



Notice of Meeting

ANNUAL
GENERAL
MEETING

10 AM WEDNESDAY, 25 OCTOBER 2017



22 September 2017

Dear Shareholder,

Notice of Annual General Meeting – Wednesday, 25 October 2017 @ 10 am

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

Level 8
130 Pitt 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 2017 Annual & Sustainability Report may be included. The 2017 Annual & Sustainability Report is also available from our website here: australianethical.com.au/annual-sustainability-reports

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

- Net profit after tax attributable to shareholders \$2.920m (2016: \$3.010m down 3%; Net profit after tax attributable to shareholders excludes the net profit after tax of the Australian Ethical Foundation)
- Consolidated statutory net profit after tax of \$2.924m
- Underlying profit after tax (UPAT) of \$4.235m (up 11%)
- Revenues of \$28.3m (up 23%)
- Expenses of \$25.4m (up 34%)
- Final ordinary dividend of 210 cents per share, fully franked
- Net profit impacted by \$1.96m cost of remediating unit pricing error
- Group funds under management of \$2.15bn (up 38%)
- Net inflows of \$454m (up 42%)
- Superannuation membership at 35,352 members (up 34%)

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

A handwritten signature in black ink, appearing to read 'S. P. Gibbs' with a stylized flourish at the end.

Stephen Gibbs
Chair

AUSTRALIAN ETHICAL INVESTMENT LIMITED

Notice of Meeting

Australian Ethical Investment Limited's AGM will be held on Wednesday, 25 October 2017 commencing at 10 am at:

Level 8
130 Pitt 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 2017 and the related Directors' Report, Directors' Declaration and Auditor's Report.

2. Re-election of Mara Wickerhauser Bún

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

That Mara Wickerhauser Bún, Director, be re-elected as a Director of the Company.

3. Election of Michael Monaghan

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

That Michael Monaghan, 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. 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 \$540,000.

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 2017 be adopted.



By order of the Board

Tom May
Company Secretary

Explanatory Notes

RESOLUTION 1 ACCOUNTS

The financial statements of the Company for the 2016/2017 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 RE-ELECTION OF MARA WICKERHAUSER BÚN

The Board recommend shareholders vote FOR Resolution 2.

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

Ms Bún is standing for election, details of her qualifications and experience are:

Mara Wickerhauser Bún

Non-Executive Director

BA (Political Economy), GAICD

Ms Bún was appointed as a Non-Executive Director on 4 February 2013 and re-elected by shareholders at the AGM held on 28 October 2015.

Ms Bún is a member of the Audit, Compliance and Risk Committee, the People, Remuneration and Nominations Committee and a director of Australian Ethical Superannuation Pty Limited and brings over 20 years of business and community experience to Australian Ethical. She was born and raised in Brazil, educated in the US and was a financial analyst in Morgan Stanley's M&A and technology banking groups before moving to Australia in 1991.

During the 1990s Ms Bún was responsible for finance and administration at Greenpeace Australia and was head of policy and public affairs for Choice. She returned to investment banking as Senior Equities Analyst covering the Internet sector for Macquarie Bank during the dotcom period. She has been a Director of The Allen Consulting Group, head of research at Canstar and Director of Business Development at the CSIRO.

Between 2007 and 2014 Ms Bún was CEO of Green Cross Australia, Australia's highly awarded digital non-profit dedicated to empowering resilience to the impacts of climate change through network models.

Ms Bún continues to advance resilience as Chairman of the board of Gold Coast Waterways Authority, a Queensland Government Statutory authority charged with oversight of 160 kilometres of waterways which make the Gold Coast a magnificent place to live yet also present significant climate related risks.

Ms Bún is also a Non-Executive Director of Enova Community Energy, Australia's first community owned renewable energy retail company assisting: the Northern Rivers community in NSW to shift away from a fossil fuel economy; and enabling local low income residents to participate in our clean energy future. Enova is scaling with other like-minded communities by leveraging its systems and energy retail license that applies in communities across the National Energy Market.

Ms Bún is also an innovation and resilience consultant. She leads strategy and development for Food Agility CRC, a ten year public/private research program led by UTS, QUT and Curtin Universities which aims to empower Australia's food industry to grow its comparative advantage through digital transformation. She is a member of Seqwater's Independent Review Panel calibrating development of the Queensland Government's 30 year water security program. She supports Simba Global, Australia's largest commercial textile supplier, to frame a big data roadmap that leverages digital technologies towards commercial and community benefit.

RESOLUTION 3 ELECTION OF MICHAEL MONAGHAN

The Board recommend shareholders vote FOR Resolution 3.

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

Mr Monaghan is standing for election, details of his qualifications and experience are:

Michael Monaghan

Non-Executive Director

BA, FIAA, FAICD

Michael is a non-executive director who has more than 30 years' experience in investment, consulting and leadership of financial services organisations both in Australia and internationally.

He was Managing Director of State Super Financial Services Australia Limited (StatePlus) from 2011 to 2016 and previously was a partner in the actuarial practice of Deloitte Touche Tohmatsu, the CEO of Intech Investment Consultants and held senior executive positions at Deutsche Bank, IBM and Lend Lease Corporation.

Michael is currently Deputy Chair of HammondCare, an aged care provider and a director of Alpha Vista Financial Services, a start-up global business leveraging large scale data and computing capabilities and artificial intelligence.

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 2017 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 accepted 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 resolutions put to a meeting of shareholders.

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 him shares in the company (subject to the vesting conditions outlined below) which will be held in trust for him 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 the Company 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 the remaining 50% will vest if EPS growth is:

- less than 5% pa, zero will vest.
- greater than 10% pa, 100% will vest.
- between 5% and 10% pa, 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 Phillip 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 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 2020.
- 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 FY2017 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 no later than 12 months after the AGM.

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 OF DIRECTORS

The Board recommends that shareholders vote FOR Resolution 5.

Subject to the Voting Exclusion Statement below the Chairman of the Meeting intends to vote all available proxies FOR Resolution 5.

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 \$180,000 from an aggregate amount of \$360,000 per year to an aggregate amount of \$540,000 per year.

The non-executive director fee pool was last increased 3 years ago at the 2014 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 that are appropriate for a company of our size and complexity;
- reflect the increased governance and oversight responsibilities of directors which is a key element in the significant growth of the Company; and
- enable the Company to appoint additional non-executive directors given the increasingly complex regulatory environment and the transformative changes that will occur in the financial services industry as it matures and responsible investment expands – the Company is committed to fostering and participating in this industry transformation.

Since the non-executive director fee pool was last increased by shareholders at the 2014 AGM the Directors have taken on significant additional responsibilities including:

- the AEI Chairman now being Chair of Australian Ethical Super (AES);
- Non-Executive Director Kate Greenhill now being a Director of AES and Chair of the AES Audit Compliance and Risk Committee; and
- Non-Executive Director Mara Bun now being a Director of AES and a member of the AES Audit Compliance and Risk Committee.

Also, since the non-executive director fee pool was last increased the share price has almost tripled and funds under management has more than doubled.

RESOLUTION 6 REMUNERATION REPORT

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

Section 250R(2) of the Corporations Act 2001 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 2017. 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. The Board reviews the Company's remuneration arrangements annually and any feedback it receives is taken into account in this annual review. 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.

Under the Corporations Act 2001, if 25% or more of the votes cast at this AGM and the 2018 AGM are against the adoption of the Remuneration Report, shareholders will be required to vote at the 2018 AGM on a "spill" resolution. If the spill resolution is passed in 2018, the Company will be required to convene another meeting within 90 days for the purpose of the re-election of all of the Company's then Directors.

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 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 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 6 REMUNERATION REPORT

As required by the Corporations Act 2001, 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).

Additional information

ANNUAL REPORT

The Company's 2017 Annual & Sustainability Report is available from its website at:

australianethical.com.au/annual-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 Monday, 23 October 2017). 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 Chairman will vote all undirected proxies **in favour** of resolutions 2, 3, 4, 5 and 6.

Written questions from shareholders

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, 23 October 2017 (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 on to 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 Wednesday 18 October 2017. Written questions can be delivered to the Registered Office by hand, posted to Australian Ethical Investment Limited, GPO Box Centre Sydney, GPO Box 8, Sydney NSW 2001. If posting your question form, please ensure that you allow time for it to arrive at the Registered Office by the cut off time and include your 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.



australianethical



100% Post Consumer Waste

This information is general information only and is not intended to provide you with financial advice or take into account your individual investment objectives, financial situation or needs. You should consider, with an accredited financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. You should consider the Product Disclosure Statement (PDS) for the Australian Ethical Retail Superannuation Fund before you make an investment decision. A copy of the PDS or updated information can be obtained by calling us on **1300 134 337** or visiting our website www.australianethical.com.au/super/pds.

No company in the Australian Ethical Group* guarantees the performance of any fund or the return of an investor's capital. The information contained in this document is believed to be accurate at the time of compilation.

Interests in the Australian Ethical Retail Superannuation Fund (ABN 49 633 667 743) are offered by Australian Ethical Investment Ltd (ABN 47 003 188 930, AFSL 229949) and issued by the Trustee of the Fund, Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733, USI AET0100AU)

*Australian Ethical Group means Australian Ethical Limited ACN 003 188 930 Issue date: August 2017

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

X999999999999

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

STEP 1

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 **Wednesday, 25 October 2017 at the Company's Offices, Level 8, 130 Pitt Street, Sydney NSW 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolution 6: 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 6, 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 each item of business.

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

STEP 2

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
2 Re-election of Mara Wickerhauser Bún	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Michael Monaghan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval for Phillip Vernon, CEO & Managing Director to participate in an employee deferred share plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Remuneration of Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 * 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 SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder'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).

STEP 3


HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares 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 shareholder 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 shares 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 shares 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 share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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
- 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 shareholder 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 share 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 Monday, 23 October 2017**, 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, shareholders 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 shareholding.

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.**

