

Australian Ethical Investment Ltd

Notice of Meeting

Twenty eighth Annual General Meeting

10 am Wednesday, 29 October 2014

26 September 2014

Dear Shareholder,

Notice of Annual General Meeting Wednesday, 29 October 2014 @ 10 am

The Company has had an exciting and productive year for all stakeholders. As you will have seen in the end of financial year results we have achieved:

- a record net profit after tax of \$2.543 million;
- a record community grant of \$0.302 million, totalling \$1.75 million since 2000;
- record FUM of \$887.2 million as at 30 June 2014;
- record numbers of people investing with the Company ; and
- an ordinary dividend of \$2.00 per share.

I invite you to attend Australian Ethical Investment Limited's Annual General Meeting to hear more about our remarkable year. The AGM will be held at:

Centenary 2
Hyatt Hotel Canberra
Commonwealth Avenue
Yarralumla ACT 2600

I enclose the formal notice of meeting, explanatory notes, a proxy form and a form for the submission of written questions. Depending on your annual report preferences, a copy of the 2014 Annual & Sustainability Report may be included. The 2014 Annual & Sustainability Report is also available from our website here: www.australianethical.com.au/annual-reports

If you cannot attend please use your proxy and vote!

The Board, CEO and management look forward to meeting you at the AGM.

Yours sincerely



Stephen Gibbs
Chair
AUSTRALIAN ETHICAL INVESTMENT LTD

Notice of Meeting

The Annual General Meeting of Australian Ethical Investment Limited will be held on Wednesday, 29 October 2014 commencing at 10 am at:

Centenary 2
Hyatt Hotel Canberra
Commonwealth Avenue
Yarralumla ACT 2600

Explanatory notes for the business to be conducted are attached to and form part of this Notice and should be read carefully (**Explanatory Notes**).

Ordinary Business

1. **Accounts**

To receive and consider the financial statements of the Company and its controlled entity for the year ended 30 June 2014 and the related Directors' Report, Directors' Declaration and Auditor's Report.

2. **Election of Stephen Gibbs**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That Stephen Gibbs, Director, be elected as a Director of the Company.

3. **Election of Anthony Stuart Cole, AO**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That Tony Cole, Director, be elected as a Director of the Company.

4. **Remuneration of Directors**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That for the purposes of ASX Listing Rule 10.17, the Company reward persons who undertake the duties and responsibilities of being a non-executive director (including attendance at meetings of the Board of Directors and Board Committees) by approving payments in total of no more than \$360,000.

5. **Approval for Phillip Vernon, CEO & Managing Director to participate in an employee deferred share plan**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That for the purpose of ASX Listing Rule 10.14, to enable the Managing Director to participate in the employee share incentive scheme, and for all other purposes, approval is given for the grant to Mr Phillip Vernon, CEO & Managing Director of deferred shares under the Company's employee incentive scheme on the terms described in the Explanatory Notes.

6. **Adoption of Remuneration Report**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That the Remuneration Report as set out in the Annual Report for the financial year ended 30 June 2014 be adopted.

Contingent Business

7. Spill Meeting to remove Directors from office

Condition for Resolution 7: Resolution 7 will be considered at the Meeting only if at least 25% of the votes cast on Resolution 6 Adoption of Remuneration Report are against the adoption of the Remuneration Report. The Explanatory Notes further explain the circumstances in which Resolution 7 will be put to the meeting.

If the condition (described above) is satisfied, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

That, as required by the Corporations Act:

- (a) a meeting of the Company's members be held within 90 days of the date of the 2014 Annual General Meeting (the spill meeting);
- (b) each of Stephen Gibbs*, Mara Bun, Tony Cole* and Kate Greenhill cease to hold office immediately before the end of the spill meeting; and
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.

*This assumes the director is re-elected at the AGM.



By order of the Board

Tom May
Company Secretary

Explanatory Notes

Resolution 1 Accounts

The financial statements of the Company for the 2013/2014 financial year have been lodged with the Australian Securities Exchange and with the Australian Securities and Investments Commission in accordance with statutory lodgement timetables and requirements. The financial statements are tabled at the AGM to be received and considered by shareholders. No formal resolution on the financial statements and reports is required.

Resolution 2 Election of Stephen Gibbs

The Board recommend shareholders vote FOR Resolution 2.

The Chairman of the Meeting intends to vote all available proxies FOR Resolution 2.

Mr Gibbs is standing for election. Details of Mr Gibbs' qualifications and experience are:

Stephen Gibbs

*Chair & Non-Executive Director
BEC, MBA*

Stephen joined the Board in July 2012 as a Non-Executive Director and was appointed Chair on 4 February 2013. He Chairs the People, Remuneration and Nominations Committee and is a member of the Audit, Compliance and Risk Committee and the Investment Committee. Stephen is also a director of Australian Ethical Superannuation Pty Limited and a member of its Audit, Compliance and Risk Committee.

Stephen was formerly Chair of the Responsible Investment Academy Advisory Council. From early 2000 he was CEO of ARIA, the trustee of the PSS and CSS – the superannuation schemes for federal government employees. When Stephen left ARIA in January 2008 it had close to \$A20 billion under management. Prior to ARIA Stephen was the Executive Officer of the Australian Institute of Superannuation Trustees (AIST). His earlier career was in the trade union movement.

Other career highlights for Stephen include his personal invitation from the then UN General Secretary to join the steering committee and investor group which developed what became the United Nations Principles of Responsible Investment – UNPRI and membership of the ASX Corporate Governance Council from its inception until 2008.

Resolution 3 Election of Tony Cole

The Board recommend shareholders vote FOR Resolution 3.

The Chairman of the Meeting intends to vote all available proxies FOR Resolution 3.

Mr Cole is standing for election. Details of Mr Cole's qualifications and experience are:

Tony Cole

*Non-Executive Director, Chair Investment Committee
AO, BEC*

Tony was appointed as a Non-Executive Director on 4 February 2013. Tony is the Chair of the Investment Committee and People, Remuneration and Nominations Committee.

For the past 17 years he has been a senior investment consultant and executive in Mercer's Investment Consulting business, including heading the business in the Asia Pacific region for more than five years. Tony remains a Senior Partner in Mercer in a consulting capacity.

Prior to joining Mercer, Tony held several senior positions in the Commonwealth Public Service, including Secretary to the Treasury, Secretary of the Department of Health and Social Security, Deputy Secretary to the Department of the Prime Minister and Cabinet and Chair of the Industry Commission (now the Productivity Commission). Tony served as an Alternative Director of the World Bank and was Treasurer Paul Keating's principal economic adviser and head of office in the early years of the Hawke-Keating government.

Tony is currently a Trustee Director of the Commonwealth Superannuation Corporation and a member of the Advisory Board of the Northern Territory Treasury Corporation. He Chaired the Advisory Board of the Melbourne Institute for 10 years and was a longstanding member of the Australian Office of Funds Management Advisory Board.

Resolution 4 Remuneration of Directors

The Board recommends that shareholders vote FOR Resolution 4.

Subject to the Voting Exclusion Statement below the Chairman of the Meeting intends to vote all available proxies FOR Resolution 4.

ASX Listing Rule 10.17 states

"An entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its +ordinary securities.

The notice of meeting must include the following:

- *the amount of the increase;*
- *the maximum aggregate amount of directors' fees that may be paid to all of the entity's non-executive directors;*
- *details of any +securities issued to a non-executive director under rule 10.11 or 10.14 with the approval of the holders of the entity's +ordinary securities at any time within the preceding 3 years; and*
- *a +voting exclusion statement"*

For the purposes of ASX Listing Rule 10.17 (i.e. the non-executive director fee pool), the directors propose an increase in the remuneration fee pool of \$120,000 from an aggregate amount of \$240,000 per year to an aggregate amount of \$360,000 per year.

The non-executive director fee pool was last increased 4 years ago at the 2010 AGM. Noting that all the advice that the Board has received is that director fees paid by the Company are at the lower end of the market range, the Board is seeking an increase in the non-executive director fee pool at this AGM to allow for:

- the possibility of phased increases to current fees to align with market based rates; and
- the possibility of appointment of additional non-executive directors given the increasingly complex regulatory environment and noting that regulation of the financial services sector will continue to evolve as the industry expands and matures.

No securities have been issued to a non-executive director under rule 10.11 or 10.14 within the preceding 3 years.

Resolution 5 Approval for Phillip Vernon, CEO & Managing Director to participate in an employee deferred share plan

The Board (with Mr Phillip Vernon abstaining) recommends that shareholders vote FOR Resolution 5.

The Chairman of the Meeting intends to vote all available proxies FOR Resolution 5.

Resolution 5 seeks shareholder approval to issue Deferred Shares to Mr Phillip Vernon, CEO & Managing Director under the terms and conditions of a proposed Australian Ethical Investment Limited Deferred Share Plan (the Deferred Share Plan or Plan).

The Board believes that appropriately designed equity based plans are an important component of the Company's remuneration arrangements. Such plans are a key tool to allow the Company to attract and retain talented employees and ensure that the interests of employees and shareholders are aligned to create long term shareholder value.

In order to provide a long term incentive which continues to align employees with the Company's strategies, after a review of the remuneration framework during the year by the Board (with the assistance of KPMG), it has been decided to establish a Deferred Share Plan to allow the grant of performance based share awards depending upon the prevailing circumstances. The Plan is being designed with maximum flexibility to deliver Deferred Shares with performance conditions commensurate with the Company's key business drivers at the time of award.

Previously, the Company operated an Employee Share Incentive Plan that was initially approved by shareholders at the Company's 2008 Annual General Meeting. All permanent staff were entitled to participate. At the 2013 AGM shareholder approval was received to award Mr Vernon up to 24,000 performance rights under this Plan over a three year period.

Further information about the Company's remuneration governance and executive remuneration policy and framework is set out in the Company's Remuneration Report (part of the 2014 Annual Report).

Subject to shareholder approval, the Board intends to make an offer of Deferred Shares under the Plan to Mr Phillip Vernon, CEO & Managing Director. The Board has decided to grant Deferred Shares under its long-term incentive arrangements for the following reasons:

- the grant of Deferred Shares is in accordance with acceptable market practice;
- the grant of Deferred Shares is expected to foster greater interest in the performance of the Company amongst employees and a greater alignment between employees and shareholders;
- the vested shares can create recognisable value to employees, which when granted under transparent and robust performance conditions, containing stretch elements, ensure real Shareholder value creation; and
- the grant of Deferred Shares better aligns with the Company's Charter in particular in relation to encouraging employees' participation and control of their work organisations.

The Deferred Shares will also enable Mr Vernon to receive dividends and provide a voting direction to the Share Plan Trustee (who will hold restricted shares on behalf of Mr Vernon) on General Meeting resolutions.

Subject to resolution by shareholders, the Board resolved to award Mr Vernon up to 24,000 Deferred Shares as it considers this number to be fair and reasonable and within comparable market parameters having regard to both the Company's size and the role and responsibilities expected of Mr Vernon as CEO & Managing Director of the Company. The Deferred Share plan replaces the previously approved Employee Share Incentive Plan and the shareholder approval for the issue of performance rights to Mr Vernon granted in 2013 will not operate in respect of the current and future financial years.

The Deferred Shares to be allotted to Mr Vernon may be acquired on-market or issued by Australian Ethical Investment Limited and will be held on trust for Mr Vernon by a Share Plan Trustee. At allotment, the

Deferred Shares will be restricted, and will only be released to Mr Vernon subject to the achievement of vesting conditions (described below).

The Vesting Conditions that must be met prior to release of the Deferred Shares by the Share Plan Trustee are:

1. continuation of employment until 30 June 2017; and
2. achieving compound Earnings per Share (EPS) growth over 3 years in accordance with the following:

Compound EPS Growth Over 3 Years	Deferred Shares that will vest (%)
Less than 5%	Nil
Between 5% and 10%	A pro rata amount will vest on a straight line basis
Greater than 10%	100%

Distinct from prior years (where a Return on Equity target was employed), the Board has introduced an EPS hurdle. The Board believes that EPS is a more appropriate target as it is within the influence of employees and is a driver of long term shareholder value, thereby providing better alignment between employee effort and shareholder interest.

Any Deferred Shares released to Mr Vernon following the achievement of the Vesting Conditions, will be subject to the Company's Share Trading Policy.

Pursuant to the requirements of ASX Listing Rule 10.15, the following information is provided with regard to Resolution 5.

- Mr Philip Vernon is the CEO & Managing Director of the Company.
- Mr Vernon is the only director, or associate of a director, of the company who will participate in the deferred share plan.
- Mr Vernon will be granted up to 24,000 Deferred Shares for nil financial consideration. The shares allotted to Mr Vernon may be acquired on-market or issued by Australian Ethical Investment Limited and will be held on trust for Mr Vernon by a Share Plan Trustee. At allotment, the shares will be restricted, and will only be released to Mr Vernon following testing of the Vesting Conditions as at 30 June 2017.
- As this is the first allocation of Deferred Shares under the Deferred Share Plan, for the purposes of ASX Listing Rule 10.15.4, no person referred to in ASX Listing Rule 10.14 has received any Deferred Shares under the Plan.
- A Voting Exclusion Statement is set out in the Notice of Meeting.
- There is no loan attaching to the offer under the Plan.
- Details of any securities issued under the FY2015 Award will be published in Australian Ethical Investment Limited's future annual Remuneration Reports, including that approval for this issue of securities was obtained under ASX Listing Rule 10.14.
- The Company is expected to allocate the Deferred Shares shortly after the AGM but in any event within one year of the 2014 AGM.
- If shareholders approve the issue of deferred shares to Mr Vernon any such issue that is made will not count toward the limits imposed by ASX Listing Rule 7.1, which broadly speaking limits the number of shares a company can issue without shareholder approval in any 12 month period to 15% of the shares on issue at the start of that 12 month period.

Resolution 6 Remuneration Report

The Chairman of the Meeting intends to vote all available proxies FOR Resolution 6.

Section 250R(2) of the Corporations Act requires directors to put forward and afford shareholders an opportunity to vote on a resolution to accept the Remuneration Report included in the Directors' report in the

Annual Report. The Remuneration Report outlines the Company's remuneration arrangements for Directors, the Managing Director and CEO, and for certain Company executives for the financial year ended 30 June 2014. A reasonable opportunity for discussion of the Remuneration Report will be provided at the AGM.

Under section 250R(3) the vote on the resolution is advisory only and does not bind the Directors or the Company. However, the Board recognises the vote as an indication of shareholder sentiment and has careful regard to the outcome of the vote and any discussion when setting the Company's remuneration policies. Any feedback received from shareholders was considered as part of the review of the Company's remuneration structure and policy.

At the 2013 AGM more than 25% of the votes cast in respect of the resolution to adopt the 2013 Remuneration Report were against the resolution. The Company therefore recorded what is known as a "first strike" under the executive remuneration provisions of the Corporations Act.

Accordingly, under the Corporations Act, if 25% or more of the votes cast at this AGM are against the adoption of the remuneration report, shareholders will be required to vote on a "spill" resolution. If the spill resolution is passed the Company will convene another meeting within 90 days of the 2014 AGM for the purpose of the re-election of all of the Company's then Directors.

Resolution 7 Holding a Spill Meeting to remove Directors from office

Condition for Resolution 7: Resolution 7 will be considered at the Meeting if at least 25% of the votes cast on resolution 6 are against the adoption of the Remuneration Report.

If the condition (described above) is satisfied, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

That, as required by the Corporations Act:

- (a) a meeting of the Company's members be held within 90 days of the date of the 2014 Annual General Meeting (the spill meeting);
- (b) each of Stephen Gibbs*, Mara Bun, Tony Cole* and Kate Greenhill cease to hold office immediately before the end of the spill meeting; and
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.

*This assumes the director is re-elected at the AGM.

Voting exclusion statements

Resolution 4 Remuneration of Directors

The Company will disregard any votes cast on resolution 4 by a director of the Company or an associate of a director. However, the Company will not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 Approval for Phillip Vernon, CEO & Managing Director to participate in the proposed deferred share plan

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by any Director of the Company and their associates. However, the Company need not disregard a vote cast on resolution 5 if it is cast by:

- a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- the person chairing the meeting as proxy for a person who is entitled to vote and the appointment expressly authorises the Chair of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 6 Remuneration Report

As required by the Corporations Act 2001 (Corporations Act), no member of the Company's key management personnel, details of whose remuneration are included in the Remuneration Report, or a closely related party of any such member, may vote in any capacity (e.g. as a shareholder, proxy or corporate representative) on proposed resolution 6 unless:

- the person votes as a proxy appointed by writing that specifies how the person is to vote on proposed resolution 6; and
- the vote is not cast on behalf of any such member or closely related party of any such member.

The prohibition in the Corporations Act on members of the Company's key management personnel voting does not apply to the Chairman of the Meeting as proxy for a member entitled to vote where the proxy appointment expressly authorises the Chairman of the Meeting to vote in that capacity on Resolution 6 (see the attached Explanatory Notes for AGM Agenda items for further information).

Resolution 7 Contingent Spill Resolution

As required by the *Corporations Act 2001* (Corporations Act), no member of the Company's key management personnel, details of whose remuneration are included in the Remuneration Report, or a closely related party of any such member, may vote in any capacity (e.g. as a shareholder, proxy or corporate representative) on proposed resolution 7 unless:

- the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed resolution in Resolution 7; and
- the vote is not cast on behalf of any such member or closely related party of any such member.

The prohibition in the Corporations Act on members of the Company's key management personnel voting does not apply to the Chairman of the Meeting as proxy for a member entitled to vote where the proxy appointment expressly authorises the Chairman of the Meeting to vote in that capacity on resolution 7.

Additional information

Annual report

The Company's annual report is available from its website at:

<http://www.australianethical.com.au/annual-reports>.

Proxies

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise.

To appoint a proxy, ordinary shareholders should complete the proxy form distributed with this notice of meeting. The proxy form must be deposited at the share registry, Boardroom Pty Limited, or at the Company's Registered Office not later than 48 hours before the commencement of the meeting (i.e. by 10 am on Monday, 27 October 2014). Any proxy received after that time will not be valid for the scheduled meeting.

Proxies can be delivered as follows:

By hand	Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000
By mail	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001
By facsimile	+61 2 9290 9655
Online	www.votingonline.com.au/aeiagm2014

If posting your proxy, please ensure you mail it sufficiently in advance so that it arrives by the required time.

In appointing a proxy, ordinary shareholders should consider how they wish to direct the proxy to vote. A shareholder can direct a proxy to vote "for" or "against" or abstain from voting on each proposed resolution; or they can leave the decision to the appointed proxy after discussion at the Meeting. If shareholders complete and return their proxy form but do not nominate the identity of the proxy, they will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of Resolution 6 (Remuneration Report), please mark the last box under the heading "Step 1 – Appointment of Proxy" on the proxy form. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if they have an interest in the outcome of Resolution 6 and votes cast by the Chairman of the Meeting for Resolution 6, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box on the proxy form and you have not directed your proxy how to vote the Chairman of the Meeting will not cast your votes on Resolution 6 and your votes will not be counted in calculating the required majority if a poll is called.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 6 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the proxy form for each of those items of business.

The Chair will vote all undirected proxies:

- **in favour** of resolutions 2, 3, 4, 5 and 6; and
- **against** resolution 7 (if it is required).

If you appoint the Chairman of the Meeting as your proxy and wish to vote differently to how the Chairman of the Meeting intends to vote on any of the items, you must mark “For”, “Against” or “Abstain” on the proxy form for the relevant resolution.

Voting entitlements

The Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the AGM will be as it appears in the share register at 10 am on Monday, 27 October 2014 (Section 1074E; Regulation 7.11.37 Corporations Act 2001, ASTC Settlement Rules, Section 5.6).

Written questions

Members are able to put written questions to directors or to the auditors. To submit a written question please complete the question form distributed with this notice. Questions directed to the auditor should relate to the content of the auditor’s report or the conduct of the audit of the annual financial report to be considered at the meeting. Written questions addressed to the auditor will be passed onto the auditor for consideration.

The question form should be deposited at the Company’s Registered Office not later than five business days prior to the meeting – by 10 am on Wednesday 22 October 2014. Written questions can be delivered to the Registered Office by hand, posted to Australian Ethical Investment Ltd, GPO Box 3993, Sydney NSW 2000 or faxed to 02 6201 1987. If posting your question form, please ensure that you mail it sufficiently in advance so that it arrives at the Registered Office by the required time. Please include the shareholder name on the form exactly as it appears on your holding certificate.

Recording of proceedings

Please note that the Company intends to record the proceedings of the AGM.

Written questions from shareholders

The Directors of Australian Ethical Investment Ltd invite you to ask written questions on:

- the management of the Company;
- the content of the auditor's report to be considered at the meeting;
- the conduct of the audit of the annual financial report to be considered at the meeting.

This question form should be deposited at the Company's Registered Office not later than five business days prior to the meeting – by 11 am on Wednesday, 22 October 2014. Written questions can be delivered to the Registered Office by hand, posted to Australian Ethical Investment Ltd, GPO Box Centre Sydney, GPO Box 8, Sydney NSW 2001 or faxed to 02 6201 1987. If posting your question form, please ensure that you mail it sufficiently in advance so that it arrives at the Registered Office by the required time.

Please note that the Company intends to respond to written questions thematically. Answers to questions will be provided at the Annual General Meeting and will also be published on the Company's website. The Company may not provide individual answers to written questions at the meeting. Also, the Company will not respond to or publish questions which in its view are defamatory, vexatious or which are the subject of or related to potential legal action by or against the Company. The Company may choose not to answer questions which:

- would require the publication of confidential or commercially sensitive information which could cause detriment to the Company; or
- are not posed by shareholders in their capacity as shareholders: for example questions asked by employee shareholders about specific staffing issues; questions asked by a contractor / shareholder about outsourcing arrangements; or questions asked by former directors or employees using confidential information obtained in their capacity as a director or employee.

Directors provide this opportunity to enable shareholders who may not be able to attend the Annual General Meeting to ask questions.

Shareholder name (exactly as it appears on holding statement)

Address and contact details

Question(s)

<input type="text"/>
<input type="text"/>
<input type="text"/>

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10.00am (AEDT) on Monday, 27 October 2014.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** www.votingonline.com.au/aeiagm2014
- STEP 2: Enter your holding/investment type:**
- STEP 3: Enter your Reference Number:**
- STEP 4: Enter your VAC:**

PLEASE NOTE: For security reasons it is important you keep the above information confidential.

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00 am (AEDT) on Monday, 27 October 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** www.votingonline.com.au/aeiagm2014
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Australian Ethical Investment Ltd** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Centenary 2, Hyatt Hotel Canberra, Commonwealth Avenue, Yarralumla ACT 2600 on Wednesday, 29 October 2014 at 10:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of resolution 4, 5, 6 & 7 please place a mark in the box.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of resolutions 4, 5, 6 & 7 and that votes cast by the Chair of the meeting for these resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on resolutions 4, 5, 6 & 7 and your votes will not be counted in calculating the required majority if a poll is called on the resolutions.

The Chair of the Meeting intends to vote undirected proxies in favour of resolutions 4, 5 & 6 and against resolution 7.

STEP 2 VOTING DIRECTIONS
 * If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 2	Election of Stephen Gibbs as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Anthony Stuart Cole as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Remuneration of Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for Phillip Vernon, CEO & Managing Director, to participate in an employee deferred share plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A vote **FOR** Resolution 7 is a vote to support the spill motion. The Directors unanimously recommend that Shareholders vote **AGAINST** Resolution 7

Resolution 7 Spill Meeting to remove Directors from office

STEP 3 SIGNATURE OF SHAREHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary