



Australian Ethical[®] Investment Ltd

for Investors, Society and the Environment

ABN 47 003 188 930

MINUTES OF THE TWENTIETH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Held at the University of Canberra, UCU Conference Centre, Clive Price Suite, BRUCE
ACT on Thursday 23 November 2006.

Present: Pauline Vamos - Chair/Director
Caroline Le Couteur - Director / shareholder
Howard Pender - Director / shareholder
James Their - Director / shareholder

Shareholders

*Noel Hyland, Margaret Kershaw, Guy de Vanny, Trevor Lee, Tony Shields
(Gang-Gang Pty Ltd), Robert Pearson, Frederick Woollard (Samuel Terry
Asset Management), Philip Sloane, Tony Ji*

In attendance: Anne O'Donnell, CEO/Shareholder, Mark Bateman CFO/Shareholder,
David Ferris Investment Manager/Shareholder, Philip George, Company
Secretary/Shareholder; Peter Whiteman, Thomas Davis and Co; Jeff Ryan, Thomas
Davis and Co.

Apologies: Naomi Edwards

Quorum

The Chair announced that a quorum was present and declared the meeting open at
7.30pm.

Introductions, CEO Address and Staff Advocate Address

The Chair introduced directors and AEI staff at the meeting. The Chair then invited
AEI's CEO, Anne O'Donnell, to address the meeting.

Following the presentation by Ms O'Donnell, Mr Gary Leckie, the AEI Staff Advocate
addressed the meeting.

The Chair then addressed the meeting.

At the conclusion of Chair's address, the Chair asked whether there were any questions about the presentations, noting that the presentations had been submitted to the ASX prior to the meeting and would be published on the company's website.

Mr Lee asked about staff satisfaction levels. At the invitation of the Chair, Mr Leckie responded that most categories monitored in the survey were moving in the right direction. Ms O'Donnell thought that the most pleasing aspect of the survey was the fall in "somewhat dissatisfied".

There was a question about expense ratios. Ms O'Donnell noted that the expense ratio had been trending down. Salary pressure could impact on the expense ratio in the future.

Mr Shields encouraged the company to remain true to label and deep green. He urged the company to get the message out to the public, particularly in an environment where there was a focus on climate change and other issues relevant to the company's ethical charter.

The meeting then discussed the company's market share in the ethical investment sector.

The Chair then moved to the formal part of the meeting.

Formal business of the meeting

The notice of meeting was taken as read.

The Chair noted that the minutes of the previous meeting of members held 24 November 2005 were approved by the board and signed by the Chair in accordance with section 251A. The minutes had been published on the company's website for some time. The Chair advised the meeting that the secretary had a copy of the minutes for inspection should any member wish to see them.

Item 1 – Accounts & Reports

The Chair indicated that this was an opportunity for shareholders to ask questions about or make comments on the management of the company. Similarly, questions could be directed to the auditors from Thomas Davis and Co if anyone wished to do so.

Mr Lee asked whether the company expected any challenges in valuing and accounting for the building which it had purchased and was refurbishing. Mr Whiteman from the external auditor replied that he did not expect there to be any significant challenges, particularly where the market value of the building (together with refurbishments) was likely to be equal to or greater than the cost of the building and the refurbishments.

There were no further questions from shareholders.

Motion 2(a) – Remuneration Report

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

There were no questions or comments from the floor. The motion was put to a show of hands.

It was resolved *That* the remuneration report included in the Directors' Report to shareholders be approved.

Motion 2(b) – Report on the status of employees

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

There were no questions or comments from the floor. The motion was put to a show of hands.

It was resolved *That* the report on the status of employees to shareholders be noted pursuant to clause 2.2 of the Constitution.

Motion 3 - Election of Directors

Motion 3(a) – Election of Howard Pender

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

There were no questions or comments from the floor. The motion was put to a show of hands.

It was resolved *That* Mr Howard Pender who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.

1 vote against was recorded on the show of hands.

Motion 3(b) – Election of Caroline Le Couteur

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

There were no questions or comments from the floor. The motion was put to a show of hands.

It was resolved *That* Ms Caroline Le Couteur who retires by rotation in accordance with the Company's Constitution and, being

eligible, offers herself for re-election, be re-elected as a director of the Company.

1 vote against was recorded on the show of hands.

Motion 3(c) – Election of Ms Pauline Vamos

Howard Pender took over as Chair of the meeting.

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

There were no questions or comments from the floor. The motion was put to a show of hands.

It was resolved *That Ms Pauline Vamos, a director appointed on 1 July 2006 and, being eligible, offers herself for election, be elected as a director of the Company.*

Pauline Vamos resumed the Chair.

Motion 4 - Directors' Remuneration

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

The Chair advised that directors were not entitled to vote on the motion.

There were no questions or comments from the floor. The motion was put to a show of hands.

It was resolved *That for the purposes of clause 11.6 of the Constitution and listing rule 10.17, the Company reward persons who undertake duties and responsibilities of being a Director in 2006-2007 (including attendance at meetings of the Board of Directors and its Board Committees) by approving payment of \$150,000 in total plus Superannuation Guarantee contributions or equivalent payments, to be divided among the Directors at their discretion, and that these arrangements be maintained until further considered at an AGM.*

Motion 5 – Executive Directors and the employee share ownership plan

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

The Chair advised that directors eligible to participate in any employee incentive scheme were not entitled to vote on this motion.

There were no questions or comments from the floor. The motion was put to a show of hands.

It was resolved

That for the purposes of ASX listing rule 10.14, executive directors of the Company be permitted to participate fully in the option and bonus share schemes of the Company for three years from the date of the Annual General Meeting.

The Chair thanked shareholders for their attendance and indicated that she was about to close the meeting.

Mr Lee asked about answers to written questions submitted by shareholders prior to the meeting. The Chair replied that answers to written questions had been included in the address she had provided earlier in the meeting. Mr Lee did not believe that his written questions had been answered. Mr Pender responded that the company had indicated that questions would not necessarily be answered specifically but rather thematically. Mr Lee requested that he read his written questions to the meeting. The Chair took advice from the Company Secretary, indicated to Mr Lee that there was no motion before the meeting upon which Mr Lee could speak and that given that all notified business had been dealt with she intended to close the meeting. The Chair indicated that she was happy to have a discussion with Mr Lee about his questions following the meeting.

The Chair declared the meeting closed at 8.30pm.

Signed by the Chairperson.....*Paige D. Van*.....

Date: *23 February 2007*.