser may, but shall have no obligation to contest, settle or compromise such Tax or Other Tax. The Seller, the Distributor or the applicable Advisor, as the case may be, may pursue, at its sole cost and expense, such lawful rights as are available at law to contest any Tax or Other Tax asserted against the Purchaser or the Program Agent provided: (i) the Seller, the Distributor or the applicable Advisor, as the case may be, has assumed responsibility for such contest and the Seller has conceded in writing its responsibility to indemnify the Purchaser or the Program Agent, as the case may be, in accordance with this Section, for the full amount of such Tax or Other Tax; (ii) such contest is conducted in a manner which does not result in a Lien on the Receivables and if the manner of contest does not defer the obligation to pay the Tax or Other Tax, the Seller shall pay such Tax or Other Tax when due, subject to the right to recover such Tax or Other Tax if the contest is successful, (iii) to the extent not covered by Section 9.04(b), the Seller shall have provided to the Purchaser or the Program Agent, as the case may be, such undertakings as the Purchaser or the Program Agent, as the case may be, shall request, in form and substance satisfactory to the Purchaser, or the Program Agent, as the case may be, whereby the Seller agrees to hold the Purchaser or the Program Agent, as the case may be, harmless from any and all liabilities, costs and expenses which may arise as a consequence of such contest; (iv) the Seller shall have furnished the Purchaser or the Program Agent, as the case may be, with an opinion, in form and scope reasonably satisfactory to the Purchaser or the Program Agent, as the case may be, of counsel reasonably satisfactory to the Purchaser or the Program Agent, as the case may be, that there is a meritorious basis for such contest; (v) the contest of such Tax or Other Tax may be conducted in a manner which does not affect the liability of the Purchaser or the Program Agent, as the case may be, for any tax not indemnified by Seller; (vi) the contest of such Tax or Other Tax can be separated from any contest of any other tax in respect of which the Seller has not indemnified Purchaser or the Program Agent, as the case may be, without prejudicing the Purchaser's or the Program Agent's, as the case may be, ability to deal with or otherwise contest such other liability; and (vii) the Purchaser or the Program Agent, as the case may be, has not waived its right to indemnification by the Seller in respect of such Tax or Other Tax. The Seller shall keep the Purchaser or the Program Agent, as the case may be, fully advised on a current basis concerning any such contest, and, without limiting the foregoing: (a) the Seller shall give the Purchaser or the Program Agent, as the case may be, reasonable notice of and a reasonable opportunity to be present in person or by counsel at any proceeding in connection

therewith; (b) the Seller shall give the Purchaser or the Program Agent, as the case may be, notice of any proposed filings or papers to be served or filed by the Seller in connection with any such proceedings and a reasonable opportunity to comment upon them; and (c) the Seller shall promptly supply the Purchaser or the Program Agent, as the case may be, with copies of any filings or papers served upon the Seller in connection with such proceedings; it being understood that the Purchaser or the Program Agent, as the case may be, shall bear its own costs incurred in connection with any participation by the Purchaser or the Program Agent, as the case may be, or its counsel in the contest as contemplated by this sentence.

(f) In the event the Seller shall pay a Tax or Other Tax pursuant to this Section 9.05 and all or a portion of such Tax or Other Tax previously paid by Seller is later refunded by the applicable Taxing Authority the recipient of such refund shall pay to the Seller the portion of such refund which relates to the amount previously paid by the Seller.

(g) Without prejudice to the survival of any other agreement of the Seller hereunder, the agreements and obligations of the Seller contained in this Section 9.05 shall survive the termination of this Agreement.

Section 9.06. Execution in Counterparts.

This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 9.07. Binding Effect; Assignment.

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. Except as a result of a Permitted Change in Control, neither the Seller, the Distributor nor any Advisor shall assign its rights or obligations hereunder or in connection herewith or any interest herein (voluntarily, or by operation of law or otherwise) without the Program Agent's and the Purchaser's prior written consent. This Agreement and the Program Agent's and the Purchaser's rights herein (including without limitation in respect of the Purchased Receivables, the Collections and the Ancillary Rights with respect thereto) shall be assignable, in whole or in part, by the Purchaser and the Program Agent and their respective successors and assigns; provided , however , that in connection with any proposed Take-out Transaction, prior to distributing to potential investors any offering materials which contain information describing the Seller, any Advisor, the Distributor or any of their respective Affiliates, the Program Agent shall give the Seller a reasonable opportunity to review and comment upon such portion of such materials. Unless the Purchaser reasonably determines that disclosure is required in order to comply with Law applicable to such Take-out Transaction, the Purchaser shall not make any disclosure which the Seller reasonably identifies in its comments pursuant to the preceding sentence as material, non-public information concerning the Seller or any of its Affiliates, the release of which would have a material adverse consequence to the Seller or any of its Affiliates (the "Prohibited Financial Information"); provided , however , that in connection with the initial offering of any securities in a Take-out Transaction involving any Purchased Receivables, the Purchaser shall not make any disclosure which the Seller

reasonably identifies as Prohibited Financial Information. Subject to Section 9.15, each of the Seller, the Advisors and the Distributor hereby consents to the Purchaser and the Program Agent entering into the Take-out Transactions.

Section 9.08. Governing Law; Submission to Jurisdiction.

(a) THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEW YORK AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF SAID STATE WITHOUT REGARD TO ITS CONFLICTS OF LAWS PROVISIONS.

(b) The Seller, each Advisor and the Distributor hereby irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York and to the non-exclusive jurisdiction of any Federal Court of the United States located in the southern district of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the Servicing Agreement, the Collection Agency Agreement or any of the transactions contemplated hereby or thereby.

Section 9.09. Severability of Provisions.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 9.10. Confidentiality.

Unless otherwise required by Applicable Law, the Seller, each Advisor and the Distributor agree to use commercially reasonable efforts to maintain the confidentiality of the Facility Documents (and all drafts hereof and thereof) and the transactions contemplated thereby other than the Transfer Agent's Agreement, the Underwriting Agreements, the Advisory Agreements, the Distribution Plan and the Prospectuses in communications with third parties and otherwise; provided , that such documents and the transactions contemplated thereby may be disclosed (i) to third parties to the extent such disclosure is consented to in writing by the Program Agent (which consent shall not be unreasonably withheld) and such disclosure is made pursuant to a written confidentiality agreement in form and substance substantially identical to this Section 9.10, and (ii) the officers, partners, directors and employees, legal counsel and auditors of the Seller, the Advisors and the Distributor.

Notwithstanding anything in this Section 9.10 to the contrary, each party to this Agreement and each of its officers, directors, partners, employees, legal counsel and auditors may disclose to any and all Persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the facility contemplated by the Facility Documents and all materials of any kind (including opinions or other tax analyses) that are provided to it, relating to such U.S. tax treatment and U.S. tax structure of the facility, other than any information for which non-disclosure is reasonably necessary in order to comply with applicable securities laws.

Section 9.11. Intent of Agreement.

It is the intention of this Agreement that each purchase of Receivables hereunder and the Ancillary Rights with respect thereto shall convey to the Purchaser an undivided 100% ownership interest in such Purchased Receivables, the Collections in respect thereto and the Ancillary Rights with respect thereto on the Purchase Date therefor and that such transactions shall constitute a True Sale and not a secured loan. If, notwithstanding such intention, any conveyance of Receivables and the Collections and the Ancillary Rights with respect thereto from the Seller to the Purchaser shall ever be recharacterized as a secured loan and not a sale, it is the intention of this Agreement that this Agreement shall constitute a security agreement under Applicable Law, and that the Seller shall be deemed to have granted to the Purchaser a duly perfected first priority security interest in all of the Seller's right, title and interest in, to and under such Purchased Receivables, the Collections and the Ancillary Rights in respect thereto free and clear of any Adverse Claim.

Section 9.12. Liability to any Company.

No obligation or liability to any Company, the Seller, any Advisor, the Distributor, any shareholder of any Fund or any Person contracting with or related to any Company is intended to be assumed by the Program Agent or the Purchaser under or as a result of this Agreement or the other Program Documents and the transactions contemplated hereby and thereby and, to the maximum extent permitted under provisions of Law, the Program Agent and the Purchaser expressly disclaim any such assumption. The Seller shall indemnify, defend and hold harmless the Program Agent and the Purchaser from any loss, liability or expense incurred as a result of any claim that any such obligation or liability has been so assumed.

Section 9.13. Merger.

The Facility Documents taken as a whole incorporate the entire agreement between the parties thereto concerning the subject matter thereof. The Facility Documents supersede any prior agreements among the parties relating to the subject matter thereof.

Section 9.14. Further Acts.

Each party agrees that at any time, and from time to time, it will do all such things and execute and deliver all such instruments, assignments, other documents and assurances, as such other party or its counsel reasonably deems necessary or desirable in order to carry out the express intent, purpose and conditions of this Agreement and the other Facility Documents and the transactions contemplated hereby and thereby, and without limiting the generality of the foregoing, to the extent permitted by Applicable Law, upon the Program Agent's or the Purchaser's written request from time to time, the Seller, each Advisor and the Distributor shall make, execute, acknowledge and deliver and file and record in the proper filing and recording places all such instruments, and take all such actions, as the Program Agent or the Purchaser may reasonably deem necessary or advisable for assuring or confirming to the Purchaser its rights and interest in and to, and remedies in respect of, the Purchased Receivables, the Ancillary Rights and the Collections related thereto.

Section 9.15. Assignee Rights; Etc.

(a) The Seller, each Advisor and the Distributor acknowledge and agree that any Person which purchases or otherwise acquires any interest in any Purchased Receivables or the Ancillary Rights in respect thereof (or the right to receive any Collections with respect thereto) in a Take-out Transaction (each such Person, a "Transferee"), (and in the case of indemnities, their respective Affiliates and their officers, directors, employees and agents) shall each, to the extent of such Transferee's interest, be a beneficiary of the representations, warranties, indemnities, covenants, agreements and undertakings of the Seller, each Advisor and the Distributor under this Agreement and the other Facility Documents to which it is a party; provided , that such rights of the Transferees in a Take-out Transaction may be enforced on behalf of such Transferees only by the Master Servicer for the related Master Trust. The Seller, each Advisor and the Distributor agree to execute and deliver such instruments and documents and shall take all such actions as the Program Agent, the Purchaser or any Master Trust shall reasonably deem necessary in order to permit the Purchaser to convey any portion of its right, title and interest in, to or under the Purchased Receivables or the Ancillary Rights and Collections in respect thereof to any Transferee and to confer upon any such Transferee the rights and privileges in and to the Purchased Receivables and the Ancillary Rights in respect thereof to which such Transferee has an interest and under the Facility Documents to the extent of such transfer and assignment. Without limiting the foregoing, if any Program Document is amended, waived or modified and the Program Agent has not in connection with such amendment, waiver or modification required that a new True Sale Opinion be delivered in connection therewith, and subsequent to the effective date of such amendment, modification or waiver the Program Agent has notified the Seller and the Distributor that S&P, Moody's or any other nationally recognized rating agency has requested that the Program Agent obtain a new True Sale Opinion, each of the Seller and the Distributor agrees to, as promptly as possible (and in any event within two weeks after receipt of such notice) use its best efforts to cause its outside counsel to deliver a new True Sale Opinion to the Purchaser and the Program Agent, which is in form, scope and substance reasonably satisfactory to the Program Agent. In addition, the Seller acknowledges and agrees that the effectiveness of any extension of the Termination Date is conditioned upon the Seller and the Distributor delivering to the Purchaser and the Program Agent a True Sale Opinion dated on or about the effective date of such extension, in form, scope and substance reasonably satisfactory to the Program Agent; provided , however , that the delivery of such new True Sale Opinion shall not be required as a condition to any such extension if the Program Agent and the Purchaser shall have received a True Sale Opinion dated within 365 days of the effective date of such extension, which is in form, scope and substance reasonably satisfactory to the Program Agent. Notwithstanding anything in this Section 9.15 to the contrary, no Transferee shall be deemed to have assumed any of the obligations or liabilities of the Seller or the Distributor under this Agreement or any other Program Document. No such transfer to a Transferee shall alter the obligations of the Seller, any Advisor or the Distributor hereunder.

(b) Subject to the other requirements set forth in Section 9.07, the Program Agent agrees that any written offering memorandum or circular used in connection with any Take-out Transaction involving Purchased Receivables which contains information concerning the Seller or the Distributor shall (i) incorporate language substantially in the form of Schedule VI hereto, and (ii) provide that the securities which are the subject of such Take-out Transaction will be offered only to institutional accredited investors (as defined in Rule 501(a)

under the Securities Act), to a qualified institutional buyer within the meaning of Rule 144A under the Securities Act and/or to any Person in a transaction exempt from registration under the Securities Act. The Program Agent also agrees that each Take-out Transaction involving Purchased Receivables shall be structured in a manner so that the securities which are the subject of such Take-out Transaction are to be offered and sold in a transaction exempt from registration under the Securities Act.

The Seller, each Advisor and the Distributor acknowledge that under the documentation to be entered into in connection with Take-out Transactions involving the Purchased Receivables (the "Take-out Documents") the holders of the securities issued in connection with such Take-out Transaction may have the right to consent to the Purchaser and the Program Agent taking certain actions and consenting to certain amendments, modifications or waivers under the Program Documents (collectively, the "Actions"). The Program Agent agrees that without the prior written consent of the Seller (which consent shall not be unreasonably withheld or delayed) the Take-out Documents relating to any Take-out Transaction shall not provide that more than the holders which in the aggregate have a 51% interest in the securities of each class issued in connection with such Take-out Transaction (the "Holders") be required to consent to the Purchaser or the Program Agent taking any Action; provided , however , that with respect to any Action which could affect the amount or timing of Collections relating to Purchased Receivables or which amend or modify the Allocation Procedures, the Take-out Documents may provide that the consent of the holders which in the aggregate have a 66-2/3% interest in the securities of any class issued in connection with such Take-out Transaction be required for the Purchaser or the Program Agent to take any such Action; provided , further , that no Holders (other than Citibank and Citicorp North America, Inc.) will be entitled to require that the Program Agent declare the Termination Date to have occurred following any Event of Termination.

Section 9.16. Specific Performance; Other Rights and Remedies.

The parties hereto recognize that certain of their rights under this Agreement and the other Facility Documents are unique and, accordingly, the parties hereto shall, in addition to such other remedies as may be available to any of them at law or in equity or under this Agreement and the other Facility Documents, have the right to enforce their rights hereunder and thereunder by actions for injunctive permitted relief and specific performance to the extent permitted by Applicable Law. The rights and remedies of the Program Agent and the Purchaser under this Agreement and the other Facility Documents are cumulative and are not in lieu of, but are in addition to, any other rights and remedies which the Program Agent and the Purchaser may have under or by virtue of any Applicable Law, or in equity, or any other agreement or obligations to which the Program Agent and the Purchaser is a party. The rights and remedies of the Program Agent and the Purchaser under this Agreement and the other Facility Documents may be exercised from time to time and as often as such exercise is deemed expedient. Without limiting the generality of the foregoing, the Seller, each Advisor and the Distributor acknowledge and agree that it will be impossible to measure in money the damage to the Program Agent or the Purchaser in the event of a breach of any of the terms and provisions of this Agreement or any other Program Document, and that, in the event of any such breach, the Program Agent and the Purchaser may not have an adequate remedy at Law, although the foregoing shall not constitute a waiver of any of the Program Agent's or the Purchaser's rights,

powers, privileges and remedies against or in respect of a breaching party, any collateral or any other Person or thing under this Agreement, any other Facility Document or Applicable Law. It is therefore agreed that each of the Program Agent and the Purchaser, in addition to all other such rights, powers, privileges and remedies that it may have, shall be entitled to injunctive relief, specific performance or such other equitable relief as it may request to exercise or otherwise enforce any of the terms of those provisions and to enjoin or otherwise restrain any act prohibited thereby, and the Seller, each Advisor and the Distributor agree that they shall not argue and hereby waive any defense that there is an adequate remedy available at Law.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

CITIBANK, N.A.

By: _____
Name:
Title:

CITICORP NORTH AMERICA, INC.,
as Program Agent

By: _____
Name:
Title:

A I M MANAGEMENT GROUP INC.,
as Seller

By: _____
Name:
Title:

A I M DISTRIBUTORS, INC.,
as Distributor

By: _____
Name:
Title:

A I M ADVISORS, INC.,
as Advisor

By: _____
Name:
Title:

INVESCO FUNDS GROUP, INC.,
as Advisor

By: _____
Name:
Title:

SCHEDULE I

FORM OF PURCHASER REPORT

SCHEDULE II

COMPANY : AIM FUNDS GROUP

	FUNDS	SHARES
1.	AIM Balanced Fund	Class B
2.	AIM Global Utilities Fund	Class B
3.	AIM Global Value Fund	Class B
4.	AIM European Small Company Fund	Class B
5.	AIM International Emerging Growth Fund	Class B
6.	AIM New Technology Fund	Class B
7.	AIM Small Cap Equity Fund	Class B
8.	AIM Basic Balanced Fund	Class B
9.	AIM Mid Cap Basic Value Fund	Class B
10.	AIM Premier Equity Fund	Class B
11.	AIM Premier Equity II Fund	Class B
12.	AIM Select Equity Fund	Class B

COMPANY : AIM INTERNATIONAL FUNDS, INC.

	FUNDS	SHARES
1.	AIM Global Aggressive Growth Fund	Class B
2.	AIM Global Growth Fund	Class B
3.	AIM Asia Pacific Growth Fund	Class B
4.	AIM European Growth Fund	Class B
5.	AIM International Growth Fund	Class B

COMPANY : AIM ADVISOR FUNDS

	FUNDS	SHARES
1.	AIM International Core Equity Fund	Class B
2.	AIM Real Estate Fund	Class B

COMPANY : AIM EQUITY FUNDS

	FUNDS	SHARES
1.	AIM Charter Fund	Class B
2.	AIM Weingarten Fund	Class B
3.	AIM Blue Chip Fund	Class B
4.	AIM Capital Development Fund	Class B
5.	AIM Constellation Fund	Class B
6.	AIM Aggressive Growth Fund	Class B
7.	AIM Dent Demographic Trends Fund	Class B
8.	AIM Large Cap Growth Fund	Class B
9.	AIM Emerging Growth Fund	Class B
10.	AIM Large Cap Basic Value Fund	Class B
11.	AIM Mid Cap Growth Fund	Class B
12.	AIM Basic Value II Fund	Class B
13.	AIM Core Strategies Fund	Class B
14.	AIM Diversified Dividend Fund	Class B
15.	AIM U.S. Growth Fund	Class B

COMPANY : AIM SPECIAL OPPORTUNITIES FUNDS

	FUNDS	SHARES
1.	AIM Opportunities I Fund	Class B
2.	AIM Opportunities II Fund	Class B
3.	AIM Opportunities III Fund	Class B

COMPANY : AIM TAX-EXEMPT FUNDS

	FUNDS	SHARES
1.	AIM High Income Municipal Fund	Class B

COMPANY : AIM INVESTMENT FUNDS

	FUNDS	SHARES
1.	AIM Developing Markets Fund	Class B
2.	AIM Global Energy Fund	Class B
3.	AIM Global Health Care Fund	Class B
4.	AIM Global Science & Technology Fund	Class B
5.	AIM Libra Fund	Class B
6.	AIM Global Financial Services Fund	Class B

COMPANY : AIM GROWTH SERIES

	FUNDS	SHARES
1.	AIM Basic Value Fund	Class B
2.	AIM Mid Cap Core Equity Fund	Class B
3.	AIM Small Cap Growth Fund	Class B

COMPANY : AIM SERIES TRUST

	FUNDS	SHARES
1.	AIM Global Trends Fund	Class B

COMPANY : AIM INVESTMENT SECURITIES FUNDS

	FUNDS	SHARES
1.	AIM High Yield Fund	Class B
2.	AIM Income Fund	Class B
3.	AIM Municipal Bond Fund	Class B
4.	AIM Money Market Fund	Class B
5.	AIM Intermediate Government Fund	Class B
6.	AIM Total Return Bond Fund	Class B

COMPANY : INVESCO COUNSELOR SERIES FUNDS, INC.

	FUNDS	SHARES
1.	INVESCO Advantage Fund	Class B
2.	INVESCO Advantage Global Health Sciences Fund	Class B

COMPANY : INVESCO BOND FUNDS, INC.

	FUNDS	SHARES
1.	INVESCO High Yield Fund	Class B
2.	INVESCO Select Income Fund	Class B
3.	INVESCO Tax-Free Bond Fund	Class B
4.	INVESCO U.S. Government Securities Fund	Class B

COMPANY : INVESCO COMBINATION STOCK & BOND FUNDS, INC.

	FUNDS	SHARES
1.	INVESCO Balanced Fund	Class B
2.	INVESCO Core Equity Fund	Class B
3.	INVESCO Total Return Fund	Class B

COMPANY : INVESCO INTERNATIONAL FUNDS, INC.

	FUNDS	SHARES
1.	INVESCO European Fund	Class B
2.	INVESCO International Blue Chip Value Fund	Class B

COMPANY : INVESCO MANAGER SERIES FUNDS, INC.

	FUNDS	SHARES
1.	INVESCO Multi-Sector Fund	Class B

COMPANY : INVESCO MONEY MARKET FUNDS, INC.

	FUNDS	SHARES
1.	INVESCO Cash Reserves Fund	Class B

COMPANY : INVESCO SECTOR FUNDS, INC.

	FUNDS	SHARES
1.	INVESCO Energy Fund	Class B
2.	INVESCO Financial Services Fund	Class B
3.	INVESCO Gold & Precious Metals Fund	Class B
4.	INVESCO Health Sciences Fund	Class B
5.	INVESCO Leisure Fund	Class B
6.	INVESCO Real Estate Opportunity Fund	Class B

	FUNDS	SHARES
7.	INVESCO Technology Fund	Class B
8.	INVESCO Telecommunications Fund	Class B
9.	INVESCO Utilities Fund	Class B

COMPANY : INVESCO STOCK FUNDS, INC.

	FUNDS	SHARES
1.	INVESCO Dynamics Fund	Class B
2.	INVESCO Growth Fund	Class B
3.	INVESCO Growth & Income Fund	Class B
4.	INVESCO Small Company Growth Fund	Class B
5.	INVESCO Value Equity Fund	Class B
6.	INVESCO Mid-Cap Growth Fund	Class B

SCHEDULE III

CDSC Schedule
relating to all Commission Shares other
than the Floating Rate Fund Exchange Shares and Excluded Shares

Years from Fund Share Purchase	CDSC Rate
0-1	5.0%
1-2	4.0
2-3	3.0
3-4	3.0
4-5	2.0
5-6	1.0
6+	0.0

CDSC Schedule
relating to all Commission Shares which
constitute Floating Rate Fund Exchange Shares and Excluded Shares

Years from date first issued by a Fund	Contingent Deferred Sales Charge
First	3.0%
Second	2.5
Third	2.0
Fourth	1.0
Fifth and following	0.0

SCHEDULE IV

FUNDAMENTAL INVESTMENT
OBJECTIVES AND POLICIES

SCHEDULE V

FORM OF LEGEND

NEITHER ANY [DISTRIBUTOR], ANY [ADVISOR], ANY [FUND] NOR ANY OF THEIR RESPECTIVE AFFILIATES WILL RECEIVE ANY PORTION OF THE PROCEEDS FROM THE SALE OF THE [SECURITIES]. NEITHER ANY [DISTRIBUTOR], ANY [ADVISOR], ANY [FUND] NOR ANY OF THEIR RESPECTIVE AFFILIATES IS RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS [MEMORANDUM].

SCHEDULE VI

Permitted Change in Control

(A) In connection with such Change in Control relating to the Seller:

(i) either (A) the Advisors and the Distributor shall each remain investment advisors and principal distributor, as the case may be, for the Funds or (B) if another Person shall be retained to replace any Advisor or the Distributor to act as investment advisor or principal distributor, as the case may be, for the Funds, such Person shall (x) meet the requirements of (iii) below with reference to the expertise, experience and capacity applicable to the function it undertakes to perform and (y) have agreed, in respect of periods from and after its retention, to be bound by the undertakings, agreements and obligations of the Advisors or the Distributor, as the case may be, under the Program Documents and shall have confirmed its representations and warranties as an Advisor or as the Distributor, as the case may be;

(ii) ownership of at least 51% of the voting securities of the Distributor is retained by, or transferred, to a Person who will act as "Seller" under the Facility Documents after such Change in Control (the "Immediate Parent") and each Advisor shall be an Affiliate of such Immediate Parent;

(iii) the Immediate Parent, together with its affiliated consolidated subsidiaries in the aggregate, have financial resources and, together with the investment advisor or the principal distributor of the Funds (if either is not an Affiliate of the Immediate Parent), mutual fund management, distribution and investment advisory expertise, experience and capacity immediately after the Change in Control substantially equal to, or better than, the lesser of (i) the financial resources and mutual fund management, distribution and investment advisory expertise, experience and capacity of the Person who was the assignee or successor to the Seller immediately prior to such change in control (the "Existing Parent"), together with its Affiliates and the Existing Advisor (as defined below in Part C) or Existing Distributor (as defined below in Part B) if either was not then an Affiliate of the Immediate Parent, immediately prior to the Change in Control, or (ii) the financial resources and investment advisory expertise, experience and capacity of the Seller, together with its Affiliates in the aggregate, as of June 30, 2003;

(iv) the Immediate Parent shall have agreed to be (or if the Existing Parent, shall remain) bound by covenants identical to those of the Existing Parent under the Purchase Agreement and the other Program

Documents, (including the undertaking set forth in Article VIII of the Purchase Agreement in respect of each Person serving as investment advisor and principal underwriter to the Funds) in respect of periods after the Change in Control and, shall have affirmed the representations and warranties of the Existing Parent under the Purchase Agreement and the Other Program Documents; and

(v) a majority of the Board of Trustees of each Fund, including a majority who are not "Interested Persons" (as defined by Section 2(a)(19) of the Investment Company Act) shall have either (i) reapproved the Underwriting Agreement with the Distributor and the Advisory Agreement with the applicable Advisor (or, in either case, approved a substitute agreement substantially identical thereto so as not to give rise to a reasonable possibility of an Adverse Effect) in light of such Change in Control and such agreements shall remain in full force and effect or (ii) if in connection with such Change in Control a new distributor has become the principal underwriter for the Funds and/or a new investment advisor has become the investment advisor for the Funds, shall have approved substantially identical underwriting agreements and/or advisory agreements, as the case may be, between the Funds and such replacement distributor or advisor, as the case may be, so as not to give rise to a reasonable possibility of an Adverse Effect.

(B) In connection with such Change in Control relating to the Distributor:

(i) the assignee is a corporation at least 51% of the outstanding voting securities of which is owned directly or indirectly by the Seller or by an Immediate Parent resulting from a Change in Control permitted by this Part B and the Seller or Immediate Parent, as the case may be, shall covenant or confirm that the Seller's covenants and agreements in the Purchase Agreement (including the undertaking set forth in Article VIII of the Purchase Agreement as to the Distributor's performance under the Program Documents) are in full force and effect;

(ii) the assignee shall have the mutual fund distribution expertise, experience and capacity immediately after the effective date of such assignment substantially equal to, or better than, the lesser of (i) the mutual fund distribution expertise, experience and capacity of the Person who was the distributor immediately prior to the effective date of such assignment (the "Existing Distributor"), or (ii) the mutual fund distribution expertise, experience and capacity of the Distributor, as of June 30, 2003;

(iii) the assignee shall have affirmed the representations of the Distributor under the Program Documents and shall have agreed to be bound by undertakings and agreements substantially identical to those of the Distributor in the Program Documents in respect of periods after the assignment; and

(iv) a majority of the Board of Trustees of the Funds, including a majority who are not "Interested Persons" (as defined by Section 2(a)(19) of the Investment Company Act) shall have approved Underwriting Agreements with such assignee on substantially identical terms to those in effect immediately prior to such assignment so as not to give rise to a reasonable possibility of an Adverse Effect and such agreements shall be in full force.

(C) In connection with such Change in Control relating to an Advisor:

(i) the assignee is a corporation at least 51% of the outstanding voting securities of which is owned directly or indirectly by AMVESCAP plc or by an Immediate Parent resulting from a Change in Control permitted by this Part C and the Seller or Immediate Parent, as the case may be, shall covenant or confirm that the Seller's covenants and agreements in the Program Documents (including the undertaking set forth in Article VIII of the Purchase Agreement as to the Advisor's performance under the Program Documents) are in full force and effect;

(ii) the assignee shall have the mutual fund management and investment advisory expertise, experience and capacity immediately after the effective date of such assignment substantially equal to, or better than, the lesser of (i) the mutual fund management and investment advisory expertise, experience and capacity of the Person who was the predecessor advisor (the "Existing Advisor") immediately prior to the effective date of such assignment or (ii) the mutual fund management and investment advisory expertise, experience and capacity of the Advisors, as of June 30, 2003;

(iii) the assignee shall have affirmed its representations and warranties as an Advisor under the Program Documents and shall have agreed to be bound by undertakings and agreements substantially identical to those of the Advisors in the Program Documents in respect of periods after the assignment; and

(iv) a majority of the Board of Trustees of the Funds, including a majority who are not "Interested Persons" (as defined by Section 2(a)(19) of the Investment Company Act) shall have approved an Advisory Agreement with such assignee on substantially identical terms to those in effect immediately prior to such assignment so as not to give rise to a reasonable possibility of an Adverse Effect and such agreements shall remain in full force.

SCHEDULE VII

LOCATION OF RECORDS

11 Greenway Plaza, Suite 100

Houston, TX 77046-1173

EXHIBIT A

PURCHASE NOTICE

A I M MANAGEMENT GROUP INC.
11 Greenway Plaza
Suite 100Houston, Texas 77046

Citicorp North America, Inc.,
as Program Agent
388 Greenwich Street, 19 th Floor
New York, New York 10013
Attention: B Share Servicing

Citicorp North America, Inc.
U.S. Securitization
450 Mamaroneck Avenue
Harrison, New York 10528
Attention: B Share Servicing

Re: Third Amended and Restated Purchase and Sale Agreement dated as of August 18, 2003 (as from time to time amended, the "Purchase Agreement") among A I M Management Group Inc., A I M Distributors, Inc., A I M Advisors, Inc., INVESCO Funds Group, Inc., Citibank, N.A. and Citicorp North America, Inc., as Program Agent

Pursuant to Section 2.02 of the above-referenced Purchase Agreement, you are hereby notified that on ___, ___ (the "Purchase Date"), the undersigned proposes, subject to the terms and conditions set forth in the Purchase Agreement, to sell to Citibank, N.A. certain Receivables relating to each of the Funds, as set forth on Schedule I attached hereto. The Sale Cutoff Dates and the Purchase Prices for such Receivables are set forth on Schedule I attached hereto. [The date of the first issuance of Shares of each Fund to which the purchase on the initial Purchase Date relates is ___, ___.] [1] Capitalized terms used herein unless otherwise defined herein shall have the meanings assigned to such terms in the Purchase Agreement.

The undersigned certify that the conditions precedent set forth in Section 3.02 of the Purchase Agreement have been satisfied.

A I M MANAGEMENT GROUP INC.

By: _____
Authorized Signatory

1. Applicable to the first Purchase of Receivables relating to such Fund under the Purchase Agreement.

Purchase Period for each Fund _____
Sale Cutoff Date for each Fund _____

Name of Fund	Total Issue Price of Shares Related to Receivables to be Purchased	Purchase Amount ($)
$ _____	$ _____	$ _____
$ _____	$ _____	$ _____
	$ _____	$ _____

EXHIBIT B-1

A I M DISTRIBUTORS, INC.

Certificate

(Pursuant to Section 3.01(d) of the
Third Amended and Restated Purchase and Sale Agreement)

I, the undersigned **[** Secretary **] [** Assistant Secretary **]** of A I M Distributors, Inc., a Delaware corporation (the "Company"), DO HEREBY CERTIFY THAT:

1. This Certificate is furnished pursuant to Section 3.01(d) of that certain Third Amended and Restated Purchase and Sale Agreement dated as of August 18, 2003 (said Purchase and Sale Agreement, as in effect on the date of this Certificate, being herein called the "Purchase Agreement") among the Company, A I M Management Group Inc., A I M Advisors, Inc., INVESCO Funds Group, Inc., Citibank, N.A. and Citicorp North America, Inc., as Program Agent. Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings assigned to those terms in the Purchase Agreement.

2. Attached hereto as Annex A is a copy of the Certificate of Incorporation of the Company as in effect on the date hereof, certified by the Secretary of State of Delaware.

3. Attached hereto as Annex B is a true and correct copy of the By-laws of the Company as in effect on the date hereof.

4. Attached hereto as Annex C is a true and correct copy of resolutions duly adopted by unanimous consent of the Board of Directors of the Company on ___, 200 ___(___, 2003 in respect of the Transfer Agreement) which resolutions have not been revoked, modified, amended or rescinded and are still in full force and effect, and the Purchase Agreement, the Transfer Agreement and each Irrevocable Payment Instruction are in substantially the forms of those documents submitted to, and approved by, the Board of Directors of the Company.

5. The below-named persons have been duly elected and have duly qualified as, and at all times since _____(to and including the date hereof) have been, officers of the Company, holding the respective offices below set opposite their names, and the signatures below set opposite their names are their genuine signatures:

Name	Office	Signature

WITNESS my hand as of this ___ day of ___, 200___.

By: _____
[Secretary **][** Assistant Secretary **]**
A I M Distributors, Inc.

I, the undersigned **[** President **] [** Vice President **]** of the Company, DO HEREBY CERTIFY that:

1. ___ is the duly elected and qualified **[** Secretary **] [** Assistant Secretary **]** of the Company and the signature above is **[** his **] [** her **]** genuine signature.

2. The Purchase Agreement and each other Program Document to which the Company is a party is in full force and effect on the date hereof.

3. The representations and warranties on the part of the Company contained in the Purchase Agreement and the other Program Documents to which the Company is a party are true and correct at and as of the date hereof as though made on and as of the date hereof.

WITNESS my hand as of this ___ day of _____, 200___.

By: _____

[President **] [** Vice President **]**
A I M Distributors, Inc.

EXHIBIT B-2

A I M MANAGEMENT GROUP INC.

Certificate

(Pursuant to Section 3.01(d) of the
Third Amended and Restated Purchase and Sale Agreement)

I, the undersigned **[** Secretary **] [** Assistant Secretary **]** of A I M MANAGEMENT GROUP INC., a Delaware corporation (the "Company"), DO HEREBY CERTIFY THAT:

1. This Certificate is furnished pursuant to Section 3.01(d) of that certain Third Amended and Restated Purchase and Sale Agreement dated as of August 18, 2003 (said agreement, as in effect on the date of this Certificate, being herein called the "Purchase Agreement") among the Company, A I M Distributors, Inc., A I M Advisors, Inc., INVESCO Funds Group, Inc., Citibank, N.A. and Citicorp North America, Inc. Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings assigned to those terms in the Purchase Agreement.

2. Attached hereto as Annex A is a copy of the Certificate of Incorporation of the Company as in effect on the date hereof, certified by the Secretary of State of Delaware.

3. Attached hereto as Annex B is a true and correct copy of the By-laws of the Company as in effect on the date hereof.

4. Attached hereto as Annex C are true and correct copies of the resolutions duly adopted by the Board of Directors of the Company on _____, 200 ___ (_____, 200___, in respect of the Transfer Agreement) which resolutions have not been revoked, modified, amended or rescinded and are still in full force and effect, and the Purchase Agreement, Transfer Agreement, the Collection Agency Agreement and the Servicing Agreement are in substantially the forms of those documents submitted to, and approved by, the Board of Directors of the Company.

5. The below-named persons have been duly elected and have duly qualified as, and at all times since _____(to and including the date hereof) have been, officers of the Company, holding the respective offices below set opposite their names, and the signatures below set opposite their names are their genuine signatures:

Name	Office	Signature

WITNESS my hand as of this ___ day of _____, 200___.

By: _____
[Secretary **][** Assistant Secretary **]**
A I M MANAGEMENT GROUP INC.

I, the undersigned **[** President **] [** Vice President **]** of the Company, DO HEREBY CERTIFY that:

1. _____is the duly elected and qualified **[** Secretary **] [** Assistant Secretary **]** of the Company and the signature above is **[** his **] [** her **]** genuine signature.

2. Each of the Purchase Agreement, the Transfer Agreement, the Servicing Agreement, the Collection Agency Agreement and each other Program Document to which the Company is a party is in full force and effect on the date hereof.

3. The representations and warranties on the part of the Company contained in the Purchase Agreement, the Transfer Agreement, the Servicing Agreement, the Collection Agency Agreement and the other Program Documents to which the Company is a party are true and correct at and as of the date hereof as though made on and as of the date hereof.

4. The conditions precedent set forth in Article III of the Purchase Agreement are fully satisfied and no Event of Termination (or event which with the passage of time or notice, or both, would constitute an Event of Termination) has occurred and is continuing.

WITNESS my hand as of this ___ day of _____, 200___

By: _____
[President **] [** Vice President **]**
A I M MANAGEMENT GROUP INC.

EXHIBIT B-3

[INSERT NAME OF ADVISOR]

Certificate

(Pursuant to Section 3.01(d) of the
Third Amended and Restated Purchase and Sale Agreement)

I, the undersigned **[** Secretary **] [** Assistant Secretary **]** of [INSERT NAME OF ADVISOR], a Delaware corporation (the "Company"), DO HEREBY CERTIFY THAT:

1. This Certificate is furnished pursuant to Section 3.01(d) of that certain Third Amended and Restated Purchase and Sale Agreement dated as of August 18, 2003 (said Purchase and Sale Agreement, as in effect on the date of this Certificate, being herein called the "Purchase Agreement") among the Company, A I M Management Group Inc., A I M Distributors, Inc., [INSERT NAME OF OTHER ADVISOR], Citibank, N.A. and Citicorp North America, Inc., as Program Agent. Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings assigned to those terms in the Purchase Agreement.

2. Attached hereto as Annex A is a copy of the Certificate of Incorporation of the Company as in effect on the date hereof, certified by the Secretary of State of Delaware.

3. Attached hereto as Annex B is a true and correct copy of the By-laws of the Company as in effect on the date hereof.

4. Attached hereto as Annex C is a true and correct copy of resolutions duly adopted by unanimous consent of the Board of Directors of the Company on ___, 200___ which resolutions have not been revoked, modified, amended or rescinded and are still in full force and effect, and the Purchase Agreement, is in substantially the form submitted to, and approved by, the Board of Directors of the Company.

5. The below-named persons have been duly elected and have duly qualified as, and at all times since _____(to and including the date hereof) have been, officers of the Company, holding the respective offices below set opposite their names, and the signatures below set opposite their names are their genuine signatures:

Name	Office	Signature

WITNESS my hand as of this ___ day of _____, 200___.

By: _____
[Secretary **][** Assistant Secretary **]**
[INSERT NAME OF ADVISOR]

I, the undersigned **[** President **] [** Vice President **]** of the Company, DO HEREBY CERTIFY that:

1. _____is the duly elected and qualified **[** Secretary **] [** Assistant Secretary **]** of the Company and the signature above is **[** his **] [** her **]** genuine signature.

2. The Purchase Agreement and each other Program Document to which the Company is a party is in full force and effect on the date hereof.

3. The representations and warranties on the part of the Company contained in the Purchase Agreement and the other Program Documents to which the Company is a party are true and correct at and as of the date hereof as though made on and as of the date hereof.

WITNESS my hand as of this ___ day of _____, 200___.

By: _____

[President **] [** Vice President **]**
[INSERT NAME OF ADVISOR]

IRREVOCABLE PAYMENT INSTRUCTION

A I M Distributors, Inc.
11 Greenway Plaza
Houston, Texas 77046

A I M Management Group Inc.
11 Greenway Plaza
Houston, Texas 77046

[INSERT NAME OF COMPANY]
[ADDRESS **]**

[INSERT NAME OF TRANSFER AGENT]
[ADDRESS]

August 18, 2003

You are hereby notified that A I M Distributors, Inc. (the "Distributor") has entered into an Amended and Restated Distribution Fee Purchase Agreement dated as of August 18, 2003 (as from time to time amended, the "Transfer Agreement") with A I M Management Group Inc. (together with its successors and assigns, the "Seller") pursuant to which the Distributor has agreed to from time to time sell, convey, assign and transfer to the Seller all of its right, title and interest in, to and under the Receivables (defined below) relating to the sales of Shares relating to each of the Funds (defined below) during certain specified periods. You are hereby further notified that the Seller has entered into that certain Third Amended and Restated Purchase and Sale Agreement dated as of August 18, 2003 (as from time to time amended, the "Purchase Agreement") with the Distributor, A I M Advisors, Inc. ("AAI"), INVESCO Funds Group, Inc. ("IFG") (AAI and IFG, together with their respective successors and assigns, the "Advisors") Citibank, N.A. (together with its successors and assigns, the "Purchaser") and Citicorp North America Inc., as agent for the Purchaser (together with its successors and assigns, the "Program Agent"), pursuant to which the Seller will sell certain Receivables to the Purchaser.

Capitalized terms used herein shall have the following meanings:

" Asset Based Sales Charge " shall have the meaning set forth in Section 2830(b)(8)(A) of the Conduct Rules.

" Business Day " shall mean any day on which neither banks nor the New York Stock Exchange are not authorized or required to close in New York City.

" CDSC " shall mean with respect to Shares of any Fund, the contingent deferred sales charges payable, either directly or by withholding from the proceeds of the redemption of the Shares of the Fund, by the shareholders of such Fund on any redemption of Shares of such

Fund in accordance with the Distribution Plan, the Underwriting Agreement and the Prospectus relating to such Fund and the Conduct Rules.

" Company " shall mean [INSERT NAME OF COMPANY].

" Complete Termination " shall, in respect of the Distribution Plan in respect of the Shares of any Fund, (i) have the meaning assigned to such term in such Distribution Plan in effect on the date hereof, or (ii) shall mean a complete termination of such Distribution Plan, which results solely from a change in generally applicable law or an industry-wide action by the SEC after October 31, 2000; provided , however , that in respect of clauses (i) and (ii) above such termination occurs despite the Seller's, the Advisor's, the Distributor's and their affiliate's full compliance with their respective obligations under the Purchase Agreement.

" Conduct Rules " shall mean the Conduct Rules of the NASD, including without limitation, Section 2830, thereof, as amended, and the rules, regulations and interpretations of the NASD in respect thereof.

" Distribution Plan " shall mean with respect to the Receivables relating to any Fund the distribution plan of the Company, in respect thereto pursuant to which Shares of such Fund are distributed by the Distributor, as the same may be amended, supplemented, waived or modified from time to time in accordance with the Purchase Agreement, and provided no Complete Termination has occurred, any successor or replacement distribution plan.

" Fund " shall mean each separate series of the Company specified on Schedule I hereto, as the same may be supplemented from time to time in accordance herewith.

" Maximum Aggregate Sales Charge Allowable " shall mean with respect to the Receivables relating to any Fund the maximum Asset Based Sales Charge which may be paid by the Company, in respect of such Fund to the Distributor pursuant to the Underwriting Agreement, the Distribution Plan and the Prospectus, together with interest thereon at the Maximum Interest Allowable, relating to such Fund and pursuant to the "maximum sales charge rule" set forth in Section 2830 of the Conduct Rules, assuming the Company, in respect of such Fund pays a separate Service Fee, unreduced by payments theretofore made in respect thereof by the Company, in respect of such Fund.

" Maximum Interest Allowable " shall mean the maximum interest which may be taken into account under Section 2830 of the Conduct Rules in computing the Maximum Aggregate Sales Charge Allowable.

" Monthly Settlement Date " shall mean the twelfth (12th) Business Day of each calendar month during the term of the Purchase Agreement.

" NASD " shall mean NASD, Inc., or any successor entity or entities.

" Omnibus Account " shall mean, in respect of any Fund, any account maintained by the Transfer Agent for such Fund (or any successor transfer agent for such Fund), reflecting the record ownership of Shares of such Fund by an entity who maintains sub-transfer agents' records reflecting the actual beneficial ownership of such Shares in other persons or entities.

" Prospectus " shall mean with respect to any Fund the prospectus filed with the Securities and Exchange Commission as a part of the Company's Registration Statement on Form N-1A, as amended, and shall include, without limitation, the Statement of Additional Information included in such Registration Statement.

" Receivables " shall mean with respect to each Fund, all of the rights under the Underwriting Agreement, the Distribution Plan, the Prospectus and in accordance with the applicable Conduct Rules to receive amounts paid or payable in respect of Asset Based Sales Charges (including interest at the Maximum Interest Allowable) and CDSCs, in each case in respect of the issuance by such Fund of Shares and in respect of Shares of any other Fund acquired in any exchange of Shares of the Fund in question, including, without limitation, any similar amount paid or payable under any replacement Underwriting Agreement, Distribution Plan, Prospectus or the Conduct Rules, and any continuation payments in respect thereof paid or payable by the Company in respect of Shares of such Fund in the event of a termination of the Distribution Plan or the Underwriting Agreement; it being understood that such term does not include the Service Fee payable pursuant to the Underwriting Agreement, the Distribution Plan, the Prospectus and the Conduct Rules.

" Service Fee " shall have the meaning set forth in Section 2830(b)(9) of the Conduct Rules.

" Shares " shall mean in respect of any Fund, any class of shares of such Fund which are specified on Schedule I hereto, as the same may be supplemented from time to time in accordance herewith.

" Specified Sub-transfer Agents " shall mean Merrill Lynch, Pierce, Fenner & Smith, Citigroup Global Markets Inc. and Primerica Shareholder Services, together with each other Sub-transfer Agent in respect of which the Program Agent has confirmed in writing that monthly remittances of CDSCs by such Sub-transfer Agent is acceptable.

" Sub-transfer Agent " shall mean, in respect of any Fund, the record owner of any Omnibus Account.

" Transfer Agent " shall mean [Insert name of Transfer Agent], together with its permitted successors and assigns in such capacity.

" Underwriting Agreement " shall mean with respect to the Receivables relating to any Fund, the agreement between the Distributor and the Company, in respect of Shares of such Fund and any replacement agreement as may be adopted in the future, pursuant to which the Distributor has been appointed the principal underwriter in respect of the Receivables relating to such Fund.

You are hereby directed to make all payments in respect of all amounts (other than Service Fees) paid or payable by the Fund pursuant to the Underwriting Agreement, the Distribution Plan, the Prospectus and the Conduct Rules in respect of the Receivables relating to each Fund and all proceeds therefrom (hereinafter, "Payments"), which otherwise would be payable by you to the Distributor by wire in immediately available funds to the dedicated demand deposit account of Deutsche Bank Trust Company Americas (the "Collection Agent")

entitled the “Banker’s Trust Company — A I M Demand Deposit Account”, account no. 00-325-892 (the “Demand Deposit Account”) established and maintained by the Collection Agent at 60 Wall Street, New York, New York 10005, for further transfer by the Collection Agent to the account of the Collection Agent entitled the “Banker’s Trust Company — A I M Collection Account”: Account No. 14781 (the “Collection Account”), as follows:

(A) in the case of Asset Based Sales Charges, on or before the eleventh (11 th) Business Day of the calendar month immediately following the calendar month to which they relate;

(B) in the case of CDSCs withheld by any Specified Sub-transfer Agent, on or before the eleventh (11 th) Business Day of the calendar month in which the same are withheld from the redemption proceeds of the related Shares; and

(C) in the case of CDSCs (other than the CDSCs described in clause (B) above), on or before the second (2 nd) Business Day of the calendar week in which the same are withheld from the redemption proceeds of the related Shares.

You are further notified that:

1. This Irrevocable Payment Instruction is delivered on behalf of the Purchaser and the Program Agent and is irrevocable and cannot be changed without the written consent of the Program Agent, the Distributor and the Seller; provided , however , that Schedule I hereto may be supplemented solely to add a new series of the Company to such Schedule without the written consent of the Program Agent;

2. By your acknowledgment, you authorize the Distributor and the Seller to deliver a copy of this Irrevocable Payment Instruction and your acknowledgment to the Purchaser, the Program Agent and their respective successors and assigns; and

3. Any payment by you other than in compliance with the directions herein shall not be deemed to discharge your obligations in respect of the Payments.

THIS IRREVOCABLE PAYMENT INSTRUCTION SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEW YORK AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF SAID STATE WITHOUT REGARD TO ITS CONFLICTS OF LAWS PROVISIONS.

By your execution of this Irrevocable Payment Instruction you hereby acknowledge and agree to abide by the foregoing instructions, it being understood that such acknowledgment and waiver does not constitute a waiver of any defenses.

A I M DISTRIBUTORS, INC.

By: _____
Authorized Signatory

A I M MANAGEMENT GROUP INC.

By: _____
Authorized Signatory

Acknowledged and
Agreed to as of the date
first written above:

[INSERT NAME OF COMPANY]

By: _____
Authorized Signatory

[INSERT NAME OF TRANSFER AGENT]

By: _____
Authorized Signatory

Schedule I

Fund	Shares

EXHIBIT D

ADDITIONAL ELIGIBLE FUND ADDENDUM

Reference is hereby made to that certain Third Amended and Restated Purchase and Sale Agreement dated as of August 18, 2003 (as from time to time amended, supplemented, waived or modified, the "Purchase Agreement") among A I M Management Group Inc. (together with its permitted successors and assigns, the "Seller"), A I M Distributors, Inc. (together with its successors and assigns, the "Distributor"), A I M Advisors, Inc. (together with its successors and assigns, the "AAI"), INVESCO Funds Group, Inc. (together with its successors and assigns, "IFG"), Citibank, N.A. (together with its successors and assigns, the "Purchaser") and Citicorp North America, Inc., as agent for the Purchaser (together with its permitted successors and assigns, the "Program Agent"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Purchase Agreement.

Pursuant to the terms of Section 2.03 of the Purchase Agreement, the Seller hereby requests that effective as of the Addition Effective Date [INSERT NAME OF FUND] a series of [INSERT NAME OF COMPANY], an Additional Eligible Fund, become a "Fund" under and for all purposes of the Purchase Agreement[and that [INSERT NAME OF COMPANY], an investment company registered with the SEC under the Investment Company Act (the "Additional Company") become a "Company" under and for all purposes of the Purchase Agreement]. *

On and as of the Addition Effective Date, (i) such Additional Eligible Fund shall become a Fund under and for all purposes of the Purchase Agreement, the Servicing Agreement, the Transfer Agreement and the other Program Documents [and the Additional Company shall become a Company under and for all other purposes of the Purchase Agreement and the other Program Documents], * (ii) the Purchase Agreement, the Servicing Agreement and the Collection Agency Agreement shall be deemed to be supplemented to reflect the addition of such Additional Eligible Fund [and the addition of the Additional Company], * and (iii) any reference in the Purchase Agreement to the effectiveness on the date of the Purchase Agreement of, or any change or modification since the date of the Purchase Agreement to the Underwriting Agreement, the Distribution Plan, the Advisory Agreement, the Prospectus, the CDSC arrangement or Fundamental Investment Objectives in respect of such Additional Eligible Fund shall be deemed to refer to the effectiveness thereof on, and any change or modification thereof since, the Addition Effective Date.

In addition, on the Addition Effective Date the [SPECIFY PROGRAM DOCUMENT] shall be amended as follows: [SPECIFY NECESSARY AMENDMENTS, IF ANY, TO WHICH THE PROGRAM AGENT HAS CONSENTED].

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* Insert if investment company relating to the Additional Eligible Fund is not an existing "Company" under the Purchase Agreement.

On and as of the Addition Effective Date, Schedule II to the Purchase Agreement is hereby supplemented to add the following information under each heading:

COMPANY
[INSERT NAME OF ADDITIONALCOMPANY] *

FUNDS	SHARES
[INSERT NAME OF ADDITIONAL ELIGIBLE FUND **]**	Class ___

In addition, on and as of the Addition Effective Date, Schedule IV to the Purchase Agreement is hereby supplemented to add the following information under each heading:

FUND	FUNDAMENTAL INVESTMENT OBJECTIVES

Each of the Seller, the Distributor and [AAI][IFG] * * represents and warrants to the Program Agent and the Purchaser that, on and immediately after the Addition Effective Date, (i) attached hereto as Annexes A, B, C and D are true, correct and complete copies of the Underwriting Agreement, Prospectus, Distribution Plan and Advisory Agreement relating to such Additional Eligible Fund in effect on the date hereof, (ii) the representations and warranties of the Seller, the Distributor and [AAI][IFG]** contained in Article IV of the Purchase Agreement are true and correct in all respects, (iii) no Event of Termination (or event which with the passage of time or notice, or both, would constitute an Event of Termination has occurred, and (iv) the conditions precedent set forth in Article III to the Purchase Agreement are satisfied.

* Insert if investment company relating to the Additional Eligible Fund is not an existing “Company” under the Purchase Agreement.

** Specify applicable Advisor.

The Addition Effective Date shall occur when (a) a counterpart hereof, signed by the Distributor, [AAI][IFG],** the Seller and the Program Agent has been received by the Program Agent, and (b) the other requirements described in Section 2.03 of the Purchase Agreement have been fully satisfied.

A I M MANAGEMENT GROUP INC.

By: _____
Name:
Title:

Acknowledged and Agreed to
as of _____, ___

A I M DISTRIBUTORS, INC.

By: _____
Name:
Title:

[SPECIFY APPLICABLE ADVISOR]

By: _____
Name:
Title:

CITICORP NORTH AMERICA, INC.,
as Program Agent

By: _____
Name:
Title:

[DEUTSCHE BANK TRUST
COMPANY AMERICAS,
as Collection Agent

By: _____
Name:
Title:
[1]

1. Required if Collection Agency Agreement is to be amended.

ANNEX A

UNDERWRITING AGREEMENT OF
[INSERT NAME OF ADDITIONAL ELIGIBLE FUND]

ANNEX B

PROSPECTUS OF
[INSERT NAME OF ADDITIONAL ELIGIBLE FUND]

ANNEX C

DISTRIBUTION PLAN OF
[INSERT NAME OF ADDITIONAL ELIGIBLE FUND]

ANNEX D

ADVISORY AGREEMENT OF
[INSERT NAME OF ADDITIONAL ELIGIBLE FUND]

EXHIBIT E
TO PURCHASE AND SALE AGREEMENT

PROCEDURES FOR ALLOCATING RECEIVABLES AND SHARES

Receivables in respect of each Fund shall be allocated between Purchased Receivables and Receivables which do not constitute Purchased Receivables in accordance with the rules set forth in clauses (A), (B) and (C) below. Clause (A) attributes each Share either to the Seller or to the Purchaser. Clauses (B) and (C) allocate Receivables to the Purchaser and the Seller with reference to the Shares which have been attributed to each in accordance with clause (A). Unless otherwise defined herein, defined terms used herein shall have the meanings assigned to such terms in Appendix A to the Purchase and Sale Agreement.

(A) Attribution of Shares : Shares of each Fund outstanding from time to time shall be attributed to either the Purchaser or the Seller in accordance with the following rules:

(1) Commission Shares : Each Commission Share is specifically tracked by the records maintained by the Transfer Agent (or in the case of Omnibus Shares by the related Sub-transfer Agent) with reference to the Date of Original Issuance of the Commission Share in question or of the Commission Share from which the Commission Share in question derived through one or more Permitted Free Exchanges.

The following Commission Shares outstanding from time to time shall be attributed to the Purchaser: (a) Commission Shares issued other than in a Permitted Free Exchange, the Date of Original Issuance of which occurs on or after the Inception Date and on or prior to the last Sale Cutoff Date, including without limitation, all Commission Shares which constitute Floating Rate Fund Exchange Shares, and (b) Commission Shares issued in a Permitted Free Exchange for Shares of another Fund which were attributed to the Purchaser in accordance with this paragraph (1) of this clause (A).

The following Commission Shares outstanding from time to time shall be attributed to the Seller: (a) Commission Shares issued other than in a Permitted Free Exchange, the Date of Original Issuance of which occurs prior to the Inception Date, (b) Commission Shares issued other than in a Permitted Free Exchange, the Date of Original Issuance of which occurs after the last Sale Cutoff Date, (c) all Commission Shares of such Fund which constitute Excluded Shares, and (d) Commission Shares issued in a Permitted Free Exchange for Shares of another Fund which were attributed to Seller in accordance with this paragraph (1) of this clause (A).

(2) Free Shares (other than Omnibus Shares) :

A Free Share (other than an Omnibus Share) of any Fund will be attributed to the Purchaser or the Seller in accordance with the Transfer Agent Reports of the Transfer Agent for such Fund.

(3) Omnibus Shares :

(a) Omnibus Shares of any Fund which are Commission Shares shall be attributed to the Purchaser or the Seller, as the case may be, in the same manner as outstanding Commission Shares of such Fund which do not constitute Omnibus Shares are attributed to such parties.

(b) Omnibus Shares of any Fund which are Free Shares outstanding on any date shall be attributed to the Purchaser or the Seller pursuant to the following rules:

(i) Such attributions shall be made separately for the Omnibus Shares held in each individual Omnibus Account of such Fund, and the result of each such separate computation shall be aggregated to provide the total Free Shares attributable to the Purchaser and the Seller.

(ii) Free Shares which are Omnibus Shares issued (other than in connection with Permitted Free Exchanges) during any calendar month shall be attributed to the Purchaser and the Seller as of the end of such calendar month in a number computed as follows:

$$A \times (B/C)$$

where:

A = Omnibus Shares which are Free Shares issued (other than in connection with Permitted Free Exchanges) during such calendar month.

B = Commission Shares and Free Shares which are Omnibus Shares deemed to be attributed to the Purchaser or the Seller, as the case may be, and outstanding as of the close of business on the last day of the immediately preceding calendar month in accordance with this Exhibit E.

C = Total number of Commission Shares and Free Shares which are Omnibus Shares outstanding as of the close of business on the last day of the immediately preceding calendar month.

(iii) Free Shares which are Omnibus Shares and redeemed (other than in connection with Permitted Free Exchanges) during any calendar month shall be attributed to the Purchaser and the Seller as of the end of such calendar month in a number computed as follows:

$$A \times (B/C)$$

where:

A = Omnibus Shares which are Free Shares redeemed (other than in connection with Permitted Free Exchanges) during such calendar month.

B = Free Shares which are Omnibus Shares deemed to be attributed to the Purchaser or the Seller, as the case may be, and outstanding as of the last day of the immediately preceding calendar month in accordance with this Exhibit E.

C = Total number of Free Shares which are Omnibus Shares outstanding as of the close of business on the last day of the immediately preceding calendar month in accordance with this Exhibit E.

(iv) Free Shares which are Omnibus Shares exchanged into or out of a specific Fund during any calendar month (such amount, which may be a positive or negative number, the "Net Exchange Shares") shall be computed as follows:

$$A - B - C + D$$

where:

A = Total number of Free Shares which are Omnibus Shares outstanding as of the close of business on the last day of the current calendar month.

B = Total number of Free Shares which are Omnibus Shares outstanding as of the close of business on the last day of the immediately preceding calendar month.

C = Total number of Free Shares which are Omnibus Shares and issued during the current calendar month and allocated among the Purchaser and the Seller in accordance with clause (ii) immediately above.

D = Total number of Free Shares which are Omnibus Shares and redeemed during the current calendar month and allocated among the Purchaser and the Seller in accordance with clause (iii) immediately above.

The amount of Net Exchange Shares computed for a given calendar month shall be attributed to the Purchaser and the Seller as of the end of such calendar month in a number computed as follows:

$$E \times (F/G)$$

where:

E = Total number of Net Exchange Shares computed in a given month as of the close of business on the last day of the current calendar month.

F = Free Shares which are Omnibus Shares deemed to be attributed to the Purchaser or the Seller, as the case may be, and outstanding as of the close of business on the last day of the immediately preceding calendar month in accordance with this Exhibit E.

G = Total number of Free Shares which are Omnibus Shares outstanding as of the close of business on the last day of the immediately preceding calendar month.

(d) (i) If as of the close of business on the last day of any calendar month, Free Shares which constitute Non-Omnibus Shares of any Fund are attributed to the Seller under paragraph 2 of this Exhibit E and there are no Commission Shares which constitute Non-Omnibus Shares attributed to the Seller in respect of such Fund, such Free Shares shall be attributed to the Purchaser. If as of the close of business on the last day of any calendar month Free Shares which constitute Omnibus Shares of any Fund in any Omnibus Account are attributable to the Seller under paragraph 2 of this Exhibit E and there are no Commission Shares in such Omnibus Account in respect of such Fund attributed to the Seller, such Free Shares shall be attributed to the Purchaser.

(ii) If as of the close of business on the last day of any calendar month, Free Shares which constitute Non-Omnibus Shares of any Fund are attributed to the Purchaser under paragraph 2 of this Exhibit E and there are no Commission Shares which constitute Non-Omnibus Shares attributed to the Purchaser in respect of such Fund, such Free Shares shall be attributed to the Seller. If as of the close of business on the last day of any calendar month Free Shares which constitute Omnibus Shares of any Fund in any Omnibus Account are attributable to the Purchaser under paragraph 2 of this Exhibit E and there are no Commission Shares in such Omnibus Account in respect of such Fund attributed to the Purchaser, such Free Shares shall be attributed to the Seller.

(B) Receivables Constituting CDSCs : Except with respect to ML Omnibus Shares to the extent set forth in clause (2) below, Receivables constituting CDSCs will be allocated to the Purchaser and the Seller depending upon whether the related redeemed Shares were attributed to the Purchaser or the Seller in accordance with clause (A) above.

(1) CDSCs relating to Non-Omnibus Shares, ML Omnibus Shares and Omnibus Shares for such Fund shall be allocated between the Purchaser and the Seller on or prior to the tenth (10^{th}) Business Day of the calendar month immediately succeeding the calendar month in which they are remitted to the Demand Deposit Account for further credit to the Collection Account.

(2) Adjustment Amounts . Any difference between CDSCs relating to ML Omnibus Shares of such Fund remitted to the Demand Deposit Account and the CDSCs relating to ML Omnibus Shares of such Fund reported in the ML Omnibus Redemption Report, which will accompany the Purchaser Report (such difference, the "Adjustment Amount"), will be allocated as follows:

$$ADJ \times \frac{PMLCDSC}{FMLCDSC}$$

where:

ADJ = Adjustment Amount for such ML Omnibus Shares.

PMLCDSC = The aggregate of all CDSCs for such ML Omnibus Shares shown on the ML Omnibus Redemption Report, except ML Omnibus Shares attributed to the Seller as specified therein, in accordance with these Allocation Procedures.

FMLCDSC = The total CDSC amount for such ML Omnibus Shares shown on the ML Omnibus Redemption Report.

The balance of the Adjustment Amount shall be attributed to the Seller.

In any month in which a Calculation Event specified in clause (i) of the definition thereof shall have occurred in respect of the ML Omnibus Shares, the ML Omnibus Shares shall be allocated between the Purchaser and the Seller in accordance with clause (A) above. In any month in which a Calculation Event specified in clause (ii) of the definition thereof shall have occurred, CDSCs relating to ML Omnibus Shares shall be allocated between the Purchaser and the Seller depending upon whether the related redeemed Shares were attributed to the Purchaser or the Seller in accordance with clause (A) above until the aggregate Adjustment Amounts for all Funds do not exceed three percent of the total CDSCs collected and remitted to the Demand Deposit Account in such month. The remaining Adjustment Amounts will be allocated and distributed as described immediately above.

(C) Receivables Constituting Asset Based Sales Charges : The Asset Based Sales Charges accruing to the Purchaser during any calendar month shall be computed and allocated as follows:

$$A \times \frac{(B + C)/2}{(D + E)/2}$$

where:

A. = Total amount of Asset Based Sales Charges accrued during such calendar month.

B. = Shares attributed to the Purchaser and outstanding, as of the close of business on the last day of the immediately preceding calendar month, times Net Asset Value per Share as of such time.

C. = Shares attributed to the Purchaser and outstanding, as of the close of business on the last day of such calendar month, times Net Asset Value per Share as of such time.

D. = Total Shares outstanding as of the close of business on the last day of the immediately preceding calendar month, times Net Asset Value per Share as of such time.

E. = Total Shares outstanding as of the close of business on the last day of such calendar month, times Net Asset Value per Share as of such time.

The balance of the Asset Based Sales Charges of such Fund accruing during such calendar month shall be allocated to the Seller. The allocations contemplated by this paragraph shall be made on or prior to the tenth (10th) Business Day of the immediately following calendar month.

Notwithstanding anything in this clause (C) to the contrary, if during any calendar month there has been a waiver of the portion of the Asset Based Sales Charges relating to the Purchaser's New Shares of the INVESCO Cash Reserves Fund or the AIM Money Market Fund (any such affected Fund, a "Subject Fund") in accordance with the Waiver Agreement, then for purposes of allocating the Asset Based Sales Charges accruing during such calendar month in respect of such Subject Fund between the Purchaser and the Seller (x) the amount of the Asset Based Sales Charges accrued during such calendar month in respect of such Subject Fund shall be deemed to be the total amount of the Asset Based Sales Charges that would have accrued in respect of such Subject Fund if no waiver of any Asset Based Sales Charges in respect of Purchaser's New Shares had occurred, and (y) the Asset Based Sales Charges allocated to the Purchaser pursuant to this clause (C) shall be reduced by an amount equal to the Asset Based Sales Charges accrued during such calendar month in respect of such Subject Fund which were waived by the Purchaser under the Waiver Agreement.

(D) In General . For purposes of the foregoing: (1) Shares will be deemed to be issued, redeemed, exchanged and converted to class A shares (including without limitation by each Sub-transfer Agent) in accordance with the rules used by the Transfer Agent for each Fund. All allocations included in this Exhibit E shall be reported in the relevant Purchaser Report and all computations required to confirm such allocations shall be included in the relevant Purchaser Report, the Transfer Agent Reports and the Sub-transfer Agent Reports delivered to the Program Agent; and (2) notwithstanding anything to the contrary set forth above: (i) all Shares of any Fund attributed to the Seller with reference to Commission Shares issued prior to the Inception Date for such Fund shall be deemed to have been redeemed at the point in time when the aggregate amount of the CDSCs and Asset Based Sales Charges theretofore allocated to the Seller in respect of such Shares shall equal the Maximum Aggregate Sales Charge Allowable in respect of the Shares of such Fund on the assumption that the only Commission Shares issued by such Fund were the Commission Shares of such Fund issued prior to the Inception Date for such Fund which were attributed to Seller through such point in time; and (ii) all Shares of any Fund attributed to the Purchaser shall be deemed to have been redeemed at the point in time when the Collection Agency Agreement terminates in accordance with Section 14 thereof.

For purposes of paragraph (2) of clause (A) above, if the form of any Transfer Agent Report or the practices or capabilities of the Transfer Agent in respect of any Fund change after August 18, 2003 and as a result of such changes the attributions of Free Shares (other than Omnibus Shares) contemplated by paragraph (2) of clause (A) above no longer reach results which are consistent with the results obtained under this Exhibit E if the form of such Transfer

Agent Report or the practices or capability of the Transfer Agent had not changed, then at the request of the Program Agent or the Seller, the Purchaser, the Program Agent and the Seller shall negotiate in good faith to cause the Transfer Agent to generate Transfer Agent Reports or to adjust the Allocation Procedures as may be necessary to reach results consistent with those that would have been produced if such report had not changed; provided , that if such parties cannot reach agreement on such modifications within a reasonable period of time after the date of any such change, the parties shall submit the question to arbitration in accordance with the commercial arbitration rules of the American Arbitration Association and the decision reached by the arbitrator shall be final and binding on the parties hereto.

EXHIBIT F

FORM OF TAKE-OUT NOTICE

[Date]

A I M Management Group Inc.
11 Greenway Plaza
Suite 1919
Houston, Texas 77046

A I M Distributors, Inc.
11 Greenway Plaza
Suite 1919
Houston, Texas 77046

Ladies and Gentlemen:

Pursuant to that certain Third Amended and Restated Purchase and Sale Agreement dated as of August 18, 2003 (as amended and supplemented, the Purchase Agreement) among A I M Management Group Inc., A I M Distributors, Inc., A I M Advisors, Inc., INVESCO Funds Group, Inc., Citibank N.A. and the undersigned Citicorp North America, Inc., we hereby deliver this Take-out Notice advising you that the Purchaser completed a Take-out Transaction [stipulate transaction]. The "Take-out Adjustment Amount" in connection with such Take-out Transaction is $ _____. Capitalized terms used herein and which are not otherwise defined herein shall have the meanings assigned to such terms in the Purchase Agreement.

Very truly yours,

CITICORP NORTH AMERICA, INC.,
as Program Agent

By: _____
Authorized Signatory

Acknowledged and agreed as of
the date first written above:

A I M MANAGEMENT GROUP INC.

By: _____
Authorized Signatory

A I M DISTRIBUTORS, INC.

By: _____
Authorized Signatory

Appendix A
to
Purchase and Sale Agreement

DEFINITIONS LIST

The following terms have the respective meanings set forth below for all purposes of the Purchase Agreement, the Servicing Agreement, the Collection Agency Agreement and the exhibits and schedules thereto and the definitions of such terms are equally applicable both to the singular and plural forms of such terms.

" AAI " shall mean A I M Advisors, Inc.

" Addition Effective Date " shall have the meaning assigned to such term in Section 2.03 of the Purchase Agreement.

" Additional Eligible Fund " shall mean any additional series of any Company:

(i) which shall have in full force and effect a distribution plan, advisory agreement and underwriting agreement, substantially identical to the comparable documents in respect of Shares of the Funds in effect on the date hereof and to the extent not substantially identical, which shall be in the form, scope and substance reasonably satisfactory to the Program Agent;

(ii) with respect to which the Distributor shall act as a principal underwriter and an Advisor shall act as investment adviser;

(iii) the fundamental investment objectives and policies of which shall be in compliance with all Applicable Law and fundamental investment objectives and policies of which shall be substantially comparable to the Fundamental Investment Objectives in respect of Shares of any Fund listed on Schedule II to the Purchase Agreement, including without limitation in respect of the risks associated with such fundamental investment objectives, and to the extent not substantially comparable, which shall be reasonably satisfactory to the Program Agent;

(iv) with respect to which the Distributor shall be entitled to receive CDSCs on terms substantially identical to those existing in respect of the Funds in effect on the date of the Purchase Agreement and to the extent not substantially identical, on terms which shall be reasonably satisfactory to the Program Agent;

(v) with respect to which there shall be in full force and effect an Irrevocable Payment Instruction which has been acknowledged and agreed to by the related Company and the Transfer Agent as contemplated thereby; and

(vi) in respect of which the Seller, the applicable Advisor or the Distributor shall have furnished to the Purchaser and the Program Agent: (A) a true and

complete copy of the prospectus for such series; (B) a true and complete copy of the distribution plan in respect of such series; and (C) a true and complete copy of the underwriting agreement in respect of such series.

" Additional Eligible Fund Addendum " shall mean the addendum substantially in the form of Exhibit D to the Purchase Agreement.

" Adjustment Amount " shall have the meaning assigned to such term in the Allocation Procedures.

" Adverse Claim " shall mean any Lien of any Person other than (i) any such right or claim of the Purchaser or the Program Agent created by or pursuant to the Purchase Agreement, and (ii) any Lien created by the Purchaser.

" Adverse Effect " shall mean (i) any occurrence of, or any increase in, any Adverse Claim on the Purchased Receivables or the Collections, (ii) any occurrence of, or any increase in, any material claims, damages, losses, liabilities, expenses, obligations, penalties or disbursements of any kind or nature of the Purchaser or the Program Agent arising out of the transactions contemplated by the Facility Documents, (iii) any adverse effect upon the status of any transfer of any Receivables under the Program Documents as a True Sale, (iv) any adverse effect upon the Seller's (as Servicer or otherwise), any Advisor's, the Distributor's or any Company's ability to pay or perform any of its respective material obligations under any Facility Document in a timely manner, (v) any adverse effect on the status of the Receivables as Eligible Receivables, (vi) any adverse effect on the amount or timing of any payment of any Collections, (vii) any adverse effect on the timely receipt by the Collection Agent of any Collections in accordance with the terms of any Irrevocable Payment Instruction or any other Program Document, (viii) any adverse effect on the Purchaser's right, title or interest in the Purchased Receivables, the Collections in respect thereto, the Collection Account, the Demand Deposit Account or the Ancillary Rights in respect of the Purchased Receivables, (ix) any material adverse effect on any of the other rights of the Purchaser or the Program Agent under the Facility Documents, or (x) any adverse effect on the remedies of the Purchaser or the Program Agent under any Facility Document.

" Advisor " shall mean each of AAI and IFG, together with their respective permitted successors and assigns.

" Advisory Agreement " shall mean with respect to any Fund, the agreement between the related Advisor and the related Company in respect of such Fund and any replacement agreement as may be adopted in the future, pursuant to which an Advisor provides investment advisory services to such Fund, as the same may be amended, supplemented, waived or modified from time to time.

" Affiliate " of a referenced Person shall mean (a) another Person controlling, controlled by or under common control with such referenced Person, (b) any other Person beneficially owning or controlling ten percent (10%) or more of the outstanding voting securities or rights or of the interest in the capital, distributions or profits of the referenced Person, or (c) any officer (exclusive of a "ministerial officer" with no authority to bind a Person), director of

or partner in the referenced Person; provided , however , the term "Affiliate" shall not be deemed to include any Company or any similar investment company or account for which the Seller and/or its Affiliates provide the type of services contemplated by the Distribution Plan, Underwriting Agreement or any Advisory Agreement. The terms "control", "controlling", "controlled" and the like shall mean the direct or indirect possession of the power to direct or cause the direction of the management or policies of a Person or the disposition of its assets or properties, whether through ownership, by contract, arrangement or understanding, or otherwise.

" AIM GT Funds " shall have the meaning set forth in Amendment No. 1 to Facility Documents.

" Allocation Notice " shall mean a written notice from the Program Agent to the Collection Agent (with a copy to each of the other parties hereto) stating funds are to be allocated in accordance with Section 4.3(a) of the Collection Agency Agreement on a more frequent basis, which notice shall specify the frequency of such allocation.

" Allocation Procedures " shall mean the allocation procedures attached as Exhibit E to the Purchase Agreement.

" Amendment No. 1 to Facility Documents " shall mean the Amendment No. 1 to Facility Documents dated as of September 8, 1998 among the Seller, the Purchaser and the Program Agent, as consented and agreed to by AAI.

" Amendment No. 2 to Facility Documents " shall mean the Amendment No. 2 to Facility Documents dated as of September 1, 1999 among the Seller, the Purchaser, the Program Agent and the Collection Agent, as consented and agreed to by the Distributor and AAI.

" Amendment No. 3 to Facility Documents " shall mean the Amendment No. 3 to Facility Documents dated as of December 14, 2000 among the Seller, the Distributor, AAI, the Purchaser, the Program Agent, and the Collection Agent.

" Amendment No. 4 to Facility Documents " shall mean the Amendment No. 4 to Facility Documents dated as of August 24, 2001 among the Seller, the Distributor, AAI, the Purchaser, the Program Agent and the Collection Agent.

" Amendment No. 5 to Facility Documents " shall mean the Amendment No. 5 to Facility Documents dated as of August 18, 2003 among the Seller, the Distributor, IFG, AAI, the Purchaser, the Program Agent and the Collection Agent.

" Amortized Maximum Aggregate Sales Charge Allowable " shall mean with respect to the Receivables relating to any Fund as of any date of determination, (i) an amount equal to the Maximum Aggregate Sales Charge Allowable payable in respect of such Receivables, minus (ii) the aggregate amounts paid by the applicable Company and the holders of its Shares in respect of such Receivables.

" Ancillary Rights " shall mean all of the Seller's rights, remedies, title and interests in, to and under (i) the Transfer Agreement (other than its rights to payments from the applicable Companies and the holders of Shares of the Funds in respect of the Receivables relating to each

Fund and the Service Fee payable under the Distribution Plans and the Underwriting Agreements) and the other Facility Documents including, without limitation, the right to receive payments from the Distributor pursuant thereto, (ii) all UCC financing statements covering any of the foregoing, (iii) all Proceeds thereof, and (iv) all other rights the Seller may have in respect of the foregoing under Applicable Law.

" Annual Computation Date " shall mean the last day of each twelve month period ending on the last day of each calendar month.

" Annual Redemption Threshold " shall mean the first day during any twelve calendar month period on which the aggregate Net Asset Values (determined with respect to each redeemed Share as of the date of such redemption) of all Shares relating to Purchased Receivables, which were redeemed in Free Redemptions during the portion of such period up to and including the day in question, equals or exceeds the product of (a) the aggregate of the Net Asset Values relating to Shares of all Funds as of the Annual Computation Date in respect of such twelve calendar month period, and (b) two percent (2%).

" Applicable Law " shall mean any Law of any Authority, whether domestic or foreign, including, without limitation, all federal and state banking or securities laws, to which the Person in question is subject or by which it or any of its property is bound.

" Asset Based Sales Charge " shall have the meaning set forth in Section 2830(b)(8)(A) of the Conduct Rules.

" Assignment Agreement " shall mean the Assignment Agreement dated as of June 1, 1998 between GT Global, Inc. and the Distributor.

" Authority " shall mean any governmental or self-regulatory authority (including, without limitation, the NASD, the stock exchanges and the SEC), whether executive, legislative, judicial, regulatory, administrative or other, or any combination thereof, including, without limitation, any federal, state, territorial, county, municipal or other government or governmental or self-regulatory agency, arbitrator, board, body, branch, bureau, commission, corporation, court, department, instrumentality, master, mediator, panel, referee, system or other political unit or subdivision or other entity of any of the foregoing, whether domestic or foreign.

" Authorized Representative " shall have the meaning assigned to such term in Section 4.3(f) of the Collection Agency Agreement.

" Authorized Representative Certificate " shall have the meaning assigned to such term in Section 4.3(f) of the Collection Agency Agreement.

" Bankruptcy Code " shall mean the United States Bankruptcy Code of 1978, as amended from time to time or any similar legislation of the United States enacted in substitution or replacement thereof.

" Base Rate " shall mean, for any period, a fluctuating interest rate per annum as shall be in effect from time to time which rate per annum shall at all times be equal to the higher of:

(a) the Prime Rate; and

(b) 1/2 of one percent per annum above the Federal Funds Rate.

" Board of Trustees " shall mean (i) in respect of any Fund relating to a Company that constitutes a trust, the board of trustees of such Fund, and (ii) in respect of any Fund relating to a Company that constitutes a corporation or limited liability company, the board of directors of such Fund.

" Business Day " shall mean any day on which neither banks nor the New York Stock Exchange are not authorized or required to close in New York City.

" Calculation Date " shall mean the last day of each calendar month.

" Calculation Event " shall mean in respect of the ML Omnibus Shares in respect of any calendar month, the occurrence of any of the following events: (i) the Purchaser Report delivered in respect of such calendar month shall not be accompanied by a correctly completed ML Omnibus Redemption Report in respect of such ML Omnibus Shares, or (ii) the aggregate Adjustment Amounts for all Funds relating to all ML Omnibus Shares shall exceed three percent (3%) of the aggregate CDSCs remitted to the Collection Account during such calendar month.

" Cash Equivalents " shall have the meaning assigned to such term in Section 4.4 of the Collection Agency Agreement.

" CDSC " shall mean with respect to Shares of any Fund, the contingent deferred sales charges payable, either directly or by withholding from the proceeds of the redemption of the Shares of such Fund, by the shareholders of such Fund on any redemption of Shares of such Fund in accordance with the Distribution Plan, the Underwriting Agreement and the Prospectus relating to such Fund and in accordance with the Conduct Rules, as set forth in Schedule III to the Purchase Agreement.

" Change in Control " shall mean a change in "control" within the meaning of Section 2(a)(9) of the Investment Company Act.

" Citibank " shall mean Citibank, N.A.

" Code " shall mean the Internal Revenue Code of 1986, as amended from time to time and the regulations promulgated and the rulings issued thereunder.

" Collection Account " shall have the meaning assigned to such term in Section 4.1 of the Collection Agency Agreement.

" Collection Agency Agreement " shall mean the Third Amended and Restated Collection Agency Agreement, dated as of August 18, 2003, among the Purchaser, the Program Agent, the Seller and the Collection Agent, as the same may from time to time be amended, supplemented, waived or modified.

" Collection Agent " shall mean Deutsche Bank Trust Company Americas, as collection agent under the Collection Agency Agreement, together with its successors and assigns.

" Collection Agent Fee " shall have the meaning assigned to such term in Section 13 of the Collection Agency Agreement.

" Collections " shall mean (i) all amounts paid or payable by each Company in respect of the Purchased Receivables relating to each Fund and by each shareholder of each Fund in respect of the Purchased Receivables relating to such Fund (including all CDSCs payable by such shareholders and withheld from redemption proceeds payable to such shareholder by the applicable Company) and all amounts payable by the Distributor, the Seller and any Advisor to the Purchaser or the Program Agent under the Program Documents in respect of any Purchased Receivables or in connection with the Ancillary Rights related thereto; and (ii) all Proceeds of the foregoing, including, without limitation, all amounts in or to the credit of the Collection Account payable to the Purchaser in accordance with the terms of the Collection Agency Agreement.

" Commission Share " shall mean, in respect of any Fund, (i) each Share of such Fund which is issued under circumstances which would normally give rise to an obligation of the holder of such Share to pay a CDSC upon redemption of such Share, including, without limitation, any Share of such Fund issued in connection with a Permitted Free Exchange, and any such Share shall not cease to be a Commission Share prior to the redemption (including a redemption in connection with a Permitted Free Exchange) or conversion even though the obligation to pay the CDSC shall have expired or conditions for waivers thereof shall exist, and (ii) the Seed Shares of such Fund.

" Company " shall mean each investment company registered with the SEC under the Investment Company Act specified on Schedule II to the Purchase Agreement, as the same may be deemed supplemented pursuant to Section 2.03 of the Purchase Agreement.

" Complete Termination " shall, in respect of the Distribution Plan in respect of the Shares of any Fund, (i) have the meaning assigned to such term in such Distribution Plan in effect on the date hereof, or (ii) shall mean a complete termination of such Distribution Plan, which results solely from a change in generally Applicable Law or an industry-wide action by the SEC after October 31, 2000; provided , however , that in respect of clauses (i) and (ii) above such termination occurs despite the Seller's, each Advisor's, the Distributor's and their Affiliate's full compliance with their respective obligations under the Facility Documents.

" Conduct Rules " shall mean the Conduct Rules of the NASD, including without limitation Section 2830, thereof, as amended, and the rules, regulations and interpretations of the NASD in respect thereto.

" Conversion Feature " shall mean with respect to any Share of any Fund, a mandatory or elective provision (including, without limitation, a provision which permits or requires such Share to be converted into a share of a different class) which may result in a reduction or termination of any amount owing from the related Company in respect of such

Share or the shareholder in respect of the Receivable relating to such Share (or the Share obtained by virtue of a conversion of such Share) at some point in the future.

" Date of Original Issuance " shall mean in respect of any Commission Share of any Fund, the date with reference to which the amount of the CDSC payable on redemption thereof, if any, is computed.

" Debt " of any Person shall mean at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, (iv) all obligations of such Person as lessee under leases or other agreements which have been or should be included in determining total liabilities in accordance with GAAP, (v) liabilities in respect of unfunded benefits under any Plan, and (vi) all Secured or Guaranteed Debt.

" Demand Deposit Account " shall have the meaning assigned to such term in Section 4.1 of the Collection Agency Agreement.

" Deposited Funds " shall mean, all funds at any time and from time to time on deposit in or otherwise to the credit of the Collection Account, including without limitation, the Cash Equivalents.

" Distribution Plan " shall mean with respect to the Receivables relating to any Fund the distribution plan of the related Company in respect thereto pursuant to which Shares of such Fund are distributed by the Distributor, as the same may be amended, supplemented, waived or modified from time to time in accordance with the Facility Documents, and provided no Complete Termination has occurred, any successor or replacement distribution plan.

" Distributor " shall mean A I M Distributors, Inc., together with its permitted successors and assigns.

" Dollars " and " $ " shall mean lawful money of the United States of America.

" E-Mail Report " shall have the meaning specified in Section 3.01(b) of the Servicing Agreement.

" Eligible Receivable " shall mean a Receivable: (a) which constitutes an "account" or "general intangible", as such terms are defined in the UCC of all jurisdictions the laws of which are applicable for determining whether the interests created by the Facility Documents are perfected; (b) which is denominated and payable in Dollars; (c) which constitutes a legal, valid and binding contractual obligation of the obligor thereof which is fully earned and vested, not executory and is not subject to a dispute, offset, counterclaim, defense or Adverse Claim whatsoever, except as enforceability may be limited by applicable bankruptcy laws and other similar laws affecting the rights and remedies of creditors generally and equitable principles whether considered in a proceeding in equity or law; (d) which does not contravene any Applicable Law; (e) with respect to which the related Share does not have a Conversion Feature other than a Permitted Conversion Feature, (f) such share is not an Excluded Share, and (g) if the Share relating to such Receivable is a Commission Share, the terms under which the

CDSC relating thereto are payable are set forth on Schedule III to the Purchase Agreement and such CDSC is calculated by applying the percentages set forth in such Schedule III to the lower of the Net Asset Value of the related Share at the time such Share was issued and the Net Asset Value of the related Share at the time such Share is redeemed.

" Event of Termination " shall have the meaning specified in Section 6.01 of the Purchase Agreement.

" Exchange Act " shall mean the Securities Exchange Act of 1934, and the rules and regulations of the SEC thereunder, all as from time to time in effect, or any successor law, rules or regulations, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

" Exchange Share " shall mean, in respect of any Fund, Shares of such Fund that were issued in a Permitted Free Exchange of Shares of any other Fund.

" Excluded Share " shall mean, in respect of any Fund, (i) each Share of such Fund issued on or after September 1, 1998 in connection with an exchange of a share of the AIM Floating Rate Fund, a closed-end mutual fund, in accordance with the prospectus of the AIM Floating Rate Fund, (ii) each Share issued by the Fund in a Permitted Free Exchange for a Share derived from a Share described in clause (i) above, and (iii) each Seed Share issued by such Fund.

" Existing AIM Purchase Agreement " shall have the meaning as set forth in the recitals to the Purchase Agreement.

" Existing INVESCO Purchase Agreement " shall have the meaning as set forth in the recitals to the Purchase Agreement.

" Existing Purchase Agreements " shall mean the Existing AIM Purchase Agreement and the Existing INVESCO Purchase Agreement.

" Facility Documents " shall mean each Underwriting Agreement, each Distribution Plan, each Prospectus, the Purchase Agreement, Amendment No. 1 to Facility Documents, Amendment No. 2 to Facility Document, Amendment No. 3 to Facility Documents, Amendment No. 4 to Facility Documents, Amendment No. 5 to Facility Documents, the First Facility Amendment, the Waiver Agreement, the Servicing Agreement, the Collection Agency Agreement, the Assignment Agreement, the Transfer Agreement, each Advisory Agreement, each Transfer Agent's Agreement and the Irrevocable Payment Instructions, all agreements expressly referred to herein and all exhibits, schedules and annexes thereto.

" Federal Funds Rate " shall mean, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on

such transactions received by Citibank from three Federal funds brokers of recognized standing selected by it.

" First Facility Amendment " shall mean the First Facility Amendment dated as of July 1, 2003 among IFG, IDI, the Distributor, the Purchaser and the Program Agent.

" Floating Rate Fund Exchange Share " shall mean, in respect of any Fund, (i) each Share of such Fund other than Excluded Shares issued in connection with an exchange of a share of the AIM Floating Rate Fund, a closed-end mutual fund, in accordance with the prospectus of the AIM Floating Rate Fund, and (ii) each Share issued by the Fund in a Permitted Free Exchange for a Share derived from a Share described in clause (i) above.

" Free Appreciation Share " shall mean, in respect of any Fund, Shares of such Fund that were issued in a Permitted Free Exchange of Shares of any other Fund, which represent the appreciated value of such Shares of another Fund over the initial purchase price paid for such Shares of such other Fund.

" Free Exchange Transaction " shall mean a transaction in which Shares of one Fund (the "Redeeming Fund") are exchanged for Shares of another Fund (the "Issuing Fund") where, pursuant to the applicable constituent documents of the Issuing Fund, the Shares issued by the Issuing Fund in exchange for the Shares of the Redeeming Fund, are deemed to have been acquired at the time when the exchanged Shares of the Redeeming Fund were acquired (or deemed to have been acquired).

" Free Redemptions " shall mean a redemption of Shares of any Fund (other than Reinvested Shares and Free Appreciation Shares of such Fund) by a shareholder of such Fund under any arrangement which relieves or defers, in whole or in part, such shareholder's obligation to pay the maximum CDSC which would have been payable in the absence of such arrangement by any other shareholder of such Fund redeeming a Share of such Fund that had been held by such other shareholder for the same period the Shares of such Fund had been held by the shareholder in question, including, without limitation, (i) arrangements pursuant to which certain Persons are entitled to acquire Shares of such Fund under circumstances in which no CDSCs will be payable by them, and (ii) arrangements pursuant to which CDSCs are deferred in connection with the redemption of Shares of such Fund because the redeeming shareholder is reinvesting all or a portion of the proceeds of such redemption in shares of another fund; provided , however , that the term "Free Redemptions" shall not include any Permitted Free Exchanges.

" Free Share " shall mean, in respect of any Fund, each Share of such Fund other than a Commission Share, including, without limitation, any Reinvested Share.

" Fund " shall mean each separate series of a Company specified on Schedule II to the Purchase Agreement, as the same may be deemed supplemented pursuant to Section 2.03 of the Purchase Agreement.

" Fundamental Investment Objectives " shall mean, with respect to any Fund, the Fundamental Investment Objectives of such Fund specified in Schedule IV to the Purchase

Agreement, as the same may be amended or modified with prior written consent of the Program Agent.

" Funding Notice " shall mean a written notice substantially in the form attached to as Exhibit A-2 to the Purchase Agreement.

" Funding Period " shall mean each week commencing with Monday and ending on Sunday; provided that the initial Funding Period shall commence on the initial Purchase Date and shall end the following Sunday and the final Funding Period shall end on the Termination Date.

" GAAP " shall mean generally accepted accounting principles in the United States, in effect from time to time, consistently applied.

" Governmental Authorizations " shall mean all franchises, permits, licenses, approvals, consents and other authorizations of any kind of all Authorities.

" Governmental Filings " shall mean all filings, including franchise and similar tax filings, and the payment of all fees, assessments, interests and penalties associated with such filings with all Authorities.

" Guarantee " by any Person shall mean any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

" IDI " shall mean INVESCO Distributors, Inc.

" IFG " shall mean INVESCO Funds Group, Inc.

" Inception Date " shall mean, with respect to any Fund, the first date upon which Shares of such Fund were issued in a transaction taken into account in computing the Purchase Price paid on any Purchase Date in respect of Receivables of such Fund.

" Investment Advisers Act " shall mean the Investment Advisers Act of 1940, as amended, and the rules and regulations of the SEC thereunder, all as from time to time in effect, or any successor law, rules or regulations, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

" Investment Company Act " shall mean the Investment Company Act of 1940, as amended, and the rules and regulations of the SEC thereunder, all as from time to time in effect,

or any successor law, rules or regulations, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

" Investment Earnings " shall mean as of any Monthly Settlement Date, the interest and income resulting from the investment performance of the Cash Equivalents (taken as a whole), if any, for the period from and including the immediately preceding Monthly Settlement Date to and excluding the Monthly Settlement Date in question.

" Investment Losses " shall mean as of any Monthly Settlement Date, the losses resulting from the investment performance of the Cash Equivalents (taken as a whole), if any, for the period from and including the immediately preceding Monthly Settlement Date to and excluding the Monthly Settlement Date in question.

" Irrevocable Payment Instruction " shall mean the Distributor's irrevocable payment instruction to each Company and the Transfer Agent in respect of each Fund, in the form of Exhibit C to the Purchase Agreement.

" Issue Price " shall mean, with respect to any Fund, the gross public offering price of the Shares of such Fund as reported by the Transfer Agent for such Fund on the date of issuance of such Shares.

" Law " shall mean any (a) judicial, executive, legislative, administrative or other action, code, consent decree, constitution, decree, directive, enactment, finding, guideline, law, injunction, interpretation, judgment, order, ordinance, policy statement, proclamation, promulgation, regulation, requirement, rule, rule of law, rule of public policy, settlement agreement, statute, or writ, of any Authority, whether domestic or foreign, and whether or not having the force of law, or any particular section, part or provision thereof, (b) common law or other legal precedent, or (c) arbitrator's, mediator's or referee's decision, finding, award or recommendation, or, in any case, any particular section, part or provision thereof.

" Lien " shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien or security interest (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the UCC or comparable law of any jurisdiction), or other charge or encumbrance, including the retained security title of a conditional vendor or lessor.

" Liquidation Plan " shall mean with respect to any Company or any Fund, a plan of dissolution or liquidation, a plan to dispose of a substantial portion of its assets out of the ordinary course of business (except in connection with a Permitted Merger) or any other plan of action with similar effect.

" Master Trust " shall mean any trust or other special purpose entity to which any interest in any of the Purchased Receivables relating to any Fund or the right to receive any Collections with respect thereto has been transferred in connection with a Take-out Transaction.

" Master Servicer " shall mean Citicorp North America, Inc., in its capacity as master servicer for the Master Trusts, together with its successors and assigns.

" Maximum Aggregate Sales Charge Allowable " shall mean with respect to the Receivables relating to any Fund the maximum Asset Based Sales Charge which may be paid by the related Company, in respect of such Fund to the Distributor pursuant to the Underwriting Agreement, the Distribution Plan and the Prospectus, together with interest thereon at the Maximum Interest Allowable, relating to such Fund and pursuant to the "maximum sales charge rule" set forth in Section 2830 of the Conduct Rules, assuming the related Company, in respect of such Fund pays a separate Service Fee, unreduced by payments theretofore made in respect thereof by such Company, in respect of such Fund.

" Maximum Interest Allowable " shall mean the maximum interest which may be taken into account under Section 2830 of the Conduct Rules in computing the Maximum Aggregate Sales Charge Allowable.

" ML Omnibus Redemption Report " shall mean the Sub-transfer Reportwhich details CDSC collections and Share redemptions, substantially in the form provided to the Program Agent on June, 2003.

" ML Omnibus Shares " shall mean in respect of any Fund, Omnibus Shares of such Fund held in the name of the Merrill Lynch, Pierce, Fenner & Smith Street account on the records of the Transfer Agent.

" Monthly Settlement Date " shall mean the twelfth (12th) Business Day of each calendar month during the term of the Purchase Agreement.

" Moody's " shall mean Moody's Investors Service, Inc., together with its successors and assigns.

" NASD " shall mean NASD, Inc. or any successor entity or entities.

" Net Asset Value " shall mean, (i) with respect to any Fund, as of the date any determination thereof is made, the net asset value allocated to Shares of such Fund computed in the manner such value is required to be computed by the applicable Company, in respect of such Fund in its reports to its shareholders, and (ii) with respect to any Share of such Fund as of any date, the quotient obtained by dividing the net asset value of such Fund (as computed in accordance with clause (i) above) as of such date allocated to the Shares of such Fund (in accordance with the Distribution Plan, the Underwriting Agreement and the Prospectus) by the number of Shares of such Fund outstanding on such date.

" Non-Omnibus Shares " shall mean, in respect of any Fund, all Shares of such Fund which are not Omnibus Shares.

" Normal Distributions " shall mean, in respect of any Fund for any taxable year, (a) distributions out of "investment company taxable income", (b) "exempt-interest dividends" and (c) "capital gain dividends," of such Fund, in each case, as such terms are used in Section 852 of the Code; but only to the extent any gains giving rise to the distributions and dividends

described in clauses (a) and (c) arose in the ordinary course of such Fund's investment activities (including shifts in the proportion of assets held in cash or cash equivalents) and in accordance with such Fund's Fundamental Investment Objectives as the same may be amended, supplemented or replaced in accordance with the Program Documents (it being understood that this clause (c) includes gains resulting from sales to raise funds to satisfy shareholder redemption requests made in the ordinary course of business).

" Omnibus Account " shall mean, in respect of any Fund, any account maintained by the Transfer Agent reflecting the record ownership of Shares of such Fund by a Person who maintains sub-transfer agency records reflecting the actual beneficial ownership of such Shares in other Persons.

" Omnibus Shares " shall mean, in respect of any Fund, the Shares of such Fund held in the name of a broker-dealer street account on records maintained by the Transfer Agent and for which such broker-dealer provides sub-transfer agency services.

" Permitted Banks " shall have the meaning assigned to such term in Section 4.4(a)(iv) of the Collection Agency Agreement.

" Permitted Change in Control " shall mean any Change in Control relating to the Seller, the Distributor or any Advisor which satisfies the conditions specified in Schedule VI to the Purchase Agreement.

" Permitted Conversion Feature " shall mean with respect to any Share of any Fund, a Conversion Feature in respect of such Fund which, by its terms, may not become effective prior to the eighth year anniversary (seventh year anniversary in respect of any Share of the AIM Global Trends Fund issued prior to May 29, 1998) of the issuance of such Share or, if such Share constitutes an Exchange Share, of the Share from which such Exchange Share derives; provided , that Free Shares of any holder relating to any Fund shall convert in proportion to the number of Shares (other than Free Shares) of that holder in such Fund being converted on such date.

" Permitted Designee " shall mean, (a) the Program Agent and the Purchaser, and (b) any officer, partner, employee, agent, representative, legal counsel, auditors or trustee designated by the Purchaser or the Program Agent, as the case may be, which has agreed to be bound by confidentiality undertakings in substance comparable to Section 9.10 of the Purchase Agreement; provided , however , that any such designee appointed by the Program Agent or the Purchaser shall not, without the consent of the Seller, be the principal underwriter of class B shares of mutual funds.

" Permitted Free Exchange " shall mean any exchange of Shares of one Fund (the "Redeeming Fund") for Exchange Shares and, perhaps Free Appreciation Shares of another Fund (the "Issuing Fund"), where, pursuant to the applicable constituent documents of the Issuing Fund: (i) Exchange Shares of the Issuing Fund are deemed for all purposes (including the computation of the amount of, and timing of payment of the related CDSC) to have been acquired at the time when the exchanged Shares of the Redeeming Fund were acquired (or deemed to have been acquired) by the holder thereof; (ii) the exchanging shareholder becomes

obligated to pay to the Issuing Fund the same CDSC in respect of the Exchange Shares of the Issuing Fund and on the same terms as such holder was obligated to pay to the Redeeming Fund in respect of the Shares of the Redeeming Fund so exchanged; (iii) the date upon which such Exchange Shares of the Issuing Fund received in the Exchange are converted pursuant to the Permitted Conversion Feature is the same as the date the exchanged Shares of the Redeeming Fund were to be converted pursuant to the Permitted Conversion Feature of the exchanged Shares; provided , however , that an Exchange Share issued in respect of a Share of AIM Global Trends Fund which was issued prior to May 29, 1998 shall have the Permitted Conversion Feature of the Fund issuing such Exchange Share; (iv) the Maximum Aggregate Sales Charge Allowable in respect of the Issuing Fund pursuant to the Underwriting Agreement, the Distribution Plan and the Prospectus of the Issuing Fund is increased on the effective date of the exchange by 6.25% (or the then Maximum Asset Based Sales Charge payable by the related Company) of the Net Asset Value on such exchange date of the Shares of the Redeeming Fund being so exchanged; provided , that the amount of such increase shall not exceed the Amortized Maximum Aggregate Sales Charge Allowable of the Redeeming Fund immediately prior to the exchange; (v) the Amortized Maximum Aggregate Sales Charge Allowable in respect of the Redeeming Fund is reduced by the same amount as the Maximum Aggregate Sales Charge Allowable in respect of such Issuing Fund is increased; and (vi) both the redemption of the Shares of the Redeeming Fund so exchanged and the issuance of the Shares of the Issuing Fund are effected at the Net Asset Value of such Shares at the date of the exchange without any reduction for fees or expenses attributable to such exchange.

" Permitted Merger " shall mean a transfer of assets, merger or consolidation of two or more Funds: (i) pursuant to which all of the assets of the participating Funds are transferred to the surviving Fund, (ii) pursuant to which the surviving Fund assumes substantially all obligations of the participating Funds, and all of the obligations of the participating Funds in respect of or relating to the Purchased Receivables, (iii) which is carried out in a manner so that the Distribution Plan of each of the participating Funds is continued as part of the Distribution Plan of the surviving Fund without affecting the rights of the Distributor in respect of the Purchased Receivables relating to the participating Funds, and (iv) which could not otherwise reasonably be expected to have an Adverse Effect.

" Person " shall mean an individual or a corporation (including a business trust), partnership, trust, incorporated or unincorporated association, cooperative, joint stock company, limited liability company, government (or an agency or political subdivision thereof) or other entity of any kind.

" Post-Default Rate " shall mean in respect of any amount not paid when due, a rate per annum during the period commencing on the due date thereof until such amount is paid in full equal to the Base Rate as in effect from time to time plus two percent (2%).

" Prime Rate " shall mean the rate of interest from time to time announced by Citibank at its Principal Office as its prime commercial lending rate. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer.

" Principal Office " shall mean the principal office of Citibank presently located at 399 Park Avenue, New York, New York.

" Private Authorizations " shall mean all franchises, permits, licenses, approvals, consents and other authorizations of all Persons (other than Authorities) including, without limitation, those with respect to trademarks, service marks, trade names, copyrights, computer software programs and technical and other know-how.

" Proceeds " shall have, with reference to any property or asset, the meaning assigned to such term under the UCC and, in any event, shall include, but not be limited to, whatever is received upon the sale, exchange, collection or other disposition of such property or asset and any and all amounts from time to time paid or payable under or in connection with such property or asset.

" Program Agent " shall mean Citicorp North America, Inc., as agent for the Purchaser under the Purchase Agreement, the Collection Agency Agreement and the Servicing Agreement, together with its successors and assigns.

" Program Documents " shall mean the Facility Documents, the CDSC arrangements applicable to the holders of the Shares, and the other agreements, documents and instruments entered into or delivered by the Seller, the Distributor or any Advisor, in connection therewith, as the same may from time to time be amended, supplemented, waived or modified.

" Program Termination Date " shall mean the earlier of (i) the date upon which all Shares of all Funds which relate to Purchased Receivables have been redeemed or converted pursuant to a Permitted Conversion Feature and all amounts owing from the Seller under the Program Documents have been paid in full, and (ii) the date upon which the Unamortized Gross Purchase Amount in respect of Purchased Receivables relating to all Funds has been reduced to zero and all amounts owing from the Seller under the Program Documents have been paid in full. For the avoidance of doubt, the Seller shall not be required to determine the Unamortized Gross Purchase Amount until such time as the Seller shall deem it necessary for the purpose of determining whether the Program Termination Date has occurred.

" Prospectus " shall mean with respect to any Fund the prospectus filed with the SEC as a part of the related Company's Registration Statement on Form N-1A, as amended, and shall include, without limitation, the Statement of Additional Information included in such Registration Statement.

" Purchase Agreement " shall mean the Third Amended and Restated Purchase and Sale Agreement dated as of August 18, 2003 among the Seller, the Distributor, the Advisors, the Purchaser and the Program Agent, as the same may from time to time be amended, supplemented, waived or modified.

" Purchase Date " shall mean with respect to the Receivables relating to any Fund, each purchase date set forth in the Purchase Notice. In the event that a Purchase Date shall fall upon a day which is not a Business Day, the Purchase Date shall be the Business Day next following the date on which the Purchase Date would otherwise have occurred.

" Purchase Limit " shall mean $100,000,000, or such other amount as shall be agreed upon in writing by the Program Agent and the Seller; provided , that on and after the Termination Date the Purchase Limit shall be deemed to be zero for all purposes of the Purchase Agreement.

" Purchase Notice " shall mean the notice substantially in the form of Exhibit A to the Purchase Agreement, from the Seller to the Program Agent specifying (i) the Purchase Date, (ii) the Purchase Price for the Receivables relating to each Fund payable on such Purchase Date, (iii) the Sale Cutoff Date relating to the Receivables of each Fund, and (iv) the computation of each such Purchase Price in reasonable detail.

" Purchase Period " shall mean with respect to any Purchase Date for Receivables relating to any Fund the period specified in the Purchase Notice delivered in respect of such Purchase Date, which shall be the period on or prior to the Sale Cutoff Date for the Receivables relating to such Fund set forth in such Purchase Notice and after (i) in respect of the initial Purchase Date for such Receivables, (x) the inception date of such Fund if all of the outstanding Shares of such Fund were issued on or after May 2, 1995, or (y) the date specified in such Purchase Notice for such Fund if any outstanding Shares of such Fund where issued prior to May 2, 1995, and (ii) in respect of any Purchase Date after the initial Purchase Date of such Receivables, the immediately preceding Sale Cutoff Date for the Receivables relating to such Fund.

" Purchase Price " shall mean with respect to the Receivables relating to any Fund to be purchased on any Purchase Date, an amount equal to the product of (A) the then applicable Purchase Price Percentage relating to such Fund, and (B) the total Issue Price of the Shares of such Fund sold during the Purchase Period for such Purchase Date; provided , however , that in the event that the Seller has received any amount in respect of the Sales Charges relating to any Receivables proposed to be purchased hereunder, the Purchase Price for such Receivables shall be adjusted as agreed to by the Program Agent and the Seller in order to reflect the reduced amount payable to the Purchaser in respect of such Sales Charges and notwithstanding anything in this Agreement to the contrary the Purchaser shall have no obligation to purchase any such Receivables under this Agreement until such reduced Purchase Price has been so agreed upon.

" Purchase Price Percentage " shall mean the applicable percentage specified in that certain letter agreement dated as of August 18, 2003 between the Seller and the Program Agent.

" Purchased Receivables " shall mean with respect to any Fund, as of any date, the Receivables allocated to Purchaser in accordance with the Allocation Procedures.

" Purchaser " shall mean Citibank, together with its successors and assigns.

" Purchaser Report " shall mean the report in substantially the form of Schedule I to the Purchase Agreement.

" Purchaser's Asset Based Sales Charge Portion " shall mean the portion of the Purchased Receivables constituting Asset Based Sales Charges allocable to the Purchaser pursuant to the Allocation Procedures.

" Purchaser's Assumed Yield" shall mean as of the date of any determination, an amount (computed on a daily average basis on the basis of actual days elapsed in a year of 365 days) equal to the Purchaser's Assumed Yield Rate on the Unamortized Aggregate Purchase Price on such date.

" Purchaser's Assumed Yield Rate" shall mean a rate equal to the Prime Rate plus one percent (1%) per annum.

" Purchaser's CDSC Portion " shall mean the portion of Receivables constituting CDSCs allocable to the Purchaser pursuant to the Allocation Procedures.

" Purchaser's Investment Earnings " shall have the meaning assigned to such term in Section 4.3(e) of the Collection Agency Agreement.

" Purchaser's New Shares " shall have the meaning assigned to such term in the Waiver Agreement.

" Purchaser's Portion " shall mean the sum of (i) Purchaser's CDSC Portion, (ii) Purchaser's Asset Based Sales Charge Portion, (iii) the Purchaser's Investment Earnings, and (iv) all other amounts (other than the Seller's Portion) to which the Purchaser is entitled under the Program Documents which are deposited in the Collection Account.

" Purchaser's Remittance Account " shall mean the account of the Purchaser (Acct. No. 3885-8117, ABA No. 021000089) maintained with Citibank or such other account as the Purchaser shall designate in writing.

" Receivables " shall mean with respect to each Fund, all of the rights under the related Underwriting Agreement, the related Distribution Plan, the related Prospectus and in accordance with the applicable Conduct Rules to receive amounts paid or payable in respect of Asset Based Sales Charges (including interest at the Maximum Interest Allowable) and CDSCs, in each case in respect of the issuance by such Fund of Shares and in respect of Shares of any other Fund acquired in any Permitted Free Exchange of shares of the Fund in question, including, without limitation, any similar amount paid or payable under any replacement Underwriting Agreement, Distribution Plan, Prospectus or the Conduct Rules, and any continuation payments in respect thereof paid or payable by the related Company in respect of Shares of such Fund in the event of a termination of the related Distribution Plan or the related Underwriting Agreement; it being understood that such term does not include the Service Fee payable pursuant to the related Underwriting Agreement, the related Distribution Plan, the Prospectus and the Conduct Rules.

" Reinvested Share " shall mean, in respect of any Fund, a Share which is issued by such Fund as a result of the reinvestment of dividends or other distributions, whether ordinary income, capital gain or exempt-interest dividends or other distributions, of such Fund.

" Related Collections " shall mean (i) all amounts paid or payable by the applicable Company in respect of the Receivables relating to each Fund and by each shareholder of each Fund in respect of Receivables relating to such Fund (including all CDSCs payable by such shareholders and withheld from redemption proceeds payable to such shareholders by the

applicable Company for payment to the Distributor and excluding Service Fees) and (ii) all Proceeds of the foregoing, excluding, in the case of (i) and (ii) above, all Collections.

" S&P " shall mean Standard & Poor's Ratings Services, together with its successors and assigns.

" Sales Charge " shall have the meaning set forth in Section 2830 of the Conduct Rules, it being understood that such term does not include any Service Fee.

" Sale Cutoff Date " shall mean with respect to any Fund, the last date upon which Shares of such Fund were issued in a transaction taken into account in computing the Purchase Price paid on any Purchase Date in respect of the Receivables of such Fund.

" SEC " shall mean the United States Securities and Exchange Commission or any other governmental authority of the United States of America at the time administrating the Securities Act, the Investment Company Act or the Exchange Act.

" Secured or Guaranteed Debt " of any Person shall mean at any date, (i) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (ii) all Debt of others in respect of which such Person has issued a Guarantee.

" Securities Act " shall mean the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as from time to time in effect, or any successor law, rules or regulations, and any reference to any statutory or regulatory provisions shall be deemed to be a reference to any successor statutory or regulatory provision.

" Seed Share " shall mean in respect of a Fund, each Share of such Fund (i) which does not have a CDSC, but which does not constitute a Free Share, and (ii) which was issued to the Seller or an Affiliate of the Seller prior to the initial public offering of the Shares of such Fund. [1]

" Seller " shall mean A I M Management Group Inc., together with its permitted successors and assigns.

" Seller's Account " shall mean the account of the Seller maintained by Bank One, ABA No.: 071000013, Acct. No.: 1061803, Ref. A I M Management Group or such other account as the Seller shall designate in writing to the Program Agent and the Collection Agent.

" Seller's Asset Based Sales Charge Portion " shall mean the portion of Receivables constituting Asset Based Sales Charges allocable to the Seller pursuant to the Allocation Procedures.

" Seller's CDSC Portion " shall mean the portion of Receivables constituting CDSCs allocable to the Seller pursuant to the Allocation Procedures.

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[1] The documents assume that the Seed Shares will never be exchanged into another Fund.

" Seller's Class A and C CDSC Portion " shall mean the contingent deferred sales charges payable with respect to Class A and C shares of the Funds held in the name of Merrill Lynch, Pierce, Fenner & Smith Street Account on records maintained by the Transfer Agent. For the avoidance of doubt, the Seller's CDSC Portion does not include the Seller's Class A and C CDSC Portion.

" Seller's Investment Earnings " shall have the meaning assigned to such term in Section 4.3(e) of the Collection Agency Agreement.

" Seller's Portion " shall mean the sum of (i) Seller's CDSC Portion, (ii) Seller's Asset Based Sales Charge Portion, and (iii) Seller's Investment Earnings.

" Selling Agent " shall mean each Person which acts as direct or indirect distributor, underwriter, broker, dealer or agent for the Shares of a Fund together with its successors and assigns.

" Selling Agent's Agreement " shall mean each agreement pursuant to which a Person undertakes to act as Selling Agent in respect of the Shares of any Fund, as the same may from time to time be amended, supplemented, waived or modified.

" Service Fee " shall have the meaning set forth in Section 2830(b)(9) of the Conduct Rules.

" Servicer " shall mean A I M Management Group Inc., in its capacity as servicer under the Servicing Agreement, together with its permitted successors and assigns.

" Servicing Agreement " shall mean the Third Amended and Restated Servicing Agreement dated as of August 18, 2003 among the Purchaser, the Program Agent and the Servicer, as the same may from time to time be amended, supplemented, waived or modified.

" Servicing Fee " shall have the meaning assigned to such term in the Servicing Agreement.

" Shares " shall mean in respect of any Fund, any class of shares of such Fund which are specified on Schedule II to the Purchase Agreement, as the same may be deemed supplemented pursuant to Section 2.03 of the Purchase Agreement.

" Significant Affiliates " shall mean (i) any corporation or holding company or similar entity which after the date hereof owns or controls the majority of the outstanding voting securities of the Seller or any Advisor, or (ii) any Affiliate of the Seller or any Advisor which is a subsidiary of the Seller if the Seller's or such Advisor's beneficial interest in the total assets of such subsidiary is equal to or greater than five percent (5%) of the total assets of the Seller or such Advisor, and in any event in respect of the Seller shall include the Distributor and the Transfer Agent.

" SIPA " shall mean the Securities Investor Protection Act of 1970, as amended from time to time and the regulations promulgated and the rulings issued thereunder.

" Specified Sub-transfer Agent " shall have the meaning assigned to such term in the Irrevocable Payment Instruction.

" Sub-transfer Agent " shall mean, in respect of any Fund, the record owner of any Omnibus Account.

" Sub-transfer Agent Report " shall mean in respect of any Sub-transfer Agent, the monthly and daily reports of such Sub-transfer Agent relating to the Omnibus Shares for which sub Sub-transfer Agent provides sub-transfer agency functions, including without limitation the ML Omnibus Redemption Report, the forms of which have each been approved in writing by the Program Agent.

" Take-out Adjustment Amount " shall mean in connection with a Take-out Transaction, the amount by which the Purchaser's capacity to purchase Receivables has been increased as a result of such Take-out Transaction, as set forth in the related Take-out Notice.

" Take-out Notice " shall mean a notice from the Program Agent to the Seller, substantially in the form attached as Exhibit F to the Purchase Agreement, stating that the Purchaser has completed a Take-out Transaction and specifying the related Take-out Adjustment Amount.

" Take-out Transaction " shall mean any transaction pursuant to which the Purchaser (including, without limitation, any Master Trust which obtains such interest directly or indirectly from the Purchaser) sells or otherwise transfers, participates or causes to be sold, transferred or participated interests in the Purchased Receivables relating to any Fund (including, without limitation, the right to receive any portion of any Collections) to any Person, including a Master Trust which publicly or privately sells debt instruments and/or certificates or other instruments representing ownership interests in such Master Trust or interests in any Purchased Receivables relating to any Fund (including, without limitation, any right to receive any portion of any Collections).

" Termination Date " shall mean December 14, 2003 or such later date as shall be agreed to in writing by the parties to the Purchase Agreement and such earlier date as the Purchase Agreement shall terminate pursuant to Section 6.01 of the Purchase Agreement.

" Transfer Agent " shall mean (i) prior to October 1, 2003, A I M Fund Services, Inc. and INVESCO Funds Group, Inc., as the case may be, and (ii) on or after October 1, 2003, A I M Fund Services, Inc., in each case in its capacity as transfer agent for the Funds, together with their permitted successors and assigns in such capacity.

" Transfer Agent Reports " shall mean in respect of any Transfer Agent, the monthly and daily reports of such Transfer Agent relating to the Non-Omnibus Shares for which such Transfer Agent provides transfer agency functions, the forms of which have each been approved in writing by the Program Agent.

" Transfer Agent's Agreement " shall mean each agreement pursuant to which the Transfer Agent undertakes to act as transfer agent for any Fund, as the same may from time to time be amended, supplemented, waived or modified.

" Transfer Agreement " shall mean the Amended and Restated Distribution Fee Purchase Agreement dated as of August 18, 2003 between the Distributor and the Seller, as the same may from time to time be amended, supplemented, waived or modified.

" Transferee " shall have the meaning assigned to such term in Section 9.15 of the Purchase Agreement.

" True Sale " shall mean, with respect to any transfer of an asset or property, the sale of an ownership interest in such asset or property (not the granting of a security interest therein), within the meaning of all Applicable Law, including, without limitation, the Code and the Bankruptcy Code, and, without limiting the generality of the foregoing, which is enforceable against all creditors of the Person making such transfer and all Affiliates of such Person in accordance with the terms of such transfer, notwithstanding the bankruptcy, insolvency or reorganization of, or similar proceeding with respect to, or the appointment of a receiver or conservator of the Person making such transfer or any Affiliate of such Person, and in connection with any proceeding under the Bankruptcy Code, in respect of which any one or more of the Person making such transfer or any Affiliate of such Person is the "debtor", as such term is used in the Bankruptcy Code, the Purchased Receivables and the Proceeds thereof will not be deemed the property of the debtor.

" True Sale Opinion " shall mean the opinion of counsel delivered in connection with the Purchase Agreement which addresses the questions as to whether in a case under Title 11 of the Bankruptcy Code the conveyances of the Receivables under the Transfer Agreement and under the Purchase Agreement would each be a true sale and not a secured financing; provided , however , that the term "True Sale Opinion" shall be deemed to include a written confirmation from the counsel which previously delivered a True Sale Opinion that the conclusions reached in such prior True Sale Opinion continue to be true and correct and may be relied upon as of the date of such written confirmation.

" UCC " shall mean the Uniform Commercial Code, as from time to time in effect in the applicable jurisdictions.

" Unaffiliated Agent " shall mean any Sub-transfer Agent or Transfer Agent which is not an Affiliate of the Seller, the Distributor or AMVESCAP plc.

" Unamortized Aggregate Purchase Price " shall mean, in respect of the Purchased Receivables as of any date of determination, an amount equal to the aggregate Purchase Prices paid by the Purchaser under this Agreement in respect of all Purchased Receivables, less the sum of (i) the portions of the aggregate amounts paid by each Company and on behalf of the holders of Shares in respect of CDSCs and Asset Based Sales Charges to the Collection Account relating to Purchased Receivables which have not been conveyed by the Purchaser in connection with a Take-out Transaction for which a Take-out Notice has been executed and which have been allocated and distributed to Citibank through such date of determination pursuant to the allocation procedures set forth in the documentation entered into in connection with a Take-out Transaction which exceeds the accrued and unpaid Purchaser's Assumed Yield, and (ii) the sum of each Take-out Adjustment Amount in respect of each Take-out Transaction specified in one or

more Take-out Notices which have been acknowledged by the Seller and the Distributor and returned to the Program Agent on or prior to such date of determination.

" Unamortized Gross Purchase Amount " shall mean, in respect of the Purchased Receivables relating to any Fund, as of any date of determination, the Maximum Aggregate Sales Charge Allowable in respect of Shares relating to such Purchased Receivables, minus the sum of (a) the aggregate amounts paid by the applicable Company (including amounts paid by the holders of Shares of such Fund in respect of CDSCs) in respect of Shares of such Fund and deposited in the Collection Account and applied and distributed to the payment of such Purchased Receivables in accordance with the terms of the Collection Agency Agreement through such date of determination, and (b) if such Fund constitutes an AIM GT Fund, the aggregate amounts paid by the applicable Company (including amounts paid by the holders of Shares of such AIM GT Fund in respect of CDSCs) on or prior to August 31, 1998 to GT Global, Inc. or the Distributor.

" Underwriting Agreement " shall mean with respect to the Shares relating to any Fund, the agreement between the Distributor and the applicable Company, in respect of Shares of such Fund and any replacement agreement as may be adopted in the future, pursuant to which the Distributor has been appointed the principal underwriter in respect of the Shares relating to such Fund.

" Waiver Agreement " shall mean the Waiver Agreement dated as of August 18, 2003 among the Distributor, the Seller, the Purchaser and the Program Agent, as the same may from time to time be amended, supplemented, waived or modified.

" Weighted Average Percentage Decline in the Net Asset Value of Shares of all Funds " in reference to a period from one Calculation Date (the "Reference Date") to a later Calculation Date shall be determined by (i) determining the negative or positive percentage change in the Net Asset Value per Share which relates to Purchased Receivables of each Fund from the Reference Date to such later Calculation Date, (ii) computing the arithmetic sum of the products obtained by multiplying the percentage change obtained in clause (i) for Shares relating to Purchased Receivables of each Fund by the Net Asset Value of such Shares of such Fund on such later Calculation Date, and (iii) if the sum obtained in clause (ii) is negative dividing the sum obtained in clause (ii) by the Net Asset Value of all Shares which relate to Purchased Receivables of all Funds on such later Calculation Date and expressing the result as a negative percentage, and if the sum obtained in clause (iii) is positive the "Weighted Average Percentage Decline in the Net Asset Value of Shares of all Funds" shall be zero.

EXHIBIT 10.4

AMENDMENT NO. 5 TO FACILITY DOCUMENTS

AMENDMENT NO. 5 TO FACILITY DOCUMENTS dated as of August 18, 2003 (the "Amendment") among INVESCO FUNDS GROUP, INC. (together with its successors and assigns, "IFG"), A I M MANAGEMENT GROUP INC., (together with its successors and assigns, "AMG"), A I M ADVISORS, INC. (together with its successors and assigns, "AAI", and each of AAI and IFG an "Advisor", and collectively, the "Advisors"), A I M DISTRIBUTORS, INC. (together with its successors and assigns, the "Distributor"), CITIBANK, N.A. (together with its successors and assigns, the "Purchaser"), CITICORP NORTH AMERICA, INC. (together with its successors and assigns, the "Program Agent") and DEUTSCHE BANK TRUST COMPANY AMERICAS (together with its successors and assigns, the "Collection Agent").

W I T N E S S E T H

WHEREAS, IFG, the Distributor, the Purchaser and the Program Agent have entered into that certain Purchase and Sale Agreement dated as of December 14, 2000 (as amended and supplemented prior to the date hereof, the "Existing INVESCO Purchase Agreement");

WHEREAS, the Purchaser, the Program Agent and IFG, as servicer, have entered into that certain Servicing Agreement dated as of December 14, 2000 (as amended prior to the date hereof, the "Existing INVESCO Servicing Agreement");

WHEREAS, the Purchaser, the Program Agent, IFG and the Collection Agent have entered into that certain Collection Agency Agreement dated as of December 14, 2000 (as amended prior to the date hereof, the "Existing INVESCO Collection Agency Agreement");

WHEREAS, AMG, the Distributor, AAI, the Purchaser and the Program Agent have entered into that certain Second Amended and Restated Purchase and Sale Agreement dated as of December 14, 2000 (as amended and supplemented prior to the date hereof, the "Existing AIM Purchase Agreement," and collectively with the Existing INVESCO Purchase Agreement, the "Existing Purchase Agreements");

WHEREAS, the Purchaser, the Program Agent and AMG, as servicer, have entered into that certain Second Amended and Restated Servicing Agreement dated as of December 14, 2000 (as amended prior to the date hereof, the "Existing AIM Servicing Agreement," and collectively with the Existing INVESCO Servicing Agreement, the "Existing Servicing Agreements");

WHEREAS, the Purchaser, the Program Agent, AMG and the Collection Agent have entered into that certain Second Amended and Restated Collection Agency Agreement dated as of December 14, 2000 (as amended prior to the date hereof, the "Existing AIM

Collection Agency Agreement," and collectively with the Existing INVESCO Collection Agency Agreement, the "Existing Collection Agency Agreements");

WHEREAS, the parties to the Existing Purchase Agreements, the Existing Servicing Agreements and the Existing Collection Agency Agreements (collectively, the "Existing Agreements") desire to combine, amend and restate the Existing Agreements as of the Amendment Effective Date as hereinafter provided;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Defined Terms .

"Amendment Effective Date" means the later to occur of (i) the date upon which the Program Agent shall have executed and delivered one or more counterparts of this Amendment and shall have received one or more counterparts of this Amendment, the Restated Purchase Agreement, the Restated Servicing Agreement and the Restated Collection Agency Agreement (as such terms are defined below) executed by each of the other parties hereto and thereto, and (ii) the date upon which the conditions precedent set forth in Section 6 hereof shall have been fulfilled.

Unless otherwise defined herein, the capitalized terms used herein shall have the meanings assigned to such terms in the Restated Purchase Agreement.

Section 2. Assignments .

(a) Effective as of the Amendment Effective Date, IFG hereby assigns, transfers and conveys all of its rights, obligations and liabilities under and in connection with the Existing INVESCO Purchase Agreement, the Existing INVESCO Servicing Agreement and the Existing INVESCO Collection Agency Agreement to AMG, including, without limitation, the rights and obligations of IFG under Sections 8.01, 9.04 and 9.05 of the Existing INVESCO Purchase Agreement, and AMG hereby agrees to accept and assumes all such rights, obligations, and liabilities, all as if AMG were the original signatory thereto; provided , however , that AMG shall not be deemed to have assumed any obligations or liabilities of IFG in respect of (i) any breach by IFG of its obligations under the Advisory Agreement to which IFG is a party, (ii) any failure of IFG to perform any covenant or agreement during the period prior to the Amendment Effective Date under the Existing INVESCO Purchase Agreement which was to be performed by IFG solely in its capacity as investment advisor for the Funds, or (iii) any breach by IFG of any representation or warranty set forth in the Existing INVESCO Purchase Agreement which occurred prior to the Amendment Effective Date and which related to IFG solely in its capacity as investment adviser for any Fund (each such excluded obligation, a "Pre-existing Advisor Obligation").

(b) For the avoidance of doubt, AMG confirms and agrees that it shall be responsible to the Purchaser and the Program Agent under Sections 8.01, 9.04 and 9.05 of the Restated Purchase Agreement, for each representation, warranty, agreement, covenant and

obligation of IFG and the Distributor under the Existing INVESCO Purchase Agreement, the Existing INVESCO Servicing Agreement and the Existing INVESCO Collection Agency Agreement made or deemed made on or prior to the Amendment Effective Date, except for Pre-existing Advisor Obligations.

(c) For the avoidance of doubt, IFG hereby confirms and agrees that it shall remain responsible to the Purchaser and the Program Agent for the Pre-existing Advisor Obligations.

Section 3. Amendment and Restatement of the Existing Purchase Agreements .

(a) From and after the Amendment Effective Date, the Existing Purchase Agreements shall be combined, amended and restated as set forth on Exhibit A hereto (as so combined, amended and restated, the "Restated Purchase Agreement"). The parties thereto shall execute a copy thereof in the form of such exhibit in order to further evidence such combination, amendment and restatement.

(b) The parties to the Restated Purchase Agreement hereby agree that when used with respect to any Receivable that was originally sold under the Existing INVESCO Purchase Agreement, the definition of "Ancillary Rights" set forth in Appendix A to the Restated Purchase Agreement shall be deemed to include all Ancillary Rights (as defined in the Existing INVESCO Purchase Agreement) of IFG.

(c) The parties to the Restated Purchase Agreement hereby agree that when used with respect to any Receivable that was originally sold under the Existing INVESCO Purchase Agreement, the definition of "Transfer Agreement" set forth in Appendix A to the Restated Purchase Agreement shall be deemed to refer to (i) the Distribution Fee Purchase Agreement dated as of July 1, 2003 between the Distributor and IFG and (ii) the Distribution Fee Purchase Agreement dated as of August 23, 2000 between IFG and INVESCO Distributors, Inc.

(d) For the avoidance of doubt, the parties to the Restated Purchase Agreement hereby acknowledge and agree that the Unamortized Aggregate Purchase Price shall be deemed to include all Purchase Prices paid under both the Existing INVESCO Purchase Agreement and the Existing AIM Purchase Agreement, and all CDSCs and Asset Based Sales Charges paid by each Company under the Existing INVESCO Purchase Agreement and the Existing AIM Purchase Agreement.

(e) The Purchaser and the Program Agent agree that neither AMG, the Distributor nor any Advisor shall be deemed to be in breach of the representations set forth in clauses (r) or (s) of Section 4.01 of the Restated Purchase Agreement solely as a result of certain Asset Based Sales Charges relating to the AIM Money Market Fund and the INVESCO Cash Reserves Fund being waived in accordance with the Waiver Agreement.

Section 4. Amendment and Restatement of Existing Servicing Agreements .

From and after the Amendment Effective Date, the Existing Servicing Agreements shall be combined, amended and restated as set forth on Exhibit B hereto (as so amended and restated the "Restated Servicing Agreement"). The parties thereto shall execute a copy thereof in the form of such exhibit in order to further evidence such amendment and restatement.

Section 5. Amendment and Restatement of Existing Collection Agency Agreements .

(a) From and after the Amendment Effective Date, the Existing Collection Agency Agreements shall be combined, amended and restated as set forth on Exhibit C hereto (as so amended and restated, the "Restated Collection Agency Agreement," and collectively with the Restated Purchase Agreement and the Restated Servicing Agreement, the "Restated Documents"). The parties thereto shall execute a copy thereof in the form of such exhibit in order to further evidence such amendment and restatement.

(b) Promptly after being notified in writing by the Program Agent that the Amendment Effective Date has occurred, the Collection Agent shall (i) remit all amounts on deposit in or credited to the Demand Deposit Account or Collection Account (each as defined in the Existing INVESCO Collection Agency Agreement) to the Demand Deposit Account (as defined in the Restated Collection Agency Agreement) for further credit to the Collection Account (as defined in the Restated Collection Agency Agreement), and (ii) close the Demand Deposit Account and the Collection Account (as such terms are defined in the Existing INVESCO Collection Agency Agreement).

(c) Promptly after being notified in writing by the Program Agent that the Amendment Effective Date has occurred, the Collection Agent shall (i) remit all amounts on deposit in or credited to the Purchaser's Funding Account (as defined in each of the Existing Collection Agency Agreements) to such account as the Program Agent shall designate in writing to the Collection Agent, and (ii) close such Purchaser's Funding Accounts.

Section 6. Conditions Precedent to Effectiveness of this Amendment .

The occurrence of the Amendment Effective Date shall be subject to the fulfillment of each of the following conditions precedent:

(a) the Program Agent shall have received such signed opinions of counsel as it shall have reasonably requested each dated reasonably near the Amendment Effective Date and in form, scope and substance reasonably satisfactory to the Program Agent;

(b) the Program Agent shall have received a signed certificate of the President or a Vice President and a Secretary or Assistant Secretary of the Distributor, AMG and each Advisor in the form of Exhibits B-1, B-2 and B-3, respectively, to the Restated Purchase Agreement;

(c) the Program Agent shall have received time stamped receipt copies of UCC-3 financing statements duly filed under the UCC of all jurisdictions where UCC financing statements were previously filed pursuant to the Existing Purchase Agreements, required in order to amend the financing statements previously filed to reflect the Restated Purchase Agreement, which shall be in form, scope and substance satisfactory to the Program Agent;

(d) the Program Agent shall have received a duplicate original of each Irrevocable Payment Instruction from AMG and the Distributor to each Company and Transfer Agent, and such Irrevocable Payment Instructions shall be in full force and effect;

(e) the Program Agent shall have received a fully executed copy of the Waiver Agreement, which shall be in full force and effect;

(f) The Program Agent shall have received a fully executed copy of the Letter Agreement dated as of August 18, 2003 between the Seller and the Program Agent which sets forth the Purchase Price Percentage, which shall be in full force and effect; and

(g) the Board of Trustees of each Company in respect of each Fund shall have approved the Distribution Plan and Underwriting Agreement relating to each Fund by a vote of the majority of its Directors who are not interested persons, within the meaning of the Investment Company Act, in recognition of the transactions contemplated by this Amendment and the Facility Documents, and the Program Agent shall have received an executed copy of (i) the Distribution Plan in respect of each Company in the form attached hereto as Exhibit D, and (ii) the Underwriting Agreement in respect of each Company in the form attached hereto as Exhibit E, each of which shall be in full force and effect.

Section 7. Representations and Warranties .

Each of AMG, the Distributor and each Advisor represent and warrant to the Purchaser and the Program Agent that immediately after giving effect to the amendments contemplated by this Amendment that (a) their representations and warranties set forth in Restated Documents and the other Facility Documents are true and correct; (b) no Event of Termination (or event which with the passage of time or notice, or both, would constitute an Event of Termination) has occurred and is continuing or will result from the transactions contemplated by this Amendment or the Restated Documents; (c) this Amendment, the Restated Documents and each of the Facility Documents to which it is a party has been duly authorized, executed and delivered by it and each of its obligations hereunder and thereunder constitute its legal, valid and binding obligations enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy laws and any other similar laws affecting the rights and remedies of creditors generally and by equitable principles; and (d) immediately after the Amendment Effective Date, the Distribution Plan and Underwriting Agreement are the legal, valid and binding obligations of each of the parties thereto enforceable against each party thereto in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy laws and any other similar laws affecting the rights and remedies of creditors generally and by equitable principles. AMG represents and warrants to the

Purchaser and the Program Agent that no Receivable relating to a Seed Share (as defined in the Restated Purchase Agreement) has been sold to the Purchaser.

Section 8. Consents, Etc .

(a) In consideration of the undertaking of AMG set forth in clause (c) of this Section 8, the Purchaser and the Program Agent hereby consent to the amendment as set forth on Schedule I hereto of the section "Contingent Deferred Sales Charge Exceptions" in the Prospectuses of the Funds .

(b) The Purchaser and the Program Agent hereby consent with respect to Shares of the Funds (as defined in the Existing INVESCO Purchase Agreement) to a change in the basis upon which CDSCs are computed from the "cost basis" to the "lower of cost or market basis".

(c) The Distributor hereby agrees to track or cause to be tracked for each Fund, (i) the redemptions of Shares that result from required minimum distributions from individual retirement accounts and employer-sponsored retirement plans to plan participants or beneficiaries who are age 70-1/2 or older, including without limitation the portion of such distributions that exceed 12% annually of the participant's or beneficiary's account value in such Fund where the accounts of such plan are maintained by the Transfer Agent on the TRAC2000 ® record keeping retirement plan system or any other system incapable of imposing such 12% limit, and (ii) partial redemptions of Shares initiated in connection with a Systematic Withdrawal Plan, including without limitation the portion of such distributions that exceed 12% annually of the account value in such Fund at the time the withdrawal plan is established, including without limitation in respect of the accounts in employee-sponsored retirement plans where the account of such plan is maintained by AFS on the TRAC2000 ® record keeping retirement plan system or any other system incapable of imposing such 12% limit. The Seller agrees to indemnify the Purchaser on the Monthly Settlement Date which occurs in February of each calendar year for the amount of CDSCs that would have been imposed in respect of Shares in respect of the calendar year immediately preceding such Monthly Settlement Date relating to Purchased Receivables but for the modifications to the Prospectuses set forth in paragraphs 3 and 4 on Schedule I hereto.

(d) The Purchaser and the Program Agent hereby waive the Condition Precedent set forth in Section 3.02(j) of the Purchase Agreement as a condition to the Purchaser's obligation to Purchase Receivables, solely to the extent such condition fails to be satisfied prior to November 7, 2003 as a result of the proposed merger of each of the Companies which are Maryland corporations (the "Existing Affected Companies") into certain Delaware statutory trusts (the "Re-domesticated Companies"), which are to be created solely for the purpose of re-domesticating the Existing Affected Companies from Maryland corporations into Delaware statutory trusts; provided , however , that (i) in connection with such mergers all of the assets of the Funds relating to each such Existing Affected Company (the "Existing Funds") are transferred to a separate portfolio of a Re-domesticated Company (the "Re-domesticated Portfolios"), (ii) in connection with such mergers the Re-domesticated Companies on behalf of the Re-domesticated Portfolios assume substantially all obligations of the Existing Affected

Companies in respect of the Existing Funds, and all of the obligations of the Existing Affected Companies in respect of the Existing Funds in respect of or relating to the Purchased Receivables, (iii) such mergers will not adversely affect the rights of the Distributor in respect of any Purchased Receivables, and (iv) such mergers could not otherwise reasonably be expected to have an Adverse Effect. The waiver set forth herein shall be effective only for the specific Condition Precedent described above and shall not be deemed to relieve the Distributor, the Seller or any Advisor of any liability under any Program Document or to be a waiver of any other event, right or provision under or in connection with the Program Documents.

Section 9. Execution in Counterparts .

This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original, and all of which counterparts, when taken together, shall constitute but one and the same amendment.

Section 10. Governing Law .

THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 11. Severability of Provisions .

Any provision of this Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 12. Captions .

The captions in this Amendment are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 13. No Waiver .

Nothing in this Amendment shall be deemed to be a waiver of any breach of the Facility Documents (as defined in the Existing Purchase Agreements) occurring or arising prior to the Amendment Effective Date.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above written.

A I M MANAGEMENT GROUP INC.

By: _____
Authorized Signatory

A I M ADVISORS, INC.

By: _____
Authorized Signatory

A I M DISTRIBUTORS, INC.

By: _____
Authorized Signatory

INVESCO FUNDS GROUP, INC.

By: _____
Authorized Signatory

CITIBANK, N.A.

By: _____
Authorized Signatory

CITICORP NORTH AMERICA, INC.

By: _____
Authorized Signatory

DEUTSCHE BANK TRUST COMPANY AMERICAS

By: _____
Authorized Signatory

EXHIBIT A

FORM OF RESTATED PURCHASE AGREEMENT

SEE TAB 2

EXHIBIT B

FORM OF RESTATED SERVICING AGREEMENT

SEE TAB 3

EXHIBIT C

FORM OF RESTATED COLLECTION AGENCY AGREEMENT

SEE TAB 4

EXHIBIT D

FORM OF DISTRIBUTION PLAN

SEE TAB 8

EXHIBIT E

FORM OF UNDERWRITING AGREEMENT

SEE TAB 9

SCHEDULE I

APPROVED CHANGES TO PROSPECTUS

CDSCs will not apply to the following redemptions of Class B or Class C shares, as applicable:

1. Additional purchases of Class C shares of AIM International Core Equity Fund (formerly known as AIM International Value Fund) and AIM Real Estate Fund by shareholders of record on April 30, 1995, of these Funds, except that shareholders whose broker-dealers maintain a single omnibus account with AFS on behalf of those shareholders, perform sub-accounting functions with respect to those shareholders, and are unable to segregate shareholders of record prior to April 30, 1995, from shareholders whose accounts were opened after that date will be subject to a CDSC on all purchases made after March 1, 1996;

2. A total or partial redemption requested within five years following the death or post-purchase disability of (1) any registered shareholder on an account or (2) the settlor of a living trust which is the registered shareholder of an account, of shares held in the account at the time of death or initial determination of post-purchase disability;

3. Certain distributions from individual retirement accounts and employer-sponsored retirement plans, where redemptions result from (i) required minimum distributions to plan participants or beneficiaries who are age 70 1/2 or older, and only with respect to that portion of such distributions that does not exceed 12% annually of the participant's or beneficiary's account value in a particular AIM Fund, provided the investor reinvests his dividends, provided further that such 12% limit will not apply to distributions taken from accounts in employer-sponsored retirement plans where the accounts of such plan are maintained by AFS on the TRAC2000 ® record keeping retirement plan system or any other system incapable of imposing such 12% limit; (ii) in kind transfers of assets where the participant or beneficiary notifies the distributor of the transfer no later than the time the transfer occurs; (iii) tax-free rollovers or transfers of assets to another plan of the type described above invested in Class B or Class C shares of one or more of the AIM Funds; (iv) tax-free returns of excess contributions or returns of excess deferral amounts; and (v) distributions on the death or disability (as defined in the Code) of the participant or beneficiary;

4. A partial redemption initiated in connection with a Systematic Withdrawal Plan of up to an annual amount of 12% of the account value on a per fund basis, at the time the withdrawal plan is established, provided the investor reinvests his dividends, provided further that such 12% limit will not apply to distributions taken from accounts in employer-sponsored retirement plans where the accounts of such plan are maintained by AFS on the TRAC2000 ® record keeping retirement plan system or any other system incapable of imposing such 12% limit;

5. A total redemption initiated by the Fund when the account value falls below the minimum required account size of $500;

6. Investment account(s) of AIM.

EXHIBIT 10.5

AMVESCAP GLOBAL STOCK PLAN
(Amended and Restated Effective as of August 31, 2005)

ARTICLE I
PURPOSES OF THE PLAN

The main purposes of the AMVESCAP Global Stock Plan are (i) to provide additional incentives to employees, including directors who are also employees, of AMVESCAP PLC and its Subsidiaries in the form of contingent awards of ordinary shares of AMVESCAP PLC (including American depositary shares representing such ordinary shares), (ii) to seek to retain such Participants by making a portion of their compensation contingent upon the satisfaction of certain vesting requirements, and (iii) to enhance a long-term mutuality of interest between Participants and shareholders of the Company. This Plan is intended to be part of an employees' share scheme within the meaning of section 743 of the Companies Act.

ARTICLE II
DEFINITIONS

As used in the Plan, the terms set forth below shall have the meanings indicated unless the context clearly indicates to the contrary. Where the context so admits or requires, the singular shall include the plural and the masculine shall include the feminine and vice versa.

Account . "Account" shall mean a book account which may be maintained by a Participant's employer (the Company or a Subsidiary, as the case may be) reflecting the Shares, cash and other property, together with earnings and distributions thereon, credited to a Participant with respect to his Deferred Share Award(s) pursuant to Section 6.2(a).

Average Cost Per Share . "Average Cost Per Share," with respect to a Deferred Share Award and any crediting or reinvestment of amounts pursuant to Section 6.2(a), as the case may be (" Reinvestment "), shall mean (i) with respect to ordinary shares of the Company, the average cost per share purchased with respect to such Award or Reinvestment, as the case may be, as determined in any reasonable manner by the Plan Administration Committee and (ii) with respect to American depositary shares (" ADSs ") representing ordinary shares of the Company, the average cost per ADS purchased with respect to such Award or Reinvestment, as the case may be, as determined in any reasonable manner by the Plan Administration Committee.

Award Certificate . "Award Certificate" shall mean a written instrument which evidences a Share Award and includes such provisions governing such Share Award, not inconsistent with the Plan, as may be specified by the Plan Administration Committee.

Award Date . "Award Date" shall mean, with respect to a Share Award, the date specified by the Plan Administration Committee with respect to the grant of such Share Award.

Beneficiary . “Beneficiary” shall mean the person or persons determined to be a Participant’s beneficiary pursuant to Section 9.3.

Board of Directors . “Board of Directors” shall mean the Board of Directors of the Company.

Cause . “Cause” shall mean, when used in connection with the termination of a Participant’s employment, the termination of the Participant’s employment by the Company or a Subsidiary on account of (i) the willful violation by the Participant of (x) any law, (y) any rule of the Company or such Subsidiary or (z) any rule or regulation of any regulatory body to which the Company or such Subsidiary is subject, including, without limitation, The Stock Exchange or any other exchange or contract market of which the Company or such Subsidiary is a member, which violation would materially reflect on the Participant’s character, competence or integrity, (ii) a breach by a Participant of the Participant’s duty of loyalty to the Company and/or its Subsidiaries in contemplation of the Participant’s termination of employment with the Company or a Subsidiary, such as the Participant’s solicitation of customers or employees of the Company or any Subsidiary prior to the termination of his employment or (iii) the Participant’s unauthorized removal from the premises of the Company or a Subsidiary of any records, files, memoranda, data in machine readable form, reports, fee lists, customer lists, drawings, plans, sketches, or other documents (in any medium or form) relating to the business of the Company or a Subsidiary or the customers of the Company or a Subsidiary, including, but not limited to, all intellectual property and proprietary research which the Participant uses, develops or comes in contact with in the course of or as the result of his employment with the Company or a Subsidiary, as the case may be. Any rights the Company or a Subsidiary may have hereunder in respect of the events giving rise to Cause shall be in addition to the rights the Company or such Subsidiary may have under any other agreement with the employee or at law or in equity. If, subsequent to a Participant’s voluntary termination of employment or involuntary termination of employment without Cause, it is discovered that the Participant’s employment could have been terminated for Cause, such Participant’s employment shall, at the election of the Plan Administration Committee in its sole discretion, be deemed for the purposes of this Plan to have been terminated for Cause.

Change in Control . “Change in Control” shall mean (x) with respect to the Company, the occurrence of any of the following events:

(i) (a) the effective time of the merger or other business combination of the Company with or into another corporation, and with respect to the surviving public company, a majority of the directors of which were not directors of the Company immediately prior to such merger or combination and in which the stockholders of the Company immediately prior to the effective date of such merger or combination directly or indirectly own less than a majority of the voting power in such corporation, or (b) consummation of the direct or indirect sale or other disposition of all or substantially all of the assets of the Company;

(ii) (a) the acquisition by purchase, subscription or otherwise (including pursuant to a reconstruction or scheme of arrangement) by any person (or persons acting together, meaning persons party to an agreement to which section 204 of the Companies Act applies) of 20 percent or more of the relevant share capital of the Company (or any successor company to which all or the majority of the assets of the Company are transferred pursuant to any such reconstruction or scheme of arrangement); (b) the giving of notice of any general meeting of the Company at which a resolution will be proposed for the winding-up of the Company; (c) if under section 425 of the Companies Act, the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or (d) any scheme of arrangement involving the reconstruction of the Company or the amalgamation of the Company with any other entity that is approved by the holders of Shares;

(iii) any person obtains Control of the Company as a result of making an offer to acquire Shares which is either unconditional or is made on a condition such that, if it is satisfied, the person making the offer will have Control of the Company; or

(iv) a change in the composition of the Board of Directors such that individuals who, as of December 1, 2002, constituted the Board of Directors (generally the "Directors" and as of November 30, 2004, the "Continuing Directors") cease for any reason to constitute at least a majority thereof, provided that any person becoming a Director subsequent to November 30, 2004, whose nomination for election was approved by a vote of at least a majority of the Continuing Directors (other than a nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors) shall be deemed to be a Continuing Director; and

(y) with respect to a Subsidiary, the consummation of the sale of the capital stock or all or substantially all of the assets of such Subsidiary to a third party that is not affiliated with the Company or any Subsidiary, or the effective time of the merger or other business combination of such Subsidiary with or into, a third party that is not affiliated with the Company or any Subsidiary.

For the purpose of clause (x)(iii) above, (A) a person shall be deemed to have obtained "Control of the Company" if he and others acting in concert with him have together obtained Control of it and (B) "Control" shall mean, in relation to the Company, the power of a person to secure that the affairs of the Company are conducted in accordance with the wishes of that person by means of the holding of shares or the possession of voting power in or in relation to the Company or by virtue of any powers conferred by the articles of association of the Company.

Code . "Code" shall mean the United States of America Internal Revenue Code of 1986, as amended from time to time.

Companies Act . “Companies Act” shall mean the Companies Act 1985 of Great Britain, as amended from time to time.

Company . “Company” shall mean AMVESCAP PLC and any successor corporation which continues the Plan pursuant to Section 9.10.

Controlling Company . “Controlling Company,” with respect to any Participant, shall mean an entity which is party to a transaction or series of transactions resulting in a Change in Control, or is a parent, subsidiary, or affiliate of such an entity, and which becomes the employer of the Participant as a result of such Change in Control.

Deferred Share Award . “Deferred Share Award” shall mean an award issued pursuant to this Plan which represents the right to receive Shares, cash or other property (or a combination of the foregoing) upon the satisfaction of vesting and other conditions determined by the Plan Administration Committee.

Disability . “Disability” shall mean any physical or mental condition that would qualify a Participant for a disability benefit under the long-term disability plan maintained by the Company or a Subsidiary under which the Participant is covered.

ERISA . “ERISA” shall mean the United States of America Employee Retirement Income Security Act of 1974, as amended from time to time.

Exchange Act . “Exchange Act” shall mean the United States of America Securities Exchange Act of 1934, as amended from time to time.

Good Reason . “Good Reason” shall mean a reduction in a Participant’s cash compensation, or a material reduction in a Participant’s responsibilities or position, with the Company and its Subsidiaries (or the Controlling Company and its subsidiaries, as the case may be) following a Change in Control.

Investment Company Act . “Investment Company Act” shall mean the United States of America Investment Company Act of 1940, as amended from time to time.

Participant . “Participant” shall mean a person who, as an employee (or director who is also an employee) of the Company or any Subsidiary, has been granted a Share Award under the Plan and which Share Award remains outstanding; provided that in the case of the death of a Participant, the term “Participant” refers to a beneficiary designated pursuant to Section 9.3 or the legal guardian or other legal representative acting in a fiduciary capacity on behalf of the Participant under applicable state law and court supervision.

Plan . “Plan” shall mean the AMVESCAP Global Stock Plan, as constituted by these rules, as qualified by the attached Appendices, and as amended from time to time.

Plan Administration Committee . “Plan Administration Committee” shall mean the plan administration committee, or any successor committee, comprised of a majority of United States persons within the meaning of section 7701(a)(30) of the Code and

appointed by the Remuneration Committee from time to time to administer the Plan in accordance with the terms hereof and direct the Trustee and serving at the pleasure of the Remuneration Committee.

Remuneration Committee . "Remuneration Committee" shall mean the duly appointed Remuneration Committee, or any successor thereto, of the Board of Directors; provided that, in the event that the Remuneration Committee is comprised of less than a majority of United States persons within the meaning of Section 7701(a)(30) of the Code, all powers of the Remuneration Committee described herein shall be exercised by a majority of those members of the Remuneration Committee who are United States persons within the meaning of Section 7701(a)(30) of the Code.

Restricted Share Award . "Restricted Share Award" shall mean, with respect to each Participant, Shares awarded to such Participant under the Plan by the Plan Administration Committee pursuant to Section 6.1 that are subject to the restrictions contained in Section 6.3, so long as such restrictions are in effect.

Securities Act . "Securities Act" shall mean the United States of America Securities Act of 1933, as amended from time to time.

Share Award . "Share Award" shall mean any Deferred Share Award and any Restricted Share Award, in each case, granted pursuant to the Plan.

Shares . "Shares" shall mean the ordinary shares of the Company, or any other shares and/or other property into which the ordinary shares of the Company are converted pursuant to a stock split, reverse split, subdivision, reconstruction, amalgamation, scheme of arrangement, recapitalization, reorganization, merger, combination, consolidation, split-up or other similar corporate event and shall include American depositary shares representing such ordinary shares.

Subsidiary . "Subsidiary" shall mean a corporation with respect to which the Company, directly or indirectly, has the power, whether through the ownership of voting securities, by contract or otherwise, to elect at least a majority of the members of such corporation's board of directors.

The Stock Exchange . "The Stock Exchange" shall mean The International Stock Exchange of the United Kingdom and Republic of Ireland Limited.

Trust . "Trust" shall mean the grantor trust of the Company from time to time to which contributions are made in respect of the Plan and, in the case of any Subsidiary, the term "Trust" shall be limited to such Subsidiary's Sub-Trust as described in Section 1.3 of the Trust Agreement.

Trust Agreement . "Trust Agreement" shall mean the trust agreement between the Company and the Trustee as amended from time to time with respect to the Trust.

Trustee . "Trustee" shall mean the entity from time to time serving as trustee under the Trust Agreement.

ARTICLE III
EFFECTIVE DATE AND TERM

Section 3.1 In General . The Plan was originally adopted effective as of December 17, 1993, and was amended and restated effective as of January 1, 1997. The Plan was further amended by (i) the First Amendment to the Plan effective as of December 1, 1998, (ii) the Second Amendment to the Plan effective as of January 1, 2001, and (iii) the Third Amendment to the Plan effective as of February 1, 2002. The Plan was amended and restated a second time, effective as of December 1, 2002, and was further amended by the First Amendment to the Amended and Restated Plan effective as of October 12, 2004. The Plan was amended and restated a third time, effective as of November 30, 2004, and has been further amended and restated as set forth herein. The Plan shall continue in effect, as amended from time to time, in accordance with its terms until terminated by the Remuneration Committee or the Board of Directors. The Plan is a plan of the Company and a plan of each Subsidiary that is the employer of a Participant.

Section 3.2 Transition and Effect on Outstanding Awards . The purpose of this amendment and restatement is, in part, to change the provisions of the Plan to comply with Section 409A of the Code with respect to Share Awards which become vested or non-forfeitable on or after December 31, 2004, and the Plan shall be so interpreted. Amounts deferred prior to December 31, 2004, and awards granted prior to November 30, 2004, shall continue to be governed by the terms of the Plan in effect prior to this amendment and restatement; provided, however, that no elective deferrals shall be permitted with respect to any awards which remained unvested or forfeitable as of December 31, 2004, and distributions with respect to such awards shall be made as soon as reasonably practicable following vesting and in no event later than such time as may be required to prevent the distribution from constituting the deferral of compensation for purposes of Code Section 409A.

ARTICLE IV
ADMINISTRATION OF THE PLAN

Section 4.1 In General . Except as provided below, the Plan shall be administered by the Plan Administration Committee. The Plan Administration Committee shall have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt such rules and procedures for administering the Plan. The Plan Administration Committee also shall have full authority to prescribe the form of each Award Certificate and any other agreements or documents under the Plan, which need not be identical for each Participant, and to make all other decisions and determinations that may be required under the Plan or as the Plan Administration Committee deems necessary or advisable to administer the Plan.

Notwithstanding anything to the contrary, the Remuneration Committee shall have the exclusive power, authority and discretion to take all actions under the Plan with respect to “directors and senior management” of the Company, as such term is defined in

the general instructions to Form 20-F promulgated under the Exchange Act, and with respect to Share Awards granted to such persons. The Remuneration Committee also may reserve to itself any or all of the authority and responsibility of the Plan Administration Committee under the Plan or may act as administrator of the Plan for any and all purposes. To the extent the Remuneration Committee (a) is acting with respect to ”directors and senior management” of the Company, or with respect to a Share Award granted to such persons, or (b) has reserved any authority and responsibility or during any time that the Remuneration Committee is acting as administrator of the Plan, it shall have all the powers of the Plan Administration Committee hereunder, and any reference herein to the Plan Administration Committee (other than in this Section 4.1) shall include the Remuneration Committee. To the extent any action of the Remuneration Committee under the Plan conflicts with actions taken by the Plan Administration Committee, the actions of the Remuneration Committee shall control. Decisions of the Remuneration Committee or the Plan Administration Committee, as the case may be, regarding any matter connected with the Plan shall be final and binding on all parties.

Section 4.2 Authority of the Plan Administration Committee . Except as provided in Section 4.1, the Plan Administration Committee has the exclusive power, authority and discretion to:

(i) Grant Share Awards;

(ii) Designate Participants;

(iii) Determine the type or types of Share Awards to be granted to each Participant;

(iv) Determine the number of Share Awards to be granted and the number of Shares, cash, or other property to which a Share Award will relate;

(v) Determine the terms and conditions of any Share Award granted under the Plan, including but not limited to, the ability to receive Restricted Shares in lieu of Deferred Shares, the ability to receive dividends or other distributions paid with respect to the Shares underlying such award, any restrictions or limitations on the Share Award, and any schedule for vesting or lapse of forfeiture restrictions (including any accelerations or waivers thereof), based in each case on such considerations as the Plan Administration Committee in its sole discretion determines;

(vi) Accelerate the vesting or lapse of restrictions of any outstanding Share Award, in accordance with Section 6.1(d), based in each case on such considerations as the Plan Administration Committee in its sole discretion determines;

(vii) Determine whether, to what extent, and under what circumstances a Share Award may be canceled, forfeited, or surrendered;

(viii) Decide all other matters that must be determined in connection with a Share Award;

(ix) Amend any Award Certificate as provided herein; and

(x) Adopt such modifications, procedures, and subplans as may be necessary or desirable to comply with provisions of the laws of non-U.S. jurisdictions in which the Company or any Subsidiary may operate, in order to assure the viability of the benefits of Share Awards granted to participants located in such other jurisdictions and to meet the objectives of the Plan.

Section 4.3 Award Certificates . Each Share Award shall be evidenced by an Award Certificate. Each Award Certificate shall include such provisions, not inconsistent with the Plan, as may be specified by the Plan Administration Committee.

Section 4.4 Indemnification . No member of the Plan Administration Committee or the Remuneration Committee shall be liable for any action, omission or determination relating to the Plan, and the Company and the Subsidiaries shall indemnify and hold harmless each member of the Plan Administration Committee and the Remuneration Committee, and each other director or employee of the Company or a Subsidiary to whom any duty or power relating to the administration or interpretation of the Plan has been delegated, against any cost, expense (including counsel fees, which fees shall be paid as incurred) or liability (including any sum paid in settlement of a claim with the approval of the Board of Directors) arising out of any action, omission or determination relating to the Plan, if such action, omission or determination was taken or made by such member, director or employee in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and the Subsidiaries, and with respect to any criminal action or proceeding, such member had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company and the Subsidiaries, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

ARTICLE V
ELIGIBILITY

Section 5.1 In General . Share Awards may be granted to any employee, officer, or director who is also an employee of the Company or any Subsidiary selected by the Plan Administration Committee as a Participant in the Plan in accordance with the terms of the Plan and the rules and procedures established by the Plan Administration Committee. Non-employee directors shall not be eligible to receive Share Awards under the Plan.

Section 5.2 Investment Company Act Limitation . With respect to any Participant, the Plan Administration Committee may, in its discretion, use its authority under Section 6.1(d) to accelerate the vesting of such Participant's Share Award(s) so that neither the Plan nor the Trust will be required to register as an investment company under the Investment Company Act.

ARTICLE VI
SHARE AWARDS

Section 6.1 Grant of Share Awards .

(a) In General . The Plan Administration Committee may grant Share Awards to any Participant in such amounts and subject to such terms and conditions as may be selected by the Plan Administration Committee in its sole discretion. Each Share Award shall be evidenced by an Award Certificate setting forth the terms, conditions, and restrictions applicable to the Share Award. Each Participant who has been granted a Share Award shall receive a Deferred Share Award on the Award Date; provided that, the Plan Administration Committee may, in its sole discretion, provide in an Award Certificate that a Participant who has been granted a Deferred Share Award shall have the opportunity to elect to receive in lieu of such Deferred Share Award a Restricted Share Award for all of the Shares subject to such Deferred Share Award. Such Participant shall notify the Plan Administration Committee (or its delegate) of his election to receive a Restricted Share Award no later than the thirtieth day after the Award Date. If such Participant fails to respond prior to such date, the Participant shall be deemed to have made no election and shall retain the Deferred Share Award. Following such date, the Participant cannot elect to change the type of Share Award(s) so granted.

Each Participant's Share Award shall be subject to the terms of the Plan applicable to that type of Share Award, the applicable Award Certificate, the rules and procedures established by the Plan Administration Committee, and such additional terms as may be adopted from time to time applicable to particular jurisdictions. No Participant shall have any right to receive any Shares other than in accordance with the terms of the Plan applicable to the type of Share Award granted to such Participant, including any applicable additional terms.

(b) Issuance and Restrictions . Deferred Shares and Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Plan Administration Committee may impose. These restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, upon the satisfaction of performance goals or otherwise, as the Plan Administration Committee determines on the Award Date or thereafter.

(c) Forfeiture . Upon termination of a Participant's employment with the Company and its Subsidiaries during the applicable vesting or restriction period, or upon failure to satisfy a performance goal during the applicable vesting or restriction period, any Share Award(s) granted to such Participant which at that time have not vested or are subject to restrictions, as the case may be, shall be forfeited unless otherwise provided in

the Award Certificate or determined by the Plan Administration Committee in its sole discretion. The date of a Participant's termination of employment shall be determined at the sole discretion of the Plan Administration Committee. Any Shares, cash or other property underlying forfeited Share Awards, including, if applicable, amounts credited to the Participant's Account with respect to such Share Awards, shall revert to the Trust and, unless otherwise determined by the Plan Administration Committee, shall be added to and allocated as part of subsequent Award (s) made under the Plan. Under no circumstances shall such Shares, cash or other property held in the Trust revert to the Company or any of its Subsidiaries; however such Shares, cash or other property shall be available to creditors of the Company or any Subsidiary in the event of the Company's or such Subsidiary's insolvency in accordance with the terms and conditions of Section 7.2 and the Trust Agreement.

(d) Acceleration of Vesting and Lapse of Restrictions . Notwithstanding the foregoing and unless otherwise determined by the Plan Administration Committee, any Share Award(s) of a Participant not previously forfeited shall immediately vest, and any restrictions thereon shall lapse, in the event of:

(i) such Participant's termination of employment with the Company or a Subsidiary by reason of his death or Disability; or

(ii) the involuntary termination, other than for Cause, of such Participant's employment with the Company or any of its Subsidiaries following a Change in Control, unless the Participant is subsequently employed by the Company, any of its Subsidiaries, or the Controlling Company; or

(iii) the Participant's resignation from employment with the Company or any of its Subsidiaries for Good Reason following a Change in Control, unless the Participant is subsequently employed by the Company, any of its Subsidiaries, or the Controlling Company; or

(iv) in the event that the Participant is employed by the Company, any of its Subsidiaries, or the Controlling Company following a Change in Control, the involuntary termination, other than for Cause, of such Participant's employment with the Company, any of its Subsidiaries, or the Controlling Company or the Participant's resignation from employment with the Company, any of its Subsidiaries, or the Controlling Company for Good Reason.

In addition, the Plan Administration Committee may accelerate the vesting or lapse of restrictions of any Share Award at any time in its sole discretion.

Section 6.2 Deferred Share Awards .

(a) Accounts and Dividends . The Plan Administration Committee may, in its sole discretion, establish an Account comprised of one or more sub-accounts, each relating to a particular Deferred Share Award granted to a Participant and initially credited with the amount of such Deferred Share Award. To the extent required by the terms of a particular Deferred Share Award, each sub-account of the Participant's

Account may be adjusted to reflect the earnings, distributions, dividends, gains and losses with respect to the Shares, cash and/or other property allocated to the sub-account for each Deferred Share Award. In the discretion of the Plan Administration Committee, such amounts may be credited in cash or reinvested to purchase additional Shares based upon the Average Cost Per Share, and such amounts or additional shares shall be subject to the same vesting and other restrictions to which such initial Deferred Share Award is subject.

(b) Distributions; In General . Subject to any applicable withholding obligations and Section 9.1, upon the vesting of a Deferred Share Award, the Plan Administration Committee shall direct the Company or the Trustee to deliver or cause to be delivered to the Participant the Shares, cash or other property subject to such Share Award including, if applicable, the amount credited to such Participant's Account in respect of the vested Deferred Share Award, as soon as reasonably practicable and in no event later than such time as may be required to prevent the distribution from constituting the deferral of compensation for purposes of Code Section 409A.

(c) Termination of Trust or Court-Ordered Distribution . In the event that the Trust is terminated prior to the vesting of a Deferred Share Award or in the event that a court of competent jurisdiction finally determines that the Company or a Subsidiary is obligated to distribute to a Participant, Beneficiary or any other person any Shares underlying the Deferred Share Awards prior to the time of vesting otherwise provided for in the Award Certificate and Article VI, the Shares so distributed to such Participant, Beneficiary or other person shall, in the sole discretion of the Plan Administration Committee, be restricted as to transferability and shall be subject to forfeiture until the date that the Shares would otherwise have been vested under the terms of the Plan and the relevant Award Certificate had they not been distributed to the Participant, Beneficiary or other person and had remained subject to the Plan, and each stock certificate representing such Shares shall bear the legend provided for in Section 6.3(f). If the Shares are issued in uncertificated form, the Company shall instruct the transfer agent to restrict the sale or transfer of the Shares pursuant to this Section 6.2(c).

(d) No Rights as a Shareholder . Except as otherwise provided in an Award Certificate or any special Plan document governing a Share Award, a Participant shall have no right to vote the Shares subject to a Deferred Share Award, and shall have no rights as a shareholder with respect to such Shares, until such time as Shares are distributed to the Participant in settlement of the Deferred Share Award.

(e) Voting of Shares .

(i) The Plan Administration Committee shall direct the Trustee, and the Trustee shall have no discretion, as to the manner in which the voting rights attaching to Shares that are allocated to unvested Deferred Share Awards are to be voted.

(ii) The Plan Administration Committee shall direct the Trustee, and the Trustee shall have no discretion, as to the manner in which the voting rights

attaching to Shares that are allocated to vested Deferred Share Awards are to be voted; provided that, the Plan Administration Committee may, in its sole discretion, direct the Trustee to take direction from any or all Participants as to the manner in which the Shares subject to the relevant Participant's vested Deferred Share Awards are to be voted. If the Plan Administration Committee directs the Trustee to take voting directions from any Participant(s), (x) the Trustee shall vote combined fractional Shares, to the extent possible, to reflect the directions of the Participant (s) holding such Shares and (y) if the Trustee does not receive valid Participant voting directions with respect to the Shares allocated to a Participant's vested Deferred Share Award(s), the Trustee shall have no discretion as to the voting of such Shares but shall vote such Shares in the manner directed by the Plan Administration Committee.

(iii) Notwithstanding any other provision of this Section 6.2(e), the Shares allocated to a Participant's Deferred Share Awards shall be voted by the Trustee, at the direction of the Plan Administration Committee, with respect to any Participant(s) with respect to whom counsel to the Company advises that the Participant might be taxed on the value of the Participant's Deferred Share Awards if the Participant(s) were permitted to direct the voting of such Shares.

(f) Tender of Shares .

(i) If any person shall commence a tender or exchange offer or any similar transaction with respect to Shares, the Plan Administration Committee shall be entitled to direct the Trustee, and the Trustee shall have no discretion, as to whether the Shares underlying unvested Deferred Share Awards allocated to Participants' Accounts are to be tendered and whether such tender is to be revoked (to the extent such a revocation is permitted by the terms of such tender or exchange offer or applicable law).

(ii) If any person shall commence a tender or exchange offer or any similar transaction with respect to Shares, the Plan Administration Committee shall be entitled to direct the Trustee, and the Trustee shall have no discretion, as to whether the Shares underlying vested Deferred Share Awards allocated to Participants' Accounts are to be tendered and whether such tender is to be revoked (to the extent such a revocation is permitted by the terms of such tender or exchange offer or applicable law); provided that, the Plan Administration Committee may, in its sole discretion, direct the Trustee to take direction from any or all Participant(s) as to whether such Shares are to be tendered and whether such tender is to be revoked (to the extent such a revocation is permitted by the terms of such tender or exchange offer or applicable law). If the Plan Administration Committee directs the Trustee to take tender directions from any Participant(s), (x) the Trustee shall tender Shares underlying vested Deferred Share Awards allocated to any Participants' Accounts for which the Trustee shall have received affirmative and valid Participant directions to tender (except to the extent such directions are revoked prior to such tender); (y) the Trustee shall revoke the tender of Shares allocated to any Participants' Accounts underlying

vested Deferred Share Awards for which the Trustee shall have received affirmative and valid Participant directions to revoke such tender; and (z) the Trustee shall not tender, or revoke the tender of, Shares allocated to Participants' Accounts for which the Trustee does not receive affirmative and valid Participant directions.

(iii) To the extent that a Participant or the Plan Administration Committee elects to tender Shares allocated to a Participant's Account, the Trustee shall transfer the consideration the Trustee receives as a result of such tender into the Trust and the Participant's Share Award and Account, if applicable, shall reflect the transfer.

(iv) Notwithstanding any other provision of this Section 6.2(f), the Plan Administration Committee, in its sole discretion, shall make tender decisions with respect to Shares held in the Accounts of Participants with respect to whom counsel to the Company advises that the Participant(s) might be taxed on the value of the Participant's Account if the Participant(s) were permitted to direct the tender of Shares.

Section 6.3 Restricted Share Awards .

(a) Grant of Restricted Share Awards . Subject to Sections 6.3(b), 6.3(c) and 9.1, the Plan Administration Committee shall direct the Trustee to deliver or cause to be delivered to any Participant who has elected to receive a Restricted Share Award pursuant to Section 6.1 certificates for the Shares subject to his Restricted Share Award, which shall be subject to the restrictions contained in this Section 6.3 from the Award Date until such Restricted Share Award vests in accordance with the Award Certificate or Section 6.1(d). The Shares subject to a Restricted Share Award shall be held by the AMVESCAP Employee Share Service; provided that a Participant may transfer any Shares that have vested in accordance with the Award Certificate or Section 6.1(d), from such Employee Share Service. The Plan Administration Committee shall issue appropriate stop-transfer restrictions to the AMVESCAP Employee Share Service in respect of the Shares that are subject to a Restricted Share Award. In connection with any election to receive a Restricted Share Award, if a Participant fails to comply with Sections 6.3(b), 6.3(c) and 9.1 by the thirtieth day after the Award Date, such Participant shall not receive a Restricted Share Award but instead shall continue to hold a Deferred Share Award.

(b) Acknowledgement of Restrictions . Each Participant who has elected to receive a Restricted Share Award shall, no later than the thirtieth day after the Award Date, execute and deliver an acknowledgement form, on a form approved by the Plan Administration Committee (an "Acknowledgement Form"), acknowledging such Participant's participation subject to the terms of the Plan including this Section 6.3 and such other terms and conditions not inconsistent with the terms of the Plan as the Plan Administration Committee shall determine on or before the Award Date. Each Participant shall also deliver to the Plan Administration Committee on or before such time a duly executed undated instrument of transfer or assignment in blank, having

attached thereto or to such certificate all requisite stock or other applicable or documentary tax stamps, all in form and substance satisfactory to the Plan Administration Committee, relating the Shares subject to a Restricted Share Award.

(c) Section 83(b) Election . Except as otherwise provided in an Award Certificate or any special Plan document governing a Share Award, each Participant who has received a Restricted Share Award shall make a timely election pursuant to Section 83(b) of the Code with respect to such Restricted Share Award. A copy of such executed election shall be filed with the Plan Administration Committee. On or before the distribution of Shares subject to a Restricted Share Award, a Participant shall remit to the Company or a Subsidiary (as determined by the Plan Administration Committee) an amount sufficient to discharge the Company's or such Subsidiary's obligations with respect to any taxes, withholding, assessment or governmental charge imposed on the distribution of such Shares to such Participant. Each Participant will be solely responsible for any and all tax liabilities payable by him in connection with the grant and receipt of the Shares subject to a Restricted Share Award or attributable to his making or failing to make such an election.

(d) Securities Law Matters . Shares subject to Restricted Share Awards are not expected to be registered under the Securities Act or any state securities or "blue sky" laws, and it is not anticipated that there will be any U.S. public market for the Shares.

(e) Restrictions on Transferability . No Shares subject to a Restricted Share Award may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until such Restricted Share Award vests in accordance with the Award Certificate or Section 6.1(d). Thereafter, none of the Shares may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated or otherwise disposed of unless (i) (A) such disposition is pursuant to an effective registration statement under the Securities Act, (B) such disposition is effected on the London Stock Exchange in compliance with Rule 904 of Regulation S under the Securities Act, and the holder shall have delivered to the Company evidence reasonably satisfactory to the Company to such effect, (C) a Participant shall have delivered to the Company an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to the Company, to the effect that such disposition is exempt from the provisions of Section 5 of the Securities Act, or (D) a no-action letter from the Commission, reasonably satisfactory to the Company, shall have been obtained with respect to such disposition, and (ii) such disposition is pursuant to registration under any applicable state or foreign securities laws or an exemption therefrom. Any attempt by a Participant, directly or indirectly, to offer, transfer, sell, pledge, hypothecate or otherwise dispose of any Shares subject to a Restricted Share Award or any interest therein or any rights relating thereto without complying with the provisions of the Plan including this Section 6.3 shall be void and of no effect.

(f) Legend . Each certificate evidencing Shares subject to a Restricted Share Award shall be registered in the name of the Participant holding such Restricted Share Award and shall bear the following (or similar) legends; provided that, such certificate(s)

shall bear the first legend described below only until the vesting of such Restricted Share Award:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE) CONTAINED IN THE AMVESCAP GLOBAL STOCK PLAN AND THE RELEVANT AWARD CERTIFICATE, AND NEITHER THIS CERTIFICATE NOR THE SHARES REPRESENTED BY IT ARE ASSIGNABLE OR OTHERWISE TRANSFERABLE EXCEPT IN ACCORDANCE WITH SUCH PLAN, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY."

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS (i) (A) SUCH DISPOSITION IS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, (B) SUCH DISPOSITION IS EFFECTED ON THE LONDON STOCK EXCHANGE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND THE HOLDER SHALL HAVE DELIVERED TO THE COMPANY EVIDENCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT, (C) THE HOLDER HEREOF SHALL HAVE DELIVERED TO THE COMPANY AN OPINION OF COUNSEL, WHICH OPINION AND COUNSEL SHALL BE REASONABLY SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT SUCH DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF SUCH ACT OR (D) A NO-ACTION LETTER FROM THE U.S. SECURITIES AND EXCHANGE COMMISSION, REASONABLY SATISFACTORY TO COUNSEL FOR THE COMPANY, SHALL HAVE BEEN OBTAINED WITH RESPECT TO SUCH DISPOSITION AND (ii) SUCH DISPOSITION IS PURSUANT TO REGISTRATION UNDER ANY APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION THEREFROM."

(g) Rights as a Shareholder . Except as otherwise provided in an Award Certificate or any special Plan document governing a Share Award, a Participant holding Shares subject to a Restricted Share Award granted pursuant to Section 6.1 may exercise full voting rights and other rights as a shareholder with respect to the Shares subject to the Restricted Share Award during the period in which such Shares remain unvested.

(h) Dividends and Other Distributions . Except as otherwise provided in an Award Certificate or any special Plan document governing a Share Award, a Participant holding Shares subject to a Restricted Share Award shall be entitled to receive all dividends and other distributions paid with respect to such Shares; provided that, if any such dividends or distributions are paid in Shares or other securities, such Shares and other securities shall be subject to the same vesting restrictions and restrictions on

transferability as apply to the Shares subject to a Restricted Share Award with respect to which they were paid.

ARTICLE VII
FUNDING OF THE PLAN

Section 7.1 Unfunded Plan . The Plan shall be unfunded, including without limitation for purposes of the United States of America Department of Labor Regulation § 2520.104-23. Benefits under the Plan to a Participant shall be the unfunded obligation of such Participant's employer or former employer (the Company or a Subsidiary, as the case may be). Notwithstanding the fact that the Company established the Trust for the purpose of assisting itself and its Subsidiaries in meeting their respective compensatory obligations to their employees, the Company and each of the Subsidiaries, respectively, shall remain obligated to pay the amounts credited to Participant's Accounts as a result of Awards under the Plan. In the event that assets of the Trust are used to satisfy the claims of general creditors of the Company in accordance with Section 7.2 and the Trust Agreement, such assets shall be deemed to be sold at their fair market value. Nothing shall relieve the Company and each of the Subsidiaries of their respective liabilities under the Plan except to the extent amounts are paid to Participants or Beneficiaries from the assets of the Trust.

Section 7.2 Trust . Effective as of December 24, 1997, the Company established the Trust, which is intended to be (i) a "grantor trust" within the meaning of sections 671 et seq . of the Code of the Company and (ii) a "United States person" within the meaning of section 7701(a)(30) of the Code, to assist the Company and its Subsidiaries in meeting their respective compensatory obligations to their employees. The Trust is part of an employees' share scheme as defined in section 743 of the Companies Act. The Trustee is State Street Bank and Trust Company, and the Trust is domiciled in the State of New York. Pursuant to the Trust Agreement, the Plan Administration Committee may remove the Trustee and appoint a successor Trustee and may change the domicile of the Trust. The Trust can hold Shares, cash and other property contributed to the Trust by the Company to provide itself and the Subsidiaries with a source of funds to assist each of them in meeting their respective compensatory obligations to their employees. The Plan Administration Committee shall direct that the assets of the Trust be invested and reinvested primarily in Shares.

The trust agreement creating the Trust contains procedures to the following effect: In the event of the insolvency of the Company or any Subsidiary, the assets of the Trust shall be available to pay the claims of creditors of the Company or such Subsidiary, as the case may be, as a court of competent jurisdiction may direct. The Company or any Subsidiary shall be deemed to be "insolvent" if the Company or such Subsidiary is generally unable to pay its debts as they become due, or if the Company is subject to a pending proceeding under the bankruptcy laws of the United Kingdom, or if such Subsidiary is subject to a pending proceeding under the bankruptcy laws of the jurisdiction in which it is organized or incorporated. In the event the Company or any Subsidiary becomes insolvent, the Board of Directors and the Chief Executive Officer of the Company or such Subsidiary, as the case may be, have a duty to inform the Trustee in

writing of the Company's or such Subsidiary's insolvency. Upon receipt of such notice, or if the Trustee receives written notice from a person claiming to be a creditor of the Company or any Subsidiary alleging such insolvency, the Trustee shall cease making payments from the assets of the Trust on behalf of the Company or such Subsidiary, shall hold such assets for the benefit of creditors of the Company or such Subsidiary, as the case may be, and shall resume payments from the assets of the Trust only after the Trustee has determined that the Company or such Subsidiary, as the case may be, is not, or is no longer, insolvent.

Section 7.3 Internal Funding . The Subsidiaries shall have no obligations to make contributions to the Trust, although a Subsidiary may reimburse the Company for contributions to the Trust made by the Company on behalf of employees of such Subsidiary.

ARTICLE VIII
ADDITIONAL SECURITIES MATTERS

Subject to Sections 6.2(c) and 6.3, the Company shall use its best efforts to ensure that any securities distributed to Participants hereunder are marketable at the time of distribution. Notwithstanding anything herein to the contrary, the Company shall not be obliged to cause to be delivered any certificates evidencing Shares pursuant to the Plan unless and until the Company is advised by its counsel that the delivery of such certificates is in compliance with all applicable laws, regulations of governmental authority and the requirements of The Stock Exchange and any other securities exchange on which Shares are traded. In addition to the covenants, agreements and representations contained in Section 6.3, the Plan Administration Committee may require, as a condition of the delivery of certificates evidencing Shares pursuant to the terms hereof, the recipient of such Shares to make such additional covenants, agreements and representations, and that such certificates bear such additional legends, as the Plan Administration Committee, in its sole discretion, deems necessary or desirable, provided that any such legends shall not contravene any rules or regulations of The Stock Exchange or any applicable statute.

ARTICLE IX
MISCELLANEOUS PROVISIONS

Section 9.1 Taxes . As a condition to the making of any Award, the vesting of any Award, the lapse of the restrictions pertaining thereto or the distribution of Shares subject to a Share Award, the Company or a Subsidiary may require a Participant to pay such sum to the Company or such Subsidiary as may be necessary to discharge the Company's or such Subsidiary's obligations with respect to any taxes, withholding, assessment or other governmental charge imposed on property or income received by the Participant pursuant to the Plan. In accordance with the rules and procedures established by the Plan Administration Committee and in the discretion of the Plan Administration Committee, such payment may be in the form of cash, Shares, or other property. The Company and the Subsidiaries shall have the right to withhold from any cash, Shares, or property payable to a Participant (including any salary, bonus or any other amount

payable from the Company or a Subsidiary to the Participant) an amount sufficient to satisfy applicable withholding tax requirements, prior to a distribution of cash, Share certificates or other property under the Plan or to direct the Trustee to withhold and sell any Shares subject to a Participant's vested Share Awards to satisfy applicable withholding tax requirements. In order to satisfy such taxes, assessments or other governmental charges, the Plan Administration Committee may direct the Trustee to pay to the Company or a Subsidiary an amount to satisfy such obligation and to pay the balance to the Participant. At the direction of the Participant and subject to the approval of the Plan Administration Committee, the Company and its Subsidiaries may deduct or withhold from any payment or distribution to a Participant whether or not pursuant to the Plan in order to satisfy required withholding obligations under the Plan.

Section 9.2 No Special Employment Rights . Nothing contained in the Plan or any Award Certificate shall confer upon any Participant any right with respect to the continuation of the Participant's employment by the Company or a Subsidiary or interfere in any way with the right of the Company or a Subsidiary at any time to terminate such employment or demote such Participant without prior notice at any time for any or no reason. Each Participant shall, by participating in the Plan, waive all and any right to compensation or damages in consequence of the termination of his office or employment with the Company or a Subsidiary for any reason whatsoever in so far as these rights arise or may arise from his ceasing to have rights under the Plan as a result of such termination. Nothing in the Plan shall be deemed to give any employee of the Company or a Subsidiary any right to participate in the Plan.

Section 9.3 Beneficiaries. Each Participant shall have the right to designate in writing from time to time a Beneficiary by filing a written notice of such designation with the Plan Administration Committee. A Participant may revoke his Beneficiary designation by filing with the Plan Administration Committee an instrument of revocation or a later designation. Any designation or revocation shall be effective when received by the Plan Administration Committee. In the event of the death of a Participant, certificates for Shares payable in respect of vested Deferred Share Awards shall be distributed to the Participant's Beneficiary as soon as reasonably practicable. Unless the Participant's Beneficiary designation provides otherwise, no person shall be entitled to benefits upon the death of the Participant unless such person survives the Participant. If the Beneficiary designated by a Participant does not survive the Participant or if the Participant has not made a valid Beneficiary designation, such Participant's Beneficiary shall be such Participant's estate.

Section 9.4 Expenses . Subject to the Trust Agreement, all expenses and costs in connection with the administration of the Plan shall be borne by the Company and the Subsidiaries.

Section 9.5 Titles and Headings Not to Control . The titles to Articles and headings of Sections in the Plan are placed herein for convenience of reference only and shall not affect the meaning of any of the provisions of the Plan.

Section 9.6 Amendment or Termination of Plan . The Remuneration Committee may modify, amend, suspend or terminate this Plan in whole or in part at any time, provided that, such modification, amendment, suspension or termination shall not, without a Participant's consent, affect adversely the rights of a Participant with respect to outstanding Share Awards that have not previously been forfeited; provided further, that the Remuneration Committee may, without a Participant's consent, amend the Plan from time to time in such a manner as may be necessary to avoid having the Plan, the Trust Agreement or the Trust being subject to ERISA, to avoid the current taxation of the assets held in the Trust, or to avoid the imposition of any excise tax, penalty, or acceleration of taxation under Section 409A of the Code. In this regard, neither a Participant's incurring tax liability nor the loss of an investment opportunity as a result of the termination of the Plan shall be considered an impairment of the rights of a Participant.

Upon termination of the Trust, unvested Share Awards of each Participant shall immediately vest and the Shares, cash or other property subject to such Share Awards including, if applicable, the amount credited to each such Participant's Account, shall be distributed to each such Participant. In the event that Shares or other property allocated to unvested Awards have been previously forfeited, the Plan Administration Committee shall determine how such Shares, cash or other property shall be applied to provide compensation and benefits to employees of the Company and the Subsidiaries. No portion of the assets held in the Trust shall revert to the Company or the Subsidiaries at any time except for the reimbursement of taxes pursuant to Section 9.1 and the Trust Agreement; provided that, in the event of the insolvency of the Company or any Subsidiary, the assets of the Trust shall be available to pay the claims of creditors of the Company or such Subsidiary, as the case may be, as provided in Section 7.2 and the Trust Agreement.

Section 9.7 Governing Law . The Plan, as amended from time to time, and all rights hereunder shall be governed by, administered and enforced in accordance with the laws of the State of New York (without reference to the choice of law doctrine).

Section 9.8 Waiver of Punitive Damages . There is no right to punitive, exemplary or similar damages as a result of any controversy or claim arising out of, relating to or in connection with the Plan, or the breach, termination or validity thereof, and each Participant shall, by participating in the Plan, waive all and any of such rights.

Section 9.9 Restrictions on Transfer . No transfer (other than any transfer made by will or by the laws of descent and distribution), charge or encumbrance by a Participant of any right to any payment hereunder, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to such payment, and the transfer, charge or encumbrance shall be of no force and effect.

Section 9.10 Consolidation or Merger of the Company . In the event of the consolidation, amalgamation, combination or merger of the Company with or into any other corporation, or the sale by the Company of substantially all of its assets, the resulting successor may continue the Plan by adopting the same by resolution of its board

of directors and by executing a proper supplemental agreement to the Trust Agreement with the Trustee. Unless otherwise determined by the Remuneration Committee, if within ninety days from the effective date of such consolidation, amalgamation, combination, merger or sale of assets, such new corporation does not adopt the Plan, the rights of all affected Participants to their respective benefits with respect to vested and unvested Awards shall be non-forfeitable as of the effective date of such consolidation, amalgamation, combination, merger or sale of assets.

Section 9.11 Set-off . In the event that the Company or a Subsidiary has any claims against a Participant, the Company or Subsidiary (as the case may be) may, in its discretion, offset such claims against its obligations to such Participant under the Plan. The Company or Subsidiary, as the case may be, shall give notice to the Participant of any set-off effected under this Section 9.11.

Section 9.12 Special Rules Regarding Plan Administration Committee . Notwithstanding any other provision of the Plan, with respect to any power of the Plan Administration Committee described herein that is exercised with respect to a Participant who is a member of the Plan Administration Committee and the exercise of such power does not affect all Participants relatively equally, such power shall be exercised with respect to such Participant by the non-Participant members of the Plan Administration Committee who are United States persons within the meaning of section 7701(a)(30) of the Code, if any; provided that, if all members of the Plan Administration Committee are Participants or none of the non-Participant members of the Plan Administration Committee are United States persons within the meaning of section 7701(a)(30) of the Code, then such powers shall be exercised with respect to such Participants by the members of the Plan Administration Committee who are United States persons within the meaning of section 7701(a)(30) of the Code.

Appendix A

SPECIAL RULES RELATING TO
PARTICIPANTS IN JAPAN

In order to comply with laws and regulations of Japan and notwithstanding Section 6.1(d) or any other provision of the Plan, the Plan Administration Committee shall not accelerate the time of distribution with respect to any Awards of a Participant resident in, or employed by a Subsidiary that is resident in, Japan.

Appendix B

SPECIAL RULES RELATING TO
SECTIONS 6.1 and 6.3

In order to comply with laws and regulations of France and notwithstanding Sections 6.1(a) or 6.3 or any other provision of the Plan, Participants resident for tax purposes in France, Canada, or Germany shall not have the ability to elect to receive a Restricted Share Award in lieu of a Deferred Share Award.

Notwithstanding Section 6.3(c) or any other provision of the Plan, Participants resident for tax purposes in the following countries shall not be required to make an election pursuant to Section 83(b) of the Code as a condition to receiving a Restricted Share Award:

United Kingdom
Belgium
Ireland
Italy
France
Austria
Taiwan
Japan
Australia
China
Hong Kong

Appendix C

SPECIAL RULES RELATING TO
PARTICIPANTS IN CANADA

In order to comply with the laws and regulations of Canada and notwithstanding Sections 6.1(a), 6.2(b), 6.2(c) or any other provision of the Plan, (1) no distribution of Shares, cash or other property equivalent to the amount credited to the Account of a Participant that was or, at the time of such distribution, is considered a participant in a Retirement Compensation Arrangement under Canadian tax law in respect of vested Deferred Share Awards made prior to December 1, 2002 will be made to such Participant until his termination of employment with the Company and its Subsidiaries or unless there has been a "substantial change in the services rendered" by such Participant for purposes of Section 248(1) of the Income Tax Act (Canada); and (2) No term or condition imposed under an Award Certificate may have the effect of causing the payment to a Participant or Beneficiary in satisfaction of his or her Deferred Share Awards to occur after December 15 of the third calendar year following the calendar year in respect of which such Deferred Shares Awards were granted.

Appendix D

SPECIAL RULES RELATING TO
PARTICIPANTS IN IRELAND

Notwithstanding Sections 6.1(d), 6.2(c), or 6.3 or any other provision of the Plan, Participants resident for tax purposes in Ireland (1) shall not be entitled to accelerated vesting of unvested Restricted Share Awards except in the event of such Participant's termination of employment with the Company or a Subsidiary by reason of his death; (2) shall not be entitled to vote Shares that are allocated to unvested Deferred Share Awards; and (3) shall not be entitled to receive distributions in respect of vested and unvested Deferred Share Awards other than in the form of Shares.

Appendix E

SPECIAL RULES RELATING TO
PARTICIPANTS IN AUSTRALIA

Notwithstanding Sections 6.1(a), 6.2(a), or 6.2(b) or any other provision of the Plan, Participants resident for tax purposes in Australia shall not be entitled to receive distributions in respect of vested and unvested Deferred Share Awards other than in the form of Shares.

AMVESCAP GLOBAL STOCK PLAN

Amended and Restated Effective as of August 30, 2005

EXHIBIT 10.6

THE AMVESCAP NO.3
EXECUTIVE SHARE OPTION SCHEME

Definitions and Interpretation

(1) In this Scheme, unless the context otherwise requires.-

"the Board" means the board of directors of the Company or a committee appointed by such board of directors;

"the Company" means AMVESCAP PLC (formerly INVESCO PLC) (registered in England No. 308372);

"the Grant Date" in relation to an option means the date on which the option was granted;

"Participant" means a person who holds an option granted under the Scheme;

"Participating Company" means the Company and any Subsidiary;

"Schedule 10" means Schedule 10 to the Finance Act 1984;

"the Scheme" means the AMVESCAP No. 3 Executive Share Option Scheme as herein set out but subject to any alterations or additions made under Clause 3 below;

"Subsidiary" means a body corporate which is a subsidiary of the Company within the meaning of section 736 of the Companies Act 1985 and is under the control of the Company within the meaning of Section 534 of the income and Corporation Taxes Act 1970;

"the Trustees" means the trustees or trustee for the time being of any trust established by the Company which provides for options to be granted under the Scheme to the beneficiaries thereof;

(2) Any reference in the Scheme to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.

2. Eligibility

(1) A person is eligible to be granted an option under the Scheme if (and only if) he is a full-time director or qualifying employee of a Participating Company.

(2) For the purposes of sub-clause (1) above:-

(a) a person shall be treated as a full-time director of a company if he is obliged to devote to the performance of the duties of his office or employment with the company (or with the company and any other company which is a Participating Company) not less than 25 hours a week;

(b) a qualifying employee, in relation to a company, is an employee of the company (other than one who is a director of a Participating Company) who is required, under the terms of his employment, to work for the company (or for the company and any other company which is a Participating Company) for at least 20 hours a week.

3. Grant of Options

(1) Subject to sub-clauses (2) and (5) below and to Clause 4 below, the Trustees may grant to any person who is eligible to be granted an option under the Scheme (in such form and manner as the Trustees may from time to time prescribe) an option to purchase ordinary shares in the Company. upon the terms set out in the Scheme and upon such other terms as the Trustees may specify.

(2) An option may only be granted under the Scheme within the period of six (6) weeks beginning with the date on which the Scheme is approved and adopted by the Board or the period of six (6) weeks beginning within the dealing day next following the date on which the Company announces its annual or half-yearly results, or at any other time when the circumstances are considered by the Board to be sufficiently exceptional to justify the grant thereof.

(3) There shall be no monetary consideration for the grant of any option under the Scheme, and accordingly any such option shall be granted under seal.

(4) The price at which shares may be acquired by the exercise of an option granted under the Scheme shall be determined by the Trustees before the grant thereof, provided that.-

(a) if at the relevant time shares of the same class as those shares are listed in the Stock Exchange Daily Official List, the price shall not be less than the middle-market quotation of shares of that class (as derived from the List) on the last dealing day prior to the Grant Date;

(b) if paragraph (a) above does not apply the price shall not be less than the market value (within the meaning of Part VIII of the Capital Gains Tax Act 1979) of shares of that class, as agreed for the purposes of the Scheme with the Shares Valuation Division of the Inland Revenue, on the first day of the period of 21 days ending with the Grant Date; and

(c) the price shall not be less than the nominal value of those shares.

(5) The grant of any option under the Scheme shall be subject to obtaining any approval or consent required under the provisions of any regulation or enactment.

(6) (a) Subject to sub-clause 5(3) below, an option granted under the Plan to any person shall not be capable of being transferred by him (other than in accordance with sub-paragraph (b) or (c) below) and shall lapse forthwith if it is so transferred or if he is adjudicated bankrupt.

(b) An option granted under the Plan (other than one which takes effect as an Incentive Stock Option under the United States Internal Revenue Code (the "Code")) may be transferred to a trustee or any other person or persons howsoever organised provided that prior to such transfer the Board shall have confirmed in writing to the transferor that it is satisfied that the option shall be held by the transferee on terms such that the transferor, the transferor's estate and the transferor's family are the only persons to benefit, if at all, from the same.

(c) An option granted under the Plan (other than one which takes effect as an Incentive Stock Option under the Code) may be transferred to:-

(i) any entity or organisation falling within the description set out in section 170(c) of the Code;

(ii) any entity or organisation having charitable purposes recognised as such under the laws of England and Wales; or,

(iii) any other person who would hold such option solely for the benefit of an entity or organisation mentioned in either of (i) and (ii) above;

provided that prior to any such transfer the Board shall have confirmed in writing to the transferor that it is satisfied as to the identity and purposes of any such entity or organisation, in the case of (i) or (ii) above, or as to the standing, reliability and good faith of such other person, in the case of (iii) above.

4. Limit

The amount for which shares may be purchased on the exercise of any option granted under the Scheme on any day to any person shall not, when added to the amount for which shares in the company shall at any time have remained to be transferred on the exercise of options granted to him in the period of 10 years immediately preceding that day (but on or after the date upon which the Scheme was approved and adopted by the Board) under the Scheme and any other executive share option scheme adopted by the Company exceed 8

times the higher of the total remuneration(excluding benefits in kind) expressed as an annual rate payable by the Participating Companies to him as on that day and the total remuneration (excluding benefits in kind) paid by the Participating Companies to him in the period of 12 months immediately preceding that day.

5. Exercise of Options

(1) The exercise of any option granted under the Scheme shall be effected in such form and manner as the Trustees may from time to time prescribe.

(2) The effective date of exercise of an option will be the date on which the Company or other duly appointed agent has received the following:

(a) The notice of exercise; and

(b) Payment of the exercise price in cleared funds; or

(c) Where a cashless exercise facility is offered and chosen by the Participant, such documents as may be required by the Company and confirmation by the Trustees of the sale price of the shares and that there is a willing purchaser;

If an option lapses before the effective date of exercise then any attempted exercise of that option is invalid. No employee has any right to compensation if an option becomes exercisable but lapses before the exercise is effective.

If an option exercise notice is delivered at a time when any statute, regulation or code adapted by the Company prohibits the exercise of option then the effective date of exercise will be delayed until the optionholder is permitted to exercise an option.

A notice of exercise cannot be withdrawn once exercise has become effective.

(3) Subject to sub-clauses (3) and (4) below and to Clause 6 below, an option granted under the Scheme may not be exercised before any date specified by the Trustees prior to the grant of options, provided that such date falls no earlier than the third anniversary and no later than the tenth anniversary of the Grant Date.

(4) Subject to sub-clauses (6) and (7) below, if any Participant dies before exercising an option granted to him under the Scheme and at a time when he is either a director or employee of a Participating Company or entitled to exercise the option by virtue of sub-clause (4) below, the option may (and must, if at all) be exercised by his personal representatives within 12 months after the date of his death.

(5) Subject to sub-clauses (6) and (7) below, if any Participant ceases to be a director or employee of a Participating company (otherwise than by reason of

his death) the following provisions apply in relation to any option granted to him under the Scheme.-

(a) if he so ceases by reason of injury or disability, the option may (and subject to sub-clause (3) above must, if at all) be exercised within six months of his so ceasing;

(b) if he so ceases by reason of retirement on reaching any age at which he is bound to retire in accordance with the terms of his contract of employment, the option may (and subject to sub-clause 5(3) above must, if at all) be exercised at any time from the date of retirement to the date on which the option shall otherwise lapse in accordance with these rules and the terms on which the option was granted

(c) if he so ceases for any other reason, the option may not be exercised at all unless the Trustees shall so permit in which event it may (and subject to sub-clause (3) above must, if at all) be exercised to the extent permitted by the Trustees within up to twenty four months of his so ceasing;

and if the Trustees are satisfied that the Participant is about to cease to be a director or employee of a Participating Company as mentioned in paragraph 5.(4)(a), (b) or (c) above on any day, the option may to the extent permitted by the Trustees be exercised within the period of 28 days immediately preceding that day.

(6) A Participant shall not be treated for the purposes of sub-clause (4) above as ceasing to be a director or employee of a Participating Company' until such time as he is no longer a director or employee of any of the Participating Companies, and a Participant (being a woman) who ceases to be such a director or employee by reason of pregnancy or confinement and who exercises her right to return to work under section 45 of the Employment Protection (Consolidation) Act 1978 before exercising an option under the Scheme shall be treated for those purposes as not having ceased to be such a director or employee.

(7) Notwithstanding any other provision of the Scheme, an option granted under the Scheme may not be exercised after the expiration of the period of 7 years beginning with the Grant Date or such other period as the Trustee may specify prior to the grant of the option.

(8) Subject to sub-clause (8) below, within 30 days after an option under the Scheme has been exercised by any person, the Trustees shall transfer to him, the number of shares in respect of which the option has been exercised.

(9) The transfer of any shares under the Scheme shall be subject to obtaining any such approval or consent as is mentioned in Clause 3(5) above.

6. Take-over, Reconstruction and Winding-up

(1) If any person obtains control of the Company (within the meaning of section 534 of the income and Corporation Taxes Act 1970) as a result of making an offer to acquire shares in the Company, the Trustees shall within 7 days of becoming aware thereof notify every Participant thereof and, subject to sub-clauses (3), (4) and (7) of Clause 5 above, an option granted under the Scheme may be exercised within one month (or such longer period as the Trustees may permit) of such notification.

(2) For the purposes of sub-clause (1) above, a person shall be deemed to have obtained control of the Company if he and others acting in concert with him have together obtained control of it.

(3) If any person becomes bound or entitled to acquire shares in the Company under sections 428 to 430F of the Companies Act 1985, or if under section 425 of that Act the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, or if the Company passes a resolution for voluntary winding up, or if an order is made for the compulsory winding up of the Company, the Trustees shall forthwith upon becoming aware thereof notify every Participant thereof and any option granted under the Scheme may, subject to sub-clauses (3) and (4) of clause 5 above, be exercised within one month of such notification, but to the extent that it is not exercised within that period shall (notwithstanding any other provision of the Scheme) lapse on the expiration thereof.

7. Variation of Capital

(1) In the event of any increase or variation of the share capital of the Company (whenever effected) by way of capitalisation or rights issue, or sub-division, consolidation or reduction, the Trustees may determine that such adjustments as it considers appropriate shall be made under sub-clause (2) below and the terms of any option in respect of which an adjustment is so determined to be made shall be deemed to be adjusted accordingly.

(2) An adjustment made under this sub-clause shall be to one or more of the following:-

(a) the number of shares in respect of which any option granted under the Scheme may be exercised;

(b) the price at which shares may be acquired by the exercise of any such option; and

(c) where any such option has been exercised but no shares have been transferred pursuant to such exercise, the number of shares which may be so transferred and the price at which they may be acquired.

(3) Except in the case of a capitalisation issue, no adjustment under sub-clause (2) above shall be determined to be made without the prior confirmation in

writing by the auditors for the time being of the Company that it is in their opinion fair and reasonable.

(4) As soon as reasonably practicable after any adjustment shall have been deemed to be made under sub-clause (2) above, the Trustees shall give notice in writing thereof to any -participant affected thereby.

8. Alterations

(1) The Board may with the consent of the Trustees at any time

(a) alter or add to all or any of the provisions of the Scheme or

(b) determine that an alteration or addition shall be made to the terms of any option granted under it,

and the terms of any option in respect of which an alteration or addition is determined to be made as mentioned in paragraph (b) above shall be deemed to be altered or added to accordingly.

(2) As soon as reasonably practicable after any alteration or addition shall have been made or deemed to be made under sub-clause (1; above the Trustees shall give notice in writing thereof to any Participant affected thereby.

9. Miscellaneous

(1) The rights and obligations of any individual under the terms of his office or employment with any Participating Company shall not be effected by his participation in the Scheme or any right which he may have to participate therein, and an individual who participates therein shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to exercise any option under the Scheme as a result of such termination.

(2) The Trustees may from time to time make and vary such rules and regulations not inconsistent herewith and establish such procedure for administration and implementation of the Scheme as it thinks fit, and in the event of any dispute or disagreement as to the interpretation of the Scheme, or of any such rule, regulation or procedure, or as to any question or right arising from or related to the Scheme, the decision of the Trustees shall be final and binding upon all persons.

(3) The Company and any Subsidiary may provide money to the Trustees to enable them to purchase shares to be held for the purposes of the Scheme, or enter into any guarantee or indemnity for these purposes, to the extent permitted by section 153 of the Companies Act 1985.

(4) In any matter in which they are required to act under the Scheme, the auditors of the Company shall be deemed to be acting as experts and not as arbitrators and the Arbitration Acts 1950 to 1979 shall not apply hereto.

(5) Any notice or other communication under or in connection with the Scheme may be given by personal delivery or by sending the same by post, in the case of a company to its registered office and in the case of an individual to his last known address or, where he is a director or employee or a Participating Company, either to his last known address or to the address or the place of business at which he performs the whole or substantially the whole of the duties of his office or employment. and where a notice or other communication is given by first-class post, it shall be deemed to have been received 48 hours after it was put into the post properly addressed and stamped

10. Notices

Any notice or other document which has to be given to a Participant under or in connection with the Scheme may be:

(a) delivered or sent by post to him at his home address according to the records of his employing company; or

(b) sent by e-mail or fax to any e-mail address or fax number which according to the records of his employing company is used by him;

or in either case such other address which the Company considers appropriate.

Any notice or other document which has to be given to the Company or other duly appointed agent under or in connection with the Scheme may be delivered or sent by post to it at its respective registered office (or such other place as the Board or duly appointed agent may from time to time decides and notify to optionholders) or sent by e-mail (if the Board allows) or fax to any e-mail address or fax number notified to the sender.

Notices sent by post will be deemed to have been given on the earlier of the date of actual receipt and the second day after the date of posting. However, notices sent by or to an optionholder who is working outside the UK will be deemed to have been given on the earlier of the date of actual receipt and the seventh day after the date of posting.

Notices sent by e-mail or fax, in the absence of evidence of non-delivery, will be deemed to have been received on the day after sending.

Exhibit 10.7

07 January 2005

THE AMVESCAP 2000 SHARE OPTION PLAN

AMVESCAP PLC

(Rule 3.6(c) added by Board Resolution 21 December 2000)
(Rule 5.4 amended by Board Resolution 26 th April 2001)
(Rule 5.4 amended by Board Resolution 4 April 2002)
(Rule 5.4 amended by Board Resolution 23 October 2002)
(Rule 5.4 amended by Board Resolution 12 October 2004)
(Rule 5.4 amended by Board Resolution 26 January 2005)

THE AMVESCAP 2000
SHARE OPTION PLAN

1. **DEFINITIONS AND INTERPRETATION**

1.1 In this Plan, unless the context otherwise requires:-

"Board"	means the board of directors of the Company or a committee appointed by such board of directors;
"Company"	means AMVESCAP PLC (registered in England No. 308372);
"Grant Date"	in relation to an option means the date on which the option is or was granted;
"Participant"	means a person who holds an option granted under the Plan;
"Participating Company"	means the Company and any Subsidiary to which the Board has resolved that the Plan shall for the time being extend;
"Plan"	means the AMVESCAP 2000 Share Option Plan as herein set out but subject to any alterations or additions made under Clause 8 below;
"Subsidiary"	means a body corporate which is a subsidiary of the Company within the meaning of Section 736 of the Companies Act 1985 and is under the control of the Company within the meaning of Section 840 of the Income and Corporation Taxes Act 1988;
"Trustees"	means the trustees or trustee for the time being of any trust established by the Company which provides for options to be granted under the Plan to the beneficiaries thereof;

1.2 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.

2. **ELIGIBILITY**

2.1 A person is eligible to be granted an option under the Plan if (and only if) he is a full-time director or employee of a Participating Company.

2.2 For the purposes of sub-clause 2.1 above a person shall be treated as a full-time director or employee of a company if he is obliged to devote substantially the whole of his working time to the performance of the duties of his office or employment with the company (or with the company and any other company which is a Participating Company).

3. **GRANT OF OPTIONS**

3.1 Subject to sub-clauses 3.2 and 3.5 below and to Clause 4 below, the Board or the Trustees at the request of the Board may grant to any person who is eligible to be granted an option under the Plan (in such form and manner as the Board may from time to time prescribe) an option to acquire ordinary shares in the Company upon the terms set out in the Plan and upon such other terms as the Board or the Trustees, as the case may be, may specify.

3.2 An option may be granted under the Plan at any time other than one at which dealings by a director would be prohibited under the London Stock Exchange Model Code.

3.3 There shall be no monetary consideration for the grant of any option under the Plan, and accordingly any such option shall be granted by Deed.

3.4 The price at which shares may be acquired on the exercise of an option granted under the Plan shall be determined by the Board before the grant thereof, provided that:-

(a) if at the relevant time shares of the same class as those shares are listed in the Stock Exchange Daily Official List, the price shall not be less than the middle-market quotation for shares of that class (as derived from the List) on the last dealing day prior to the Grant Date;

(b) at any time at which paragraph 3.4(a) above shall not apply, the price shall not be less than such sum as the Board shall reasonably determine to be the market value of shares of that class; and

(c) no share shall be issued by the Company for an amount less than the nominal value of that share.

3.5 The grant of any option under the Plan shall be subject to obtaining any approval or consent required under the provisions of any regulation or enactment.

3.6 (a) Subject to sub-clause 5.3 below, an option granted under the Plan to any person shall not be capable of being transferred by him (other than in accordance with sub-paragraph (b) or (c) below) and shall lapse forthwith if it is so transferred or if he is adjudicated bankrupt.

(a) An option granted under the Plan (other than one which takes effect as an Incentive Stock Option under the United States Internal Revenue Code (the "Code")) may be transferred to a trustee or any other person or persons howsoever organised provided that prior to such transfer the Board shall have confirmed in writing to the transferor that it is satisfied that the option shall be held by the transferee on terms such that the transferor, the transferor's estate and the transferor's family are the only persons to benefit, if at all, from the same.

(b) An option granted under the Plan (other than one which takes effect as an Incentive Stock Option under the Code) may be transferred to:-

(i) any entity or organisation falling within the description set out in section 170(c) of the Code;

(ii) any entity or organisation having charitable purposes recognised as such under the laws of England and Wales; or,

(iii) any other person who would hold such option solely for the benefit of an entity or organisation mentioned in either of (i) and (ii) above;

provided that prior to any such transfer the Board shall have confirmed in writing to the transferor that it is satisfied as to the identity and purposes of any such entity or organisation, in the case of (i) or (ii) above, or as to the standing, reliability and good faith of such other person, in the case of (iii) above.

3.7 An option may be granted subject to such condition or conditions as the Board may in its discretion think fit which must (save as otherwise provided in the Plan) be fulfilled before the option (other than a new option under clause 6.4) may be exercised. Any such condition must be stated in writing at the Grant Date.

4. **LIMITS**

4.1 The amount for which shares may be purchased on the exercise of any option granted under the Plan on any day to any person shall be at the discretion of the Board.

4.2 On any day, no option may be granted under the Plan if, as a result, the total number of shares which have been issued or which may yet be issued pursuant to the exercise of options granted under the Plan would exceed, or further exceed ten and one half per cent of the issued ordinary share capital of the Company on that day.

5. **EXERCISE OF OPTIONS**

5.1 The exercise of any option granted under the Plan shall be effected in such form and manner as the Board may from time to time prescribe.

5.2 Subject to sub-clauses 5.3 and 5.4 below and to Clause 6 below, an option granted under the Plan may not be exercised before any date specified by the Board prior to the grant of the option, provided that such date falls no earlier than the third anniversary and no later than the tenth anniversary of the Grant Date.

5.3 Subject to sub-clauses 5.6 and 5.7 below, if any Participant dies before exercising an option granted to him under the Plan and at a time when he is either a director or employee of a Participating Company or entitled to exercise the option by virtue of sub-clause 5.4 below, the option may (and must, if at all) be exercised by his personal representatives within 12 months after the date of his death.

5.4 Subject to sub-clauses 5.6 and 5.7 below, if any Participant ceases to be a director or employee of a Participating Company (otherwise than by reason of his death), the following provisions apply in relation to any option granted to him under the Plan:-

(a) **if he so ceases by reason of**

(i) **injury or disability, the option may (and subject to sub-clause 5.3 above must, if at all) be exercised within six months of his so ceasing; or**

(ii) **the disposal of any company, business or part of a business to which his office or employment relates, the option may (and subject to sub-clause 5.3 above must, if at all) be exercised within six months (or, to the extent permitted by the Board, up to twenty four months) of his so ceasing.**

(b) if he so ceases by reason of retirement on reaching any age at which he is bound to retire in accordance with the terms of his contract of employment, the option may (and subject to sub-clause 5.3 above must, if at all) be exercised at any time from the date of retirement to the date on which the option shall otherwise lapse in accordance with these rules and the terms on which the option was granted;

(c) if he so ceases for any other reason, the option may not be exercised at all unless the Board shall so permit, in which event it may (and subject to sub-clause 5.3 above must, if at all) be exercised to the extent permitted by the Board within twelve months of his so ceasing;

and if the Board is satisfied that the Participant is about to cease to be a director or employee of a Participating Company as mentioned in paragraphs 5.4(a), 5.4(b) and 5.4(c) above on any day, the option may to the extent permitted by the Board be exercised within the period of 28 days immediately preceding that day.

5.5 A Participant shall not be treated for the purposes of sub-clause 5.4 above as ceasing to be a director or employee of a Participating Company until such time as he is no longer a director or employee of any of the Participating Companies, and a Participant (being a woman) who ceases to be such a director or employee by reason of pregnancy or confinement and who exercises her statutory right to return to work before exercising an option under the Plan shall be treated for those purposes as not having ceased to be such a director or employee.

5.6 Notwithstanding any other provision of the Plan, an option granted under the Plan may not be exercised after the expiration of the period of ten years beginning with its Grant Date.

5.7 Subject to sub-clause 5.8 below, within 30 days after an option under the Plan has been exercised by any person, the Board shall cause or procure the issue or transfer to him, of the number of shares in respect of which the option has been exercised.

5.8 The issue or transfer of any shares under the Plan shall be subject to obtaining any such approval or consent as is mentioned in sub-clause 3.5 above.

5.9 Shares issued pursuant to the Plan will rank pari passu in all respects with the shares then already in issue except that they and any shares transferred pursuant to the Plan will not rank for any dividend or other distribution of the Company paid or made by reference to a record date falling prior to the date of their allotment or transfer to the Participant, as the case may be.

5.10 If and for so long as the shares are listed on the London Stock Exchange, the Company shall as soon as practicable after any such allotment apply to the London Stock Exchange for permission for the same to be admitted to the Official List. Any application may be postponed at the Board's discretion until application can be made in respect of such number of shares as the Board considers appropriate.

6. TAKEOVER, RECONSTRUCTION AND WINDING-UP

6.1 If any person obtains control of the Company (within the meaning of section 840 of the Income and Corporation Taxes Act 1988) as a result of making an offer to acquire shares in the Company, the Board shall within 7 days of becoming aware thereof notify every Participant thereof and, subject to sub-clauses 5.3, 5.4 and 5.7 above and 6.4 below, an option granted under the Plan may be exercised within one month (or such longer period as the Board may permit) of such notification.

6.2 For the purposes of sub-clause 6.1 above, a person shall be deemed to have obtained control of the Company if he and others acting in concert with him have together obtained control of it.

6.3 If any person becomes bound or entitled to acquire shares in the Company under sections 428 to 430F of the Companies Act 1985, or if under section 425 of that Act the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a Plan for the reconstruction of the Company or its amalgamation with any other company or companies, or if the Company passes a resolution for voluntary winding up,

or if an order is made for the compulsory winding up of the Company, the Board shall forthwith upon becoming aware thereof notify every Participant thereof and any option granted under the Plan may, subject to sub-clauses 5.3 and 5.4 above and 6.4 below, be exercised within one month of such notification, but to the extent that it is not exercised within that period shall (notwithstanding any other provision of the Plan) lapse on the expiration thereof.

6.4 If, as a result of an event specified in clauses 6.1 or 6.3, a person has obtained control of the Company or if a company has become bound or entitled as mentioned in clause 6.3, any Participant may, by agreement with that other company (the "Acquiring Company") release any subsisting option (the "old option") in consideration of the grant to him of a new option (the "new option") which satisfies the following conditions:-

(a) the new option shall be over shares in the Acquiring Company (or another company associated with it);

(b) the new option shall be a right to acquire such number of such shares in the Acquiring Company (or such other company) as shall have on the grant of the new option an aggregate market value equal to the aggregate market value of the shares subject to the old option immediately before its release;

(c) the new option shall have an aggregate price payable on complete exercise equal to the aggregate price which would have been payable on complete exercise of the old option; and

(d) the new option shall be otherwise identical in terms to the old option.

AND the new option shall, for all other purposes of the Plan, be treated as having been acquired at the same time as the old option in consideration of the release of which it is granted. In relation to a new option:-

(a) references to the "Company" shall be taken as references to the Acquiring Company; and

(b) references to "shares" shall be taken as references to shares in the Acquiring Company or, as the case may be, the other company in respect of whose shares the new option is granted.

7. VARIATION OF CAPITAL

7.1 In the event of any variation of the share capital of the Company (whenever effected) whether by way of capitalisation or rights issue, or sub-division, consolidation or reduction or otherwise, the Board may determine that such adjustments as it considers appropriate shall be made under sub-clause 7.2 below, and the terms of any option in respect of which an adjustment is so determined to be made shall be deemed to be adjusted accordingly.

7.2 An adjustment made under this sub-clause may be to one or more of the following:-

(a) the number of shares in respect of which any option granted under the Plan may be exercised;

(b) the price at which shares may be acquired by the exercise of any such option;

(c) where any such option has been exercised but no share has been transferred pursuant to such exercise, the number of shares which may be so transferred and the price at which they may be acquired.

7.3 As soon as reasonably practicable after any adjustment shall have been deemed to be made under sub-clause 7.2 above, the Board shall give notice in writing thereof to any Participant affected thereby.

8. **ALTERATIONS**

8.1 The Plan shall be administered under the direction of the Board who may at any time and from time to time by resolution and without other formality delete, amend or add to the provisions of the Plan or any option granted under it in any respect provided that:-

(a) no deletion, amendment or addition shall operate to affect adversely in any way any rights already acquired by a Participant under the Plan without the approval of the Participant affected;

(b) no deletion, amendment or addition may be made to the advantage of Participants as to eligibility, individual or overall plan limits, adjustments on a variation of capital or the provisions of this clause 8 except with the prior approval of the Company in general meeting unless the deletion, amendment or addition is:-

(i) minor and to benefit the administration of the Plan;

(ii) to take account of any changes in legislation; or

(iii) to obtain or maintain Inland Revenue approval of the Plan or to obtain or maintain favourable taxation, exchange control or regulatory treatment for the Company or any Subsidiary or any Participant.

8.2 Notwithstanding anything to the contrary contained in the Plan the Board may at any time by resolution and without further formality:-

(a) amend the Plan in any way to the extent necessary to obtain or maintain approval by the Board of Inland Revenue or any other governmental or regulatory body pursuant to any present or future United Kingdom legislation; and

(b) establish one or more further plans to apply in overseas territories governed by provisions similar to the Plan but modified to take account of local tax, exchange control or securities laws, regulation or practice provided that any shares made available under any such plan shall be treated as counting against the limits on overall and individual participation in the Plan.

9. **MISCELLANEOUS**

9.1 The rights and obligations of any individual under the terms of his office or employment with any Participating Company shall not be affected by his participation in the Plan or any right which he may have to participate therein, and an individual who participates therein shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to exercise any option under the Plan as a result of such termination.

9.2 The Board may from time to time make and vary such rules and regulations not inconsistent herewith and establish such procedure for administration and implementation of the Plan as it thinks fit, and in the event of any dispute or disagreement as to the interpretation of the Plan, or of any such rule, regulation or procedure, or as to any question or right arising from or related to the Plan, the decision of the Board shall be final and binding upon all persons.

9.3 The Company and any Subsidiary may provide money to the Trustees to enable them to purchase shares to be held for the purposes of the Plan, or enter into any guarantee or

indemnity for these purposes, to the extent permitted by section 153 of the Companies Act 1985.

9.4 In any matter in which they are required to act under the Plan, the auditors of the Company shall be deemed to be acting as experts and not as arbitrators.

9.5 Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post, in the case of a company to its registered office, and in the case of an individual to his last known address, or, where he is a director or employee of a Participating Company, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment, and where a notice or other communication is given by first-class post, it shall be deemed to have been received 48 hours after it was put into the post properly addressed and stamped.

10. **TERMINATION**

10.1 The Plan may be terminated at any time by a resolution of the Board or the Company in general meeting and shall in any event terminate on [25 April 2007].

10.2 Termination of the Plan shall not affect the rights of Participants outstanding at the date of such termination.

11. **PROPER LAW**

This Plan shall be governed by the law of England and Wales.

OPTION GRANT DEED

(Company Grant)

THIS DEED is made the day of 200

BY AMVESCAP plc whose registered office is situate at 11Devonshire Square London EC2M 4YR (the “Company”)

WHEREAS:-

1. **THE COMPANY HAS ESTABLISHED THE AMVESCAP 2000 SHARE OPTION PLAN (THE “PLAN”);**
2. **THE COMPANY WISHES TO GRANT OPTIONS PURSUANT TO THE PLAN;**

NOW THIS DEED WITNESSES as follows:-

3. **OPTIONS BE AND ARE HEREBY GRANTED ON AND SUBJECT TO THE RULES OF THE PLAN TO THE PERSONS NAMED IN THE LIST SET OUT IN THE FIRST SCHEDULE HERETO (THE "LIST") IN RESPECT OF THE NUMBERS OF ORDINARY SHARES SET OUT OPPOSITE THEIR NAMES RESPECTIVELY.**

4. **ALL SUCH OPTIONS SHALL BE EXERCISABLE, SUBJECT TO ANY ADJUSTMENT IN ACCORDANCE WITH THE RULES OF THE PLAN, AT THE PRICE OF P PER SHARE.**

5. **EACH PERSON NAMED IN THE LIST SHALL BE ISSUED WITH A CERTIFICATE SUBSTANTIALLY IN THE FORM SET OUT IN THE SECOND SCHEDULE HERETO RECORDING THE PRINCIPAL TERMS THEREOF.**

IN WITNESS WHEREOF this Deed has been executed the day and year first above written

First Schedule
The List

10

Second Schedule
The Certificate

THE AMVESCAP
2000 SHARE OPTION PLAN
Share Option Certificate
No. 0000000

6. **THIS IS TO CERTIFY THAT OF**

is the holder of an option to acquire • Shares of AMVESCAP plc (the "Company") at the price of • per share, in accordance with the provisions of the Plan.

7. **FOR THE PURPOSE OF THE PLAN, THE DATE OF GRANT IN RESPECT OF THIS OPTION IS • .**

8. **THE OPTION WILL EXPIRE ON • AND WILL NOT NORMALLY (EXCEPT INSOFAR AS ALLOWED BY THE PLAN) BE EXERCISABLE BEFORE • .**

9. **(A) THE OPTION IS PERSONAL TO THE OPTION HOLDER AND, SUBJECT TO 4(B) BELOW, SHALL NOT BE CAPABLE OF BEING TRANSFERRED.**

   The option may be transferred to a trustee or any other person or persons howsoever organised provided that prior to such transfer the Board shall have confirmed in writing to the option holder that it is satisfied that the option shall be held by the transferee on terms such that the option holder, the option holder's estate and the option holder's family are the only persons to benefit, if at all, from the same.

10. **THIS CERTIFICATE MUST BE SENT TO THE COMPANY SECRETARY WHENEVER THE OPTION IS EXERCISED, WHETHER IN WHOLE OR IN PART, AND PAYMENT OF THE TOTAL OPTION EXERCISE PRICE SHALL BE MADE IN SUCH FORM AND MANNER AS MAY BE DETERMINED BY THE BOARD FROM TIME TO TIME. WHERE THE OPTION IS EXERCISED IN RESPECT OF PART ONLY OF THE SHARES COMPRISED IN THIS CERTIFICATE A NEW CERTIFICATE FOR THE BALANCE WILL BE SENT TO THE HOLDER.**

11. **THIS CERTIFICATE EVIDENCES THE GRANT OF THE SAID OPTION BY DEED EXECUTED BY THE COMPANY AND IS ISSUED SUBJECT TO THE RULES OF THE PLAN.**

EXECUTED AS A DEED)
by means of these signatures)
and DELIVERED)

Director

Director/Secretary

EXHIBIT 10.8

INVESCO ESOP

as Amended and Restated

Generally Effective as of February 1, 2005

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INVESCO ESOP

as Amended and Restated

Generally Effective as of February 1, 2005

§ 1. AMENDMENT RESTATEMENT AND EFFECTIVE DATE

This Plan is an amendment and restatement of the INVESCO ESOP as last amended and restated effective as of February 1, 2005. Effective January 1, 2000, the Plan was frozen, all contributions to the Plan were discontinued and no additional contributions could be made to the Plan.

This amendment and restatement of the Plan is effective as of February 1, 2005 to incorporate the prior amendments to the Plan, to change the allocation of fiduciary responsibilities under the Plan and for certain other purposes.

The provisions of this amendment and restatement of the Plan shall apply only to those eligible employees who terminate employment with a Participating Employer on or after February 1, 2005 or such later date as may apply for a provision which become effective afterwards. Benefits payable to or on behalf of a participant who terminates employment prior to February 1, 2005 shall not be affected by the terms of any Plan amendment adopted after such Participant's termination of employment unless the amendment provides otherwise.

§ 2. CONSTRUCTION

2.1 Controlling Laws . This Plan shall be construed and interpreted under the laws of the State of Georgia to the extent such laws are not preempted by federal law.

2.2 Tax Status . The Company intends that this Plan and the related Trust satisfy the requirements for tax exempt status under Code § 401, Code § 501 (a) and related Code sections as an employee stock ownership plan which in part is a money purchase pension plan and in part is a stock bonus plan and, further, that the provisions of this Plan and the related Trust be construed and interpreted to reflect such intention.

2.3 Headings and References . The headings and subheadings in this Plan have been inserted for convenience of reference only and are to be ignored in the construction of this Plan. Wherever appropriate, the plural shall be read as the singular, and the singular as the plural. References in this Plan to a section (§) shall be to a section in this Plan unless otherwise expressly indicated. If an amendment to the Code, ERISA or any other federal law renumbers a section of such statute referred to in this Plan, any such reference to such section in this Plan automatically shall become a reference to such section as so renumbered.

2.4 Legal Rights . Except as otherwise expressly set forth in this Plan, no provision of this Plan or the related Trust is intended to nor shall grant any rights or interests to any Participants or

any Beneficiary under this Plan or the Trust Fund in addition to those minimum rights or interests required to be provided under ERISA and the Code.

2.5 No Employment Rights . This Plan is not a contract of employment and participation in this Plan shall not give any person the right to be retained in the employ of any Participating Employer or other Affiliate as an Employee or, upon the termination of such employment, to have any interest or right in the Trust Fund other than as expressly set forth in this Plan.

2.6 Definitions . The terms defined in § 3 shall have the meanings set forth in § 3 for purposes of this Plan. All other terms shall have their common meanings.

§ 3. DEFINITIONS

3.1 Account . means the bookkeeping account maintained under this Plan to show as of any Valuation Date a Participant's interest in the Trust Fund attributable to the contributions made on his or her behalf and the investment gains and losses on such contributions, which account shall consist of an AMVESCAP Stock Account, a Cash Account and a Directed Account and which account shall cease to exist when exhausted through distributions or forfeitures made in accordance with this Plan.

3.2 Acquisition Loan . means a loan (or other extension of credit) used by the Trustee to finance the acquisition of AMVESCAP Stock.

3.3 Affiliate . means as of any date the Company and

(a) any parent, subsidiary or brother-sister corporation which (as of such date) is a member of a controlled group of corporations (as defined in Code § 414(b)) with the Company,

(b) any trade or business, whether or not incorporated, which (as of such date) is considered to be under common control (under § 414(c)) with the Company,

(c) any person or organization which (as of such date) is a member of an affiliated service group (as defined in Code § 414(m)) with the Company, and

(d) any other entity which (as of such date) is required to be aggregated with the Company under Code § 414(o).

Solely for the purposes of § 8, the term "Affiliate" means each entity that would be an Affiliate if the phrase "more than 50%" is substituted for the phrase "at least 80%" each place it appears in Code § 1563(a)(1).

3.4 AMVESCAP Benefit Plans Committee (or Committee) . means the Committee established pursuant to § 12.1 which shall have the duties and responsibilities set forth therein.

3.5 AMVESCAP Stock . means the Ordinary Shares of AMVESCAP PLC or American Depository Shares, each representing 2 Ordinary Shares, or any securities into which such shares are converted.

3.6 AMVESCAP Stock Account . means the subaccount maintained for each Participant as part of his or her Account to reflect his or her undivided interest in the AMVESCAP Stock held in the Trust Fund.

3.7 AMVESCAP Stock Fund . Fund means the fund investing in AMVESCAP Stock established pursuant to § 14 of the Plan.

3.8 Beneficiary . means (subject to § 3.8(e))

(a) the person or persons so designated in writing by a Participant on a properly completed Election Form or, if no such designation is made, or if no person so designated survives the Participant or, if after checking his or her last known mailing address, the whereabouts of the person so designated is unknown,

(b) the Participant's surviving spouse or, if there is no surviving spouse,

(c) the Participant's estate, if a personal representative of the Participant has qualified within 12 months from the date of the Participant's death or, if no personal representative has so qualified,

(d) any heirs-at-law of the Participant as determined by the Committee (using whatever state laws the Committee deems most appropriate under the circumstances) whose whereabouts are known to the Company; provided, however

(e) if a Participant has a spouse on his or her date of death and such spouse survives the Participant, such spouse automatically shall be his or her Beneficiary under this Plan unless (1) such spouse consents (or has consented) on an Election Form before a notary public to the specific Beneficiary designation made by the Participant, (2) such spouse had expressly consented on an Election Form before a notary public to any Beneficiary designations made by the Participant without any requirement of further spousal consent, (3) such spouse's consent is not required under the Code or ERISA, or (4) the Participant is treated as such under this Plan exclusively as a result of his or her status as a Beneficiary.

3.9 Board . means the Board of Directors of the Company.

3.10 Cash Account . means the subaccount maintained for each Participant as part of his or her Account to reflect his or her undivided interest in the assets of the Trust Fund other than AMVESCAP Stock and amounts allocated to the Participant's Directed Account.

3.11 Code . means the Internal Revenue Code of 1986, as amended, or any successor to such statute.

3.12 Company . means INVESCO Institutional (N.A.), Inc. (successor to INVESCO Capital Management, Inc.) and any successor to such corporation.

3.13 Compensation . means for each Plan Year for each Participant the lesser of

(a) $210,000 (as adjusted for cost of living increases in accordance with Code § 401(a)(17)), or

(b) the total taxable compensation paid to the Participant by a Participating Employer for such Plan Year which is reportable on Internal Revenue Service Form W-2 as "wages, tips, and other compensation", plus any contributions made on his or her behalf by a Participating Employer to a plan pursuant to a salary reduction agreement and which are not currently includible in his or her gross income for such Plan Year under Code § 125, Code § 402(e)(3), Code § 402(h), Code § 408(p) or, for Plan Years beginning on and after January 1, 2001, Code § 132(f), or

(c) if an Eligible Employee first becomes a Participant during such Plan Year, his or her Compensation shall be the excess of his or her Compensation for the entire Plan Year (as determined in § 3.13(b)) over his Compensation which is paid to him or her before the Entry Date as of which he or she became a Participant.

(d) Notwithstanding anything in this definition to the contrary, there shall be excluded (within the meaning of § 1.414(s)-1(c)(3) of the regulations under Code § 414(s)) from a Participant's Compensation all reimbursements and other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits, even if such items are includible in his or her gross income.

3.14 Directed Account . means the sub-account maintained for each Participant as part of his or her Account to reflect the Participant's election to direct the investment of his or her Account pursuant to § 14.3.

3.15 Disability . means a Participant's incapacity to perform the essential functions of his or her customary job with an Affiliate because of a medically determinable physical or mental impairment that can be expected to result in death or to be of a long, continued and indefinite duration as determined by the Committee in its sole discretion on the basis of uniform standards consistently applied, which may include analysis of the results of a medical or psychiatric examination, or other examinations conducted at the insistence of the Committee with respect to such Participant, or any other available evidence of medical or psychiatric findings reasonably sufficient to serve as a basis for such a determination.

3.16 Disqualified Person . a person described in Code § 4975(e)(2).

3.17 Election Form . means the form or forms provided by or acceptable to the Committee for making the elections and designations called for under this Plan, and no such form shall be effective unless properly completed and timely delivered in accordance with the terms of this Plan and such rules as the Committee shall adopt from time to time.

3.18 Eligible Employee . means each person who is classified by a Participating Employer on the Participating Employer's payroll and personnel records as an Employee of such Participating Employer (without regard to whether he or she is classified by any other person as a common law employee of such Participating Employer) other than an Employee

(a) who is a nonresident alien described in Code § 410(b)(3)(C),

(b) who is included in a unit of employees covered by a collective bargaining agreement between the employee representatives and a Participating Employer which does not provide for participation in this Plan, or

(c) who is a resident alien assigned by an Affiliate to work in the United States and who shall accrue deferred compensation benefits with such Affiliate for the period he or she works in the United States.

3.19 Employee . means a person (a) who is an employee of an Affiliates or (b) who is a "Leased Employee"of an Affiliate. For this purpose, the words "Leased Employee" mean any person (other than a common-law employee of an Affiliate) who pursuant to an agreement between an Affiliate and any other person has performed services for an Affiliate (or for an Affiliate and related persons determined within the meaning of Code § 414(n)(6)) on a substantially full-time basis for a period of at least one year and who has performed such services under primary direction or control of the Affiliate.

3.20 Employment Date . means the date on which the Employee first performs an Hour of Service for an Affiliate.

3.21 Entry Date . means the first day of each calendar month.

3.22 ERISA . the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

3.23 ESOP Portion of the Plan . means all components of the Plan other than the Directed Accounts.

3.24 Financed Shares . means the AMVESCAP Stock acquired by this Plan with the proceeds of an Acquisition Loan and which are "qualifying employer securities" under Code § 4975(e)(8).

3.25 Highly Compensated Employee . means for each Plan Year each Participant who performs services for an Affiliate during the Plan Year and:

(a) who is an Employee who is a 5% owner, as defined in Code § 416(1)(1), at any time during the Plan Year or the preceding year, or

(b) who receives compensation in excess of $95,000 (adjusted for cost-of-living increases in accordance with Code § 414(q)) for the preceding Plan Year.

For purposes of this § 3.25, compensation means compensation as defined in § 3.13(b) without regard to the special rule in § 3.13(d).

The determination of which Employees are Highly Compensated Employees shall at all times be made subject to Code § 414(q) and any related regulations, rulings, notices or revenue procedures. In determining whether an Employee is a Highly Compensated Employee for any Plan Year, the Company may use any alternatives and elections authorized under the applicable Internal Revenue Service regulations, rulings, notices or revenue procedures.

3.26 Hour of Service . means

(a) each hour for which an Employee is paid, or entitled to payment, by an Affiliate for the performance of duties as an Employee;

(b) each hour for which an Employee is paid, or entitled to payment, by an Affiliate on account of a period of time during which no duties are performed (regardless of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence; provided,

(1) such hours shall be calculated and credited in accordance with § 2530.200b-2 of the Department of Labor regulations (which regulations are incorporated as part of this Plan by this reference) and

(2) no more than 501 hours shall be credited for any continuous period during which no duties are performed (whether or not such period covers more than one applicable 12 consecutive month period described in § 3.39); and

(c) each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Affiliate; provided,

(1) such hours shall be credited for the applicable 12 consecutive month period described in § 3.39 to which the award or agreement pertains rather than the period in which the award, agreement or payment is made, and

(2) no credit shall be given for any such hour if credit is also given for such hour under § 3.26(a) or § 3.26(b).

In lieu of actually recording each Hour of Service which is completed by an Employee, such Employee shall be credited with 95 Hours of Service for each semi-monthly payroll period in which he or she completes at least one Hour of Service.

3.27 Investment Fund . means each separate mutual fund, separate account, or other investment vehicle, which may include a fund, account or investment vehicle sponsored, managed or advised by the Company or an Affiliate of the Company, that is made available through the Trust Fund in accordance with § 14.3 for the investment of Directed Accounts.

3.28 Investment Manager . means a person (other than the Trustee or a named fiduciary) who satisfies the requirements set forth in ERISA § 3 (38).

3.29 Loan Suspense Account . means the account maintained under this Plan for the purpose of crediting and holding Financed Shares acquired by this Plan pending the repayment of the related Acquisition Loan.

3.30 Normal Retirement Age . means age 59-1/2.

3.31 Participant . means for any Plan Year

(a) each Eligible Employee who has satisfied the service requirement of § 4.1, and

(b) each former Eligible Employee for whom an Account continues to be maintained under this Plan.

3.32 Participating Employer . means the Company and each other Affiliate (or specific office location of such Affiliate) designated as a Participating Employer by the Board from time to time, which designation shall terminate in accordance with the rules set forth in § 15.2.

3.33 Plan . means this INVESCO ESOP as set forth in this document and the related Trust, and all amendments to this document.

3.34 Plan Year . means the calendar year.

3.35 Trust . means the trust established as part of this Plan.

3.36 Trust Fund . means the assets of the Trust.

3.37 Trustee . means AMVESCAP National Trust Company or any additional or successor Trustee who accepts an appointment as Trustee.

3.38 Valuation Date . means December 31 of each Plan Year and each other date designated by the Committee as a Valuation Date.

3.39 Year of Service . means for each Employee a 12 consecutive month period during which an Employee completes not less than 1,000 Hours of Service where

(a) the initial 12 month period shall begin on his or her Employment Date and, if he or she fails to complete at least 1,000 Hours of Service in such initial 12 consecutive month period,

(b) each subsequent 12 consecutive month period shall be the Plan Year, beginning with the Plan Year which includes the first anniversary of his or her Employment Date.

§ 4. PARTICIPATION REQUIREMENTS

4.1 Eligibility to Participate .

(a) General Rule . Each Eligible Employee shall become a Participant in this Plan as of the later of:

(1) the first Entry Date coincident with or next following his or her completion of one Year of Service, or

(2) the first Entry Date thereafter on which he or she is an Eligible Employee.

(b) Grandfather Rule . Each Eligible Employee who was a Participant in this Plan on January 31, 2005 shall continue to be a Participant in this Plan on February 1, 2005 if he or she continues to be an Eligible Employee on such date.

4.2 Reemployment . A former Participant whose employment terminates shall become a Participant in this Plan immediately upon his or her reemployment as an Eligible Employee. An Eligible Employee who completes a Year of Service but who terminates employment with a Participating Employer before the date he or she would have begun to participate in this Plan shall participate in this Plan immediately upon his or her reemployment as an Eligible Employee. Any other Eligible Employee whose employment terminates and who is subsequently reemployed shall become a Participant in accordance with § 4.1.

§ 5. CONTRIBUTIONS

5.1 Money Purchase Pension Contribution and Allocation . INVESCO Funds Group, Inc. as a Participating Employer, shall (subject to all the terms and conditions of this Plan) contribute to this Plan for each Plan Year an amount equal to 8.5% of the Compensation from INVESCO Funds Group, Inc. of each Participant (a) who is employed as an Eligible Employee by INVESCO Funds Group, Inc. on the last day of such Plan Year or (b) who is not so employed exclusively because (1) he or she was transferred by INVESCO Funds Group, Inc. from: an Eligible Employee status to a status as an Employee of another Affiliate (and he or she remains an Employee of such Affiliate on the last day of such Plan Year) or (2) his or her employment as an Eligible Employee by INVESCO Funds Group, Inc. terminated during such Plan Year as a result of his or her death or Disability or terminated during such Plan Year on or after he or she reached his or her Normal Retirement Age. The contribution made under this § 5.1 for each Plan Year shall be allocated as of the last day of such Plan Year to the Cash Account maintained for each Participant for whom the contribution is made to the extent that such contribution is made in cash and to his or her AMVESCAP Stock Account to the extent made in AMVESCAP Stock.

5.2 Stock Bonus Contributions and Allocation . Each Participating Employer (other than INVESCO Funds Group, Inc.) shall (subject to all of the terms and conditions of this Plan) contribute to this Plan for each Plan Year for the benefit of each Participant (a) who is employed as an Eligible Employee by such Participating Employer on the last of such Plan Year or (b) who is not so employed exclusively because (1) he or she was transferred by his or her Participating Employer from Eligible Employee status to a status as an Employee of another Affiliate (and he or she remains an Employee of such Affiliate on the last day of such Plan Year) or (2) his or her employment as an Eligible Employee by such Participating Employer terminated during such Plan Year as a result of his or her death or Disability or terminated during such Plan Year on or after he or she reached his or her Normal Retirement Age. Each Participating Employer shall have the discretion to determine the contribution to be made for each Plan Year by such Participating Employer. The contribution made under this § 5.2 by each Participating Employer for each Plan Year shall be allocated as of the last day of such Plan Year to the Cash Account maintained for each Participant for whom the contribution is made to the extent that such contribution is made in cash and to his or her AMVESCAP Stock Account to the extent made in AMVESCAP Stock, and such allocation shall be made in the same proportion that the Compensation of each such Participant for such Plan Year who is employed by such Participating Employer bears to the total of all such Compensation of all such Participants for such Plan Year.

5.3 USERRA . Notwithstanding anything in this Plan to the contrary, effective December 12, 1994, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with Code § 414(u).

5.4 Form and Time of Contribution . This Plan is designed and intended to invest primarily in AMVESCAP Stock. Accordingly, contributions under this § 5 may, be made in cash or AMVESCAP Stock or in any combination of cash and AMVESCAP Stock, as determined by each Participating Employer. A Participating Employer may make contributions for any Plan Year (to the Trustee) in a lump sum or in installments at any time during such Plan Year or at any time in the following year before the due date (after taking any extensions into account) for filing the Participating Employer's federal income tax return for such Plan Year.

5.5 Freezing of Plan . Effective for Plan Years beginning after December 31, 1999, all contributions to this Plan shall be discontinued and no further contributions shall be made to this Plan with respect to Plan Years beginning after December 31, 1999.

§ 6. VALUATIONS, ACCOUNT DEBITS AND CREDITS, REPAYMENT OF ACQUISITION LOAN AND RELEASE OF FINANCED SHARES

6.1 Fair Market Value . The Trustee as of each Valuation Date shall determine the fair market value of all of the assets of the Trust Fund as of such date. To the extent that AMVESCAP Stock are not readily tradable on an established securities market within the meaning of Code § 401 (a)(28)(C), the value of such AMVESCAP Stock shall be their fair market value on such Valuation Date as determined by an independent appraisal by a person selected by the Committee and acceptable to the Trustee who customarily makes such appraisals and meets the requirements of the regulations under Code § 170(a)(1).

6.2 Valuation Date Allocation Procedure .

(a) Committee Action . As of each Valuation Date, the Committee or the Committee's agent shall make the allocations and other debits and credits to each Participant's Account which are called for under this § 6.2.

(b) Distribution Debits . The Committee or the Committee's agent as of each Valuation Date shall debit each Participant's Cash Account for any distributions made to or on behalf of such Participant from his or her Cash Account since the immediately preceding Valuation Date, shall debit each Participant's Directed Account for any distributions made to or on behalf of such Participant from his or her Directed Account since the immediately preceding Valuation Date, and shall debit each Participant's AMVESCAP Stock Account for any distributions made to or on behalf of such Participant from his or her AMVESCAP Stock Account since the immediately preceding Valuation Date.

(c) Other Debits and Credits . After the completion of the debits to each Participant's Cash Account, Directed Account and AMVESCAP Stock Account called for as of each Valuation Date under § 6.2(b), the Committee or the Committee's agent as of each Valuation Date shall

(1) Credit to each Participant's Cash Account all cash dividends paid since the immediately preceding Valuation Date on all AMVESCAP Stock credited to such Participant's AMVESCAP Stock Account.

(2) Credit to each Participant's Cash Account all cash dividends paid since the immediately preceding Valuation Date on all other AMVESCAP Stock in the same proportion that each Participant's Cash Account bears to all Cash Accounts,

(3) Credit to each Participant's AMVESCAP Stock Account all stock dividends paid since the immediately preceding Valuation Date on AMVESCAP Stock credited to each Participant's AMVESCAP Stock Account and credit all stock dividends paid on any other AMVESCAP Stock (other than on Financed Shares) to each Participant's AMVESCAP Stock Account in the same proportion that each Participant's AMVESCAP Stock Account bears to all AMVESCAP Stock Accounts;

(4) Credit all stock dividends paid since the immediately preceding Valuation Date on all Financed Shares directly to the Loan Suspense Account,

(5) Credit to each Participant's Cash Account the proceeds from any sale made since the immediately preceding Valuation Date of any AMVESCAP Stock which had been credited to such Participant's AMVESCAP Stock Account,

(6) Credit or debit each Participant's Directed Account to reflect any investment gains or losses (whether realized or unrealized) on the amounts allocated to such Directed Account;

(7) Make such credits or debits to each Participant's Cash Account to reflect any investment gains or losses (whether realized or unrealized) for which no credit or debit is expressly called for under § 6.2(c)(1) through § 6.2(c)(6) in the same proportion that each Participant's Cash Account bears to all Cash Accounts,

(8) Debit each Participant's Cash Account for the interest payments, if any, and the principal payments, if any, made from such Cash Account since the immediately preceding Valuation Date in accordance with § 6.3, and

(9) Credit to each Participant's AMVESCAP Stock Account any Financed Shares released for credit to such Participant's Account since the immediately preceding Valuation Date in accordance with § 6.4.

The Committee or the Committee's agent shall have the discretion to make the debits and credits called for in this § 6.2(c) in whatever sequence the Committee deems appropriate under the circumstances.

(d) Contribution Credits . The Committee or the Committee's agent as of each Valuation Date which coincides with the last day of a Plan Year shall credit each Participant's Account with the contribution, if any, made on his or her behalf for such Plan Year in accordance with the rules set forth in § 5.

(e) Other . The Committee or the Committee's agent shall make such credits or debits (in addition to those expressly called for in this § 6.2) to any Participant's Account, or to each Participant's Account, as the Committee deems necessary or appropriate under the circumstances.

6.3 Repayment of Acquisition Loan .

(a) General Rule . The Committee or the Committee's agent as of each Valuation Date shall debit each Participant's Cash Account for the interest and principal payments, if any, made from the Trust Fund with respect to any Acquisition Loan since the immediately preceding Valuation Date in accordance with this § 6.3. Any debits for interest payments or principal payment shall be made separately, and the debits for each such payment shall (subject to § 6.3(b)) be made to each Participant's Cash Account in the same proportion that the balance credited to each such Cash Account (upon the completion of the debits called for under§ 6.2(b)) bears to the total balance credited to all such Cash Accounts.

(b) Negative Cash Account Balance

(1) Interest or Principal Payments . If § 6.3(a) calls for a debit to any Participant's Cash Account either for an interest payment or for a principal payment as of any Valuation Date which would result in a negative Cash Account balance for such Participant at the completion of all the debits and credits called for under § 6.2 as of such Valuation Date, such debit shall be made only to the extent that the debit results in a zero Cash Account balance for such Participant, and the remainder of any such debit shall be reallocated by the Committee or the Committee's agent in one, or more than one step, among the remaining Cash Accounts in the same proportion that each Cash Account balance (as determined upon the completion of the debits called for under § 6.2(b)) bears to all such Cash Account balances until no Participant has a negative Cash Account balance.

(2) Interest and Principal Payments . If § 6.3(a) calls for debits to any Participant's Cash Account for both an interest payment and a principal payment (or more than one such payment) as of any Valuation Date which would result in a negative Cash Account balance for such Participant at the completion of all the debits and credits called for under § 6.2 as of such Valuation Date, such debits shall be made only to the extent that the debits result in a zero Cash Account balance for such Participant, and the remainder of such debits shall be reallocated in accordance with the procedure described in § 6.3(b)(1). However, the Committee or the Committee's agent as part of such reallocation process shall pro rate each reallocation of a debit between interest payments and principal payments in the same ratio that all such interest payments or all such principal payments bear to the total of all such payments.

(3) Sufficient Cash Accounts . This § 6.3(b) shall apply only if the total Cash Account balances for all Participants is sufficient to eliminate every negative Cash Account balance for every Participant after the reallocation of the debit or debits called for under this § 6.3(b).

(c) Repayment Cap . The interest and principal payments made with respect to an Acquisition Loan in any Plan Year shall not exceed the excess of (1) the sum of the contributions made for such Plan Year and all prior Plan Years (together with any earnings on such contributions) over (2) the interest and principal payments previously made with respect to all Acquisition Loans in all prior Plan Years.

(d) Cash Dividends . Any cash dividends paid with respect to AMVESCAP Stock credited to a Participant's AMVESCAP Stock Account may, at the Committee's discretion, be applied under this § 6.3 to make interest payments or principal payments, or interest and principal payments. However, if the Company proposes to claim an income tax deduction for any such dividends, the Committee or the Committee's agent shall apply such dividends to the payment of principal.

6.4 Release of Financed Shares .

(a) Loan Principal Payments .

(1) General Rule . Subject to § 6.4(a)(2), Financed Shares shall be released from the Loan Suspense Account only with reference to principal payments in accordance with the principal only release rules set forth in the regulations under Code § 4975 and shall be allocated to each Participant's AMVESCAP Stock Account in the same proportion that the debits made to each Participant's Cash Account for the principal payment made under § 6.3 which resulted in the release of such Financed Shares bears to all such debits to all Cash Accounts.

(2) Special Rule . If the Company proposes to claim an income tax deduction for the dividends described in § 6.3(d), Financed Shares released from the Loan Suspense Account shall first be allocated to the AMVESCAP Stock Accounts of Participants in accordance with the requirements for such a deduction under Code § 404(k)(2)(B) and the remainder of such shares thereafter shall be allocated in accordance with § 6.4(a)(1).

(b) First In-First Out . If the Financed Shares held in the Loan Suspense Account were purchased on different dates, the Committee or the Committee's agent shall treat the Financed Shares released upon each principal payment as released and allocated in the same order as the date, or dates, as of which such shares were first credited to such Loan Suspense Account.

6.5 Allocation Corrections . If an error or omission is discovered in any Account, the Committee or the Committee's agent shall as soon as practicable make an adjustment to correct the error or omission to the extent the Committee deems fair and equitable under the circumstances.

§ 7. VOTING RIGHTS AND TENDER RIGHTS

7.1 Voting Rights .

(a) Voting of Allocated Shares . If the Employer does not have a registration-type class of securities within the meaning of Code § 409(e), each Participant shall be entitled to

direct the Trustee how to vote whole shares of AMVESCAP Stock credited to the Participant's Account with respect to any corporate matter which, under applicable law, requires the voting of such AMVESCAP Stock with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or such similar transaction as the Secretary of the Treasury may prescribe in regulations. If the Employer has a registration-type class of securities within the meaning of Code § 409(e), whole shares of AMVESCAP Stock credited to a Participant's Account shall be voted by the Trustee as such Participant directs in writing from time to time. Any such shares with respect to which the Participant does not give directions for voting in a timely manner shall be voted by the Trustee in accordance with § 7.1(b) to the extent permitted by law. Fractional shares of AMVESCAP Stock credited to Participants' Accounts shall be aggregated into whole shares of AMVESCAP Stock and voted by the Trustee to reflect to the extent possible the voting directions of the Participants with respect to whole shares of AMVESCAP Stock.

(b) Voting of Unallocated Shares or Allocated Shares With No Voting Instructions . Shares of AMVESCAP Stock held by the Trustee and not yet allocated to Participant Accounts shall, solely for voting purposes, be treated as allocated to Participant Accounts, and such allocation shall be made (solely for voting purposes) in the same proportion that each Participant's AMVESCAP Stock Account bears to all AMVESCAP Stock Accounts. All allocated shares (including unallocated shares treated as allocated under this § 7.1(b)) with respect to which no voting instructions are received from Participants prior to the close of business on the fifth business day immediately preceding the date that shares are to be voted shall be voted by the Trustee in the same proportion as the allocated shares are voted by Participants.

(c) Obligations of the Company . The Company shall (in an appropriate time and manner) furnish the Trustee and Participants with proxy materials, notices and information statements on which a Participant may give his or her voting instructions, and such instructions shall be treated as confidential.

7.2 Tender Offer for AMVESCAP Stock .

(a) Tender of Allocated Shares . In the event of a tender offer for Employer. Securities at a time when AMVESCAP Stock are readily tradeable on an established market, each Participant who has whole shares of AMVESCAP Stock allocated to his or her Account shall be given the opportunity to direct the Trustee regarding whether to tender or not to tender the whole shares of AMVESCAP Stock allocated to his or her Account. The Trustee, as promptly as practicable after a tender offer for AMVESCAP Stock is made, shall send to each such Participant such materials and forms for responding as the Trustee deems appropriate. Any form for responding shall prominently note that a failure by a Participant to return such form within a specified reasonable period of time shall be deemed a direction to the Trustee not to tender the whole shares of AMVESCAP Stock allocated to the Account of such Participant. As promptly as practicable after receiving a Participant's response form which directs the Trustee to tender his or her whole shares of AMVESCAP Stock, the Trustee shall tender such shares; provided, however, that the Trustee shall have the right to take such other action as required to comply with the terms of any valid order of a court of competent jurisdiction. After the

expiration of the period during which Participants may direct the Trustee to tender shares under this § 7.2, the Trustee shall determine the total number of whole shares it was directed to tender, and the total number of whole shares it was directed not to tender (either expressly or by failure to timely respond). If the majority of the allocated whole shares of AMVESCAP Stock were directed to be tendered, then the Trustee shall also tender, as promptly as practicable, any allocated fractional shares which are held in the Trust Fund. However, if the majority of the allocated whole shares of AMVESCAP Stock were not directed to be tendered, the Trustee shall not tender any such allocated fractional shares. The Trustee shall take such steps as the Trustee deems reasonable and appropriate to effect directions from Participants in a confidential manner.

(b) Tender of Unallocated Shares . In the event of a tender offer for AMVESCAP Stock, shares of AMVESCAP Stock not allocated to a Participant's Account shall, solely for purposes of responding to a tender offer, be treated by the Trustee as allocated to Participants' Accounts in accordance with the procedures described in § 7.1(b) and shall be tendered or not tendered accordingly.

§ 8. LIMITATION ON ALLOCATION TO PARTICIPANTS' ACCOUNTS

8.1 General Rule . For purposes of Code § 415, the Plan Year shall be the "limitation year", and effective for Plan Years beginning on or after January 1, 2005, the Participating Employer contributions allocated to a Participant's Account for any Plan Year shall not exceed the lesser of:

(a) 100% of the Participant's "compensation" for such Plan Year, or

(b) $42,000.

A Participant's "compensation" for purposes of this § 8 means for any Plan Year the total taxable compensation paid to him or her by the Affiliates for such Plan Year and which is reportable on Internal Revenue Service Form W-2 as wages, tips and other compensation and effective as of January 1, 1998, plus all contributions made on his or her behalf by an Affiliate to a plan pursuant to a salary reduction agreement that are not currently included in his or her income for such Plan Year under Code § 125, Code § 402(e)(3) or Code § 402(h). Finally, contributions made by a Participating Employer to pay interest on an Acquisition Loan shall not be taken into account as Participating Employer contributions under this § 8 to the extent such payments are not required to be treated as annual additions under Code § 415.

For limitation years beginning on and after January 1, 2001, for purposes of applying the limitations described in this § 8, "compensation" paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the employee by reason of Code § 132(f).

8.2 Corrections . If the contributions that would otherwise be credited to a Participant's Account would exceed the limitations set forth in § 8.1 for any Plan Year, such excess amount shall be transferred to a suspense account (which shall not be subject to adjustment for any investment gains or losses under § 6.2), and amounts credited to such suspense account thereafter shall be applied as follows:

(a) for any Participant who is an Eligible Employee at the end of the Plan Year, such suspense account shall be applied to offset the Participating Employer contribution under § 5 for such Participant in the following Plan Year (and succeeding Plan Years if necessary), and

(b) for any Participant who is not an Eligible Employee at the end of the Plan Year, such suspense account shall be applied to offset the Participating Employer contributions under § 5 for all remaining Participants in the following Plan Year (and succeeding Plan Years if necessary).

No additional Participating Employer contributions shall be made under § 5 while there is a balance credited to such suspense account if the allocation of the amount in such suspense account would be precluded under Code § 415.

8.3 Coordination Rules .

(a) Other Defined Contribution Plan . If a contribution is made for a Plan Year by or for a Participant under this Plan and any other defined contribution plan (as defined in Code § 414(1)) maintained by any Affiliate, any adjustment required to satisfy the requirements of Code § 415 for such Plan Year shall be made in such other plan to the extent of the contributions made under such other plan and thereafter shall be made (to the extent, if any, then required to satisfy such requirements) under this Plan.

(b) Defined Benefit Plan . Effective for Plan Years beginning prior to January 1, 2000, if a defined benefit plan (as defined in Code § 414(j)) is adopted or maintained by any Affiliate under which a benefit is accrued on behalf of a Participant, any adjustment required to satisfy the requirements of Code § 415 as a result of his or her participation in such plan and in this Plan shall be made exclusively in such other plan.

(c) Welfare Plans . Contributions allocated to an "individual medical benefit account" described in Code § 415(1) and contributions credited under a welfare benefit fund maintained by any Affiliate for any year to a reserve for post-retirement medical benefits for a Participant who is a "key employee" within the meaning of Code § 416(i) shall be treated as a contribution made on his or her behalf under this Plan when, and to the extent, required under Code § 415 or Code § 419A(d).

§ 9. BENEFITS UPON TERMINATION OF EMPLOYMENT

A Participant's Account shall be completely nonforfeitable at all times, and the Company upon a Participant's termination of employment as an Employee shall direct the Trustee to pay such Participant's Account balance at the time and in the form provided under § 10.

§ 10. TIME AND FORM OF PAYMENT OF BENEFITS

10.1 Time of Payment of Account .

(a) General . Subject to the consent requirement described in this § 10.1, the Committee shall direct the Trustee to distribute a Participant's entire Account in one payment as soon as practicable after the Valuation Date next following the Participant's termination of

employment as an Employee. Such distribution in any event shall be made no later than the 60th day following the close of the Plan Year in which the latest of the following events occur: (1) the Participant reaches Normal Retirement Age or (2) the Participant terminates employment as an Employee. A Participant must consent in writing to any distribution required under this § 10.1 if the Participant has not reached his or her required distribution date as described in § 10.1(c). However, the Participant may defer payment until his or her death or until the "required beginning date" described in § 10.1(c), whichever comes first. A Participant shall be deemed to have deferred his or her distribution until the required beginning date unless he or she requests an earlier distribution.

(b) Deceased Participant . A deceased Participant's Account shall be distributed to his or her Beneficiary, and such distribution shall (regardless of any request to the contrary made by the Beneficiary) be made no later than December 31 of the calendar year which includes the fifth anniversary of the date of the Participant's death.

(c) Required Beginning Date . In accordance with the provisions of Code § 401(a)(9) and the regulations issued thereunder and notwithstanding any other provisions of the Plan, distributions of a Participant's Account shall commence not later than April 1 of the calendar year that follows:

(1) For a Participant who is a 5% owner (as defined in Code § 416(1)(1)), the calendar year in which the Participant reaches age 70-1/2, and

(2) For each other Participant, the later of the calendar year in which the Participant (i) reaches age 70-1/2, or (ii) retires.

(d) Withdrawals . A Participant who remains an Employee after reaching his or her Normal Requirement Age shall have the right (while he or she remains an Employee) to request in writing a withdrawal of all or any portion of his or her Account, but no more than once in any Plan Year. The Committee shall grant his or her request subject to the Participant satisfying the consent provisions under this § 10.1.

10.2 Distribution of AMVESCAP Stock or Cash . The distribution of a Participant's Account pursuant to § 10.1 shall be made in the form of (a) whole shares of AMVESCAP Stock credited to the Participant's AMVESCAP Stock Account and cash in lieu of any fractional share, and (b) cash with respect to the Participant's Directed Account and Cash Account. Cash paid in lieu of a fractional share of an AMVESCAP Stock shall be based on the value of a whole share as of the date of the distribution.

10.3 Small Accounts . Notwithstanding § 10.1 and § 10.2, effective July 1, 2002, a Participant's entire Account shall be distributed in a single sum to such Participant (or to the Participant's Beneficiary in the event of the Participant's death) as soon as administratively practicable following the Valuation Date coincident with or next following the Participant's termination of employment as an Employee (or, if later, as soon as administratively practicable following the effective date of this § 10.3) if the value of his or her Account is $5,000 or less as of the date of the distribution. Such single sum shall be paid in cash with respect to the Participant's Directed Account and Cash Account. Such single sum shall be paid in cash with

respect to the Participant's AMVESCAP Stock Account unless the Participant or Beneficiary requests distribution of the Participant's AMVESCAP Stock Account in whole shares of AMVESCAP Stock (plus cash in lieu of any fractional share of AMVESCAP Stock) in accordance with the rules established by the Committee for this purpose.

10.4 Participant's Right to Put AMVESCAP Stock to the Company and This Plan .

(a) General . Any Participant (or his or her Beneficiary) who receives a distribution of AMVESCAP Stock from this Plan at a time when such AMVESCAP Stock are not readily tradeable on an established securities market shall have a put option on such AMVESCAP Stock in accordance with Code § 409(h), giving him or her the right to have the Company or this Plan purchase such AMVESCAP Stock. The put option shall be exercisable by the Participant (or his or her Beneficiary) during the following two election periods by giving notice in writing to the Company:

(1) the first option period shall be the 60-day period commencing on the date of distribution of the shares of AMVESCAP Stock; and

(2) the second option period shall be the 60-day period commencing on the date the fair market value of the AMVESCAP Stock is determined (and the Participant or Beneficiary is notified of such determination) for the valuation next following the date on which such shares of AMVESCAP Stock are distributed, provided that such second option period shall begin in the Plan Year next following the Plan Year in which such AMVESCAP Stock are distributed.

This Plan may be given the opportunity to purchase shares of AMVESCAP Stock tendered to the Company under the put option as described in § 10.4(c). Except to the extent otherwise required by law, this § 10.4 shall not apply at any time that AMVESCAP Stock are readily tradeable on an established market.

(b) Price and Payment . The price at which the put option is exercisable is the fair market value of the AMVESCAP Stock as of the date of the transaction. Payment for the AMVESCAP Stock put to the Company or the Plan shall be made in one cash payment.

(c) Right of Plan . The Trustee for this Plan has the option to assume the rights and obligations of the Company under the put option in this § 10.4 at the time the put option is exercised.

(d) Continuation of Rights . The provisions of this § 10.4 with respect to any AMVESCAP Stock acquired by this Plan in a leveraged transaction, are not terminable and shall continue if the loan is repaid or if this Plan ceases to be an ESOP, except to the extent such rights have terminated in accordance with other terms of this Plan. Except as otherwise provided in this Plan, any AMVESCAP Stock acquired in a leveraged transaction shall not be subject to any put, call, or other option or buy-sell or similar arrangement while held by and when distributed from this Plan, regardless of whether this Plan is then an ESOP. The protections set forth in the preceding sentence shall be non-terminable.

(e) Securities Laws Restrictions on Resales . If any shares of AMVESCAP Stock acquired by this Plan have not been registered under either applicable state or federal securities laws but have been issued and acquired pursuant to applicable exemptions under such laws, then any such AMVESCAP Stock distributed to Participants may only be sold by the Participant upon registration under such securities laws or pursuant to an available exemption thereunder. The shares of AMVESCAP Stock held and distributed by this Plan may be appropriately legended to reflect the restrictions on sale in the securities laws.

10.5 Eligible Rollover Distribution .

(a) General . Notwithstanding any provision of this Plan to the contrary that would otherwise limit a Distributee's election under this § 10.5, a Distributee (as defined in § 10.5(b)(3)) may elect, at the time and in the manner prescribed by the Committee, to have any portion of an Eligible Rollover Distribution (as defined in § 10.5(b)(1)) paid directly to an Eligible Retirement Plan (as defined in § 10.5(b)(2)) specified by the Distributee in a Direct Rollover (as defined in § 10.5(b)(4)).

(b) Definitions .

(1) Eligible Rollover Distribution . An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under Code § 401(a)(9); and any hardship distribution described in Code § 401(k)(2)(B)(i)(IV), or any amount distributed on account of hardship. A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to AMVESCAP Stock). However, such portion may be transferred only to an individual retirement account or annuity described in Code § 408(a) of (b) or to a qualified defined contribution plan described in Code § 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution that is includible in gross income and the portion of such distribution that is not so includible.

(2) Eligible Retirement Plan . An Eligible Retirement Plan is an individual retirement account described in Code § 408(a); an individual retirement annuity described in Code § 408(b); an annuity plan described in Code § 403(a); an annuity contract described in Code § 403(b); a qualified trust described in Code § 401(a); or an eligible plan under Code § 457 which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such a plan from this Plan.

(3) Distributee . A Distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code § 414(p), are Distributees with regard to the interest of the spouse or former spouse.

(4) Direct Rollover . A Direct Rollover is a payment by this Plan to the Eligible Retirement Plan specified by the Distributee.

10.6 30-Day Waiver . If a distribution is one to which Code § 401(a)(11) and § 417 do not apply, such distribution may commence less than 30 days after the notice required under § 1.411 (a)-(11)(c) of the Income Tax Regulations is given, provided that:

(a) the Committee informs the Participant in such notice that the Participant has the right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

(b) the Participant, after receiving such notice, affirmatively elects a distribution.

10.7 Cash Dividends .

(a) The Committee may offer Participants (or a class of Participants) the right to elect to (i) receive payment of cash dividends paid on AMVESCAP Stock allocated to the Participant's Account, which payment shall be made either by the Plan no more than 90 days following the close of the Plan Year in which the dividends are paid or directly by the Company, or (ii) have cash dividends paid on AMVESCAP Stock allocated to the Participant's Account paid to the Plan and reinvested in AMVESCAP Stock. To the extent a Participant elects (or is deemed to elect) reinvestment of such cash dividends in AMVESCAP Stock, the Trustee shall apply such cash dividends to purchase shares of AMVESCAP Stock and shall allocate the shares of AMVESCAP Stock so purchased to the Participant's AMVESCAP Stock Account. The election shall be made on such forms and in such manner as may be determined by the Committee.

(b) In addition to, or as an alternative to, the election in (a) above, the Committee, with respect to Participants (or a class of Participants):

(1) may direct the Trustee to make cash payment to a Participant of cash dividends paid on AMVESCAP Stock allocated to the Participant's Account not later than 90 days following the close of the Plan Year in which such cash dividends are paid;

(2) may arrange for the Company to make payment directly to a Participant of cash dividends paid on AMVESCAP Stock allocated to the Participant's Account; or

(3) may direct the Trustee to apply cash dividends paid on AMVESCAP Stock allocated to a Participant's Account to purchase shares of AMVESCAP Stock and to allocate the shares of AMVESCAP Stock so purchased to the Participant's AMVESCAP Stock Account.

(c) The Committee shall operate the Plan in accordance with the alternatives set out in subsections (a) and (b) above in accordance with procedures established by the Committee for this purpose and shall be entitled to change such procedures from time to time in its discretion. The Committee may provide one alternative for Participants who are active Employees and another alternative for Participants who are not active Employees.

(d) Effective with respect to cash dividends paid prior to May 1, 2002 on AMVESCAP Stock held under the Plan, the Trustee at the direction of the Committee shall distribute in cash to each Participant all, or any part of, the cash dividends paid on AMVESCAP Stock which are allocated to a Participant's Cash Account as of any Valuation Date in a Plan Year no later than 90 days after the end of such Plan Year in accordance with Code § 404(k)(2) if the Committee in its discretion decides to seek an income tax deduction for such dividends with respect to such Plan Year.

§ 11. BENEFIT PAYMENT RULES

11.1 Election Form . Subject to § 10.1, the Committee may require as a condition to the payment of any benefit under this Plan that a claim for such benefit be filed with the Committee on the related Election Form, and all such claims (and any other claims by a Participant, former Participant or Beneficiary) shall be processed in accordance with the claims procedure set forth in the summary plan description for this Plan. Any payment to a Participant or Beneficiary or to their legal representative, or heirs at law, made in accordance with the provisions of this Plan shall be in full satisfaction of all claims under this Plan against the Trustee and the Affiliates.

11.2 Missing Person . In the event that an Account becomes payable under this Plan to a Participant or to a Beneficiary and the Committee is unable to locate the Participant or Beneficiary after sending written notice to his or her last known mailing address and to the United States Social Security Administration, such Participant or Beneficiary shall be presumed dead and such Account shall become a forfeiture on the third anniversary of the date such Account first became payable under this Plan or on the date this Plan terminates, whichever comes first. However, the amount of such forfeiture shall be paid to such missing Participant or Beneficiary in the event that such person files a claim for such benefit while this Plan remains in effect and demonstrates to the satisfaction of the Committee that such person in fact is such missing Participant or Beneficiary. Any amounts forfeited under this § 11.2 shall be applied to offset the Participating Employer contributions under § 5.

11.3 Spendthrift Clause . Except to the extent permitted by law and subject to the following paragraph and to §11.7, no Account, benefit, payment or distribution under this Plan or the Trust shall be subject to attachment, garnishment, levy (other than a federal tax levy), execution or any claim or legal process of any creditor of a Participant or Beneficiary, and no Participant or Beneficiary shall have any right to alienate, commute, anticipate or assign all or any part of his or her Account, benefit, payment or distribution under this Plan or the Trust.

The foregoing provision shall not apply in the case of (i) a qualified domestic relations order (as set forth in §11.7) which is determined by the Plan to meet the requirements of Code § 414(p); or (ii) the Participant's liability to the Plan due to: (A) the Participant's conviction of a crime involving the Plan, (B) a judgment, consent order or decree in action for violation of fiduciary

standards, or (C) a settlement involving the Department of Labor or Pension Benefit Guaranty Corporation.

11.4 Payment to be Made Upon Committee's Direction . No disbursement from this Plan shall be made by the Trustee for purposes of the payment of any Plan benefit except on the written direction of the Committee, and the Trustee shall have no duty or obligation whatsoever to inquire as to the accuracy of such direction or its propriety in light of the provisions of this Plan, ERISA or the Code. Upon written direction (which may be a continuing direction) from the Company as to the name of any person to whom money is to be paid from this Plan, when such payment is to be made and the amount of such payment, and consistent with income tax withholding requirements, the Trustee shall draw checks in the name of the person designated by the Committee and deliver such checks in such manner and in such amounts and at such times as the Committee shall direct, or the Trustee shall make an electronic transfer to the checking account of such person designated by the Committee in such amounts and at such times as the Committee shall direct. If the Trustee deems it necessary to withhold any distribution pending compliance with legal requirements with respect to probate of wills, appointment of personal representatives, payment or provision for estate or inheritance taxes, or for death duties or otherwise, the Trustee shall notify the Committee and shall thereafter take no action pending receipt of the Committee's instructions to distribute and an agreement from the Committee, in a form satisfactory to the Trustee, protecting it from any liability arising out of noncompliance with such requirements.

11.5 Payment to a Minor or Incompetent . The Committee may in its discretion direct, and the Trustee shall make payment on such direction, that Plan payments be made (a) directly to an incompetent or disabled person, whether because of minority or mental or physical disability, (b) to the guardian or to the person having custody of such person if a court of competent jurisdiction has appointed such guardian or custodian, or (c) to any person designated or authorized under any state statute to receive such payments on behalf of such incompetent or disabled person without further liability either on the part of the Committee, the Company, the Participating Employers or the Trustee for the amount of such payment to the person on whose account such payment was made.

11.6 Benefits Supported Only by Trust Fund . Any person having any claim for any benefit under this Plan shall look solely to the assets of the Trust Fund for the satisfaction of such claim. In no event shall the Committee, the Company, other Affiliates or the Trustee, or any of their employees, officers, members of their board of directors or agents, be liable in their individual capacities to any person whomsoever for the payment of benefits under this Plan.

11.7 Qualified Domestic Relations Order . In accordance with uniform and nondiscriminatory procedures established by the Committee from time to time, the Committee upon the receipt of a domestic relations order which seeks to require the distribution of a Participant's Account in whole or in part to an "alternate payee" (as that term is defined in Code § 414(p)(8)) shall

(a) promptly notify the Participant and such "alternate payee" of the receipt of such order and of the procedure which the Committee shall follow to determine whether such order constitutes a "qualified domestic relations order" within the meaning of Code § 414(p),

(b) determine whether such order constitutes a “qualified domestic relations order”, notify the Participant and the “alternate payee” of the results of such determination and, if the Committee determines that such order does constitute a “qualified domestic relations order”,

(c) transfer such amounts, if any, as the Committee determines necessary or appropriate from the Participant’s Account to a special Account for such “alternate payee”, and

(d) distribute to such “alternate payee” such special Account when the Committee deems such distribution is called for under the terms of such order.

The determinations and the distribution made by, or at the direction of, the Committee under this § 11.7 shall be final and binding on the Participant and on all other persons interested in such order, and the Committee shall have the power to make such distributions at any time (without regard to whether the Participant is eligible for a distribution) and to establish such rules regarding the investment of a special Account pending such a distribution as the Committee deems administratively convenient.

An “alternate payee” shall have the right to designate a Beneficiary for the payment of his or her special Account in the event of his or her death before his or her special Account is paid to him or her under the same rules as a Participant who has no spouse and, if an “alternate payee” dies without designating a Beneficiary, such special Account shall be paid as if his or her designated Beneficiary had predeceased him or her.

11.8 Nonreversion and Exclusive Benefit . No part of the Trust Fund shall ever be used for or be diverted to purposes other than for the exclusive benefit of Participants and Beneficiaries except that

(a) any amounts remaining in a Code § 415 suspense account established under § 8 which cannot be allocated under Code § 415 upon the termination of this Plan shall be returned to the Participating Employers upon such termination;

(b) a contribution which is made by a Participating Employer by a mistake of fact shall be refunded to such Participating Employer within one year after the payment of such contribution; and

(c) a contribution to the extent disallowed (within the meaning of ERISA § 403(c)(2)(C)) as a federal income tax deduction shall be refunded to such Participating Employer within one year after the disallowance of such deduction, all such contributions being made expressly on the condition that such contributions are deductible in full for federal income tax purposes in the year for which the contribution is made.

11.9 No Estoppel of Plan . No person is entitled to any benefit under this Plan except and to the extent expressly provided under this Plan. The fact that payments have been made from this Plan in connection with any claim for benefits under this Plan does not (a) establish the validity of the claim, (b) provide any right to have such benefits continue for any period of time, or (c) prevent this Plan from recovering the benefits paid to the extent that the Committee determines that there was no right to payment of the benefits under this Plan. Thus, if a benefit is paid under this Plan and it is thereafter determined by the Committee that such benefit should

not have been paid (whether or not attributable to an error by the Participant, a Participating Employer, or any other person), then the Committee may take such action as the Committee deems necessary or appropriate to remedy such situation, including without limitation by (1) deducting the amount of any overpayment theretofore made to or on behalf of such Participant from any succeeding payments to or on behalf of such Participant under this Plan or from any amounts due or owing to such Participant by the Company or any Affiliate or under any other plan, program or arrangement benefiting the Employees or former Employees of the Company or any Affiliate, or (2) otherwise recovering such overpayment from whoever has benefited from it.

If the Committee determines that an underpayment of benefits has been made, the Committee shall take such action as it deems necessary or appropriate to remedy such situation. However, in no event shall interest be paid on the amount of any underpayment other than the investment gains (or losses) credited to the Participant's Account pending payment.

11.10 Mistakes . If a mistake is made in favor of a Participant or a Beneficiary in crediting contributions or investment gains or losses to an Account or in the payment of an Account, the Committee or the Trustee (acting at the Company's direction and on behalf of this Plan) shall take such action against the Participant or Beneficiary to remedy such mistake and to make this Plan whole as the Committee deems proper and appropriate under the circumstances, and any mistake made in favor of this Plan shall promptly be corrected by (or at the direction of) the Committee.

§ 12. ADMINISTRATION

12.1 Named Fiduciary . The Committee shall be the "named fiduciary" of the Plan and shall be responsible for the (i) control, management and administration of the Plan; (ii) establishing the Plan's investment policy; (iii) selection and monitoring of the Investment Funds available to Participants in the Plan; (iv) monitoring to the extent provided in § 14.2 of the AMVESCAP Stock Fund; and (v) assuring compliance of the Plan with ERISA's fiduciary rules, including ERISA § 404(c). The Committee shall have and perform the responsibilities of the Plan Administrator under the Plan (as defined in ERISA). The Committee shall consist of the following individuals:

- Hubert Harris (CEO, INVESCO North America)
- Bob McCullough (Former CFO and Senior Partner, AMVESCAP)
- Don Hawk (Director of Corporate Resources, AIM)
- Jon May (Director of Human Resources, INVESCO North America)
- Brad Jones (Managing Director, Business Development, Atlantic Trust)

The Committee may from time to time establish rules and procedures for its operation as the Committee may deem necessary or appropriate. The Committee as the "named fiduciary" may appoint or employ person to assist in performing its duties with respect to the Plan and may appoint or employ any other agents it deems advisable, including legal counsel, actuaries,

consultants, investment managers, auditors, bookkeepers and recordkeepers to serve at the Committee's direction.

12.2 Committee Administrative Powers and Duties .

(a) General . The Committee shall have the exclusive responsibility and complete discretionary authority to control the operation, management and administration of this Plan, with all powers necessary to enable it properly to carry out such responsibilities, including (but not limited to) the power to construe this Plan, to determine eligibility for benefits and to resolve all interpretative, equitable or other questions that arise under this Plan. All disbursements by the Trustee shall be made upon, and in accordance with, the written instructions of the Committee. The decisions of the Committee on all matters within the scope of its authority shall be final and binding upon each other Participating Employer and Participants and Beneficiaries.

(b) Liquidity Requirements . The Committee shall determine anticipated liquidity requirements to meet projected benefit payments for each Plan Year and, if any adjustment from previous annual liquidity requirements is appropriate, notice of the adjusted requirement shall be communicated as soon as practicable to the Trustee in writing so that Trust Fund investment policies may be appropriately coordinated with Plan needs.

(c) Records . All acts and determinations of the Committee shall be duly recorded by the person so designated by the Committee to maintain such records (or under his or her supervision) and all such records, together with such other documents as may be necessary for the administration of this Plan, shall be preserved in the custody of such person.

(d) Appointment of Others . The Committee may appoint such additional persons as agents or advisors to perform such functions as it may deem necessary and helpful to the effective performance of its duties in the administration of this Plan. The compensation of such agents or advisors shall be fixed by the Committee within limits set by the Board and shall be paid by the Trust Fund, unless the Company elects in writing to pay such compensation.

(e) Information from Others . The Committee, the Company, the other Participating Employers, and the Trustee shall be entitled to rely upon all information and data contained in any certificate or report or other material prepared by any actuary, accountant, attorney or other consultant or advisor selected by the Committee to perform services on behalf of this Plan. The Committee, officers and employees of the Company and the other Participating Employers shall be indemnified and held harmless by the Company (to the extent permissible under applicable law) for any costs, expenses, losses, liabilities or assessments arising out of any action taken or omitted by them in good faith in reliance upon the advice or opinion of any such person selected by the Company to perform services for this Plan and all action so taken or omitted shall be conclusive upon each of them and upon all other persons interested in this Plan. Finally, the Trustee shall be indemnified and held harmless by the Company (to the extent permissible under applicable law) for any costs, expenses, losses, liabilities or assessments arising out of any action taken or omitted by them in good faith upon the advice or opinion of any actuary, accountant, attorney or other consultant or adviser selected by the Company to perform services on behalf of this Plan. The Company shall be entitled to defend or maintain any suit or litigation arising under the Plan with respect to the Committee and may employ its own counsel.

12.3 Nondiscrimination . The Committee shall administer this Plan in a manner which it deems fair, reasonable and equitable under the circumstances and, further, shall have the power to adopt such administrative or other rules as the Committee in its discretion deems appropriate for any persons affected by circumstances such as a sale, acquisition, merger, reorganization, facility closing, layoff, work force reduction or other similar event or transaction; provided, however, the Committee shall not permit any discrimination under any such circumstances in favor of Highly Compensated Employees which would be prohibited under Code § 401(a).

12.4 Agent for Service of Process . The agent for service of process for this Plan shall be the person currently listed in the summary plan description for this Plan as the agent for service of process for this Plan.

12.5 Reporting and Disclosure . The Company shall be the "Committee" for purposes of satisfying any applicable requirement now or hereinafter imposed through federal or state legislation to report and disclose to any federal or state department or agency, or to any Participant or Beneficiary, any information respecting the establishment or maintenance of this Plan.

12.6 Acquisitions . In the event the Company or an Affiliate acquires any organization or entity or all or any part of the assets of any organization or entity, the Committee shall have the power to adopt in writing such administrative rules (on an acquisition by acquisition basis) which will treat the service of any affected Employee with such organization or entity before such acquisition as if he or she had completed such service with an Affiliate if such affected Employee was employed by such organization or entity immediately before such acquisition and he or she became an Employee as a result of such acquisition. The Committee shall treat all similarly situated affected Employees the same and shall not permit any discrimination under any circumstances in favor of any Highly Compensated Employees that would be prohibited under Code § 401(a)(4).

§ 13. TRUSTEE

13.1 Acceptance of Trust and Limited Duties Thereunder . The Trustee accepts the Trust which is part of this Plan. However, the Trustee shall have no duty to collect any contributions from Participating Employers or to interpret this Plan or see that the Trust Fund is sufficient to pay Plan benefits.

13.2 Legal Title to Plan Assets . Legal title to Plan assets and all income, dividends, accretions and appreciation attributable to the Trust Fund is vested in the Trustee, and no Participant, Beneficiary or other person has any legal or equitable right to or interest in the Trust Fund or benefits except as provided by this Plan or by applicable law.

13.3 Resignation, Removal and Succession of Trustee .

(a) Trustee Resignation . The Trustee may resign at any time by delivering to the Company, at least 30 days before its effective date, a written notice of the Trustee's resignation.

(b) Trustee Removal . The Company may remove the Trustee by delivery to such Trustee at the Trustee's last known address, at least 30 days before its effective date, a written notice of the Trustee's removal.

(c) Successor Trustee . Upon the resignation or removal of any Trustee, a successor shall be appointed by the Committee. Such successor, upon accepting the Trustee's appointment in writing and delivering such acceptance to the Committee shall, without further act, become vested with all the estate, rights, powers, discretions, and duties of the new Trustee's predecessor. Until a successor is appointed, the old Trustee has full authority to act under the terms of this Plan. The resigning or removed Trustee, upon receipt of direction by the Committee, shall execute all documents and do all acts necessary to vest the title of record in any successor Trustee. Whenever a Trustee ceases to serve, such Trustee shall within a reasonable time thereafter (unless excused from this requirement by the Company) furnish the Company a written accounting with respect to the portion of the Plan Year during which such Trustee served as Trustee. No successor Trustee shall be personally liable for any act or failure to act of any predecessor Trustee.

13.4 Full Investment and General Powers . The Trustee shall have all rights, powers, privileges and immunities necessary or desirable and permissible under ERISA for the performance of the Trustee's duties as Trustee, and shall have full discretion and authority with regard to the investment of the Trust Fund, including with respect to the purchase and sale of AMVESCAP Stock and with respect to the voting or tender of AMVESCAP Stock as provided in and subject to the limitations provided in § 7, but excluding with respect to any portion of the Trust Fund under the direction of an Investment Manager (pursuant to ERISA § 403(a)(2)) or with respect to any portion of the Trust Fund subject to direction by the Committee (pursuant to ERISA § 403(a)(1)) as provided in § 14. The Trustee shall coordinate its investment policy with Plan financial needs as communicated to it by the Committee. Subject to the foregoing, the Trustee is authorized and empowered:

(a) To invest any part or all of the Trust Fund in any common or preferred stocks, open-end or closed-end mutual funds, put and call options traded on a national exchange, United States retirement plan bonds, corporate bonds, debentures, convertible debentures, commercial paper, U.S. Treasury bills, U.S. Treasury notes and other direct or indirect obligations of the United States Government or its agencies, improved or unimproved real estate situated in the United States, limited partnerships, insurance contracts, group annuity contracts, mortgages, notes or other property of any kind, real or personal, and to buy or sell options on common stock on a nationally recognized options exchange with or without holding the underlying common stock, all without restriction as to that class of investments which are defined as legal investments for trust estates under any present or future laws other than ERISA, and, except as otherwise required by ERISA, without regard to the proportion that one investment bears to the entire Trust Fund;

(b) To pool all or any part of the Trust Fund under a master trust or other pooled investment arrangement with assets belonging to any other qualified employee pension plan, to commingle such assets and. make joint or common investments and carry joint accounts on behalf of this Plan and such other plan or plans, allocating shares or interests in such investments

or accounts or any pooled assets of the two or more plans in accordance with their respective interests;

(c) To invest all or any portion of the Trust Fund in any group trust fund which at the time of the investment provides for the pooling of the assets of plans qualified under Code § 401(a); provided that (1) this authorization applies solely to a group trust fund exempt from taxation under Code § 501 (a) and the trust agreement of which satisfies the requirements of Revenue Ruling 81-100 or its successor; (2) the provisions of the group trust fund agreement, as amended from time to time, are by this reference incorporated in this Plan; and (3) the provisions of the group trust fund shall govern any investment of the Trust Fund in that fund;

(d) To retain in cash so much of the Trust Fund as it may deem advisable to satisfy liquidity needs of this Plan and to deposit cash into a bank account at reasonable interest, including, if a bank is acting as Trustee, specific authority to invest in any type of deposit of the Trustee at a reasonable rate of interest or in a common trust fund (the provisions of which govern the investment of such assets and which this Plan incorporates by this reference) as described in Code § 584 which the Trustee (or the Trustee's "affiliate" as defined in Code § 1504) maintains exclusively for the collective investment of money contributed by the bank (or the affiliate) in its capacity as Trustee and which conforms to . the rules of the Comptroller of the Currency;

(e) To manage, sell, contract to sell, grant options to purchase, convey, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of this Plan, and otherwise deal with all property, real or personal, in such manner, for such considerations and on such terms and conditions as the Trustee shall decide;

(f) To borrow money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge;

(g) To compromise, contest, arbitrate or abandon claims and demands, in its discretion;

(h) To have with respect to this Plan all of the rights of an individual owner, including the power to give proxies, to participate in any voting trusts, mergers; consolidations or liquidations, and to exercise or sell stock subscriptions or conversion rights;

(i) To enter into a lease for oil, gas and other mineral purposes and to create mineral severances by grant or reservation; to pool or unitize interests in oil, gas and other minerals; and to enter into operating agreements and to execute division and transfer orders;

(j) To register any AMVESCAP Stock or other property held by it as part of the Trust Fund hereunder in its own name or in the name of its nominees, with or without the addition of words indicating that such securities are held in a fiduciary capacity, and to hold any securities in bearer form; but the books and records of the Trustee shall at all times reflect that all such investments are part of this Plan;

(k) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery of the funds or property until final adjudication is made by a court of competent jurisdiction;

(l) To file all tax returns required of the Trustee;

(m) To begin, maintain or defend any litigation necessary in connection with the administration of this Plan, except that the Trustee shall not be obligated or required to do so unless indemnified to its satisfaction;

(n) To make any other investments the Trustee may deem proper under the circumstances, including up to 100% of the Trust Fund in AMVESCAP Stock;

(o) With the Committee's approval, to utilize a custodian to maintain custody of all or a portion of the Trust Fund;

(p) To perform any and all other acts in its judgment necessary or appropriate for the proper and advantageous management, investment and distribution of the Trust.

13.5 Acquisition Loans . The Company may direct the Trustee to incur Acquisition Loans from time to time to finance the acquisition of AMVESCAP Stock or to repay a prior Acquisition Loan, and to issue its promissory note as Trustee, and the Trustee shall follow any such direction.

13.6 Payment of Benefits . At the direction of the Committee, the Trustee shall, from time to time, in accordance with the terms of this Plan, make payments from the Trust Fund to Participants and Beneficiaries.

13.7 Trustee's Compensation; Plan Expenses and Taxes . The Trustee shall be paid such reasonable compensation as shall from time to time be agreed by the Committee and Trustee. An individual serving as Trustee who already receives full-time pay from the Company or Participating Employer shall not receive any additional compensation from this Plan. In addition, the Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees incurred by the Trustee as Trustee. Such compensation and expenses and all taxes that may be levied or assessed against the Trust Fund or the income of the Trust Fund shall be paid from the Trust Fund unless paid or advanced by the Company. No fee or expense paid directly or indirectly by the Committee shall be deemed to be a contribution.

13.8 Annual Accounting of the Trustee . Within a reasonable period of time after the later of the last day of the Plan Year or receipt of the final contribution for such Plan Year from all Participating Employers, the Trustee shall furnish the Committee a written annual accounting with respect to the Plan Year showing the condition of the Trust Fund, including the investment performance, Trust Fund assets held at the end of the Plan Year and all investments, receipts, payments and other transactions effected by the Trustee during the Plan Year, and such other information as the Trustee or the Committee deems appropriate. Such accounting shall be conclusive on all persons except as to any act or transaction as to which the Committee or other person files with the Trustee written objections within 90 days after receipt of the accounting, or such longer time as may be prescribed by ERISA; provided, however, that nothing in this § 13.8

shall deprive the Trustee of its right to have its accounts judicially settled if the Trustee so reasonably desires.

13.9 Records and Statements . The Trustee's Plan and Trust Fund records shall be open to inspection by the Committee at all reasonable times and may be audited from time to time by any person or persons as the Committee may specify in writing. The Trustee shall furnish the Company such information relating to the Trust Fund as the Committee reasonably deems necessary.

13.10 Authority to Act without Bond or Court Approval . To the extent permitted by law, the Trustee need not make or file any inventory or appraisal with, or give any bond, or be a surety to any officer, court, or tribunal, nor secure any order of court for the exercise of any power granted the Trustee under this Plan. The Trustee may exercise its judgment in all matters and at all times without court approval of its actions and decisions; provided, however, that if any application to or proceeding or action in the courts is made, only the Committee and the Trustee shall be necessary parties, and no Participant or other person having an interest in this Plan shall be entitled to any notice or service of process. Any judgment entered in the proceeding or action shall be conclusive on all persons claiming an interest in Plan benefits.

§ 14. INVESTMENT OF THE TRUST FUND

14.1 Investment in AMVESCAP Stock . The ESOP Portion of the Plan is designed to be an employee stock ownership plan as defined in Code § 4975(e)(7) and regulations thereunder. As a result, the ESOP Portion of the Plan shall be invested primarily in employer securities. Accordingly, as directed in writing by the Committee, the Trustee may invest up to 100% of the ESOP Portion of the Plan in AMVESCAP Stock. The Committee shall direct the Trustee in writing (which may be a continuing direction) as to all purchases and sales of AMVESCAP Stock. The Trustee may suspend purchases of AMVESCAP Stock in circumstances in which such suspension is necessary to comply with any applicable law or applicable stock exchange rule or regulation, in which event such purchases shall be made or resumed as or when the Trustee reasonably determines that such purchases are permitted under applicable law or such rules and regulations. The Trustee shall account for the cost or other basis of all AMVESCAP Stock held in the Trust Fund in accordance with § 1.402(a)-1(b)(2)(ii) of the income tax regulations under the Code.

14.2 General Investments . The Committee may direct the Trustee in writing from time to time (which may be a continuing direction) to invest the ESOP Portion of the Plan in such investments other than AMVESCAP Stock as the Company shall specify in its direction. The Trustee has no duty to question any such Committee investment direction and has no responsibility for any disparity between the investment performance of the portion of the Trust Fund managed by the Trustee as compared to Committee-directed investments. Committee-directed investments shall be made by the Trustee as soon as administratively feasible after the Trustee has received the Committee's direction. If the Trustee in its reasonable discretion deems itself unable properly to comply with or administer a Committee-directed investment, the Trustee shall notify the Committee as soon as administratively feasible.

14.3 Directed Accounts . This § 14.3 is effective October 1, 2002, or as soon as administratively practicable thereafter.

(a) A Participant may elect at any time to transfer amounts from his or her AMVESCAP Stock Account to his or her Directed Account by delivering to the Committee a completed Election Form. To the extent a Participant has elected such a transfer, the Trustee shall liquidate the applicable portion of the Participant's AMVESCAP Stock Account pursuant to the procedures prescribed by the Committee for this purpose and transfer the proceeds thereof to the Participant's Directed Account. The amounts in a Participant's Directed Account shall be subject to the investment direction of the Participant in accordance with the provisions of § 14.3(b) below. At no time may a Participant elect to transfer amounts from his or her Directed Account to his or her AMVESCAP Stock Account.

(b) Direction by a Participant of the investment of his Directed Account shall be made in accordance with this subsection. The Committee shall communicate a Participant's investment directions to the Trustee who shall invest amounts credited to the Participant's Directed Account in accordance with the Participant's directions. A Participant's Directed Account shall not share in general Trust Fund earnings, but it shall be charged or credited as appropriate with the net earnings, gains, losses and expenses as well as any appreciation or depreciation in market value attributable to such Directed Account.

(1) The Committee shall determine the number and investment characteristics for the Investment Funds under the Plan from time to time. Subject to subsection (4) below, each Participant or Beneficiary shall have the right to make an election at any time as to how his or her Directed Account as of any Valuation Date shall be invested among the Investment Funds available under this Plan in accordance with the procedures set forth in subsection (2) below. The Trustee shall use the Trustee's best efforts to see that each Participant and Beneficiary is provided such information and rights to exercise control over his or her Directed Account as required to satisfy all of the conditions of ERISA § 404(c) (within the meaning of the regulations under ERISA § 404(c)) and to make each election by a Participant or Beneficiary subject to the relief provided under ERISA § 404(c). Any such investment election by the Participant or Beneficiary shall remain in effect until a subsequent election becomes effective or until such election is rendered null and void by the operation of the Plan.

(2) Each Participant or Beneficiary shall communicate any investment election under this § 14.3(b) to the Trustee (or its designated agent) pursuant to a voice activated response system maintained by the Trustee or in such other method as may be established by the Committee. The Committee shall communicate in writing to Participants and Beneficiaries the procedures and the necessary information for accessing such system. A Participant or Beneficiary shall receive written confirmation of any election made through such voice activated response system from the Trustee within a reasonable period after the Trustee effects such election. The Trustee shall comply with any investment election made pursuant to the voice activated response system. The Committee shall have the right in implementing this Plan and in making any changes in Investment Funds to freeze all or a part of the elections otherwise available under this Plan for whatever period the Committee deems necessary or appropriate to implement this Plan or any such changes.

(3) As determined by the Committee, administrative expenses incurred to effect the investment elections made by a Participant or Beneficiary under this § 14.3(b) shall be charged to the Directed Account of such Participant.

(4) The Committee may establish limits on what percentage of a Participant's Directed Account may be invested in any Investment Fund and shall communicate any such limitations in writing to Participants and Beneficiaries from time to time.

14.4 Qualified Participant Diversification Election .

(a) General . Each Qualified Participant (as defined in this § 14) may direct the Trustee (on the Election Form provided for this purpose) as to the investment of 25% of the value of the Participant's Account (the "Diversification Benefit") within 90 days after the end of each Plan Year during the Participant's Qualified Election Period (as defined in paragraph § 14.4(c)(3)) (to the extent the amount of such direction exceeds the amount to which a prior direction under this § 14.4 applies). For the last Plan Year in the Participant's Qualified Election Period, the Trustee shall substitute "50%" for "25%" in the immediately preceding sentence. The Qualified Participant must make his or her direction to the Trustee in writing, the direction may be effective no later than 180 days after the close of the Plan Year to which the direction applies, and the direction must specify which, if any, of the investment options the Participant selects.

(b) Investment Options . A Qualified Participant under this § 14.4 may choose one of the following investment options:

(1) the distribution of the portion of his or her Diversification Benefit covered by the election, subject to the provisions of this Plan applicable to a distribution of AMVESCAP Stock, including any put option requirements; or

(2) the direct transfer of the portion of his or her Diversification Benefit covered by the election to the Qualified Participant's Directed Account pursuant to § 14.3 above (or, prior to August 1, 2002, to the AMVESCAP Money Purchase Plan, but only if such transferee plan permits participant directed investments and does not invest in AMVESCAP Stock to a substantial degree).

The Trustee shall make such distribution or plan transfer no later than 90 days after the last day of the period during which the Qualified Participant may make the election.

(c) Definitions . For purposes of this § 14.4, the following definitions apply:

(1) Qualified Participant . Qualified Participant means a Participant who has reached age 55 and who has completed at least ten Years of Participation in this Plan.

(2) Year of Participation . Year of Participation means a Plan Year in which the Participant was eligible for an allocation of Participating Employer contributions, irrespective of whether the Participating Employer actually contributed to this Plan for that Plan Year.

(3) Qualified Election Period . Qualified Election Period means the six Plan Year period beginning with the Plan Year in which the Participant first becomes a Qualified Participant.

14.5 Trustee to Invest the Trust Fund Unless Otherwise Provided . The Trustee shall have the exclusive power and duty to invest the Trust Fund, except with respect to Plan assets under the control of an Investment Manager or with respect to Plan assets subject to direction of investment by the Committee, as provided in this § 14. The Trustee may appoint a subsidiary of the Trustee to manage (including the power to acquire and dispose of) the Trust Fund held by the Trustee, to such extent and upon such terms as the Trustee deems best, provided: (a) such manager is registered as an investment adviser under the Investment Advisers Act of 1940; (b) such manager acknowledges in writing to the Trustee at the time of such appointment that such manager is a fiduciary with respect to this Plan; and, (c) the Trustee remains responsible for the actions of such investment manager to the same extent as if such actions were performed by the Trustee.

14.6 Appointment of Investment Manager .

(a) Committee Appointment . The Committee may, in its discretion, appoint in writing a person, or more than one person, who may be an Affiliate of the Company and who either (i) is registered as an investment advisor under the Investment Advisers Act of 1940 (the "Act"), (ii) is a bank, as defined in the Act, or (iii) is an insurance company which, within the meaning of ERISA § 3(38), is qualified to manage, acquire and dispose of the assets of an employee benefit plan under the laws of more than one state, as an Investment Manager for all or a specified portion of the Trust Fund as designated by the Committee (the "Manager's Account"). Upon the effective date of his or her appointment as Investment Manager, such person shall have the sole responsibility and duty and the sole power to manage and direct the investment of the Manager's Account. The Committee may terminate the appointment of any person as an Investment Manager or may cause a part or all of the Trust Fund to be added to or deleted from any Manager's Account.

(b) Agreement with Investment Manager . The appointment of a person as an Investment Manager shall not become effective until the date such person delivers to the Trustee and the Committee a written statement or contract which:

(1) acknowledges that such person is a fiduciary within the meaning of ERISA § 3(2)(a) and has assumed sole responsibility for the management of such Manager's Account; and

(2) certifies that such person either is registered as an investment advisor under the Act, is a bank as defined in the Act, or is an insurance company which, within the meaning of ERISA § 3(38) is qualified under the laws of more than one state to manage, acquire and dispose of the assets of an employee benefit plan, whichever is appropriate;

(3) if requested by the Committee or the Trustee, sets forth a list of the names and signatures of individuals who are authorized to act on behalf of the Investment

Manager in connection with the management of the Manager's Account, which list may be amended from time to time by delivering a new list to the Trustee and the Committee and which list may be relied upon by them; and

(4) addresses such other issues as the Committee deems appropriate under the circumstances.

(c) Exercise of Power . The Investment Manager may exercise his or her power through written directions to the Trustee or, at his or her option, may communicate such directions orally and as soon as practicable thereafter confirm them in writing, providing all directions, written or oral, shall be communicated by or, as applicable, signed, by one of the individuals whose name and signature appear on the list described in § 14.4(b)(3) or may exercise such power through such other reasonable and proper procedure as agreed upon by the Investment Manager and the Trustee.

§ 15. AMENDMENT, TERMINATION, MERGER AND TRANSFER

15.1 Amendment . The Company shall have the right at any time and from time to time to amend this Plan in any respect, retroactively or prospectively, by action of its Board or by action of any committee to which the Board may delegate authority to amend the Plan (or, prior to August 1, 2002, by action of the Company's Chief Executive Officer or his or her delegate), provided that no amendment shall be made which would (a) divert any of the assets of the Trust Fund to any purpose other than the exclusive benefit of Participants and Beneficiaries or (b) eliminate or reduce an optional form of benefit except to the extent permissible under Code § 411(d)(6) or (c) increase the duties and responsibilities of the Trustee without the Trustee's consent, except if necessary to cause this Plan and related Trust to be exempt from income taxes under the Code. Any amendment adopted by the Company shall be binding on each other Participating Employer as if adopted by each such Participating Employer.

15.2 Termination . The Company reserves the right to terminate or to partially terminate this Plan or to declare a discontinuance of contributions to this Plan at any time by action of its Board. The Company reserves the right to terminate the participation in this Plan by any Participating Employer at any time by action of its Board, and a Participating Employer's participation in this Plan automatically shall terminate if (and at such time as) its status as an Affiliate terminates for any reason whatsoever (other than through a merger or consolidation into another Participating Employer). However, a Participating Employer's termination of participation in this Plan shall not be deemed to be a termination or partial termination of this Plan except to the extent required by the Code. If there is a termination or partial termination of this Plan or a declaration of a discontinuance of contributions to this Plan, the Accounts of all affected Participants who are Employees as of the effective date of such termination, partial termination or declaration shall continue to be fully vested.

In the case of any such termination, partial termination, or declaration, the Committee shall cause all unallocated amounts to be allocated to the appropriate Accounts of the affected Participants and Beneficiaries and shall direct the Trustee to distribute such Accounts to such Participants and Beneficiaries in accordance with uniform rules established by the Committee.

15.3 Merger or Consolidation or Similar Transaction . In the case of any merger or consolidation of this Plan with, or transfer of assets or liabilities of this Plan to, any other employee benefit plan, each person for whom an Account is maintained shall be entitled to receive a benefit from such plan, if it is then terminated, which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer, if this Plan had been terminated.

15.4 Transfer of Certain Assets . Effective as of January 1, 1997, Participants' PRIMCO Accounts and INVESCO Management & Research ("IM&R") accounts and accounts attributable to rollover contributions and pre-1989 profit sharing contributions made under this Plan as of December 31, 1996 (as described in § 1) were transferred to the trustee of the INVESCO Capital Management, Inc. Money Purchase Pension Plan. Upon such transfer, the INVESCO Capital Management, Inc. Money Purchase Pension Plan assumed all assets and liabilities of this Plan attributable to such accounts, and any benefits under this Plan with respect to such accounts shall thereafter be paid pursuant to the terms and provisions of the INVESCO Capital Management, Inc. Money Purchase Pension Plan.

§ 16. TOP HEAVY RULES

16.1 Minimum Employer Contribution . If this Plan is top heavy in any Plan Year, a minimum contribution (subject to the provisions of this § 16) of 3% of Compensation shall be made for each Non-Key Employee who is a Participant employed by a Participating Employer on the last-day of the Plan Year without regard to the number of Hours of Service he or she completed during the Plan Year, unless the contribution rate for the Key Employee with the highest contribution rate is less than 3% of Compensation, in which event the minimum contribution for such Non-Key Employees shall equal the highest contribution rate received by a Key Employee. The term "contribution rate" means the Participating Employer contributions allocated to the Participant's Account for the Plan Year divided by his or her Compensation for the Plan Year. For purposes of determining the contribution rate for a Key Employee, the Committee shall consider contributions made to any plan pursuant to a salary reduction agreement or similar arrangement as Participating Employer contributions. To determine the contribution rate for both Key Employees and Non-Key Employees, the Committee shall consider all qualified top-heavy defined contribution plans maintained by the Company as a single plan. Notwithstanding any contrary provisions of this § 16, the minimum contribution for a Non-Key Employee who also participates in a defined benefit pension plan maintained by the Company which does not provide the Non-Key Employee a minimum benefit is 5% of Compensation.

16.2 Additional Contribution . If the contribution rate for the Plan Year with respect to a Non-Key Employee described in § 16.1 is less than the minimum contribution, the Committee shall increase its contribution for such Non-Key Employee to the extent necessary so that such Non-Key Employee's contribution rate for the Plan Year shall equal the minimum contribution. The Committee shall allocate the additional contribution to the Account of the Non-Key Employee for whom the Participating Employer makes the contribution. If the Participating Employer contributes to a profit sharing plan and a money purchase pension plan, the Participating Employer shall make the additional contribution required by this § 16.2 only to the money purchase pension plan.

16.3 Determination of Top Heavy Status . This Plan is top heavy for a Plan Year if the top-heavy ratio as of the Determination Date exceeds 60%. The top heavy ratio is a fraction, the numerator of which is the sum of the Account balances of Key Employees as of the Determination Date, the contributions due as of the Determination Date, and distributions made within the one-year period (for Plan Years beginning before January 1, 2002, five-year period) ending on the Determination Date, and the denominator of which is a similar sum determined for all Employees. In the case of a distribution made for a reason other than separation from service, death or disability, the previous sentence shall be applied by substituting "five-year period" for "one-year period." The Committee shall calculate the top heavy ratio by disregarding (a) the Account balance of any Non-Key Employee who was formerly a Key Employee and (b) the Account balance (including distributions, if any, of the Account balance) of an individual who has not received credit for at least one Hour of Service with the Company during the one-year period (for Plan Years beginning before January 1, 2002, five-year period) ending on the Determination Date. The Committee shall calculate the top-heavy ratio, including the extent to which it must take into account distributions, rollovers and transfers, in accordance with Code § 416 and the regulations under Code § 416.

If the Company maintains other qualified plans (including a simplified employee pension plan), this Plan is top heavy only if it is a part of the Required Aggregation Group and the top heavy ratio for both the Required Aggregation Group and the Permissive Aggregation Group exceeds 60%. The Committee shall calculate the top-heavy ratio in the same manner as required by the first paragraph of this § 16.3, taking into account all plans within the Required or Permissive Aggregation Group. To the extent the Committee must take into account distributions to a Participant, the Committee shall include distributions from a terminated plan which would have been part of the Required Aggregation Group if it were in existence on the Determination Date. The Committee shall calculate the present value of the Account balance or accrued benefits and the other amounts the Committee must take into account under defined benefit plans or simplified employee pension plans included within the group in accordance with the terms of those plans, Code § 416 and the regulations under Code § 416. If an aggregated plan does not have a valuation date coinciding with the Determination Date, the Committee shall value the accrued benefits in the aggregated plan as of the most recent valuation date falling within the twelve-month period ending on the Determination Date (except as Code § 416 and the regulations under Code § 416 require otherwise for the first and second year of a defined benefit plan). The Committee shall calculate the top-heavy ratio with reference to the Determination Dates that fall within the same calendar year.

16.4 Limitation on Allocations . If, during any Plan Year beginning prior to January 1, 2000, this Plan is top heavy, the Company shall apply the annual additions limitations under Code § 415 to a Participant by substituting "100%" for "125%" each place it appears in Code § 415. This § 16.4 shall not apply if:

(a) The contribution rate for a Non-Key employee who participates only in the defined contribution plan(s) would satisfy § 16.1 if the Committee substituted 4% for 3%;

(b) A Non-Key Employee who participates in the top heavy defined benefit plan(s) receives an extra minimum contribution or benefit which satisfies Code § 416(h)(2); and

(c) The top-heavy ratio does not exceed 90%.

16.5 Definitions . For purposes of applying the provisions of this § 16:

(a) Key Employee . Key Employee shall mean, as of any Determination Date, any Eligible Employee or former Eligible Employee (or Beneficiary of such Employee) who, at any time during the Plan Year which includes the Determination Date, is (1) an officer (having annual Compensation in excess of $135,000 (as adjusted under Code § 416(i)(1) for Plan Years beginning after December 31, 2005) or, for Plan Years beginning prior to January 1, 2002, having annual Compensation in excess of 50% of the limitation under Code 415(b)(1)(a) in effect for such Plan Year) of the Company, (2) a more than 5% owner of the Company, or (3) a more than 1 % owner of the Company who has annual Compensation of more than $150,000. The constructive ownership rules of Code § 318 shall apply to determine ownership in the Company. The Committee shall make the determination of who is a Key Employee in accordance with Code § 416(i)(1) and the regulations and other guidance of general applicability under Code § 416.

(b) Non-Key Employee . Non-Key Employee is an Employee who does not meet the definition of Key Employee.

(c) Compensation . Compensation shall mean Compensation as defined in § 8.

(d) Required Aggregation Group . Required Aggregation Group means:

(1) Each qualified plan of the Company in which at least one Key Employee participates at any time during the five year period ending on the Determination Date; and

(2) Any other qualified plan of the Company which enables a plan described in (1) to meet the requirements of Code § 401(a)(4) and Code § 410.

(e) Permissive Aggregation Group . Permissive Aggregation Group is the Required Aggregation Group plus any other qualified plans maintained by the Company but only if such group would satisfy in the aggregate the requirements of Code § 401(a)(4) and Code § 410. The Committee shall determine which plan to take into account in determining the Permissive Aggregation Group.

(f) Company . Company means all the members of a controlled group of corporations (as defined in Code § 414(b)), a commonly controlled group of trades or businesses (whether or not incorporated) (as defined in Code § 414(c)), or an affiliated service group (as defined in Code § 414(m)), of which the Company is a part. However, the Company shall not aggregate ownership interests in more than one member of a related group to determine whether an individual is a Key Employee because of his or her ownership interest in the Company.

(g) Determination Date . Determination Date for any Plan Year is the last day of the preceding Plan Year.

IN WITNESS WHEREOF, the Company and the Trustee have caused this amended and restated INVESCO ESOP to be executed, sealed and attested by their duly authorized officers.

[Corporate Seal]

Attested by: _____

Title: _____

INVESCO INSTITUTIONAL (N.A.), INC.

By: _____

Title: _____

Date: _____

[Corporate Seal]

Attested by: _____

Title: _____

AMVESCAP NATIONAL TRUST COMPANY, as Trustee

By: _____

Title: _____

Date: _____

EXHIBIT 10.9

WHOLESALE REPRESENTATIVES DEFERRAL PLAN

Amended and Restated Effective as of December 10, 2002

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WHOLESALE REPRESENTATIVES DEFERRAL PLAN
(Amended and Restated Effective as of December 10, 2002)

ARTICLE I
PURPOSES OF THE PLAN

The main purposes of the Wholesale Representatives Deferral Plan are (i) to provide additional incentives to key employees of A I M Management Group Inc. (" AIM ") and its subsidiaries in the form of contingent awards of ordinary shares of AMVESCAP PLC, the indirect parent corporation of AIM (including American depositary shares representing such ordinary shares), (ii) to seek to retain key employees of AIM and its subsidiaries by making a portion of their compensation contingent upon the satisfaction of certain vesting requirements, and (iii) to enhance a long-term mutuality of interest between Plan participants and shareholders of AMVESCAP PLC. This Plan is intended to be an unfunded plan for the purpose of providing deferred compensation for a select group of management or highly compensated employees for the purposes of Title I of ERISA and is intended to be part of an employees' share scheme (within the meaning of section 743 of the Companies Act).

ARTICLE II
DEFINITIONS

As used in the Plan, the terms set forth below shall have the meanings indicated unless the context clearly indicates to the contrary. Where the context so admits or requires, the singular shall include the plural and the masculine shall include the feminine and vice versa.

Account . "Account" shall mean a book account maintained by a Participant's employer (AIM or one of its Subsidiaries, as the case may be) reflecting the Shares, cash and other property, together with earnings and distributions thereon, credited to a Participant with respect to his Award(s) under the Plan.

Additional Shares . "Additional Shares" shall mean Shares purchased with reinvested dividends or dividend equivalent contributions pursuant to Section 6.7.

Administration Committee . "Administration Committee" shall mean the administration committee, or any successor committee, comprised solely of United States persons within the meaning of section 7701(a)(30) of the Code and appointed by the board of directors of AIM from time to time to administer the Plan in accordance with the terms hereof and serving at the pleasure of the board of directors of AIM. To the extent that (i) Section 16 of the Exchange Act is applicable to any equity securities of the Company and (ii) Rule 16b-3, as promulgated under the Exchange Act, or any successor

rule is applicable to the composition of the Administration Committee, the composition of the Administration Committee shall comply with the terms of Rule 16b-3 or such successor rule.

AIM . "AIM" shall mean A I M Management Group Inc. and any successor thereto.

AMVESCAP . "AMVESCAP" shall mean AMVESCAP PLC and any successor corporation which continues the Plan pursuant to Section 10.10.

Average Cost Per Share . "Average Cost Per Share," with respect to an Award and with respect to the reinvestment of dividends or dividend equivalent contributions pursuant to Section 6.7 (" Reinvestment "), shall mean (i) with respect to ordinary shares of AMVESCAP, the average cost per share purchased with respect to such Award or Reinvestment, as the case may be, as determined in any reasonable manner by the Management Committee and (ii) with respect to American depositary shares (" ADSs ") representing ordinary shares of AMVESCAP, the average cost per ADS purchased with respect to such Award or Reinvestment, as the case may be, as determined in any reasonable manner by the Management Committee.

Award . "Award" shall mean, with respect to each Participant, the right to receive Shares, cash or other property (or a combination of the foregoing) equal to the amount initially awarded to such Participant under the Plan by the Administration Committee pursuant to Section 6.1 and as adjusted for earnings, distributions and gains and losses on such Shares, cash and/or other property.

Award Date . "Award Date" shall mean, with respect to an Award, the date specified by the Administration Committee with respect to the grant of such Award.

Beneficiary . "Beneficiary" shall mean the person or persons determined to be a Participant's beneficiary pursuant to Section 7.3.

Board of Directors . "Board of Directors" shall mean the Board of Directors of AMVESCAP.

Business Day . "Business Day" shall mean a day on which The Stock Exchange is open for the transaction of business.

Cause . "Cause" shall mean, when used in connection with the termination of a Participant's employment, the termination of the Participant's employment by AMVESCAP, AIM or any of their respective Subsidiaries on account of (i) the willful violation by the Participant of (x) any law, (y) any rule of AMVESCAP, AIM or such Subsidiary or (z) any rule or regulation of any regulatory body to which AMVESCAP, AIM or such Subsidiary is subject, including, without limitation, The Stock Exchange or

any other exchange or contract market of which AMVESCAP, AIM or such Subsidiary is a member, which violation would materially reflect on the Participant's character, competence or integrity, (ii) a breach by a Participant of the Participant's duty of loyalty to AMVESCAP, AIM and/or their respective Subsidiaries in contemplation of the Participant's termination of employment with AMVESCAP, AIM or any such Subsidiary, such as the Participant's solicitation of customers or employees of AMVESCAP, AIM or any of their respective Subsidiaries prior to the termination of his employment or (iii) the Participant's unauthorized removal from the premises of AMVESCAP, AIM or any of their respective Subsidiaries of any records, files, memoranda, data in machine readable form, reports, fee lists, customer lists, drawings, plans, sketches, or other documents (in any medium or form) relating to the business of AMVESCAP, AIM or any of their respective Subsidiaries or the customers of AMVESCAP, AIM or any of their respective Subsidiaries, including, but not limited to, all intellectual property and proprietary research which the Participant uses, develops or comes in contact with in the course of or as the result of his employment with AMVESCAP, AIM or any of their respective Subsidiaries, as the case may be. Any rights AMVESCAP, AIM or any of their respective Subsidiaries may have hereunder in respect of the events giving rise to Cause shall be in addition to the rights AMVESCAP, AIM or any such Subsidiary may have under any other agreement with the employee or at law or in equity. If, subsequent to a Participant's voluntary termination of employment or involuntary termination of employment without Cause, it is discovered that the Participant's employment could have been terminated for Cause, such Participant's employment shall, at the election of the Administration Committee in its sole discretion, be deemed for the purposes of this Plan to have been terminated for Cause.

Change in Control . "Change in Control" shall mean (x) with respect to AMVESCAP, the occurrence of any of the following events:

(i) the stockholders of AMVESCAP shall approve a definitive agreement (a) for the merger or other business combination of AMVESCAP with or into another corporation, and with respect to the surviving public company, a majority of the directors of which were not directors of AMVESCAP immediately prior to such merger or combination and in which the stockholders of AMVESCAP immediately prior to the effective date of such merger or combination directly or indirectly own less than a majority of the voting power in such corporation or (b) for the direct or indirect sale or other disposition of all or substantially all of the assets of AMVESCAP;

(ii) (a) the acquisition by purchase, subscription or otherwise (including pursuant to a reconstruction or scheme of arrangement) by any person (or persons acting together, meaning persons party to an agreement to which section 204 of the Companies Act applies) of 20 percent or more of the relevant share capital of AMVESCAP (or any successor company to which all or the majority of the assets

of AMVESCAP are transferred pursuant to any such reconstruction or scheme of arrangement); (b) the giving of notice of any general meeting of AMVESCAP at which a resolution will be proposed for the winding-up of AMVESCAP; (c) if under section 425 of the Companies Act, the court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of AMVESCAP or its amalgamation with any other company or companies; or (d) any scheme of arrangement involving the reconstruction of AMVESCAP or the amalgamation of AMVESCAP with any other entity that is approved by the holders of Shares;

(iii) any person obtains Control of AMVESCAP as a result of making an offer to acquire Shares which is either unconditional or is made on a condition such that, if it is satisfied, the person making the offer will have Control of AMVESCAP; or

(iv) a change in the composition of the Board of Directors such that individuals who, as of December 10, 2002, constituted the Board of Directors (generally the " Directors " and as of December 10, 2002, the " Continuing Directors ") cease for any reason to constitute at least a majority thereof, provided that any person becoming a Director subsequent to December 10, 2002 whose nomination for election was approved by a vote of at least a majority of the Continuing Directors (other than a nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors) shall be deemed to be a Continuing Director; and

(y) with respect to any Subsidiary of AMVESCAP, including without limitation AIM, the consummation of the sale of the capital stock or all or substantially all of the assets of such Subsidiary to, or the merger or other business combination of such Subsidiary with or into, a third party that is not affiliated with AMVESCAP or any of its Subsidiaries. For the purpose of clause (x) (iii) above, (A) a person shall be deemed to have obtained " Control of AMVESCAP " if he and others acting in concert with him have together obtained Control of it and (B) " Control " shall mean, in relation to AMVESCAP, the power of a person to secure that the affairs of AMVESCAP are conducted in accordance with the wishes of that person by means of the holding of shares or the possession of voting power in or in relation to AMVESCAP or by virtue of any powers conferred by the articles of association of AMVESCAP.

Code . "Code" shall mean the United States of America Internal Revenue Code of 1986, as amended from time to time.

Companies Act . "Companies Act" shall mean the Companies Act 1985 of Great Britain, as amended from time to time.

Disability . “Disability” shall mean any physical or mental condition that would qualify a Participant for a disability benefit under the long-term disability plan maintained by AMVESCAP, AIM or any of their respective Subsidiaries and applicable to the Participant.

Eligible Employee . “Eligible Employee” shall mean the executives, officers and other key employees, including without limitation wholesale representatives, of AIM and its Subsidiaries.

ERISA . “ERISA” shall mean the United States of America Employee Retirement Income Security Act of 1974, as amended from time to time.

Exchange Act . “Exchange Act” shall mean the United States of America Securities Exchange Act of 1934, as amended from time to time.

Management Committee . “Management Committee” shall mean the Management Committee as defined in, and appointed in accordance with the terms of, the AMVESCAP Global Stock Plan. The Management Committee shall hold meetings and make decisions in accordance with the terms and conditions set forth in the AMVESCAP Global Stock Plan.

Participant . “Participant” shall mean any current or former Eligible Employee who has been selected by the Administration Committee to receive an Award under the Plan and with respect to whom an Award, which has not previously been forfeited, is outstanding.

Permissive Retirement . “Permissive Retirement” shall mean a Participant’s termination of employment with AMVESCAP, AIM and their respective Subsidiaries, other than by reason of death or Disability, on or after the earlier to occur of the following dates:

(i) the attainment of age 58; or

(ii) retirement with the approval of the Administration Committee.

Plan . “Plan” shall mean the Wholesale Representatives Deferral Plan, as constituted by these rules and as amended from time to time.

Remuneration Committee . “Remuneration Committee” shall mean the Remuneration Committee as defined in the AMVESCAP Global Stock Plan. Except as otherwise provided herein, any decisions required or permitted to be made by the Remuneration Committee hereunder shall be made in accordance with the rules specified in the AMVESCAP Global Stock Plan.

Shares . “Shares” shall mean the ordinary shares of AMVESCAP, or any other shares and/or other property into which the ordinary shares of AMVESCAP are converted pursuant to a stock split, reverse split, subdivision, reconstruction, amalgamation, scheme of arrangement, recapitalization, reorganization, merger, combination, consolidation, split-up or other similar corporate event and shall include American depositary shares representing such ordinary shares.

Subsidiary . “Subsidiary”, with respect to an entity, shall mean a corporation with respect to which such entity, directly or indirectly, has the power, whether through the ownership of voting securities, by contract or otherwise, to elect at least a majority of the members of such corporation’s board of directors.

The Stock Exchange . “The Stock Exchange” shall mean The International Stock Exchange of the United Kingdom and Republic of Ireland Limited.

Trust . “Trust” shall mean the grantor trust of the AMVESCAP from time to time to which contributions are made in respect of the Plan and, in the case of any Subsidiary, the term “Trust” shall be limited to such Subsidiary’s Sub-Trust as described in Section 1.3 of the Trust Agreement. The Company and the Subsidiaries intend that, in the event of the insolvency or bankruptcy of the Company or any Subsidiary, only the assets of the Trust which are attributable to the aggregate Account Balances of the Company or such Subsidiary’s Participants be available to pay the claims of the Company’s or such Subsidiary’s creditors.

Trust Agreement . “Trust Agreement” shall mean the trust agreement between AMVESCAP and the Trustee as amended from time to time with respect to the Trust.

Trustee . “Trustee” shall mean the entity from time to time serving as trustee under the Trust Agreement.

ARTICLE III
EFFECTIVE DATE AND TERM

The Plan was adopted effective as of July 1, 1998, was amended by (i) the First Amendment to the Plan effective as of January 1, 2001, and (ii) the Second Amendment to the Plan effective as of February 1, 2002, and has been amended and restated as set forth herein effective as of December 10, 2002 unless otherwise indicated. The Plan shall continue in effect, as amended from time to time, in accordance with its terms until terminated by the Remuneration Committee or the Board of Directors. The Plan is a plan of AMVESCAP and a plan of each of its Subsidiaries that is the employer of a Participant, including without limitation AIM.

ARTICLE IV
ADMINISTRATION OF THE PLAN

(a) In General . The Plan shall be administered by the Administration Committee, provided that the Management Committee and the Remuneration Committee shall have the duties and powers specified herein and in the Trust Agreement. The Administration Committee shall have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt such rules and regulations for administering the Plan and such forms of election as it may deem necessary or appropriate. Any person making a claim for any distribution under the Plan shall file a written claim with the Administration Committee. Decisions of the Administration Committee regarding any matter connected with the Plan shall be final and binding on all parties. Administration Committee decisions shall be made by a majority of its members at a meeting (which meeting may be held by telephone) at which there is a quorum and which has been duly called by any member on no less than 48 hours written notice; notice may be transmitted by facsimile, telex, courier, electronic mail or by other reasonable means of transmission. No notice of any meeting of the Administration Committee need be given to any member who submits a signed waiver of notice, whether before or after the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Administration Committee need be specified in a written waiver of notice. The attendance of any member at a meeting of the Administration Committee shall constitute a waiver of notice of such meeting, except when the member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Any decision reduced to writing and signed by all of the members of the Administration Committee shall be as fully effective as if it had been made at a meeting duly held.

(b) Indemnification . No member of the Administration Committee, the Management Committee or the Remuneration Committee, as the case may be, shall be liable for any action, omission or determination relating to the Plan, and AMVESCAP, AIM and their respective Subsidiaries shall indemnify and hold harmless each member of the Administration Committee, the Management Committee and the Remuneration Committee, and each other director or employee of AMVESCAP, AIM or their respective Subsidiaries to whom any duty or power relating to the administration or interpretation of the Plan has been delegated, against any cost, expense (including counsel fees, which fees shall be paid as incurred) or liability (including any sum paid in settlement of a claim with the approval of the Board of Directors) arising out of any action, omission or determination relating to the Plan, if such action, omission or determination was taken or made by such member, director or employee in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of AMVESCAP, AIM and their respective Subsidiaries, and with respect to any criminal action or proceeding, such member had no reasonable cause to believe his conduct was

unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of AMVESCAP, AIM and their respective Subsidiaries, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

ARTICLE V
ELIGIBILITY

Section 1.2 In General . The Eligible Employees shall be eligible to participate in the Plan in accordance with the terms of the Plan and the rules and procedures established by the Administration Committee. An Eligible Employee shall become a Participant effective as of the date on which such Eligible Employee is granted an Award hereunder. Participation by Eligible Employees is mandatory, not elective.

Section 1.3 Investment Company Act Limitation . With respect to any Participant, the Administration Committee may, in its sole discretion, use its authority under Section 6.6 to accelerate the vesting of such Participant's Award(s) and its authority under Section 7.6 to accelerate the time of distribution with respect to such Award(s) so that neither the Plan nor the Trust will be required to register as an investment company under the United States of America Investment Company Act of 1940, as amended from time to time.

ARTICLE VI
AWARDS

Section 1.4 Grant of Awards and Contributions to the Trust . The Administration Committee may grant Awards (which may be of differing amounts) to any or all Eligible Employees employed by AIM or its Subsidiaries. The Administration Committee shall specify the Award Date with respect to each Award and the year to which such Award relates. Prior to the grant of an initial Award to an Eligible Employee hereunder, such Eligible Employee shall execute and deliver a participant consent form covering such initial Award and any future Award(s), on a form approved by the Administration Committee, acknowledging such Eligible Employee's participation subject to the terms of the Plan. AMVESCAP intends to contribute, or procure the contributions, and transfer to the Trust funds and/or other property equivalent to the sum of the amounts of all Awards made to Participants. At the direction of the Management Committee, the Trustee shall use such funds and/or other property to purchase Shares from any person, and to make such other investments, as the Management Committee shall direct.

Each Participant's Award shall be subject to the terms of the Plan applicable to that Participant and such additional terms as may be adopted from time to time applicable to particular jurisdictions. No Participant shall have any right to receive any Shares, cash or other property under the Plan other than in accordance with the terms of the Plan, including any applicable additional terms.

Section 1.5 Accounts . Each Participant's Account shall be comprised of one or more sub-accounts where each sub-account relates to a particular Award granted to such Participant and is initially credited with the amount of such Award. Each sub-account of the Participant's Account shall be adjusted to reflect the earnings, distributions, gains and losses with respect to the Shares, cash and/or other property allocated to the sub-account for each Award. Shares shall be allocated among a Participant's Accounts and sub-accounts based upon the Average Cost Per Share. Fractional Shares may be allocated to a Participant's Account or sub-account. Cash or other property remaining after a whole number of Shares has been purchased may be added to any dividend or dividend equivalent contributions to purchase Additional Shares pursuant to Section 6.7 from time to time. Each Participant's Account and sub-accounts shall reflect any securities, cash or other property received with respect to Shares, cash or other property credited to such Participant's Account or sub-account, as the case may be. The Shares, cash or other property, together with earnings and distributions thereon, allocated to an Award shall be subject to the same vesting and other restrictions to which such initial Award is subject. Each Participant shall receive a statement of his Account quarterly.

Section 1.6 Vesting of Awards . Subject to Sections 6.4, 6.6 and 6.10, an Award shall fully vest on June 20 of the third year following the year to which such Award relates. Notwithstanding the foregoing, any Award(s) of a Participant not previously forfeited shall immediately vest in the event of (i) such Participant's Permissive Retirement or (ii) such Participant's termination of employment with AMVESCAP, AIM or their respective Subsidiaries by reason of his death or Disability. Prior to vesting, an Award shall be completely unvested. Both vested and unvested Awards shall be subject to the terms of the Plan including, without limitation, Article VII regarding distributions under the Plan. A Participant shall have no rights with respect to the Shares, cash or other property underlying his vested and unvested Awards until such Shares, cash or other property are distributed pursuant to Article VII.

Section 1.7 Forfeited Awards . Upon termination of a Participant's employment with AMVESCAP, AIM and their respective Subsidiaries, any Award(s) granted to such Participant which have not vested shall be forfeited unless otherwise determined by the Administration Committee. The Shares, cash and/or other property underlying forfeited Awards shall revert to the Trust and, unless otherwise determined by the Management Committee, shall be added to and allocated as part of subsequent Award(s) made under the Plan. Under no circumstances shall such Shares, cash or other property held in the Trust revert to AMVESCAP or any of its Subsidiaries; however such Shares, cash or

other property shall be available to creditors of AMVESCAP or any Subsidiary in the event of AMVESCAP's or such Subsidiary's insolvency in accordance with the terms and conditions of Section 8.2 and the Trust Agreement.

Section 1.8 Date of Termination . The date of a Participant's termination of employment shall be determined at the sole discretion of the Administration Committee.

Section 1.9 Acceleration of Vesting . The Administration Committee may accelerate the vesting of any Award at any time at its sole discretion.

Section 1.10 Dividends . The Management Committee shall direct the Trustee to reinvest the full amount of any dividends paid on Shares held in the Trust in Additional Shares and shall direct such purchase of Additional Shares. Participants' Accounts (and the underlying sub-accounts) shall be credited with the appropriate number of Additional Shares based upon the Average Cost Per Share. Additional Shares shall be subject to the same vesting requirements and other restrictions as are the Award to which such Additional Shares relate. The Management Committee may direct the Trustee to waive dividends on Shares held in the Trust; in such event, AMVESCAP may make, or cause to be made, contributions to the Trust equivalent to the dividends waived in respect of such Shares. Such dividend equivalent contributions shall be used to purchase Additional Shares as described in this Section 6.7.

Section 1.11 Voting of Shares .

( ) The Management Committee shall direct the Trustee, and the Trustee shall have no discretion, as to the manner in which the voting rights attaching to Shares that are allocated to unvested Awards are to be voted.

(a) The Management Committee shall direct the Trustee, and the Trustee shall have no discretion, as to the manner in which the voting rights attaching to Shares that are allocated to vested Awards are to be voted; provided that, the Management Committee may, in its sole discretion, direct the Trustee to take direction from any or all Participants as to the manner in which the Shares subject to the relevant Participant's vested Awards are to be voted. If the Management Committee directs the Trustee to take voting directions from any Participant(s), (i) the Trustee shall vote combined fractional Shares, to the extent possible, to reflect the directions of the Participant(s) holding such Shares and (ii) if the Trustee does not receive valid Participant voting directions with respect to the Shares allocated to a Participant's vested Award(s), the Trustee shall have no discretion as to the voting of such Shares but shall vote such Shares in the manner directed by the Management Committee.

( ) Notwithstanding any other provision of this Section 6.8, the Shares allocated to a Participant's Awards shall be voted by the Trustee, at the direction of the

Management Committee, with respect to any Participant(s) with respect to whom counsel to AMVESCAP advises that the Participant might be taxed on the value of the Participant's Awards if the Participant(s) were permitted to direct the voting of such Shares.

Section 1.12 Tender of Shares .

( ) If any person shall commence a tender or exchange offer or any similar transaction with respect to Shares, the Management Committee shall be entitled to direct the Trustee, and the Trustee shall have no discretion, as to whether the Shares underlying unvested Awards allocated to Participants' Accounts are to be tendered and whether such tender is to be revoked (to the extent such a revocation is permitted by the terms of such tender or exchange offer or applicable law).

(a) If any person shall commence a tender or exchange offer or any similar transaction with respect to Shares, the Management Committee shall be entitled to direct the Trustee, and the Trustee shall have no discretion, as to whether the Shares underlying vested Awards allocated to Participants' Accounts are to be tendered and whether such tender is to be revoked (to the extent such a revocation is permitted by the terms of such tender or exchange offer or applicable law); provided that, the Management Committee may, in its sole discretion, direct the Trustee to take direction from any or all Participant(s) as to whether such Shares are to be tendered and whether such tender is to be revoked (to the extent such a revocation is permitted by the terms of such tender or exchange offer or applicable law). If the Management Committee directs the Trustee to take tender directions from any Participant(s), (i) the Trustee shall tender Shares underlying vested Awards allocated to any Participants' Accounts for which the Trustee shall have received affirmative and valid Participant directions to tender (except to the extent such directions are revoked prior to such tender); (ii) the Trustee shall revoke the tender of Shares allocated to any Participants' Accounts underlying vested Awards for which the Trustee shall have received affirmative and valid Participant directions to revoke such tender; and (iii) the Trustee shall not tender, or revoke the tender of, Shares allocated to Participants' Accounts for which the Trustee does not receive affirmative and valid Participant directions.

( ) To the extent that a Participant or the Management Committee elects to tender Shares allocated to a Participant's Account, the Trustee shall transfer the consideration the Trustee receives as a result of such tender into the Trust and the Participant's Account shall reflect the transfer.

( ) Notwithstanding any other provision of this Section 6.9, the Management Committee, in its sole discretion, shall make tender decisions with respect to Shares held in the Accounts of Participants with respect to whom counsel to AMVESCAP advises

that the Participant(s) might be taxed on the value of the Participant's Account if the Participant(s) were permitted to direct the tender of Shares.

Section 1.13 Forfeiture of Awards for Gross Malfeasance . Notwithstanding any other provision of the Plan, Awards (whether vested or unvested) will be forfeited in their entirety by a Participant and the Participant will retain no right whatsoever in relation to any Award in the event that the Participant commits an act of gross malfeasance, such as theft of corporate property or client funds, against AMVESCAP, AIM or any of their respective Subsidiaries which act results in the termination of that Participant's employment by AMVESCAP, AIM or any of their respective Subsidiaries, as appropriate.

ARTICLE VII
DISTRIBUTIONS UNDER THE PLAN

Section 1.14 In General . Subject to any applicable withholding obligations and Sections 5.2, 6.4, 6.10, 7.2 through 7.7 (inclusive) and 10.1, the Administration Committee shall advise the Management Committee of distributions to be made hereunder and the Management Committee shall direct the Trustee to deliver or cause to be delivered to a Participant certificates for Shares, cash or other property equivalent to the amount credited to such Participant's Account in respect of vested Awards, no later than one year and thirty-five days after such Participant becomes vested in his Award(s). The Management Committee may, in its sole discretion and at any time, direct the Trustee to sell any securities or other property that would have been received in respect of Shares or other property credited to a Participant's Account for cash or other property of equivalent value. Upon termination of a Participant's employment with AMVESCAP, AIM and their respective Subsidiaries, the Shares, cash or other property credited to such Participant's Account in respect of vested Awards shall continue to be invested in Shares, cash or other property until a complete distribution of the value of the vested Awards credited to such Account is made to such Participant; provided, however, that (i) during the period prior to a Participant's Permissive Retirement as determined by the Management Committee or (ii) upon a Participant's attainment of age 58, a Participant may request and, if such a request is made, the Management Committee, in its sole discretion, may (but need not) direct the Trustee to sell any Shares or other property credited to such Participant's Account in respect of vested Awards for cash or other property and direct the investment of such proceeds in such manner as the Management Committee may approve until a complete distribution of the value of the vested Awards credited to such Account is made to such Participant. The Management Committee (or its delegate) may, in its sole discretion, consult with the Participant as to the investment of, or the timing of the distribution or sale of, Shares, cash or other property credited to a Participant's Account in respect of vested Awards.

Section 1.15 Deferral Election . A Participant may voluntarily elect to defer receipt of distribution of his Awards under this Plan upon such terms and conditions as the Administration Committee may prescribe. The Administration Committee, at its sole discretion, may approve or disapprove any such deferral election.

Section 1.16 Distribution Upon the Death of a Participant . Each Participant shall have the right to designate in writing from time to time a Beneficiary by filing a written notice of such designation with the Administration Committee. A Participant's designation of a Beneficiary may be revoked by filing with the Administration Committee an instrument of revocation or a later designation. Any designation or revocation shall be effective when received by the Administration Committee. In the event of the death of a Participant, certificates for Shares, cash or other property equivalent to the amount remaining in such Participant's Account in respect of vested Awards may, at the discretion of the Management Committee, be distributed to the Participant's Beneficiary as soon as reasonably practicable. Unless the Participant's Beneficiary designation provides otherwise, no person shall be entitled to benefits upon the death of the Participant unless such person survives the Participant. If the Beneficiary designated by a Participant does not survive the Participant or if the Participant has not made a valid Beneficiary designation, such Participant's Beneficiary shall be such Participant's estate.

Section 1.17 Distribution Upon Disability . In the event of the termination of a Participant's employment by reason of Disability, certificates for Shares, cash or other property equivalent to the amount credited to such Participant's Account in respect of vested Awards shall be distributed as soon as reasonably practicable to the Participant or such other representative of the Participant as the Management Committee in its sole discretion shall determine.

Section 1.18 Termination of Trust or Court-Ordered Distribution . In the event that the Trust is terminated prior to the vesting of an Award or in the event that a court of competent jurisdiction finally determines that AMVESCAP, AIM or any of their respective Subsidiaries is obligated to distribute to a Participant, Beneficiary or any other person certificates representing any Shares credited to a Participant's Account prior to the time of distribution otherwise provided for in this Article VII, the Share certificates so distributed to such Participant, Beneficiary or other person shall, in the sole discretion of the Management Committee, be restricted as to transferability until the date that the Shares would otherwise have been distributed to the Participant or a Beneficiary under the terms of the Plan had they not been distributed to the Participant, Beneficiary or other person and had remained subject to the Plan, and each such stock certificate shall bear the following (or similar) legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE)

CONTAINED IN THE WHOLERSALE REPRESENTATIVES DEFERREAL PLAN AND NEITHER THIS CERTIFICATE OR THE SHARES REPRESENTED BY IT ARE ASSIGNABLE OR OTHERWISE TRANSFERABLE EXCEPT IN ACCORDANCE WITH SUCH PLAN, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY."

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS (i) (A) SUCH DISPOSITION IS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, (B) SUCH DISPOSITION IS EFFECTED ON THE LONDON STOCK EXCHANGE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND THE HOLDER SHALL HAVE DELIVERED TO THE COMPANY EVIDENCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT, (C) THE HOLDER HEREOF SHALL HAVE DELIVERED TO THE COMPANY AN OPINION OF COUNSEL, WHICH OPINION AND COUNSEL SHALL BE REASONABLY SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT SUCH DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF SUCH ACT OR (D) A NO-ACTION LETTER FROM THE U.S. SECURITIES AND EXCHANGE COMMISSION, REASONABLY SATISFACTORY TO COUNSEL FOR THE COMPANY, SHALL HAVE BEEN OBTAINED WITH RESPECT TO SUCH DISPOSITION AND (ii) SUCH DISPOSITION IS PURSUANT TO REGISTRATION UNDER ANY APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION THEREFROM."

Section 1.19 Acceleration of Distribution . The Administration Committee may, in its sole discretion, accelerate the time of distribution with respect to any or all of a Participant's Awards.

Section 1.20 Distributions to Insiders . With respect to any Award made to a Participant who is subject to the reporting requirements of section 16(a) of the Exchange Act (an "insider"), distributions with respect to such Awards shall be made only in the form of Shares and in the form of cash or other property for any fractional Shares.

Section 1.21 Transitional Provisions .

(a) Vested Awards . Effective as of December 10, 2002, all Awards that have become vested on or before such date shall be subject to the terms and conditions of the Plan. Subject to any applicable withholding obligations and Sections 5.2, 6.4, 6.10, 7.2

through 7.7 (inclusive) and 10.1, the Administration Committee shall advise the Management Committee of distributions to be made hereunder, and the Management Committee shall direct the Trustee to deliver or cause to be delivered to a Participant certificates for Shares, cash or other property equivalent to the amount credited to such Participant's Account in respect of such vested Awards on or after June 20, 2003.

(b) Unvested Awards .

(i) Awards Granted On or After June 30, 2000 . Effective as of December 10, 2002, all Awards granted after June 30, 2000 that have not become vested on or before December 10, 2002 shall be subject to the terms and conditions of the Plan.

(ii) Awards Granted During the Period Beginning December 11, 1999 and Ending June 29, 2000 (inclusive) . Effective as of December 10, 2002, all Awards granted during the period beginning December 11, 1999 and ending June 29, 2000 (inclusive) that have not become vested on or before December 10, 2002 shall be subject to the terms and conditions of the Plan; provided that, notwithstanding the timing of distributions of vested Award(s) under Section 7.1, such Award(s) shall be distributed no later than one year and thirty-five days after a Participant's termination of employment with AMVESCAP, AIM and their respective Subsidiaries.

ARTICLE VIII
FUNDING OF THE PLAN

Section 1.22 Unfunded Plan . The Plan shall be unfunded, including without limitation for purposes of the United States of America Department of Labor Regulation § 2520.104-23. Benefits under the Plan to a Participant shall be the unfunded obligation of such Participant's employer or former employer (AIM or its Subsidiary, as the case may be). Notwithstanding the fact that AMVESCAP established the Trust for the purpose of assisting itself and its Subsidiaries in meeting their respective compensatory obligations to their employees, AIM and each of its Subsidiaries, respectively, shall remain obligated to pay the amounts credited to Participant's Accounts as a result of Awards under the Plan. In the event that assets of the Trust are used to satisfy the claims of general creditors of AMVESCAP in accordance with Section 8.2 and the Trust Agreement, such assets shall be deemed to be sold at their fair market value and the Accounts of Participants shall be adjusted to reflect such deemed sale. Nothing shall relieve AIM and each of the Subsidiaries of their respective liabilities under the Plan except to the extent amounts are paid to Participants or Beneficiaries from the assets of the Trust.

Section 1.23 Trust . Effective as of December 24, 1997, AMVESCAP established the Trust, which is intended to be (i) a "grantor trust" within the meaning of sections 671 et seq . of the Code and (ii) a "United States person" within the meaning of section 7701(a)(30) of the Code, to assist AMVESCAP and its Subsidiaries in meeting their respective compensatory obligations to their employees. The Trust is part of an employees' share scheme as defined in section 743 of the Companies Act . The Trustee is State Street Bank and Trust Company and the Trust is domiciled in the State of New York. Pursuant to the Trust Agreement, the Management Committee may remove the Trustee and appoint a successor Trustee and may change the domicile of the Trust. The Trust can hold Shares, cash and other property contributed to the Trust by AMVESCAP to provide itself and the Subsidiaries with a source of funds to assist each of them in meeting their respective compensatory obligations to their employees. The Management Committee shall direct that the assets of the Trust be invested and reinvested primarily in Shares.

The trust agreement creating the Trust contains procedures to the following effect: In the event of the insolvency of AMVESCAP or any Subsidiary, the assets of the Trust shall be available to pay the claims of creditors of AMVESCAP or such Subsidiary, as the case may be, as a court of competent jurisdiction may direct. AMVESCAP or any Subsidiary shall be deemed to be "insolvent" if AMVESCAP or such Subsidiary is generally unable to pay its debts as they become due or if AMVESCAP is subject to a pending proceeding under the bankruptcy laws of the United Kingdom, or if such Subsidiary is subject to a pending proceeding under the bankruptcy laws of the jurisdiction in which it is organized or incorporated. In the event AMVESCAP or any Subsidiary becomes insolvent, the Board of Directors and the Chief Executive Officer of AMVESCAP or such Subsidiary, as the case may be, have a duty to inform the Trustee in writing of AMVESCAP's or such Subsidiary's insolvency. Upon receipt of such notice, or if the Trustee receives written notice from a person claiming to be a creditor of AMVESCAP or any Subsidiary alleging such insolvency, the Trustee shall cease making payments from the assets of the Trust on behalf of the Company or such Subsidiary, shall hold such assets for the benefit of creditors of AMVESCAP or such Subsidiary, as the case may be, and shall resume payments from the assets of the Trust only after the Trustee has determined that AMVESCAP or such Subsidiary, as the case may be, is not, or is no longer, insolvent.

Section 1.24 Internal Funding . AMVESCAP's Subsidiaries shall have no obligations to make contributions to the Trust, although such a Subsidiary may reimburse AMVESCAP for contributions to the Trust made by AMVESCAP on behalf of employees of such Subsidiary. AIM and its Subsidiaries shall have obligations to make payments under the Plan to the Participants that are their respective employees. To the extent that the obligations under the Plan of AIM or its Subsidiaries are satisfied by AMVESCAP or by the distribution of assets from the Trust, such distribution shall be treated as a capital contribution from AMVESCAP to AIM or such Subsidiary, as the

case may be, as of the date on which such obligation is satisfied. To the extent that AIM or its Subsidiary reimburses AMVESCAP for contributions to the Trust and AMVESCAP then fails to satisfy the obligation of AIM or such Subsidiary under the Plan (by a distribution from the Trust or otherwise) and AIM or such Subsidiary pays such obligations, AIM or such Subsidiary shall have the right to recover such payment from AMVESCAP.

ARTICLE IX
SECURITIES MATTERS

Subject to Section 7.5, AMVESCAP shall use its best efforts to ensure that any securities distributed to Participants hereunder are marketable at the time of distribution. Notwithstanding anything herein to the contrary, AMVESCAP shall not be obliged to cause to be delivered any certificates evidencing Shares pursuant to the Plan unless and until AMVESCAP is advised by its counsel that the delivery of such certificates is in compliance with all applicable laws, regulations of governmental authority and the requirements of The Stock Exchange and any other securities exchange on which Shares are traded. The Management Committee may require, as a condition of the delivery of certificates evidencing Shares pursuant to the terms hereof, the recipient of such Shares to make such covenants, agreements and representations, and that such certificates bear such legends, as the Management Committee, in its sole discretion, deems necessary or desirable, provided that any such legends shall not contravene any rules or regulations of The Stock Exchange or any applicable statute.

ARTICLE X
MISCELLANEOUS PROVISIONS

Section 1.25 Taxes . As a condition to the making of any Award, the vesting of any Award, the lapse of the restrictions pertaining thereto or the distribution of Shares subject to an Award, AMVESCAP, AIM or any of their respective Subsidiaries may require a Participant to pay such sum to AMVESCAP, AIM or such Subsidiary as may be necessary to discharge such entity’s obligations with respect to any taxes, withholding, assessment or other governmental charge imposed on property or income received by the Participant pursuant to the Plan. In accordance with the rules and procedures established by the Management Committee and in the discretion of the Management Committee, such payment may be in the form of cash or other property. AMVESCAP, AIM and their respective Subsidiaries shall have the right to withhold from any cash or property payable to a Participant (including any salary, bonus or any other amount payable from AMVESCAP, AIM or any such Subsidiary to the Participant) an amount sufficient to satisfy applicable withholding tax requirements, prior to a distribution of Share certificates or other property under the Plan or to direct the Trustee to sell any Shares or

other property credited to a Participant's Account in respect of vested Awards to satisfy applicable withholding tax requirements. In order to satisfy such taxes, assessments or other governmental charges, the Management Committee may direct the Trustee to pay to AMVESCAP, AIM or any of their respective Subsidiaries an amount to satisfy such obligation and to pay the balance to the Participant. At the direction of the Participant and subject to the approval of the Management Committee, AMVESCAP, AIM and their respective Subsidiaries may deduct or withhold from any payment or distribution to a Participant whether or not pursuant to the Plan in order to satisfy required withholding obligations under the Plan.

Section 1.26 No Special Employment Rights . Nothing contained in the Plan shall confer upon any Participant any right with respect to the continuation of the Participant's employment by AMVESCAP, AIM or any of their respective Subsidiaries or interfere in any way with the right of AMVESCAP, AIM or any such Subsidiary at any time to terminate such employment without prior notice at any time for any or no reason. Each Participant shall, by participating in the Plan, waive all and any right to compensation or damages in consequence of the termination of his office or employment with AMVESCAP, AIM or any of their respective Subsidiaries for any reason whatsoever in so far as these rights arise or may arise from his ceasing to have rights under the Plan as a result of such termination. Nothing in the Plan shall be deemed to give any employee of AMVESCAP, AIM or any of their respective Subsidiaries any right to participate in the Plan.

Section 1.27 Expenses . Subject to the Trust Agreement, all expenses and costs in connection with the administration of the Plan shall be borne by AMVESCAP, AIM and their respective Subsidiaries.

Section 1.28 Titles and Headings Not to Control . The titles to Articles and headings of Sections in the Plan are placed herein for convenience of reference only and shall not affect the meaning of any of the provisions of the Plan.

Section 1.29 Amendment or Termination of Plan . The Remuneration Committee may modify, amend, suspend or terminate this Plan in whole or in part at any time, provided that, such modification, amendment, suspension or termination shall not, without a Participant's consent, affect adversely the rights of a Participant with respect to outstanding Awards that have not previously been forfeited; provided further , that the Remuneration Committee may, without a Participant's consent, amend the Plan from time to time in such a manner as may be necessary to avoid having the Plan, the Trust Agreement or the Trust being subject to ERISA and to avoid the current taxation of the assets held in the Trust. In this regard, neither a Participant's incurring tax liability nor the loss of an investment opportunity as a result of the termination of the Plan shall be considered an impairment of the rights of a Participant.

Upon termination of the Plan or the Trust, unvested Awards of each Participant shall immediately vest and the Shares, cash or other property, or the equivalent thereof, credited to the Account of each Participant in respect of vested Awards shall be distributed to each such Participant in order to meet the payment obligations under the Plan with respect to each such Participant. In the event that Shares or other property allocated to unvested Awards have been previously forfeited, the Management Committee shall determine how such Shares and other property shall be applied to provide compensation and benefits to employees of AMVESCAP and its Subsidiaries. No portion of the assets held in the Trust shall revert to AMVESCAP or the Subsidiaries at any time except for the reimbursement of taxes pursuant to Section 10.1 and the Trust Agreement; provided that, in the event of the insolvency of AMVESCAP or any Subsidiary, the assets of the Trust shall be available to pay the claims of creditors of AMVESCAP or such Subsidiary, as the case may be, as provided in Section 8.2 and the Trust Agreement.

Section 1.30 Governing Law . The Plan, as amended from time to time, and all rights hereunder shall be governed by, administered and enforced in accordance with the laws of the State of New York (without reference to the choice of law doctrine).

Section 1.31 Waiver of Punitive Damages . There is no right to punitive, exemplary or similar damages as a result of any controversy or claim arising out of, relating to or in connection with the Plan, or the breach, termination or validity thereof, and each Participant shall, by participating in the Plan, waive all and any of such rights.

Section 1.32 Restrictions on Transfer . No transfer (other than any transfer made by will or by the laws of descent and distribution), charge or encumbrance by a Participant of any right to any payment hereunder, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to such payment, and the transfer, charge or encumbrance shall be of no force and effect.

Section 1.33 Change in Control . In the event of a Change in Control of AMVESCAP or a Participant's employer, all of a Participant's unvested Award(s) shall immediately vest if (i) the Participant's employment with AMVESCAP and its Subsidiaries is involuntarily terminated other than for Cause or (ii) the Participant voluntarily terminates employment with AMVESCAP and its Subsidiaries for "good reason" which shall mean (a) reduction in compensation following the Change in Control or (b) reduction in responsibilities or position following the Change in Control.

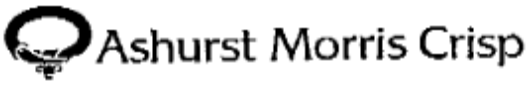
Section 1.34 Consolidation or Merger of AMVESCAP . In the event of the consolidation, amalgamation, combination or merger of AMVESCAP with or into any other corporation, or the sale by AMVESCAP of substantially all of its assets, the resulting successor may continue the Plan by adopting the same by resolution of its board

of directors and by executing a proper supplemental agreement to the Trust Agreement with the Trustee. If within ninety days from the effective date of such consolidation, amalgamation, combination, merger or sale of assets, such new corporation does not adopt the Plan, the rights of all affected Participants to their respective benefits with respect to vested and unvested Awards shall be non-forfeitable as of the effective date of such consolidation, amalgamation, combination, merger or sale of assets.

Section 1.35 Set-off . In the event that AMVESCAP, AIM or any of their respective Subsidiaries has any claims against a Participant, AMVESCAP, AIM or such Subsidiary (as the case may be) may, in its discretion, offset such claims against its obligations to such Participant under the Plan. AMVESCAP, AIM or the applicable Subsidiary, as the case may be, shall give notice to the Participant of any set-off effected under this Section 10.11.

Section 1.36 Special Rules Regarding Administration Committee and Management Committee . Notwithstanding any other provision of the Plan, with respect to any power of the Administration Committee or the Management Committee described herein that is exercised with respect to a Participant who is a member of such Committee and the exercise of such power does not affect all Participants relatively equally, such power shall be exercised with respect to such Participant by the non-Participant members of such Committee who are United States persons within the meaning of section 7701(a)(30) of the Code, if any; provided that, if all members of such Committee are Participants or none of the non-Participant members of such Committee are United States persons within the meaning of section 7701(a)(30) of the Code, then such powers shall be exercised with respect to such Participants by the members of the Remuneration Committee who are United States persons within the meaning of section 7701(a)(30) of the Code.

EXHIBIT 10.10



2003 Share Option Plan (Canada)

AMVESCAP PLC

June 2003

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THE AMVESCAP 2003

SHARE OPTION PLAN (CANADA)

1. DEFINITIONS

As used in the Plan, the terms set forth below shall have the meanings indicated unless the context clearly indicates to the contrary. Where the context so admits or requires, the singular shall include the plural and the masculine shall include the feminine and vice versa.

Award . "Award" shall mean, with respect to each Global Partner, the right to acquire Shares at their nominal value from the Trustee or to elect to receive a cash sum from the Subsidiary that then may employ or in the past had employed such Global Partner in lieu of such acquisition (or a combination of the foregoing);

Board of Directors . "Board of Directors" shall mean the Board of Directors of AMVESCAP plc;

Business Day . "Business Day" shall mean a day on which the Stock Exchange is open for the transaction of business.

Cause . "Cause" shall mean, when used in connection with the termination of a Participant's employment, the termination of the Participant's employment by the Company or a Subsidiary on account of (i) the willful violation by the Participant of (a) any law, (b) any rule of the Company or such Subsidiary or (c) any rule or regulation of any regulatory body to which the Company or such Subsidiary is subject, including, without limitation, the Stock Exchange or any other exchange or contract market of which the Company or such Subsidiary is a member, which violation would materially reflect on the Participant's character, competence or integrity, (ii) a breach by a Participant of the Participant's duty of loyalty to the Company and/or its Subsidiaries in contemplation of the Participant's termination of employment with the Company or a Subsidiary, such as the Participant's solicitation of customers or employees of the Company or any Subsidiary prior to the termination of his employment or (iii) the Participant's unauthorized removal from the premises of the Company or a Subsidiary of any records, files, memoranda, data in machine readable form, reports, fee lists, customer lists, drawings, plans, sketches, or other documents (in any medium or form) relating to the business of the Company or a Subsidiary or the customers of the Company or a Subsidiary, including, but not limited to, all intellectual property and proprietary research which the Participant uses, develops or comes in contact with in the course of or as the result of his employment with the Company or a Subsidiary, as the case may be. Any rights the Company or a Subsidiary may have hereunder in respect of the events giving rise to Cause shall be in addition to the rights the Company or such Subsidiary may have under any other agreement with the employee or at law or in equity. If, subsequent to a Participant's voluntary termination of employment or involuntary termination of employment without Cause, it is discovered that the Participant's employment could have been terminated for Cause, such Participant's employment shall, at the election of the Remuneration Committee in its sole discretion, be deemed for the purposes of this Plan to have been terminated for Cause.

Change in Control . “Change in Control” shall mean, with respect to the Company, the occurrence of any of the following events:

(a) the stockholders of the Company shall approve a definitive agreement (i) for the merger or other business combination of the Company with or into another corporation, and with respect to the surviving public company, a majority of the directors of which were not directors of the Company immediately prior to such merger or combination and in which the stockholders of the Company immediately prior to the effective date of such merger or combination directly or indirectly own less than a majority of the voting power in such corporation or (ii) for the direct or indirect sale or other disposition of all or substantially all of the assets of the Company;

(b) the acquisition by purchase, subscription or otherwise (including pursuant to a reconstruction or scheme of arrangement) by any person (or persons acting together, meaning persons party to an agreement to which section 204 of the Companies Act applies) of 20 percent or more of the relevant share capital of the Company (or any successor company to which all or the majority of the assets of the Company are transferred pursuant to any such reconstruction or scheme of arrangement);

(c) the giving of notice of any general meeting of the Company at which a resolution will be proposed for the winding-up of the Company;

(d) if under section 425 of the Companies Act, the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;

(e) any scheme of arrangement involving the reconstruction of the Company or the amalgamation of the Company with any other entity that is approved by the holders of Shares;

(f) any person obtains Control of the Company as a result of making an offer to acquire Shares which is either unconditional or is made on a condition such that, if it is satisfied, the person making the offer will have Control of the Company; or

(g) a change in the composition of the Board of Directors such that individuals who, as of December 1, 2002, constituted the Board of Directors (generally the “Directors” and as of December 1, 2002, the “Continuing Directors”) cease for any reason to constitute at least a majority thereof, provided that any person becoming a Director subsequent to December 1, 2002 whose nomination for election was approved by a vote of at least a majority of the Continuing Directors (other than a nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors) shall be deemed to be a Continuing Director; and,

with respect to a Subsidiary, the consummation of the sale of the capital stock or all or substantially all of the assets of such Subsidiary to, or the merger or other business combination of such Subsidiary with or into, a third party that is not affiliated with the Company or any Subsidiary.

For the purpose of sub-clause (f) above, a person shall be deemed to have obtained "Control of the Company" if he and others acting in concert with him have together obtained Control of it and "Control" shall mean, in relation to the Company, the power of a person to secure that the affairs of the Company are conducted in accordance with the wishes of that person by means of the holding of shares or the possession of voting power in or in relation to the Company or by virtue of any powers conferred by the articles of association of the Company;

Companies Act . "Companies Act" shall mean the Companies Act 1985 of Great Britain, as amended from time to time;

Company . "Company" shall mean AMVESCAP plc and any successor corporation which continues the Plan pursuant to Rule 8.6;

Demotion . "Demotion" shall mean, in relation to a Participant, his ceasing to be a Global Partner other than by reason of the termination of his employment with the Company or a Subsidiary;

Disability . "Disability" shall mean any physical or mental condition that would qualify a Participant for a disability benefit under the long-term disability plan maintained by the Company or a Subsidiary and applicable to the Participant;

Global Partner . "Global Partner" shall mean an employee of the Company or a Subsidiary, designated as such by the Company, who is resident for tax or securities law purposes at the time an Award is granted in a Province of Canada;

Participant . "Participant" shall mean any Global Partner or former Global Partner with respect to whom an Award, which has not previously lapsed, is outstanding;

Plan . "Plan" shall mean The AMVESCAP 2003 Share Option Plan (Canada), as constituted by these rules and as amended from time to time;

Remuneration Committee . "Remuneration Committee" shall mean the duly appointed Remuneration Committee, or any successor thereto, of the Board of Directors;

Shares . "Shares" shall mean the ordinary shares of the Company, or any other shares and/or other property into which the ordinary shares of the Company are converted pursuant to a stock split, reverse split, subdivision, reconstruction, amalgamation, scheme of arrangement, recapitalization, reorganization, merger, combination, consolidation, split-up or other similar corporate event;

Subsidiary . "Subsidiary" shall mean a corporation with respect to which the Company, directly or indirectly, has the power, whether through the ownership of voting securities, by contract or otherwise, to elect at least a majority of the members of such corporation's board of directors;

Stock Exchange . "Stock Exchange" shall mean London Stock Exchange plc;

Trust . “Trust” shall mean any trust established for the purpose of acquiring Shares by way of subscription from the Company and selling such Shares to Participants upon the exercise of Awards;

Trustee . “Trustee” shall mean the entity from time to time serving as trustee of the Trust.

2. EFFECTIVE DATE AND TERM

The Plan commenced on November 11, 2002 and shall continue in effect, as amended from time to time, in accordance with its terms until terminated by the Remuneration Committee or the Board of Directors. The Plan is a plan of the Company and a plan of each Subsidiary that is the employer of a Global Partner.

3. ADMINISTRATION OF THE PLAN

The Trustee may from time to time make and vary such rules and regulations not inconsistent herewith and establish such procedures for administration and implementation of the Plan as it thinks fit. In the event of any dispute or disagreement as to the interpretation of the Plan, or of any such rule, regulation or procedure, or as to any question or right arising from or related to the Plan, the decision of the Remuneration Committee shall be final and binding upon all persons.

4. ELIGIBILITY

All Global Partners shall be eligible to participate in the Plan in accordance with the terms of the Plan and the rules and procedures established by the Trustee. Subject to the definition of “Participant,” a Global Partner shall become a Participant effective as of the date on which such Global Partner is granted an Award hereunder.

5. GRANT, VESTING AND LAPSE OF AWARDS

5.1 Grant of Awards . The Trustee may, on the basis of recommendations received from the Remuneration Committee, grant Awards (which may be of differing amounts) to any or all Global Partners. The Award shall specify the year to which it relates.

Each Participant’s Award shall be subject to the terms of the Plan applicable to that Participant and to such additional terms, if any, as may be adopted from time to time applicable to particular jurisdictions. No Participant shall have any right to receive any Award, Shares, cash or other property under the Plan other than in accordance with the terms of the Plan, including any applicable additional terms.

5.2 Vesting of Awards . Subject to the provisions as to lapse contained in this Rule 5 and Rule 6, an Award shall vest:

(a) as to one third on the fifth anniversary of its date of grant;

(b) as to one third on the sixth anniversary of its date of grant; and,

(c) as to one third on the seventh anniversary of its date of grant;

the first Awards having been granted effective as of December 31, 2002.

Notwithstanding the foregoing, any Award(s) of a Participant which have not previously lapsed shall immediately vest in the event of such Participant's termination of employment with the Company or a Subsidiary by reason of his death or Disability. Prior to vesting, an Award shall be completely unvested. Both vested and unvested Awards shall be subject to the terms of the Plan. A Participant shall have no rights with respect to the Shares underlying his vested and unvested Awards until such Award shall have been exercised.

5.3 Lapse of Awards . Upon termination of a Participant's employment with the Company and its Subsidiaries or, at the discretion of the Remuneration Committee, upon Demotion of a Participant, any Award(s) granted to such Participant which have not vested shall lapse unless otherwise determined by the Remuneration Committee.

5.4 Date of Termination or Demotion . The date of a Participant's termination of employment or Demotion shall be determined at the sole discretion of the Remuneration Committee. For purposes of the Plan, and unless otherwise determined by the Remuneration Committee, a Participant's employment with the Company and any Subsidiary shall be considered to have terminated effective on the last day of his actual and active employment with the Company or Subsidiary, whether such day is selected by agreement or unilaterally by the Company or Subsidiary and whether with or without advance notice to the Participant. For greater certainty, unless otherwise determined by the Remuneration Committee acting in its sole discretion, no period of notice that is or ought to have been given under applicable law in respect of such termination of employment will be considered in determining entitlement under the Plan.

5.5 Acceleration of Vesting. The Remuneration Committee may, with the agreement of the Trustee, accelerate the vesting of any Award at any time at its sole discretion, provided that no such accelerated vesting shall take effect unless and until communicated to the Participant holding such Award.

5.6 Lapse of Awards for Gross Malfeasance . Notwithstanding any other provision of the Plan, Awards (whether vested or unvested) shall lapse in their entirety in the event that the Participant commits an act of gross malfeasance, such as theft of corporate property or client funds, against the Company or any Subsidiary, which act results in the termination of that Participant's employment by the Company or Subsidiary, as appropriate.

5.7 Limits. The number of Shares which may be acquired on the exercise of an Award shall be determined on or before its grant at the discretion of the Remuneration Committee. The Trustee may grant Awards over a maximum of 3,500,000 Shares, or such greater number as may at any time and from time to time be agreed with the Company.

6. EXERCISE OF AWARDS

6.1 Form. The exercise of any Award granted under the Plan shall be effected in such form and manner as the Trustee may from time to time prescribe and shall provide the Participant with an opportunity to elect to receive a cash sum in lieu of all or any of the Shares in respect of which the Award is exercised on any occasion in accordance with Rule 6.8 below.

6.2 Timing. Subject to the lapsing provisions of the Plan, an Award shall become exercisable, to the extent that it vests in accordance with Rules 5.2 or 5.5 above, and may be exercised to that extent at any time during the period of thirty days commencing on the later of:

(a) the relevant vesting date; and,

(b) the expiry of any prohibited period for dealings in the Company's shares which shall be in force at any time during the thirty days immediately following the relevant vesting date.

To the extent that an Award shall not be exercised within such period, it shall, to that extent, lapse.

6.3 Death. Subject to Rule 5.6, if any Participant shall die before exercising an Award and at a time when he is either a Global Partner or entitled to exercise the Award by virtue of sub-clause 6.4 below, the Award may (and must, if at all) be exercised by his personal representatives within 12 months after the date of his death.

6.4 Leaving service . Subject to Rule 5.6, if any Participant shall cease to be a Global Partner (otherwise than by reason of his death or Demotion), the following provisions shall apply in relation to any Award held by him, whether or not vested:

(a) if he so ceases by reason of Disability or the disposal of any company, business or part of a business to which his office or employment relates, the Award may (and subject to sub-clause 6.3 must, if at all) be exercised within six months of his so ceasing; and,

(b) if he so ceases for any other reason, the Award may not be exercised at all unless and to the extent that the Remuneration Committee shall so permit.

6.5 Overriding lapse . Notwithstanding any other provision of the Plan, an Award granted under the Plan may not be exercised after the expiration of the period of ten years beginning with its date of grant.

6.6 Acquisition and Sale of Shares . Subject to obtaining any such approval or consent as may be required, within thirty days after an Award under the Plan has been exercised by any person, the Trustee shall sell to him the number of Shares in respect of which the Award has been exercised. The Trustee shall acquire such Shares only by subscription from the Company.

6.7 Dividends and other distributions . Shares transferred pursuant to the Plan will not entitle the Participant to any dividend or other distribution of the Company paid or made by reference to a record date falling prior to the date of their transfer to the Participant.

6.8 Cash election . If and to the extent that a Participant shall on the exercise of an Award elect to receive a cash sum in lieu of shares, the Company shall cause any Subsidiary which may then employ or previously have employed the Participant to make a cash payment to such Participant within 30 days of such exercise, and these Rules (including, without prejudice to the generality of the foregoing, Rule 8) shall apply to such exercise, with any necessary modifications.

7. SECURITIES MATTERS

The Company shall use its best efforts to ensure that any securities distributed to Participants hereunder are marketable at the time of distribution. Notwithstanding anything herein to the contrary, the Company shall not be obliged to cause to be delivered any certificates evidencing Shares pursuant to the Plan unless and until the Company is advised by its counsel that the delivery of such certificates is in compliance with all applicable laws, regulations of governmental authority and the requirements of the Stock Exchange and any other securities exchange on which Shares are traded. The Trustee or the Remuneration Committee may require, as a condition of the delivery of certificates evidencing Shares pursuant to the terms hereof, the recipient of such Shares to make such covenants, agreements and representations, and that such certificates bear such legends, as the Trustee or the Remuneration Committee, in its discretion, deems necessary or desirable, provided that any such legends shall not contravene any rules or regulations of the Stock Exchange or any applicable statute.

8. TAXES AND WITHHOLDING

8.1 Taxes . As a condition of the making, vesting and/or exercise of any Award, or the lapse of the restrictions pertaining thereto, the Company or a Subsidiary may require a Participant to pay such sum to the Company or such Subsidiary as may be necessary to discharge the Company's or such Subsidiary's obligations with respect to any taxes, withholding, assessment or other governmental charge imposed on property or income received by the Participant pursuant to the Plan. In accordance with the rules and procedures established by the Trustee, and in the discretion of the Remuneration Committee, such payment may be in the form of cash or other property.

8.2 Withholding . The Company and the Subsidiaries shall have the right to withhold from any cash or property payable to a Participant (including any salary, bonus or any other amount payable from the Company or a Subsidiary to the Participant) an amount sufficient to satisfy applicable withholding tax requirements, prior to a distribution of Share certificates or other property under the Plan or to direct the Trustee to sell any Shares or other property credited to a Participant's Account in respect of vested Awards to satisfy applicable withholding tax requirements. In order to satisfy such taxes, assessments or other governmental charges, the Remuneration Committee may direct the Trustee to pay to the Company or a Subsidiary an amount to satisfy such obligation and to pay the balance to the Participant. At the direction of the Participant and subject to the approval of the Remuneration Committee, the Trustee, the Company and its Subsidiaries may deduct or withhold from any payment or distribution to a Participant whether or not pursuant to the Plan in order to satisfy required withholding obligations under the Plan.

9. EMPLOYMENT RIGHTS

Nothing contained in the Plan shall confer upon any Participant any right with respect to the continuation of the Participant's employment by the Company or a Subsidiary or interfere in any way with the right of the Company or a Subsidiary at any time to terminate such employment or demote such Participant from the status of "Global Partner" without prior notice at any time for any or no reason. Each Participant shall, by participating in the Plan, waive all and any right to compensation or damages in consequence of the termination of his office or employment with the Company or a Subsidiary for any reason whatsoever in so far

as these rights arise or may arise from his ceasing to have rights under the Plan as a result of such termination. Nothing in the Plan shall be deemed to give any employee of the Company or a Subsidiary any right to participate in the Plan.

10. RESTRICTIONS ON TRANSFER

No transfer (other than any transfer made by will or by the laws of descent and distribution), charge or encumbrance by a Participant of any Award, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to such Award, and the transfer, charge or encumbrance shall be of no force and effect.

11. CHANGE IN CONTROL

11.1 Change in Control . In the event of a Change in Control of the Company or a Participant's employer, all of a Participant's unvested Award (s) shall immediately vest if (i) the Participant's employment with the Company and its Subsidiaries is involuntarily terminated other than for Cause or (ii) the Participant voluntarily terminates employment with the Company and its Subsidiaries for "good reason" which shall mean (a) reduction in compensation following the Change in Control or (b) reduction in responsibilities or position following the Change in Control.

11.2 Consolidation or Merger of the Company. In the event of the consolidation, amalgamation, combination or merger of the Company with or into any other corporation, or the sale by the Company of substantially all of its assets, the resulting successor may continue the Plan by adopting the same by resolution of its board of directors and by executing a proper supplemental agreement to the Trust Agreement with the Trustee. If within ninety days from the effective date of such consolidation, amalgamation, combination, merger or sale of assets, such new corporation does not adopt the Plan, the rights of all affected participants to their respective benefits with respect to vested and unvested Awards shall vest as of the effective date of such consolidation, amalgamation, combination, merger or sale of assets.

12. SET-OFF

In the event that the Company or a Subsidiary has any claims against a Participant, the Company or Subsidiary (as the case may be) may, in its discretion, offset such claims against its obligations to such Participant under the Plan. The Company or Subsidiary, as the case may be, shall give notice to the Participant of any set-off effected under this Rule.

13. VARIATION OF CAPITAL

In the event of any variation of the share capital of the Company (whenever effected) whether by way of capitalisation or rights issue, or sub-division, consolidation or reduction or otherwise, the Board may determine that such adjustments as it considers appropriate shall be made, and the terms of any Award in respect of which an adjustment is so determined to be made shall be deemed to be adjusted accordingly.

An adjustment made under this sub-clause may be to one or more of the following:-

(a) the number of shares in respect of which any Award granted under the Plan may be exercised;

(b) the price at which shares may be acquired by the exercise of any such Award;

(c) where any such Award has been exercised but no share has been transferred pursuant to such exercise, the number of shares which may be so transferred and the price at which they may be acquired.

As soon as reasonably practicable after any adjustment shall have been deemed to be made under this Rule, the Board shall give notice in writing thereof to any Participant affected thereby.

14. EXPENSES

Subject to the Trust Agreement, all expenses and costs in connection with the administration of the Plan shall be borne by the Company and the Subsidiaries.

15. TITLES AND HEADINGS NOT TO CONTROL

The titles and headings of the Plan are placed herein for convenience of reference only and shall not affect the meaning of any of the provisions of the Plan.

16. AMENDMENT AND TERMINATION OF PLAN

The Remuneration Committee may modify, amend, suspend or terminate this Plan in whole or in part at any time, provided that , such modification, amendment, suspension or termination shall not, without a Participant's consent, affect adversely the rights of a Participant with respect to outstanding Awards that have not previously lapsed; provided further , that the Remuneration Committee may, without a Participant's consent, amend the Plan from time to time in such a manner as may be necessary to avoid the current taxation of the assets held in the Trust. In this regard, neither a Participant's incurring a tax liability nor the loss of an investment opportunity as a result of the termination of the Plan shall be considered an impairment of the rights of a Participant.

Upon termination of the Plan or the Trust, unvested Awards of each Participant shall immediately vest.

17. GOVERNING LAW

The Plan, as amended from time to time, and all rights hereunder shall be governed by, administered and enforced in accordance with the laws of England.

EXHIBIT 10.12

AMVESCAP PLC

RULES OF THE AMVESCAP INTERNATIONAL SHARESAVE PLAN

Shareholders Approval 8 May 1997

THE AMVESCAP INTERNATIONAL SHARESAVE PLAN

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THE AMVESCAP INTERNATIONAL SHARESAVE PLAN

DEFINITIONS

1.1 In this Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings, namely:

Adoption Date means the date on which the Plan is adopted by the Company in general meeting;

AMVESCAP 1997 Sharesave Scheme means the Inland Revenue approved savings-related share option scheme established by the Company on 8 May 1997;

Associated Company shall have the meaning given to those words by section 187(2) of the Taxes Act;

the Auditors means the auditors for the time being of the Company;

the Board means the Board of Directors for the time being of the Company (or the directors present at a duly convened meeting of such Board) or a duly authorised committee thereof;

the Company means AMVESCAP PLC;

Continuous Service has the same meaning as "continuous employment" in the Employment Rights Act 1996, or such other meaning as the Board may think fit to apply in any particular circumstances;

Control shall have the meaning given to that word by section 840 of the Taxes Act;

the Date of Grant means the date on which an Option is granted;

Dealing Day means any day on which the London Stock Exchange is open for the transaction of business;

Eligible Employee means any employee or director who is eligible to participate in the Plan under the provisions of rule 2.3;

Exercise Price means the price per Share, expressed in sterling, payable on the exercise of an Option as determined under rule 2,5;

Grant Period means the period of 42 days commencing on either of the following:-

(a) the Adoption Date;

(b) the day immediately following the day on which the Company makes an announcement of its results for the last preceding financial year or other period;

(c) any day on which the Board resolves that exceptional circumstances exist which justify the grant of Options

Provided that no grant of an Option shall be made at any time which would offend against the Model Code or any rules or statements issued by the Company;

the Group means the Company and such of the Subsidiaries as the Board has resolved be included in the Group for the time being for the purposes of the Plan and ***Member of the Group*** shall be construed accordingly;

the Invitation Date means the date on which an invitation to apply for an Option is issued;

London Stock Exchange means The London Stock Exchange Limited;

the Maturity Date means in relation to any Option or application for an Option, such date as is stipulated by the Board in the invitation to apply for the Option or in any explanatory material relating to the Option which shall be not later than 27 months after the Date of Grant;

Maximum Savings Contribution means £250 or such greater amount as the Board shall from time to time determine or (where the Savings Contribution is expressed in a Nominated Currency) the Nominated Currency equivalent thereof where the equivalent amount has been calculated by reference to the rate of exchange determined at the Invitation Date pursuant to rule 2.2 or such other rate as the Board may from time to time determine pursuant to rule 4.6;

Minimum Savings Contribution means £5 (or such other minimum amount as is for the time being permitted under the AMVESCAP 1997 Savings Related Share Option Scheme) or (where the Savings Contribution is expressed in a Nominated Currency) the Nominated Currency equivalent thereof where the equivalent amount has been calculated by reference to the rate of exchange determined at the Invitation Date pursuant to rule 2.2 or such other rate as the Board may from time to time determine pursuant to rule 4.6;

the Model Code means the model code for securities transactions by directors of listed companies issued by the London Stock Exchange;

Monthly Contribution means the monthly sum which shall not be less than the Minimum Savings Contribution nor more than the Maximum Savings Contribution which a Participant has elected to save under his Savings Arrangement which may be expressed either in whole sterling pounds or, at the discretion of the Board, in a Nominated Currency the amount of which is equivalent to an amount of whole sterling pounds where the equivalent amount has been calculated by reference to the rate of exchange determined prior to the Invitation Date pursuant to rule 2.2. or such other rate as the Board may from time to time determine pursuant to rule 4.6;

Nominated Currency means any currency nominated by the Board pursuant to rule 2.2;

Option means a right to acquire Shares granted under the Plan;

Option Holder means any individual who holds a subsisting Option (or, where the context permits, the legal personal representatives of a deceased Option Holder);

Redundancy shall have the meaning given to that word in the Employment Rights Act 1996, or such other meaning as the Board may think fit to apply in relation to any particular cessation of employment;

Rules means the rules of the Plan for the time being amended in accordance with their terms;

Savings Arrangement means such savings arrangement relating to an Option as may be approved by the Board for the purposes of the Plan from time to time;

the Plan means this Plan as amended from time to time;

Shares means fully paid ordinary shares in the capital of the Company which satisfy paragraphs 10 to 14 of Schedule 9 to the Taxes Act;

Sharesave Scheme means a savings-related share option scheme established by the Company;

Specified Age means age 60;

Subsidiary means any subsidiary of the Company within the meaning of section 736 of the Companies Act 1985 over which the Company has Control;

Taxes Act means the Income and Corporation Taxes Act 1988;

1.2 Where the context so permits the singular shall include the plural and vice versa and the masculine shall include the feminine.

1.3 References to any Act shall include any statutory modification, amendment or re-enactment thereof.

GRANT OF OPTIONS

2.1 The Board may, during a Grant Period, but otherwise in its absolute discretion, invite such Eligible Employees as it shall determine to apply for Options at the Exercise Price.

2.2 The Board may nominate a currency other than pounds sterling in which Eligible Employees may elect to save pursuant to rule 4.1, and may determine an exchange rate for pounds sterling and such Nominated Currency which shall be used at the Invitation Date for the purpose of calculating the Nominated Currency equivalent of the Monthly Contribution, the Minimum Savings Contribution and the Maximum Savings Contribution. At any time, there may be more than one currency nominated pursuant to this rule.

2.3 Any employee or director of a company within the Group whose contract of service requires him to work for a company which is a Member of the Group, and has been in Continuous Service with one or more company or companies in the Group for such period (not exceeding five years) prior to the Invitation Date as the Board may determine, is eligible to join the Plan, unless he has given, or been given, notice to terminate his contract of employment.

2.4 Subject to the specific provisions contained in these Rules, the form, manner and timing of invitations to apply for Options, the form of any Savings Arrangement, the Maturity Dates of the Options, and the maximum number of Shares in respect of which invitations are made on any day, shall be at the absolute discretion of the Board.

2.5 The Exercise Price shall be determined by the Board but shall not be less than the higher of:

(a) in the case of an Option to subscribe for Shares, the nominal value of a Share on the Date of Grant; and

(b) the Minimum Price.

2.6 For the purposes of rule 2.5(b), the ***Minimum Price*** means such amount as is stipulated by the Board at the Invitation Date being an amount not less than 80 per cent of the middle market quotation of a Share, as derived from the Daily Official List of the London Stock Exchange, for the Dealing Day immediately preceding the Invitation Date.

2.7 If an Eligible Employee wishes to apply for an Option he must, within such period (which shall not be less than 14 days nor more than 21 days) after the Invitation Date as is stated in the invitation, deliver to the Company a form of application as prescribed by the Board together with a duly completed and signed application for a Savings Arrangement.

2.8 Following the receipt by the Company of valid applications the Board may, subject to rules 2.8 and 2.9, on a single date which shall not be later than 42 days after the Invitation Date, grant all (but not some of) the Options for which application has been made on that occasion by Eligible Employees (provided that they comply with the conditions of eligibility in rule 2.3 on the Date of Grant) in consideration of such Eligible Employees agreeing to enter into the Savings Arrangements. As soon as practicable thereafter, the Board shall procure the issue of an option certificate to each Eligible Employee who has been granted an Option. No cash payment shall be made for the grant of an Option.

2.9 The Board may, in its sole discretion, treat late applications as valid unless they are received after the Date of Grant.

2.10 If valid applications are received for Options over a number of Shares in excess of that which the Board has determined to make available on a particular occasion, the Board may scale down applications, in such manner as it may consider appropriate, provided that such scaling down shall not affect prospective Option Holders more or less favourably than if such scaling down were made pursuant to the terms of the AMVESCAP 1997 Sharesave Scheme.

PLAN LIMITS

3.1 No individual may be invited to apply for, or may be granted, an Option over such number of Shares that the granting of such Option and the entry into the related Savings Arrangement would result in the infringement of rule 3.2 or 3.3.

3.2 No Eligible Employee may be granted an Option if his monthly contributions under the related Savings Arrangement, when added to the sum of his monthly contributions under any other subsisting Sharesave Scheme, would exceed £250 or such greater amount as is for the time being permitted by the Board under the AMVESCAP 1997 Sharesave Scheme or (at the discretion of the Board) the Nominated Currency equivalent thereof where the equivalent amount has been calculated by reference to the rate of exchange determined at the Invitation Date pursuant to rule 2.2 or such other rate as the Board may from time to time determine pursuant to rule 4.6.

3.3 No Option shall be granted if the result of that grant would be that:

(a) the aggregate number of Shares that could be issued on the exercise of that Option and any other Options granted at the same time, when added to the number of Shares that:

(i) could be issued on the exercise of any other subsisting share options granted during the preceding ten years under the Plan or any other share option plan established by the Company; or

(ii) have been issued on the exercise of any share option granted during the preceding ten years under the Plan or any other share option plan established by the Company; or

(iii) have been issued during the preceding ten years under any profit sharing or other employee share incentive plan (not being a share option plan) established by the Company;

would exceed ten per cent of the ordinary share capital of the Company for the time being in issue; or

(b) the aggregate number of Shares that could be issued on the exercise of that Option and any other Options granted at the same time, when added to the number of Shares that:

(i) could be issued on the exercise of any other subsisting share options granted during the preceding five years under the Plan or any other share option plan established by the Company; or

(ii) have been issued on the exercise of any share option granted during the preceding five years under the Plan or any other share option plan established by the Company; or

(iii) have been issued during the preceding five years under any profit sharing or other employee share incentive Plan (not being a share option plan) established by the Company;

would exceed five per cent of the ordinary share capital of the Company for the time being in issue.

3.4 No Option shall be granted under the Plan more than ten years after the date on which the Plan is approved by the Company.

TERMS OF SAVINGS ARRANGEMENTS AND OPTIONS

4.1 The Monthly Contribution under an Eligible Employee's Savings Arrangement shall be subject to the limits in rule 3.2 and to the provisions of rule 4.4. An Eligible Employee may elect to save in either whole sterling pounds, or (at the discretion of the Board) in an equivalent amount in a Nominated Currency. The equivalent amount of the Nominated Currency shall be calculated by reference to the rate of exchange fixed at the Invitation Date pursuant to rule 2.2 or such other rate as the Board may determine from time to time pursuant to rule 4.6.

4.2 The Monthly Contribution shall, unless the Board agrees to a different method for collection, be deducted from pay monthly.

4.3 If an Option Holder misses more than six Monthly Contributions under the Savings Arrangement, the Option shall lapse. If an Option Holder withdraws monies from his Savings Arrangement other than with a view to exercise of a related Option, that Option shall lapse.

4.4 If applications are scaled down under rule 2.10 on any occasion, the monthly contributions under the Savings Arrangements which Eligible Employees have specified in their applications shall, where necessary, be scaled down to such sums in whole pounds sterling (or whole units of an equivalent amount in a Nominated Currency, as the case may be where the equivalent amount of the Nominated Currency has been calculated by reference to the exchange rate determined at the Invitation Date pursuant to rule 2.2). The resulting Monthly Contribution shall not be less than the Minimum Savings Contribution.

4.5 The Savings Arrangement shall be personal to the Eligible Employee and, regardless of the terms of the Option, any savings of an Eligible Employee arising under it shall be the property of such Eligible Employee concerned.

4.6 Where the Monthly Contribution is paid in a Nominated Currency and the amount is equivalent to a sterling amount calculated on the basis of the exchange rate determined at the Invitation Date pursuant to rule 2.2 (the ***Original Sterling Amount)*** the Board may, on one or more occasions during the course of the Savings Arrangement, alter the exchange rate fixed at the Invitation Date to take account of general currency movements and may permit the Nominated Currency amount of the Monthly Contribution to be altered so that, calculated by reference to such new exchange rate, it is equivalent to the Original Sterling Amount.

4.7 Unless the provisions in rule 2.10 apply, an Option shall be granted to an Eligible Employee over such number of Shares ***(N)*** as is calculated according to the following formula and any fraction of a Share shall be rounded down to the nearest whole Share:

$$N = \frac{MC \times Y}{EP}$$

Where:

MC represents the Monthly Contribution converted to Sterling which the Eligible Employee has elected to save under his Savings Arrangement;

Y represents such number of months as the Board may determine prior to the relevant Invitation Date (the ***Option Period);***

EP represents the Exercise Price.

4.8

(a) Save as provided in rules 4.9(b), (d) and (e) and rule 5, an Option may only be exercised on or within 30 days (or such shorter period as the Board may specify) after the Maturity Date relating to it (the ***Exercise Period).***

(b) An Option shall lapse upon the Option Holder ceasing to be an Eligible Employee except where his so ceasing is by reason of:-

(i) his retirement on reaching the Specified Age or such other age at which he is bound to retire in accordance with the terms of his employment; or

(ii) injury, disability or Redundancy or his office or employment either being in a company which ceases to be a Subsidiary or relating to a business or part of a business which is transferred to a person which is neither a Subsidiary nor a Member of the Group

in any of which circumstances the Option may be exercised at any time during a period of up to six months from the date on which he so ceases to be a an Eligible Employee notwithstanding that the Maturity Date shall not have occurred **PROVIDED** that if an Option which has become exercisable

by virtue of this rule 4.8(b) has not been exercised prior to or on the Maturity Date the Option will lapse.

(c) For the purposes of rule 4.9(b) above and rule 5 below (but for no other purpose):-

(i) an Option Holder shall not be regarded as having ceased to be an Eligible Employee by reason of:-

(aa) his being or becoming employed by a company which ceases to be or is not a company which participates in the Plan but is nevertheless under the Control of the Company; or

(bb) his ceasing to be employed full-time but continuing to be employed on a part-time basis; and

(ii) an Option Holder shall be regarded as ceasing to be an Eligible Employee when he holds no employment with the Company or any company Controlled by the Company.

(d) In the event of the death of an Option Holder prior to the Maturity Date the Option may be exercised by his personal representatives at any time during a period of up to three months commencing on the date of his death (but not later) and the personal representatives shall be entitled to do so notwithstanding that the Maturity Date has not occurred **PROVIDED** that if an Option which has become exercisable by virtue of this rule 4.8(d) has not been exercised prior to or on the Maturity Date the Option will lapse.

(e) An Option Holder who reaches the Specified Age prior to the Maturity Date but continues to hold the office or employment by virtue of which he is eligible to participate in the Plan may exercise the Option within a period of up to six months after the date of his reaching the Specified Age **PROVIDED** that if an Option which has become exercisable by virtue of this rule 4.8(e) has not been exercised prior to or on the Maturity Date the Option will lapse.

(f) If an Option becomes exercisable under any provision of the Plan before the Maturity Date it shall be exercisable only over such number of Shares ***(S)*** as is calculated according to the following formula and any fraction of a Share shall be rounded down to the nearest whole Share:

Where:

Z represents such whole number of months during the Option Period as the Participant has remained an Eligible Employee;

X represents such number of months in the Option Period;

N represents the total number of Shares over which the Option is granted (subject to any adjustments made pursuant to rule 6).

$$S = \frac{Z \times N}{X}$$

(g) An Option shall lapse immediately after it is first exercised notwithstanding that it shall not have been exercised in respect of the maximum number of Shares over which the Option was granted.

4.9 Every Option granted hereunder shall be personal to the Option Holder and, except to the extent necessary to enable a personal representative to exercise the Option following the death of an Option Holder, neither the Option nor the benefit thereof may be transferred, assigned, charged or otherwise alienated.

TAKE-OVER AND LIQUIDATION

5.1 If any person obtains Control of the Company as a result of making:-

(a) a general offer to acquire the whole of the issued share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or

(b) a general offer to acquire all the shares in the Company which are of the same class as the Shares;

then any Option subject to rule 5.4 may below be exercised within six months of the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied.

5.2 If under Section 425 of the Companies Act 1985 the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, any Option may subject to rule 5.4 below be exercised within six months of the Court sanctioning the compromise or arrangement.

5.3 If any person becomes bound or entitled to acquire Shares in the Company under Sections 428 to 430F of the Companies Act 1985 any Option may subject to rule 5.4 below be exercised at any time when that person remains so bound or entitled.

5.4 If as a result of the events specified in rules 5.1 or 5.2 above a company has obtained Control of the Company, or if a person has become bound or entitled as mentioned in rule 5.3 above, any Option Holder may by agreement with that other company or person (the ***Acquiring Company)*** within the Appropriate Period as defined in paragraph 15(2) of Schedule 9 to the Taxes Act release any Option of his in consideration of the grant of a new option (the ***New Option)*** which satisfies the following conditions -

(a) the New Option shall be over shares in the Acquiring Company or another company which satisfies paragraph (b) or (c) of paragraph 10 of Schedule 9 to the Taxes Act in relation to the Acquiring Company and shall satisfy the conditions specified in paragraphs 10 to 14 inclusive of Schedule 9 to the Taxes Act;

(b) the New Option shall be a right to acquire such number of such shares in the Acquiring Company (or such other company) as shall have on the grant of the New Option an aggregate market value equal to the aggregate market value of the Shares subject to the Option immediately before its release;

(c) the New Option shall have an Exercise Price such that the aggregate price payable on complete exercise equals the aggregate price which would have been payable on complete exercise of the Option; and

(d) the New Option shall be otherwise identical in terms to the Option

and the New Option shall, for all other purposes of this Plan, be treated as having been acquired at the same time as fee Option in consideration of the release of which it is granted. With effect from the release of any Option pursuant to rule 5, rules 6, and 4, this rule 5 and rule 7 of these Rules shall in relation to the new Option be construed as if references therein to the ***Company*** were references to the Acquiring Company, or, as the case may be, such other company and all the Rules (other than rules 2 to 4 inclusive) shall in relation to the New Option be construed as if references therein to Shares were references to shares in the Acquiring Company or, as the case may be, such other company in respect of whose shares the New Option is granted.

5.5 If the Company passes a resolution for voluntary winding-up, any Option may be exercised within six months of the passing of the resolution.

5.6 For the purposes of this rule 5 other than rule 5.4 above a person shall be deemed to have obtained Control of a company if he and others acting in concert with him have together obtained Control of it.

5.7 The exercise of an Option pursuant to the preceding provisions of this rule 5 shall be subject to the provisions of rule 4 above.

5.8 Any Option shall lapse if:-

(a) it shall not have been exercised by the expiry of the earliest of any of the time limits for exercise set out in this rule 5; and

(b) no agreement for fee release of fee Option shall have been entered into by the expiry of fee first Appropriate Period to commence pursuant to rule 5.4 above.

ALTERATIONS OF SHARE CAPITAL

6. In the event of any alteration in fee issued share capital of the Company, whether by way of capitalisation of profits or reserves or by way of rights or any consolidation or subdivision or reduction of capital, then the number of Shares subject to any Option and the Exercise Price may be adjusted by the Board in such manner and with effect from such date as the Board may determine to be appropriate (including retrospective adjustments where appropriate) provided always that:-

(a) no such adjustment shall take effect until it has been referred to the Auditors and the Auditors have certified in writing to the Board that the adjustment is fair and reasonable in their opinion;

(b) nothing in this rule 6 shall oblige the Board to take any action or incur any net expense to facilitate any such adjustment; and

(c) in the case of an Option to subscribe for Shares, the Exercise Price shall not be adjusted below the nominal value of a Share.

ALLOTMENT AND LISTING

7.1 Subject to receipt of the appropriate remittance, Shares to be issued pursuant to the exercise of an Option will be allotted not later than thirty days after the exercise of the Option and will rank pari passu in all respects with the Shares in issue on the date of exercise save that they will not rank for any dividend or other distribution paid or made by reference to a record date prior to the date of exercise of the Option. Shares to be transferred pursuant to the exercise of an Option shall be transferred within thirty days after exercise of the Option. In the case of an Option under which Shares are to be transferred, the Company shall receive the Exercise Price as agent for the person holding the Shares which are to be transferred to the Option Holder.

7.2 If the Shares are listed on the London Stock Exchange at the date of allotment of any Shares pursuant to the Plan the Company will apply to the London Stock Exchange for permission for such Shares so allotted to be admitted to the Official List. An application may be postponed at the discretion of the Board until application can be made in respect of such number of Shares as the Board considers appropriate.

TERMINATION OF EMPLOYMENT

8. The rights and obligations of an Option Holder under the terms and conditions of his office or employment shall not be affected by his participation in the Plan or any right he may have to participate in the Plan. An individual who participates in the Plan waives all and any rights to compensation or damages in consequence of the termination of his office or employment with any company for any reason whatsoever insofar as those rights arise, or may arise, from his ceasing to have rights under or be entitled to exercise any Option under the Plan as a result of such termination or from the loss or diminution in value of such rights or entitlement.

ADMINISTRATION OF THE PLAN

9.1 The Board may make and vary such regulations (not being inconsistent with the Plan) as it thinks fit for the administration and implementation of the Plan. The Board's decision on any matter concerning the Plan or its interpretation (other than a matter to be certified by the Auditors) shall be final and binding.

9.2 The Board shall be entitled by resolution to amend all or any of the provisions of the Plan as the Board thinks fit except that no alteration shall be made:-

(a) to the advantage of Option Holders or Eligible Employees without the prior sanction of an ordinary resolution of the Company in general meeting, except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Option Holders in the Plan or for any Member of the Group; or

(b) to any rights already accrued to any Option Holder which would be to the disadvantage of such Option Holder, without the prior consent of such Option Holder.

9.3 Written notice of any alteration made in accordance with paragraph 9.2 shall be given to all Option Holders affected by such alteration.

9.4 The Company shall keep available sufficient unissued Shares in the capital of the Company (including for this purpose Shares to be issued directly to an Option Holder on the exercise of his Option and Shares to be issued to a person who will in turn transfer such Shares to an Option Holder on the exercise of his Option) to satisfy the exercise in full of all Options for the time being remaining capable of being exercised.

9.5 Option Holders may be sent copies of any document having a material effect on their rights at the same time as such document is sent to holders of Shares.

9.6 The provisions of the Company's Articles of Association for the time being in force with regard to the service of notices upon members of the Company shall apply mutatis mutandis to any notice to be given by the Company to Option Holders.

TERMINATION OF THE PLAN

10. The Plan may be terminated at any time by the Board or by the Company in general meeting but in any event shall terminate on the tenth anniversary of the Adoption Date and on such termination no further Options shall be granted, but the subsisting rights of Option Holders shall not be affected by such termination.

GENERAL

11.1 Any Member of the Group may provide money to the trustees of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for those purposes, to the extent not prohibited by section 151 of the Companies Act 1985.

11.2 These Rules shall be governed by and construed in accordance with the laws of England.

SCHEDULE I — FRANCE

This Schedule 1 is supplemental to the AMVESCAP International Sharesave Scheme (the " **Scheme** ") which was established pursuant to a resolution of the Company in a General Meeting on 8 May 1997.

The purpose of this Schedule 1 is to specify, in accordance with articles 208-1 to 208-8-2 of the French Company Law n° 66-537 dated 24 July 1966 as amended (the " **Law of 1966** "), the terms and conditions under which Options may be granted to Eligible Employees who are French residents for tax purposes.

Words or phrases defined in the Scheme shall bear the same meaning in this Schedule 1 except as otherwise provided. The rules of the Scheme shall be interpreted so as to comply with the Law of 1966 and in particular be modified or varied as set out below. For the purpose of implementation of the Scheme in France, provisions of Schedule 1 shall supersede any provisions of the Scheme:

1. The definition of "Subsidiary" shall be replaced as follows: *"means a company which is under the Control of the Company and a subsidiary of the Company within the meaning of Section 736 of the Companies Act 1985 and being a company in which the Company holds, directly or indirectly, at least 10% of the share capital";*

2. In accordance with article 208-6, paragraph 1 of the Law of 1966, the maximum number of shares which may be the subject of Options granted under the Scheme shall not exceed one third of the issued ordinary share capital of the Company from time to time;

3. No Option may be granted to any French or foreign Eligible Employee holding shares representing 10% or more of the Company's issued ordinary share capital;

4. In accordance with article 208-1, paragraph 4 of the Law of 1966, no Option may be granted during the period of twenty dealing days on the London Stock Exchange immediately following the payment of any cash dividend or any issue of ordinary shares in lieu of the payment of a cash dividend (that is a stock dividend);

5. Read 3.4 as follows: "The options are granted (i) for a pre-determined period (ii) at a pre-determined price irrespective of the share price at the date of exercise of the option and (iii) may not be withdrawn or altered except for price adjustments as provided under item 9 of Schedule 1. The period during which the Board may grant the options to subscribe (as opposed to options to purchase shares) following the shareholders' resolution dated 8 May 1997 to set up the present Scheme is of 5 years; no Invitation can be sent after 7 May 2022."

6. Upon the death of an Option Holder all Options held by the latter at the date of death shall remain exercisable for a period of six months commencing on the date of his death, by his heirs in accordance with article 208-7 of the Law of 1966.

7. All shares allotted under the Scheme shall be registered in the share register and share certificates shall be issued to the Option Holder for the shares in respect of which the Option has been exercised;

8. Add (d) under Rule 6: *being understood that the Exercise Price may only be adjusted in accordance with French law upon the occurrence of the events and in a manner provided for under section 208-5 of the Law of 1966 and the related provisions of the Decree of 23 March 1967";*

9. Add after rule 9.2(b): *"9. 2(c) and in any case in accordance with the Law of 1966 and any applicable regulation thereto.";*

   Add at the end of Rule 11.2 "except where the laws of France are applicable".

SCHEDULE II — JAPAN

This Schedule II is supplemental to the AMVESCAP International Sharesave Plan (the ***Plan)*** which was established pursuant to a resolution of the Company in General Meeting on 8 May 1997.

This Schedule II sets out the rules of the Plan, in its application to any Option granted or to be granted to a person who is resident for tax purposes in Japan and words or phrases defined in the Plan shall bear the same meaning in this Schedule II. The said rules shall be the Rules as modified or varied as set out below:

The Rule shall be amended by the addition of Rule 12 as follows:-

12. Notwithstanding any other provisions in the Rules, if the aggregate amount of the issue or sale price of the Shares issuable or deliverable to residents in Japan under the Plan, any other similar Plan of the Company or otherwise within the previous two years, would be the equivalent of ¥500 million (or any other threshold from time to time determined by the Board (the ***Threshold))*** or more, the Board may in its sole discretion determine that only Options over Shares having an aggregate issue or sale price less than the Threshold may be exercisable during the Exercise Period.

    Any unexercised portions of such Options shall be exercisable for a period of six months, on a date after the expiry of the Exercise Period when the aggregate amount of the issue or sale price of the Shares issuable or deliverable to residents in Japan under the Plan, any other similar Plan of the Company or otherwise within the previous two years would be less than the Threshold.

    Any reduction of the number of Shares over which an Option Holder may exercise an option during the Exercise Period shall be made pro-rata (as nearly as may be) to the total number of Shares under Option held by each Option Holder.

SCHEDULE III — US

This Schedule III is supplemental to the AMVESCAP International Sharesave Plan (the **Plan**) *which* was established pursuant to a resolution of the Company in General Meeting on 8 May 1997.

This Schedule III sets out the rules of the Plan in its application to any right granted to a person who is resident for tax purposes in the US and words or phrases defined in the Plan shall bear the same meaning in this Schedule III except as otherwise provided. The said rules shall be the Rules as modified or varied as set out below:

1. The Definition *of* ***Eligible Employee*** shall be replaced with:-

“ ***Eligible Employees*** means each individual who is employed by a company in the Group and resides in the United States eligible to participate in the Plan if such employee:

(a) has completed such period of employment with one or more companies included in the Group (not exceeding two years) prior to the Invitation Date as the Board may determine; and

(b) does not own (and will not own immediately after any Option is granted to such employee under the Plan), within the meaning of section 423(b)(3) and 425(d) of the Internal Revenue Code of 1986, as amended (the ***Code)***, stock possessing five per cent or more of the total combined voting power or value of all classes of stock of the Company or of any other corporation included in the Group,

unless he had given, or been given, notice to terminate his contract of employment either before the Invitation Date or the Date of Grant”.

2. Rule 2.6 shall be replaced with the following:

2.6 For the purposes of rule 2.5(b), the **Minimum Price** means such amount as is stipulated by the Board at the Invitation Date being an amount not less than 85 per cent of the middle market quotation of a Share, as derived from the Daily Official List of the London Stock Exchange, for the Dealing Day immediately preceding the Invitation Date.

3. Rule 3 shall be amended by the addition of Rule 3.5 as follows:

3.5 “No Eligible Employee shall be permitted to purchase Shares under the Plan and any other share purchase plan of any member of the Group intended to comply with the requirements of section 423 of the Code, to the extent that the aggregate fair market value of such Shares subject to outstanding Options in any calendar year that have been granted under the Plan and any such other plan exceeds $25,000. For the purposes of this rule 3.5, the fair market value of a Share shall be determined as of the Date of Grant of the related Option on the basis of the middle market quotation of a Share, as derived from the Daily Official List of the London Stock Exchange, for the Dealing Day immediately preceding the Invitation Date”.

4. Rule 4.8 shall be amended so that an Option Holder ceasing to be an Eligible Employee for one of the reasons specified shall only have a maximum of 3 months from the date he ceases to be an Eligible Employee to exercise an Option, by substituting the word “three” for the word “six” in line 12 which commences with the words “in any of which circumstances”.

SCHEDULE IV — HONG KONG

This Schedule IV is supplemental to the AMVESCAP International Sharesave Plan (the ***Plan)*** which was established pursuant to a resolution of the Company in General Meeting on 8 May 1997.

This Schedule IV sets out the rules of the Plan in its application to any right granted to a person who is resident for tax purposes in Hong Kong and words or phrases defined in the Plan shall bear the same meaning in this Schedule IV except as otherwise provided. The said rules shall be the Rules as modified or varied as set out below:

The definition of "Subsidiary" shall be replaced with:

> ***Subsidiary*** means a company which is under the Control of the Company and is a subsidiary of the Company within the meaning of Section 736 of the Companies Act 1985 and is deemed to be related to the Company by virtue of Section 4 of the Securities Ordinance (Cap. 333 of the Laws of Hong Kong).

SCHEDULE V - CANADA

This Schedule V is supplemental to the AMVESCAP International Sharesave Scheme (the "Scheme") which was established pursuant to a resolution of the Company in General Meeting on 8 May 1997.

This Schedule V sets out the rules of the Scheme in its application to any right granted to a person who is resident in Canada and words or phrases defined in the Scheme shall bear the same meaning in this Schedule V except as otherwise provided. The said rules shall be the Rules as modified or varied as set out below:

The following provision is added to the end of Rule 3.3(b):

";or (c) the aggregate number of Shares that could be issued on the exercise of that Option plus any other Shares held by residents of any province or territory in Canada would exceed 10% of the outstanding Shares and the number of residents of any province or territory in Canada holding Shares would exceed 10% of the total number of Shareholders."

EXHIBIT 10.14

Global Partner Agreement

Mr. Loren M. Starr
13 Covington Drive
Englewood CO 80113

Dear Loren:

AMVESCAP PLC (the "Company"), wishes to employ you as a Global Partner under the terms and conditions set forth in this letter. The term "Global Partner" is used throughout the AMVESCAP Group to refer to the most senior group of officers and employees. The purpose of this letter is to articulate the terms and conditions of your employment.

It is important to note at the outset that the Company consider you an important part of its continued success. Further, please note that under the terms of this letter agreement, which is a binding contract, neither the Company nor you have any right to terminate the employment relationship except as set forth below.

1. Duties Of Employment

You agree to perform the duties assigned to you by the Company as more specifically stated in an attachment to this letter. The attachment may be modified in the future if you and the Company agree in writing. You understand and agree that during your employment relationship with the Company, you are not allowed, without proper prior approval, to perform any business activities for any person or entity other than the Company or another company that is part of the AMVESCAP Group. Of course, if you obtain the Company's prior written approval, you may perform other business activities.

It is your obligation to comply with all Company policies and procedures, including those set forth in any Code of Ethics and other materials distributed by the Company to its employees. Further, you agree to comply with all applicable rules and regulations that pertain to the Company's business.

As a Global Partner you have important duties to the Company: the duty to refrain from dealing in your self interest above that of the Company's, the duty to disclose any information that indicates that you may be exposed to a conflict of interests, the duty of loyalty, and the duty to refrain from using the Company's business opportunities for your own benefit. These fiduciary obligations and others arise because of the unique trust and confidence the Company places in you as a Global Partner.

2. Compensation

Your annual salary is set forth in an attachment to this letter. You will also receive certain bonuses and stock awards as approved from time to time by the Company. The attachment may be modified in the future as agreed by you and the Company in writing.

3. Term

The term of your employment relationship with the Company shall be for one year from the date of your signature on this letter. This term will automatically renew at the end of the initial term for another year and will continue to renew every year, unless your employment is terminated in a manner specified below. In no event will the term of your employment relationship with the Company be less than the unexpired period of any notice of intent to terminate given as set forth below. Your employment can only be terminated as specifically set forth below.

A. Termination Effective After Expiration of Notice Period

Either you or the Company may terminate the employment relationship at any time during the initial term or any renewal, upon 6* (see Note) months written notice to the other party. Notice of intent to terminate will be considered given upon mailing or actual receipt, whichever occurs first. Whether you or the Company give the notice of termination, your employment will continue for the entire notice period. The effective date of the termination of the employment relationship will be the last day of the notice period.

[***Note*** *:* The Company is willing to agree to a minimum four month notice period, but will accept up to twelve months as a reasonable notice period. Please fill in and initial the notice period that you desire. If you do not designate a number of months in the blank or if you designate a number less than four months, you are agreeing to the default notice period of four months.]

B. Termination by Mutual Agreement

You and the Company can, effective immediately, terminate the employment relationship without cause or notice, but such a mutual termination will only be effective if you and the Company both agree to the termination in writing. Such an agreement must be signed by the Chief Executive Officer of the Company to be effective.

C. Termination with Cause

Your employment may be terminated effective immediately upon written notice if the Company believes in good faith that you engaged in the following conduct:

(1) After written notice, any continuing violation of this agreement or Company policies or procedures;

(2) Your conviction of committing a criminal act;

(3) Any violation of law or regulation related to the business of the Company or affecting your ability to perform your duties;

(4) Your bankruptcy or insolvency.

You may terminate your employment effective immediately if the Company, after written notice, has engaged in any continuing violation of this letter agreement and has not cured such violation within a reasonable period of time.

D. Termination Due to Death or Disability

In the event of your death, or disability to the extent that you cannot perform the essential functions of your position with reasonable accommodation, your employment will be terminated effective on the last day of the month that such death or disability occurs. We mutually recognize that the Company has a disability plan that is separate from this letter agreement.

4. Confidential Information

A critical aspect of your position is your access to trade secret, proprietary, and confidential information. For example, your knowledge of the exact amounts and holdings of Company-related investment positions is confidential. While some of that information may eventually be made public, the information is extremely sensitive and is to be treated as confidential until it is released. Likewise, computer models and programs developed by the Company or purchased by it are proprietary and confidential. Other information the Company possesses as trade secrets or confidential information include its marketing strategies, marketing plans, compensation arrangements, benefit plans, and ideas and inventions of its employees.

These are simply examples of the types of information the Company considers trade secret and/or confidential. As time passes, the Company will no doubt develop new categories of information it considers trade secret and/or confidential. As this occurs, the Company will identify such new categories of information and remind you of your obligation to treat it as confidential. The importance of all of the types of information identified here is that the Company's competitors do not have permitted access to this information and are thus unable to use it to compete with the Company. Accordingly, these types of information create a competitive advantage for the Company and are economically valuable. Thus, you agree not to disclose or use any of the Company's trade secret and/or confidential information for your own benefit or the benefit of anyone other than the Company, during your employment or for six (6) months after the effective date of the termination of your employment relationship with the Company.

5. Company Employees And Customers

You agree that, in the event of the termination of the employment relationship between you and the Company, you will not solicit or hire any Company employees for a period of six (6) months after the effective date of the termination of your employment relationship with the Company. Further, you agree that you will not solicit the business relationships you developed or acquired while working for the Company or another company affiliated with the AMVESCAP Group for a period of six (6) months after the effective date of the termination of your employment.

6. Inventions And Ideas

Since the Company is paying you for your time and efforts, you agree that all information, ideas, and inventions you develop while employed by the Company related in any way to the Company's business, are the sole property of the Company. This includes all investment models, processes, and methodologies you develop while employed by the Company. Indeed, one of the reasons for your employment is the creation of such ideas. This information is confidential and trade secret information as discussed above. You understand that the Company may seek to patent or to obtain trademark or copyright protection related to such information, ideas, and inventions, and that, if necessary, you will assign any interest you may have in such information, ideas, and inventions you develop to the Company.

7. Return of Company Property

Upon the termination of your employment, you agree to return all property of the Company. To the extent such property is information of which you have detailed knowledge but no electronic or other documents containing such information, you agree to itemize such information in writing for the Company prior to the effective date of the termination of your employment.

8. Assignment

You agree that this letter agreement may be assigned to any other entities in the AMVESCAP Group, or to any successor company by acquisition of either the Company's stock or its assets. In the case of such an assignment by the Company, you understand and agree that you would continue to be bound by this letter agreement. No such assignment, without your consent, shall require you to change your duties or to move from your principal residence.

9. Choice of Law and Forum

We agree that, in the event of a disagreement between you and the Company about any aspect of your employment with the Company or this Letter agreement, Georgia law will govern any litigation or proceeding brought by either party. You also agree that any litigation or proceeding shall be brought in Fulton County, Germanyeorgia, in either state or federal court, as appropriate.

10. Notice

We agree that any notice that is to be given under this letter agreement is properly given when delivered in person, by certified mail, or by over night delivery such as Federal Express.

11. Prior Agreements

This letter agreement extinguishes and replaces any previous written employment agreement between you and the Company.

We are very grateful for the significant contributions you are making to the Company and look forward to working with you in the future.

Sincerely,

AMVESCAP PLC

By: /s/ Martin L. Flanagan
Martin L. Flanagan

Accepted Nov. 10, 2005
{Date}

/s/ Loren M. Starr
Global Partner

GLOBAL PARTNER AGREEMENT
ATTACHMENT

Name of Global Partner: Loren M. Starr

Title: Vice President and Chief Financial Officer

Company: AMVESCAP PLC

Statement of Responsibilities:

As Senior Vice President and Chief Financial Officer, you will be responsible for directing AMVESCAP's financial activities, including all Accounting, Treasury and Finance matters. You will direct and coordinate activities with accounting firms and regulatory agencies concerned with the organization's financial position and financial disclosures.

Base Compensation Effective October 12, 2005:

$450,000.00 USD

ACCEPTED:	/s/ Loren M. Starr	Nov. 10, 2005
	Loren M. Starr	Date

/s/ Martin L. Flanagan
Martin L. Flanagan
AMVESCAP PLC

EXHIBIT 10.15

Global Partner Agreement

Philip A. Taylor
9 Binscarth Road
Toronto, ON M4W 1Y2

Dear Phil:

AIM Funds Management Inc. (the "Company"), part of the AMVESCAP Group, wishes to employ you as a Global Partner under the terms and conditions set forth in this letter. The term "Global Partner" is used throughout the AMVESCAP Group to refer to the most senior group of officers and employees. The purpose of this letter is to articulate the terms and conditions of your employment.

It is important to note at the outset that both the Company and AMVESCAP Group consider you an important part of its continued success. Further, please note that under the terms of this letter agreement, which is a binding contract, neither the Company nor you have any right to terminate the employment relationship except as set forth below.

1. Duties Of Employment

You agree to perform the duties assigned to you by the Company as more specifically stated in an attachment to this letter. The attachment may be modified in the future if you and the Company agree in writing. You understand and agree that during your employment relationship with the Company, you are not allowed, without proper prior approval, to perform any business activities for any person or entity other than the Company or another company that is part of the AMVESCAP Group. Of course, if you obtain the Company's prior written approval, you may perform other business activities.

It is your obligation to comply with all Company policies and procedures, including those set forth in any Code of Ethics and other materials distributed by the Company to its employees. Further, you agree to comply with all applicable rules and regulations that pertain to the Company's business.

As a Global Partner you have important duties to the Company: the duty to refrain from dealing in your self interest above that of the Company's, the duty to disclose any information that indicates that you may be exposed to a conflict of interests, the duty of loyalty, and the duty to refrain from using the Company's business opportunities for your own benefit. These fiduciary obligations and others arise because of the unique trust and confidence the Company places in you as a Global Partner.

2. Compensation

Your annual salary is set forth in an attachment to this letter. You will also receive certain bonuses and stock awards as approved from time to time by the Company. The attachment may be modified in the future as agreed by you and the Company in writing.

3. Term

The term of your employment relationship with the Company shall be for one year from the date of your signature on this letter. This term will automatically renew at the end of the initial term for another year and will continue to renew every year, unless your employment is terminated in a manner specified below. In no event will the term of your employment relationship with the Company be less than the unexpired period of any notice of intent to terminate given as set forth below. Your employment can only be terminated as specifically set forth below.

A. Termination Effective After Expiration of Notice Period

Either you or the Company may terminate the employment relationship at any time during the initial term or any renewal, upon twelve months (see Note) written notice to the other party. Notice of intent to terminate will be considered given upon mailing or actual receipt, whichever occurs first. Whether you or the Company give the notice of termination, your employment will continue for the entire notice period. The effective date of the termination of the employment relationship will be the last day of the notice period.

[***Note :*** The Company is willing to agree to a minimum four month notice period, but will accept up to twelve months as a reasonable notice period. Please fill in and initial the notice period that you desire. If you do not designate a number of months in the blank or if you designate a number less than four months, you are agreeing to the default notice period of four months.]

B. Termination by Mutual Agreement

You and the Company can, effective immediately, terminate the employment relationship without cause or notice, but such a mutual termination will only be effective if you and the Company both agree to the termination in writing. Such an agreement must be signed by the Chief Executive Officer of the Company to be effective.

C. Termination with Cause

Your employment may be terminated effective immediately upon written notice if the Company believes in good faith that you engaged in the following conduct:

(1) After written notice, any continuing violation of this agreement or Company policies or procedures;

(2) Your conviction of committing a criminal act;

(3) Any violation of law or regulation related to the business of the Company or affecting your ability to perform your duties;

(4) Your bankruptcy or insolvency.

You may terminate your employment effective immediately if the Company, after written notice, has engaged in any continuing violation of this letter agreement and has not cured such violation within a reasonable period of time.

D. Termination Due to Death or Disability

In the event of your death, or disability to the extent that you cannot perform the essential functions of your position with reasonable accommodation, your employment will be terminated effective on the last day of the month that such death or disability occurs. We mutually recognize that the Company has a disability plan that is separate from this letter agreement.

4. Confidential Information

A critical aspect of your position is your access to trade secret, proprietary, and confidential information. For example, your knowledge of the exact amounts and holdings of Company-related investment positions is confidential. While some of that information may eventually be made public, the information is extremely sensitive and is to be treated as confidential until it is released. Likewise, computer models and programs developed by the Company or purchased by it are proprietary and confidential. Other information the Company possesses as trade secrets or confidential information include its marketing strategies, marketing plans, compensation arrangements, benefit plans, and ideas and inventions of its employees.

These are simply examples of the types of information the Company considers trade secret and/or confidential. As time passes, the Company will no doubt develop new categories of information it considers trade secret and/or confidential. As this occurs, the Company will identify such new categories of information and remind you of your obligation to treat it as confidential. The importance of all of the types of information identified here is that the Company's competitors do not have permitted access to this information and are thus unable to use it to compete with the Company. Accordingly, these types of information create a competitive advantage for the Company and are economically valuable. Thus, you agree not to disclose or use any of the Company's trade secret and/or confidential information for your own benefit or the benefit of anyone other than the Company, during your employment or for six (6) months after the effective date of the termination of your employment relationship with the Company.

5. Company Employees And Customers

You agree that, in the event of the termination of the employment relationship between you and the Company, you will not solicit or hire any Company employees for a period of six (6) months after the effective date of the termination of your employment relationship with the Company. Further, you agree that you will not solicit the business relationships you developed or acquired while working for the Company or another company affiliated with the AMVESCAP

Group for a period of six (6) months after the effective date of the termination of your employment.

6. Inventions And Ideas

Since the Company is paying you for your time and efforts, you agree that all information, ideas, and inventions you develop while employed by the Company related in any way to the Company's business, are the sole property of the Company. This includes all investment models, processes, and methodologies you develop while employed by the Company. Indeed, one of the reasons for your employment is the creation of such ideas. This information is confidential and trade secret information as discussed above. You understand that the Company may seek to patent or to obtain trademark or copyright protection related to such information, ideas, and inventions, and that, if necessary, you will assign any interest you may have in such information, ideas, and inventions you develop to the Company.

7. Return of Company Property

Upon the termination of your employment, you agree to return all property of the Company. To the extent such property is information of which you have detailed knowledge but no electronic or other documents containing such information, you agree to itemize such information in writing for the Company prior to the effective date of the termination of your employment.

8. Assignment

You agree that this letter agreement may be assigned to any other entities in the AMVESCAP Group, or to any successor company by acquisition of either the Company's stock or its assets. In the case of such an assignment by the Company, you understand and agree that you would continue to be bound by this letter agreement. No such assignment, without your consent, shall require you to change your duties or to move from your principal residence.

9. Choice of Law and Forum

We agree that, in the event of a disagreement between you and the Company about any aspect of your employment with the Company or this letter agreement, Ontario's substantive law, without regard to Ontario's choice of law rules, will govern any litigation or proceeding brought by either party. You also agree that any litigation or proceeding shall be brought in Ontario, Canada in either provincial or federal court, as appropriate.

10. Notice

We agree that any notice that is to be given under this letter agreement is properly given when delivered in person, by certified mail, or by over night delivery such as Federal Express.

11. Prior Agreements

This letter agreement extinguishes and replaces any previous written employment agreement between you and the Company.

We are very grateful for the significant contributions you are making to the Company and look forward to working with you in the future.

Sincerely,

AIM Funds Management Inc.

By: /s/ Rob Hain
Rob Hain

Accepted January 1, 2001:

/s/ Philip Taylor
Philip Taylor

Global Partnership Addendum

Name of Global Partner: Philip Taylor

Title: President and Chief Executive Officer

Company: AIM Funds Management Inc. (Canada)

Base Annualized Salary effective January 1, 2002: USD $300,000

You are also a participant in the AMVESCAP Global Partner' compensation and benefits plan.

You will receive local benefits as outlined in the Working@AIM binder.

You will receive bonus and stock awards as approved from time to time by the Company.

EXHIBIT 10.16

RJDIVB *7 th June 2001*

STRICTLY PERSONAL — ADDRESSEE ONLY

Mr. R. Yerbury,
C/o Perpetual Park,
Perpetual Park Drive,
Henley-on-Thames ,
Oxfordshire RG9 1HH

Dear Mr. Yerbury,

INVESCO UK (the "Company"), part of the AMVESCAP Group, wishes to employ you as a Global Partner under the terms and conditions set forth in this letter. The term "Global Partner" is used throughout the AMVESCAP Group to refer to the most senior group of officers and employees. The purpose of this letter is to articulate the terms and conditions of your employment.

It is important to note at the outset that both the Company and AMVESCAP Group consider you an important part of its continued success. Further, please note that under the terms of this letter agreement, which is a binding contract, neither the Company nor you has any right to terminate the employment relationship except as set forth below.

1. Duties Of Employment

You agree to perform the duties assigned to you by the Company as more specifically stated in an attachment to this letter. The attachment may be modified in the future if you and the Company agree in writing. You understand and agree that during your employment relationship with the Company, you are not allowed, without proper prior approval, to perform any business activities for any person or entity other than the Company or another company that is part of the AMVESCAP Group. Of course, if you obtain the Company's prior written approval, you may perform other business activities.

It is your obligation to comply with all Company policies and procedures, including those set forth in any Code of Ethics and other materials distributed by the Company to its employees. Further, you agree to comply with all applicable rules and regulations that pertain to the Company's business.

As a Global Partner you have important duties to the Company: the duty to refrain from dealing in your self interest above that of the Company's, the duty to disclose any information that indicates that you may be exposed to a conflict of interests, the duty of

INVESCO UK Limited
11 Devonshire Square, London EC2M 4YR
Telephone: 020 7626 3434
Facsimile: 020 7623 3339 Telex: 886108

Registered in England 3004959
Registered Office: 11 Devonshire Square, London EC2M 4YR

loyalty, and the duty to refrain from using the Company's business opportunities for your own benefit. These fiduciary obligations and others arise because of the unique trust and confidence the Company places in you as a Global Partner.

2. Compensation

Your annual salary is set forth in an attachment to this letter. You will also receive certain bonuses and stock awards as approved from time to time by the Company. The attachment may be modified in the future as agreed by you and the Company in writing.

3. Term

The term of your employment relationship with the Company shall be for one year from the date of your signature on this letter. This term will automatically renew at the end of the initial term for another year and will continue to renew every year, unless your employment is terminated in a manner specified below,. In no event will the term of your employment relationship with the Company be less than the unexpired period of any notice of intent to terminate given as set forth below. Your employment can only be terminated as specifically set forth below.

A. Termination Effective After Expiration of Notice Period

Either you or the Company may terminate the employment relationship at any time during the initial term or any renewal, upon 6 months written notice to the other party. Notice of intent to terminate will be considered given upon mailing or actual receipt, whichever occurs first. Whether you or the Company give the notice of termination, your employment will continue for the entire notice period. The effective date of the termination of the employment relationship will be the last day of the notice period.

B. Termination by Mutual Agreement

You and the Company can, effective immediately, terminate the employment relationship without cause or notice, but such a mutual termination will only be effective if you and the Company both agree to the termination in writing. Such an agreement must be signed by the Chief Executive Officer of the Company to be effective.

C. Termination with Cause

Your employment may be terminated effective immediately upon written notice if the Company believes in good faith that you engaged in the following conduct:

(1) After written notice, any continuing violation of this agreement or Company policies or procedures;

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(2) Your conviction of committing a criminal act;

(3) Any violation of law or regulation related to the business of the Company or affecting your ability to perform your duties;

(4) Your bankruptcy or insolvency.

You may terminate your employment effective immediately if the Company, after written notice, has engaged in any continuing violation of this letter agreement and has not cured such violation within a reasonable period of time.

D. Termination Due to Death or Disability

In the event of your death, or disability to the extent that you cannot perform the essential functions of your position with reasonable accommodation, your employment will be terminated effective on the last day of the month that such death or disability occurs. We mutually recognize that the Company has a disability plan that is separate from this letter agreement.

4. Confidential Information

A critical aspect of your position is your access to trade secret, proprietary, and confidential information. For example, your knowledge of the exact amounts and holdings of Company-related investment positions is confidential. While some of that information may eventually be made public, the information is extremely sensitive and is to be treated as confidential until it is released. Likewise, computer models and programs developed by the Company or purchased by it are proprietary and confidential. Other information the Company possesses as trade secrets or confidential information include its marketing strategies, marketing plans, compensation arrangements, benefit plans, and ideas and inventions of its employees.

These are simply examples of the types of information the Company considers trade secret and/or confidential. As time passes, the Company will no doubt develop new categories of information it considers trade secret and/or confidential. As this occurs, the Company will identify such new categories of information and remind you of your obligation to treat it as confidential. The importance of all of the types of information identified here is that the Company's competitors do not have permitted access to this information and are thus unable to use it to compete with the Company. Accordingly, these types of information create a competitive advantage for the Company and are economically valuable. Thus, you agree not to disclose or use any of the Company's trade secret and/or confidential information for your own benefit or the benefit of anyone other than the Company, during your employment or for six (6) months after the effective date of the termination of your employment relationship with the Company.

5. Company Employees And Customers

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You agree that, in the event of the termination of the employment relationship between you and the Company, you will not solicit or hire any Company employees for a period of six (6) months after the effective date of the termination of your employment relationship with the Company. Further, you agree that you will not solicit the business relationships you developed or acquired while working for the Company or another company affiliated with the AMVESCAP Group for a period of six (6) months after the effective date of the termination of your employment.

6. Inventions And Ideas

Since the Company is paying you for your time and efforts, you agree that all information, ideas, and inventions you develop while employed by the Company related in any way to the Company's business, are the sole property of the Company. This includes all investment models, processes, and methodologies you develop while employed by the Company. Indeed, one of the reasons for your employment is the creation of such ideas. This information is confidential and trade secret information as discussed above. You understand that the Company may seek to patent or to obtain trademark or copyright protection related to such information, ideas, and inventions, and that, if necessary, you will assign any interest you may have in such information, ideas, and inventions you develop to the Company.

7. Return of Company Property

Upon the termination of your employment, you agree to return all property of the Company. To the extent such property is information of which you have detailed knowledge but no electronic or other documents containing such information, you agree to itemize such information in writing for the Company prior to the effective date of the termination of your employment.

8. Assignment

You agree that this letter agreement may be assigned to any other entities in the AMVESCAP Group, or to any successor company by acquisition of either the Company's stock or its assets. In the case of such an assignment by the Company, you understand and agree that you would continue to be bound by this letter agreement. No such assignment, without your consent, shall require you to change your duties or to move from your principal residence.

9. Choice of Law and Forum

We agree that, in the event of a disagreement between you and the Company about any aspect of your employment with the Company or this letter agreement, English

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law will govern any litigation or proceeding brought by either party.

10. Notice

We agree that any notice that is to be given under this letter agreement is properly given when delivered in person, by certified mail, or by over night delivery such as Federal Express.

11. Prior Agreements

This letter agreement extinguishes and replaces any previous written employment agreement between you and the Company.

We are very grateful for the significant contributions you are making to the Company and look forward to working with you in the future.

Sincerely,

INVESCO UK Limited

By: /s/ Illegible

Head of Human Resources

Accepted 12th July 2001
Date

/s/ Illegible
Global Partner

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11 Devonshire Square, London EC2M 4YR
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Registered Office: 11 Devonshire Square, London EC2M 4YR

EXHIBIT A

To Agreement with (Global Partner)	Robert Yerbury
Statement of Responsibilities:	Chief Investment Officer, UK Retail
Date of commencement of Global Partner's period of continuous employment with the INVESCO Group:	1 st May 1983
Primary place of employment:	INVESCO's UK offices
Annual salary, subject to periodic review, to be paid on the 24 th day of each calendar month:	£312,000
Normal working hours:	These shall be as such as may be necessary for the proper fulfilment by you of your duties under this Agreement.
Number of days paid holiday per calendar year:	30
Bonus:	Payable annually at the discretion (as to timing and amount) of the Company.
Pension Scheme:	Membership of the Company's non-contributory Pension Scheme, for the purpose of which your service with the Company commenced on 1 st May 1983
Company Car Allowance:	Provision of a car benefit as determined by the rules of the car scheme
Medical Insurance:	Membership of Group Medical Insurance Scheme
Sickness:	You are entitled to be paid during absence from work due to sickness or injury (subject to the Company's discretion if such absence continues for more than six months).
Discipline:	If you are dissatisfied with any disciplinary decision relating to you, or if you have any grievance relating to your employment, you should arrange to see the Chairman, whose decision will be final.

The above terms confirmed and agreed this 12 day of July 2001.

Global Partner: /s/ Illegible

Company: /s/ Illegible

EXHIBIT 10.17

Dated **1 April 2000**

Andrew Lo

-and-

INVESCO PACIFIC HOLDINGS LIMITED

Global Partners Employment Contract

This Employment agreement is made the 1st day of April 2000 between

1. **Andrew Lo**
   8 Lee Centre Drive
   Suite No. 2009
   Scarborough
   Ontario, M1H 3H8
   Canada
   ("Global Partner") and

2. **INVESCO Pacific Holdings Limited**
   Cedar House
   41 Cedar Avenue
   Hamilton HM12
   Bermuda
   (the "Company")

WHEREAS:

A. The Company wishes to employ the Global Partner and the Global Partner wishes to accept employment with the Company on the terms and conditions contained in this agreement;

B. The Company is a member of a group of associated companies (together the "AMVESCAP Group");

C. The Global Partner specifically acknowledges that information has and will continue to come into his possession by virtue of his employment within the AMVESCAP Group and for the Company which is confidential and which, if improperly disclosed, could greatly harm the AMVESCAP Group and/or the Company by benefiting their competitors, damaging their interests or otherwise;

THE GLOBAL PARTNER AND THE COMPNAY HEREBY AGREE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt adequacy and sufficiency of which are hereby acknowledged, as follows:-

1. **Employment and Duties**

   The Company agrees to employ the Global Partner to perform such services, duties and responsibilities as are assigned him by the Board of Directors of the Company or its duly authorised representative (the "Employment"). These duties include the development and expansion of the business in Asian countries other than Hong Kong, specifically covering the following countries: Taiwan, Korea,

Singapore, Malaysia, Thailand, Indonesia, China, Australia and the Philippines. During the term of this Agreement, the Global Partner agrees to be an employee and to devote his full exclusive time, energy and skill to the business of the company and the AMVESCAP Group. During the term of this Agreement, the Global Partner may engage in personal investment activity, charitable work and, subject to the prior written approval of the Company, other business activity. The Global Partner will not however, engage in any business or activity that is competitive with the activity of the Company and the AMVESCAP Group, or will result in any violation of the Company's policies or in a conflict of interest with the Company and the business of the Company and the AMVESCAP Group or with the duties of the AMVESCAP Group to its clients or materially affect the Global Partner's ability to perform his duties.

The Global Partner further undertakes to comply with any applicable rules and regulations of or relating to any statutory or regulatory body within whose jurisdiction the business of the Company or the AMVESCAP Group may fall and any internal rules and regulations of the Company and/or the AMVESCAP Group.

2. Compensation and Benefits

The Global partner shall be entitled to the compensation and benefits set out in Exhibit A to this Agreement. Exhibit A may be amended or replaced from tine to time and such amendment or replacement shall become effective when signed by both Global Partner and Company.

3. Termination of Employment

3.1 Termination on Notice

Both Company and Global Partner agree that, except as provided in this Section and in Section 4, and except as may be agreed in writing by the parties hereto, the Employment may be terminated by either party for any reason which termination shall take effect on a date one year after receipt of written notice of termination by the other party.

3.2 Termination for Breach etc.

The Company may terminate the Global Partner's employment under this Agreement immediately by notice in writing if at any time during the term of this Agreement, the Global Partner: (a) shall be guilty of or commit any serious misconduct tending, in the reasonable opinion of the Board of Directors of the Company, to bring the Global Partner or the Company or any member of the AMVESCAP Group into disrepute; (b) shall have committed any breach of the Global Partner's obligations hereunder which, in the reasonable opinion of the Board of Directors of the Company, is

material or in any way detrimental to the interests of the Company or any member of the AMVESCAP Group; (c) has repeated or continued (after warning in writing) any breach (whether or not material) of the Global Partner's obligations hereunder; (d) become bankrupt or insolvent or make any arrangement with the Global Partner's creditors generally; or (e) shall be guilty of persistent insobriety or be convicted of any criminal offence involving the Global Partner's integrity or honesty.

3.3 Termination of Employment Because of Death or Disability

The Global Partner's employment shall terminate on his death or immediately on notice by the Company of the occurrence of a disability which prevents him from performing the essential duties of the position he holds at that time with reasonable accommodation. The Global Partner, or his beneficiary or estate, will be entitled to receive any base salary accrued or bonuses awarded, if any, prior to the date the Global partner's employment terminates due to such disability or death, together with any death benefits paid under any insurance plan which may be maintained by the Company at the time of the Global Partner's disability or death.

3.4 Accrued Benefits

Any unpaid salary that has accrued in respect of the period prior to the effective termination date will be paid to the Global partner upon the effective termination date or, if the Global Partner has given notice of termination, on the next regular pay date. Any unpaid bonuses which were awarded prior to the termination will be paid within a reasonable time thereafter. Following a notice of termination, the parties may, but are not obliged to, enter into an agreement establishing transition compensation and employee obligations which differ from those provided by this agreement.

4. Confidentiality

The Global Partner agrees that both during the term of this Agreement and after the termination of this Agreement, Global Partner will hold in a fiduciary capacity for the benefit of the Company and/or the AMVESCAP Group, and will not directly or indirectly use or disclose (except as authorised in writing by the Company) any Confidential Information, (as defined below). The term "Confidential Information" as used in this Agreement shall mean and include any information, data and know-how relating to the business of the Company or the AMVESCAP Group that is disclosed to the Global Partner by the Company (or a member of the AMVESCAP Group) or known by him as result of his relationship with the Company and the AMVESCAP Group and not generally within the public domain including, but not limited to, all intellectual property and proprietary research developed by and/or known to the Global Partner

during his employment with the AMVESCAP Group (including the Company). The term “Confidential Information” does not include information that has become generally available to the public as a result of lawful disclosures through presentation or otherwise without violating any right of the Company, any member of the AMVESCAP Group or any client to which such information pertains.

5. Right to Material; Return of Material

The Global Partner agrees that all records, files, memoranda, data in machine readable form, reports, fee lists, customer lists, drawings, plans, sketches, documents and the like, relating to the business of the Company and/or the AMVESCAP Group, including, but not limited to, all intellectual property and proprietary research which the Global Partner shall use or develop or come in contact with in the course of or as a the result of his employment with the Company or any member of the AMVESCAP Group shall remain the sole property of the Company and/or the AMVESCAP Group (as the case may be).

Upon termination of the Global Partner’s employment with the company for any reason or on request at any time, the Global Partner will deliver promptly to the Company all materials, documents, plans, records, notes, drawings, designs, or papers and any copies thereof in the Global Partner’s possession or control relating in any way to the business of the Company and/or the AMVESCAP Group, which at all times shall be the property of the Company.

6. Intellectual Property Rights

6.1 If the global Partner (whether alone or with others) shall at any tine during the period of his employment with AMVESCAP Group create or make any discovery, design or other work (whether registerable or not and whether or not a copyright work), which is not an invention (within the meaning of the Patents Act 1977) or made or created by the Global Partner and wholly unconnected with his employment (hereinafter called “Works”), the Global Partner shall consider himself as a trustee for the Company in relation to all such Works. The Global Partner shall at the request and expense of the Company execute and do all documents and things necessary to vest all right, title and interest in and to any such Works in the Company or its nominee absolutely as legal and beneficial owner.

6.2 In consideration of the Company entering into this Agreement the Global Partner hereby assigns to the Company by way of assignment of future copyright the copyright, design and other proprietary rights if any for the full term thereof throughout the world in respect of all copyright works created or made by the Global Partner during the period of his employment (except only those copyright works created or made by the Global Partner and wholly unconnected with his employment.

6.3 The Global Partner shall not do or fail to do any act which would or might prejudice the rights of the Company under this Clause. Rights and obligations under this Clause shall continue in force after the termination of this Agreement and shall be binding upon the representatives of the Global Partner. The Global Partner hereby irrevocably waives any rights the Global Partner may have under Chapter IV (moral rights) of Part I of the Copyright, Designs and Patents Act 1988 and any foreign corresponding rights in respect of all Works.

6.4 The Global Partner HEREBY IRREVOCABLY APPOINTS the Company to be his Attorney in his name and on his behalf to execute and do any such instrument or thing as may be desirable and generally to use his name for the purpose of giving to the Company (or its nominee) the full benefit of the provisions of this Clause or of the Company's entitlement under statue and in favour of any third party a certificate in writing signed by any Director or the Secretary of the Company that any instrument or act falls within the authority hereby conferred shall be conclusive evidence that such is the case.

7. Non Solicitation and Non-Competition

Except as may be agreed in writing by the parties hereto, the Global Partner shall not at any time prior to one year after the date of notice of termination of the Global Partner's employment with the Company:

7.1 directly or indirectly hire or employ in any capacity, or solicit the employment of or offer employment to or entice away or in any other manner persuade any person employed by the Company or any member of the AMVESCAP Group to leave the employ of such company; or

7.2 compete, directly or indirectly, with the Company or any member of the AMVESCAP Group. For the purpose of this Agreement, "compete with the Company or any member of the AMVESCAP Group" means:

to engage in, participate or assist, whether as an employee, consultant, agent, director, officer, trustee, owner or partial owner (other than as a passive investor of publicly traded securities which represent less than one percent of the equitable ownership of an enterprise), of or on behalf of any planned or existing business organization (i) that is engaged in the business carried on by the Company, or any member of the AMVESCAP Group or (ii) whose existing or anticipated activities, services or products are otherwise competitive with the business carried on by the Company, or any member of the AMVESCAP Group, within the United Kingdom, Europe, or any area in which the Company or Global Partner has engaged in the business carried on by the Company or any member of the AMVESCAP Group at any time during Global Partner's employment with the Company.

8. Relief

The parties acknowledge that a breach or threatened breach of any of the terms of this Agreement by Global Partner would result in material and irreparable damage and injury to the Company, and/or the AMVESCAP Group and that it would be difficult or impossible to establish the full monetary value of such damage and in consequence the Company shall be entitled to injunctive relief by a court of appropriate jurisdiction in the event of such beach or threatened breach. If, in the event of any breach or threatened breach of this Agreement by the Global Partner, the Company obtains legal advice or incurs other expenses for the enforcement of any obligation or agreement of the Global Partner contained herein, the Global Partner shall reimburse Company for its reasonable fees and such other expenses incurred.

9. Assignments

The terms and provisions of this Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, and upon the Global Partner and his heirs and personal representatives.

10. Applicable Law

This Agreement has been entered into in and shall be governed by and construed under the laws of Bermuda.

11. Notices

Any notice required or permitted to be given pursuant to this Agreement shall be deemed given when delivered in person or sent by facsimile or three days after being deposited with an international courier service.

12. Term

Except as provided in Sections 3 and 4, the parties hereto agree that this Agreement shall be automatically renewed and extended from day to day beginning on the date hereof.

13. Gender

All pronouns or any variations thereof contained in this Agreement refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or the persons may require.

14. Non Waiver

No wavier of any terms or conditions of this Agreement shall be effective unless made in writing and signed by the party against which enforcement of the waiver is sought. A waiver of any breach of any terms or conditions of this Agreement shall not be construed as a waiver of any subsequent breach or condition whether of the same or different nature.

15. Interpretation: Severability of Invalid Provisions

All rights and restrictions contained in this Agreement may be exercised and shall be applicable and binding only to the extent that they do not violate any applicable laws and are intended to be limited to the extent necessary so that they will not render this Agreement illegal, invalid or unenforceable. If any term of this Agreement shall be held to be illegal, invalid or unenforceable by a court of competent jurisdiction, the remaining terms shall remain in full force and effect. The provisions of this Agreement do not in any way limit or abridge the Company's rights under the laws of unfair competition, trade secret, copyright, patent, trademark or any other applicable law(s), all of which are in addition to and cumulative of Company's rights under this Agreement. The existence of any claim by Global Partner against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defence to enforcement by the Company of any or all of such provision or covenants.

16. Entire Agreement

This Agreement and the obligations defined from it constitute the entire agreement between the Company and Global Partner with respect to matters dealt with herein, and supersedes any prior agreements or understanding with respect to the above subject.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal as of the day and year first above written.

Signed as a deed and delivered /s/ Illegible
for and on behalf
INVESCO Pacific Holdings Limited
Dated: 11 April 2000

SIGNED SEALED AND DELIVERED
by the Global Partner

/s/ Illegible
(Seal)

In the presence of:-

Witness /s/ Illegible
Name Illegible
Address Illegible
Occupation

EXHIBIT A

To Agreement with **Andrew Lo** (Global Partner)

Date of commencement of Global Partners period of continuous employment with the INVESCO Group: February 1994

Annual salary, subject to periodic review, to be paid each calendar quarter: HK$816,198.00.

Bonus: At the Company's discretion.

Stock options: At the Company's Discretion.

Annual Leave: 15 days

Discipline:

The above terms confirmed and agreed this 11th day of April 2000.

Global Partner	8 Lee Centre Drive, Suite No. 2009, Scarborough Ontario, M1H 3H8.
Company	INVESCO Pacific Holdings Limited, Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda.

EXHIBIT 21

Subsidiary List

1. 1371 Preferred Inc.
2. A I M Capital Management Company Limited (in liquidation 8.3.07)
3. A I M Global Holdings, Inc.
4. A I M Global Management Company Limited
5. A I M Global Ventures Co.
6. A I M Insurance Agency, Inc. (DE)
7. A I M Management Group Inc.
8. AIM Canada Holdings Inc.
9. AIM Funds Management Inc
10. AIM GP Canada Inc
11. AIM Investment Services, Inc.
12. AIM Mutual Fund Dealer Inc.
13. AIM Private Asset Management, Inc.
14. AIM Retirement Services, Inc.
15. AMVESCAP Limited
16. AT Investor Services, Inc.
17. AT Planning Services, Inc.
18. Atlantic Trust Company, N.A.
19. Atlantic Trust Group, Inc.
20. Atlantic Wealth Holdings Limited
21. Atlantic Wealth Management International Limited
22. Atlantic Wealth Management Limited
23. C M Group Holdings Limited (in liquidation)
24. C M Investment Nominees Limited
25. Chancellor Citiventure 96 Partner (Cayman) Ltd
26. City Merchants (Holdings) Limited (in liquidation)
27. City Merchants Limited (in liquidation)
28. Coff Associates (Cayman) Limited
29. County Investment Management Pty Ltd.
30. CPCO Associates (Cayman) Limited
31. Elliot Associates Limited
32. Finemost Ltd
33. Fund Management Company
34. HVB Immobilien Verwaltungs GmbH
35. HVH Immobilien- und Beteiligungs GmbH
36. HVH USA, Inc.
37. INVESCO (B.V.I.) NOMINEES LIMITED
38. INVESCO (Cayman Islands) Ltd.
39. INVESCO Administration Services Limited
40. Invesco Aim Advisors, Inc.
41. Invesco Aim Capital Management, Inc.
42. Invesco Aim Distributors, Inc.
43. INVESCO Asset Management (Bermuda) Ltd

44. Invesco Asset Management (Japan) Ltd.
45. INVESCO Asset Management (Switzerland) Ltd
46. Invesco Asset Management Asia Limited
47. Invesco Asset Management Australia (Holdings) Ltd
48. INVESCO Asset Management Deutschland GmbH
49. INVESCO Asset Management Ireland Holdings Limited
50. INVESCO Asset Management Ireland Limited
51. INVESCO Asset Management Limited
52. INVESCO Asset Management Oesterreich GmbH
53. Invesco Asset Management Pacific Limited
54. INVESCO Asset Management SA
55. Invesco Asset Management Singapore Ltd
56. Invesco Australia Limited
57. INVESCO CE SA
58. INVESCO CE Services SA
59. INVESCO Continental Europe Holdings SA
60. INVESCO Continental Europe Service Centre SA
61. INVESCO Distributors, Inc.
62. INVESCO Fund Managers Limited
63. INVESCO Funds Group, Inc.
64. INVESCO Global Asset Management (Bermuda) Limited
65. Invesco Global Asset Management (N.A.), Inc.
66. INVESCO Global Distributors Limited
67. INVESCO Global Investment Funds Limited
68. INVESCO Group Limited
69. INVESCO Group Services, Inc.
70. INVESCO GT Asset Management PLC
71. Invesco Holding Company Limited
72. INVESCO Holding Germany Ltd & Co OHG
73. INVESCO Holland B.V.
74. Invesco Hong Kong Limited
75. INVESCO Inc.
76. Invesco Institutional (N.A.), Inc.
77. INVESCO International (Southern Africa) Limited
78. INVESCO International Holdings Limited
79. INVESCO International Limited
80. INVESCO International Nominees Limited
81. INVESCO ITALIA Societa di gestione del risparmio — S.p.A. (in liquidation 1.6.06)
82. INVESCO Kapitalanlagegesellschaft mbH
83. INVESCO Management GmbH
84. INVESCO Management S.A.
85. INVESCO National Trust Company
86. INVESCO North American Group Limited
87. INVESCO North American Holdings, Inc.
88. INVESCO Pacific Group Limited

89. Invesco Pacific Holdings Limited
90. INVESCO Pacific Partner Ltd
91. INVESCO Pension Trustees Limited
92. INVESCO Pensions Limited
93. INVESCO Powershares Capital Management Ireland Limited
94. INVESCO Private Capital Investments, Inc.
95. INVESCO Private Capital Verwaltung GMBH (in liquidation 25.4.07)
96. Invesco Private Capital, Inc.
97. INVESCO Properties Limited
98. INVESCO Real Estate Germany LLC
99. INVESCO Real Estate GmbH
100. INVESCO Real Estate Limited
101. INVESCO Real Estate s.r.o.
102. INVESCO Realty, Inc.
103. INVESCO Savings Scheme (Nominees) Limited
104. Invesco Senior Secured Management, Inc.
105. INVESCO Services OHG
106. Invesco Taiwan Limited
107. INVESCO Trustee Corporation Limited (to be dissolved)
108. INVESCO UK Holdings PLC
109. INVESCO UK Limited
110. Investment Fund Administrators Limited
111. IRE (China) Limited
112. IRE (Hong Kong) Limited
113. IRE Japan, Ltd
114. IVZ Callco Inc. (continued into Canada Dec 21, 2006 and continued back into NS Dec 27, 2006)
115. IVZ, Inc.
116. James Bryant Limited
117. Lombard Place Securities Limited (to be dissolved)
118. PCM Properties LLC
119. Perpetual Administration Limited (to be dissolved)
120. Perpetual Holdings, Inc.
121. Perpetual plc
122. Perpetual Portfolio Management Limited
123. Perpetual Unit Trust Management (Nominees) Limited
124. PowerShares Capital Management LLC
125. Sermon Lane Nominees Limited
126. Sovereign G/.P. Holdings Inc
127. Stein Roe Investment Counsel, Inc.
128. V.V. Edinburgh R.W. G.P. Limited
129. V.V. Epsom G.P. Limited
130. V.V. General Partner Limited
131. V.V. Glasgow (No.1) G.P. Limited
132. V.V. Glasgow G.P. Limited
133. V.V. Milton Keynes G.P. Limited

134. V.V. Nominees Limited
135. V.V. Northampton (No.2) G.P. Limited
136. V.V. Northampton G.P. Limited
137. V.V. Reading G.P. Limited
138. V.V. Real Property G.P. Limited
139. V.V. Real Property Nominees Limited
140. V.V. Redhill G.P. Limited
141. V.V. Slough G.P. Limited
142. V.V. Soho G.P. Limited
143. V.V. Stockton G.P. Limited
144. V.V. Watford G.P. Limited
145. VV CR 1s.r.o.
146. VV Hungaria 1Kft.
147. VV Immobilien Verwaltungs GmbH
148. VV Immobilien Verwaltungs und Beteiligungs GmbH
149. VV Poland 1 sp.z.o.o.
150. VV USA LLC
151. W.L. Ross & Co. (India) LLC
152. W.L. Ross M & T, LLC
153. W.L. Ross & Co., LLC

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-103609) pertaining to the AMVESCAP Executive Share Option Scheme, in the Registration Statement (Form S-8 No. 333-98037) pertaining to the AMVESCAP Sharesave Plan, in the Registration Statement (Form S-8 No. 333-11596) pertaining to the AMVESCAP Sharesave Plan, in the Registration Statement (Form S-8 No. 333-11428) pertaining to the AMVESCAP 401(k) Plan, in the Registration Statement (Form S-8 No. 333-10602) pertaining to the AMVESCAP Global Stock Plan, the Executive Share Option Scheme, the AIM Option Plans and the AMVESCAP Sharesave Plan, and in the Registration Statement (Form S-8 No. 333-8962) pertaining to the AMVESCAP Global Stock Plan, Executive Share Option Scheme and the AIM Option Plans, of our reports dated February 25, 2008, with respect to the consolidated financial statements of Invesco Ltd. and the effectiveness of internal control over financial reporting of Invesco Ltd., included in this Annual Report (Form 10-K) for the year ended December 31, 2007.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 25, 2008

EXHIBIT 31.1

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

I, Martin L. Flanagan, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 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.

February 29, 2008

/s/ MARTIN L. FLANAGAN
Martin L. Flanagan
President and Chief Executive Officer

EXHIBIT 31.2

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

I, Loren M. Starr, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 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.

February 29, 2008

/s/ LOREN M. STARR

Loren M. Starr
Senior Managing Director and Chief Financial Officer

EXHIBIT 32.1

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") Annual Report on Form 10-K for the period ended December 31, 2007 (the "Report"), I, Martin L. Flanagan, 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.

February 29, 2008

/s/ MARTIN L. FLANAGAN
Martin L. Flanagan
President and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF LOREN M. STARR
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") Annual Report on Form 10-K for the period ended December 31, 2007 (the "Report"), I, Loren M. Starr, 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.

February 29, 2008

/s/ LOREN M. STARR

Loren M. Starr
Senior Managing Director and Chief Financial Officer