

Notice of meeting

Annual General Meeting
10am Tues, 25 Oct 2016



Celebrating 30 years



23 September 2016

Dear Shareholder,

Notice of Annual General Meeting Tuesday, 25 October 2016 @ 10 am

The Company has had another year of record growth. As you will have seen in the end of financial year results we have achieved:

- a record net profit after tax of \$3.0 million;
- a record community grant of \$0.395 million, totalling \$2.00 million since 2000;
- record funds under management of \$1.56 billion as at 30 June 2016;
- record number of 26,000 people investing with the Company; and
- a total dividend for the year of \$3.00 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:

The "Han" Meeting Room
Mezzanine Level
Christie Offices
3 Spring Street
Sydney NSW 2000

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 2016 Annual & Sustainability Report may be included. The 2016 Annual & Sustainability Report is also available from our website here: 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 Tuesday, 25 October 2016 commencing at 10 am at:

The "Han" Meeting Room
Mezzanine Level
Christie Offices
3 Spring Street
Sydney NSW 2000

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 Entities for the year ended 30 June 2016 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. 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.

5. 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 2016 be adopted.

Contingent Business

6. Spill Meeting to remove Directors from office

Condition for Resolution 6: Resolution 6 will be considered at the Meeting only if at least 25% of the votes cast on Resolution 5 Adoption of Remuneration Report are against the adoption of the Remuneration Report. The Explanatory Notes further explain the circumstances in which Resolution 6 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 2016 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 2015/2016 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

Steve 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. He is also a director of Australian Ethical Superannuation Pty Limited and a member of its Audit, Compliance and Risk Committee.

Steve has extensive experience in superannuation and investment and as a non-executive director. From early 2000 until 2008 he was CEO of ARIA (now Commonwealth Superannuation Corporation) the superannuation schemes for federal government employees. Prior to ARIA he was CEO of the Australian Institute of Superannuation Trustees (AIST).

Steve was formerly chair of the Responsible Investment Academy Advisory Council and a member of the ASX Corporate Governance Council from its inception until 2008. Other career highlights for Steve include his personal invitation from the then UN General Secretary to join the steering committee and investor group that developed what became the United Nations Principles of Responsible investment- UNPRI. Steve is also an Expert Panel Member for The Fair Work Commission.

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,
AO, BEc

Tony was appointed as a Non-Executive Director on 4 February 2013. Tony is a member of the People, Remuneration and Nominations Committee, a director of Australian Ethical Superannuation Pty Limited and a member of its Audit, Compliance and Risk Committee.

Tony has an extensive background in investment and public service, including as a senior investment consultant and an executive in Mercer's Investment Consulting business for 17 years, including heading the business in the Asia Pacific region for more than five years.

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 and a member of its Audit Committee. Tony is also a member of the New South Wales Treasury Corporation Investment Committee and an Expert Panel Member for The Fair Work Commission.

Resolution 4 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 4.

The Chairman of the Meeting intends to vote all available proxies FOR Resolution 4.

Resolution 4 seeks shareholder approval to issue Deferred Shares to Mr Phillip Vernon, CEO & Managing Director under the terms and conditions of a previously approved 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, a Deferred Share Plan was established to allow the grant of performance based share awards depending upon the prevailing circumstances. The Plan was designed to deliver Deferred Shares with performance conditions commensurate with the Company's key business drivers at the time of award.

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 2016 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, subject to the voting exclusions discussed below, 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 2,500 deferred shares. Mr. Vernon's remuneration arrangements are set out in the Remuneration report. A set percentage of his fixed remuneration is allocated to awarding Mr. Vernon shares in the company (subject to the vesting conditions outlined below) which will be held in trust for Mr. Vernon by a share plan Trustee. The exact number of shares will be determined by applying the percentage to his fixed remuneration and then dividing this dollar amount by the volume weighted average share price for the last 90 days of the 2016-17 financial year to determine the exact number of shares awarded.

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:

Condition 1: 50% will vest if Mr Vernon remains with the Company after 3 years; and

Condition 2: Provided Condition 1 is met 50% will vest on the following basis:

if EPS growth is:

- o less than 5% pa, on average, zero will vest.
- o greater than 10% pa, on average, 100% will vest.
- o between 5% and 10% pa, on average, a pro rata amount will vest.

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 4.

- Mr Philip Vernon is the CEO & Managing Director of the Company.
- Mr Vernon will be granted up to 2,500 Deferred Shares for nil financial consideration. The shares allotted to Mr Vernon may be acquired on-market or issued by Australian Ethical Investments 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 2019.
- As this is an 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 FY2019 Award will be published in Australian Ethical Investments Limited's future annual Remuneration Reports, including that approval for this issue of securities was obtained under ASX Listing Rule 10.14.

The Company will disregard any votes cast on Resolution 4 by or on behalf of Mr Vernon and his associates, except if the votes are cast as a proxy for a shareholder entitled to cast a vote, in accordance with the directions on the Proxy Form.

The Directors (with Mr Vernon abstaining) recommend that you vote in favour of this Resolution.

Resolution 5 Remuneration Report

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

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 2016. 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. Consideration of the limited feedback that the Board has received has not led the Board to revise its remuneration arrangements. The remuneration structure was introduced in 2014 after a detailed review and the Board is confident that this structure is fair, equitable and appropriate for the company and has been a significant contributing factor to the recent record performance of the company.

At the 2015 AGM more than 25% of the votes cast in respect of the resolution to adopt the 2015 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 2016 AGM for the purpose of the re-election of all of the Company's then Directors.

Resolution 6 Holding a Spill Meeting to remove Directors from office

Condition for Resolution 6: Resolution 6 will be considered at the Meeting if at least 25% of the votes cast on resolution 5 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 2016 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 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 4 by any Director of the Company and their associates. However, the Company need not disregard a vote cast on resolution 4 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, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 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 5 unless the:

- person votes as a proxy appointed by writing that specifies how the person is to vote on proposed resolution 5; and
- 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 5 (see the attached Explanatory Notes for AGM Agenda items for further information).

Resolution 6 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 6 unless the:

- person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed resolution in Resolution 6; and
- 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.

Additional information

Annual report

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

australianethical.com.au/shareholders/annual-and-sustainability-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, Link Market Services 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 Sunday, 23 October 2016). Any proxy received after that time will not be valid for the scheduled meeting.

Proxies can be delivered as follows:

By hand	Link Market Services Level 12, 680 George Street, Sydney NSW 2000
By mail	Link Market Services Locked Bag A14 Sydney South NSW 1235
By facsimile	+ 61 2 9287 0309
Online	www.linkmarketservices.com.au

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 5 (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 5 and votes cast by the Chairman of the Meeting for Resolution 5, 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 5 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 5 (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 and 5; and
- **against** resolution 6 (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 Friday, 21 October 2016 (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 5 pm on Tuesday 18 October 2016. 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 9252 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.



LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Australian Ethical Investment Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 554 474

PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am on Tuesday, 25 October 2016 at the "Han" Meeting Room, Mezzanine Level Christie Offices 3 Spring Street Sydney NSW 2000 (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolution 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 5, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 2, 3, 4 and 5.

The Directors unanimously recommend that securityholders vote AGAINST Resolution 6.

The Chairman of the Meeting intends to vote undirected proxies AGAINST Resolution 6.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an X

Resolutions

Table with 2 columns of resolutions and 3 columns of voting options (For, Against, Abstain*) for each resolution.

* 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 votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Signature lines for Securityholder 1 (Individual), Joint Securityholder 2 (Individual), and Joint Securityholder 3 (Individual).

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).



HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in 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 voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or 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; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Sunday, 23 October 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Australian Ethical Investment Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**



LODGE YOUR QUESTIONS



ONLINE
www.linkmarketservices.com.au



BY MAIL
Australian Ethical Investment Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX
+61 2 9287 0309



BY HAND
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO
Telephone: +61 1300 554 474

Please use this form to submit any questions about Australian Ethical Investment Limited (“the Company”) that you would like us to respond to at the Company’s 2016 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Company’s auditor it should be relevant to the content of the auditor’s report, or the conduct of the audit of the financial report.

This form must be received by the Company’s security registrar, Link Market Services Limited, by **5:00pm on Tuesday, 18 October 2016**.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised securityholder topics as possible and, where appropriate, will give a representative of the Company’s auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to securityholders.

My question relates to (please mark the most appropriate box)

- | | | |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report | <input type="checkbox"/> Sustainability/Environment | <input type="checkbox"/> Other |
| <input type="checkbox"/> My question is for the auditor | <input type="checkbox"/> Future direction | |

- | | | |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report | <input type="checkbox"/> Sustainability/Environment | <input type="checkbox"/> Other |
| <input type="checkbox"/> My question is for the auditor | <input type="checkbox"/> Future direction | |

QUESTIONS