

Australian
Ethical



Notice of Meeting

Annual General Meeting

10am Tuesday, 11 November 2025

Notice of Meeting

Notice is given that the Annual General Meeting (Meeting) of the shareholders of Australian Ethical Investment Limited (the Company) (ACN 003 188 930) is to be hosted as a hybrid meeting both virtually and in person:

Date: Tuesday, 11 November 2025

Time: 10:00am (AEST)

Venue: Online at
<https://meetings.openbriefing.com/AEF25>
In person at The Gold Melting Room,
The Mint, 10 Macquarie Street, Sydney
NSW 2000

Shareholders will have the opportunity to attend and participate in the Meeting either in person or through the MUFG virtual meeting platform, which allows shareholders attending virtually to watch and listen to the Meeting and ask questions in relation to the business of the meeting both orally and by submitting written questions using the online facility and to vote online in real time during the Meeting.

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

Attendance via online platform

We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

Enter: <https://meetings.openbriefing.com/AEF25> into a web browser on your computer or online device.

Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top of the Voting Form.

PLEASE NOTE IF YOU HAVE MORE THAN ONE SHAREHOLDING YOU WILL ONLY BE ABLE TO VOTE FOR ONE SHAREHOLDING WHEN PARTICIPATING ONLINE. IT IS RECOMMENDED THAT FOR ANY ADDITIONAL HOLDINGS THAT YOU SUBMIT A DIRECTED PROXY OR VOTE ONLINE BEFORE THE MEETING TO ENSURE YOUR VOTES ARE COUNTED (SEE APPOINTING A PROXY IN THE ADDITIONAL INFORMATION AT THE END OF THIS NOTICE).

Proxyholders will need their proxy code which MUFG Corporate Markets will provide via email no later than 48 hours prior to the Meeting.

Further information on how to participate virtually is set out in this Notice and the Online Voting Guide which are located at <https://www.australianethical.com.au/shareholder/#2025>.

Attendance in person

The Meeting will also be held in person at The Gold Melting Room, The Mint, 10 Macquarie Street, Sydney NSW 2000.

We will advise if any changes impact the Meeting location or other arrangements regarding the AGM.

Ordinary Business

1. Accounts

To receive and consider the financial statements of the Company and its Controlled Entities for the year ended 30 June 2025 and the related Directors' Report, Directors' Declaration and Auditor's Report.

2. Re-elect Sandra McCullagh

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

That Sandra McCullagh, Director, be re-elected as a Non-executive Director of the Company.

3. Elect Brian Bissaker

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

That Brian Bissaker, Director, be elected as a Non-executive Director of the Company.

4. Grant of long-term Hurdled Performance Share Rights to the Chief Executive Officer

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

That for the purpose of ASX Listing Rule 10.14 and all other purposes, approval is given for the grant of long-term Hurdled Performance Share Rights to Australian Ethical Investment Limited's Managing Director and CEO, John McMurdo, under the Australian Ethical Executive Long Term Incentive Plan and on the terms described in the Explanatory Notes included in the Notice of Meeting.

A voting exclusion applies to this resolution.

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 2025 be adopted.

By order of the Board

A handwritten signature in black ink, appearing to read 'K Hughes'.

Karen Hughes
Company Secretary

Explanatory notes

Resolution 1 Accounts

The financial statements of the Company for financial year 2025 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 a Director – Sandra McCullagh

The Board recommend shareholders vote FOR Resolution 2.

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

Ms McCullagh is standing for re-election, details of her qualifications and experience are:

Sandra McCullagh

Non-Executive Director since March 2023
BA, BSc, FAICD, MBA

Sandra is Chair of the Investment Committee, and a member of the People & Remuneration Committee and Nominations Committee. She has a strong background in ESG and experience on both the buy-side and sell-side. She was the former top-rated head of ESG and utilities equities research at Credit Suisse Australia. She is a director of Workcover Queensland, the Sunshine Coast Hospital & Health Board, and was a former trustee and Chair of the Investment Committee of QSuper, leading up to its merger with SunSuper.

Sandra is a Non-executive Director of Sydney Dance Company.

Sandra has also been on the Board of the Investor Group on Climate Change, whose scope includes

Australia, New Zealand and Asia, and the New Zealand Stock Exchange Corporate Governance Institute. Sandra is a Fellow of the Australian Institute of Company Directors and a member of Chief Executive Women.

Resolution 3 Election of Director – Brian Bissaker

The Board recommend shareholders vote FOR Resolution 3.

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

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

Brian Bissaker

Non-executive Director since April 2025 BEc, FCA, GAICD.

Brian is a Member of the People & Remuneration Committee.

Brian Bissaker has spent thirty years in leadership positions within the financial services sector spanning funds management, superannuation, life insurance and banking. During this time, Brian was the CEO of Colonial First State and CEO of Virgin Money Australia, an Executive Vice President at BT Funds Management and a Group Executive of the Bank of Queensland. He also served the sector on the boards of both the Financial Services Council and the Association of Superannuation Funds of Australia and held a position as Adjunct Professor of the University of Sydney Business School teaching in the Executive MBA program.

For the past eight years, he has held non-executive director positions on the boards of companies including Citigroup, MetLife Insurance, IMB Bank and MyState Bank. He is also the Chair of Monte Sant Angelo Mercy College, a leading private girl's school.

Resolution 4

Grant of long-term Hurdled Performance Share Rights to the Chief Executive Officer

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

The Company has an Executive Long Term Incentive Plan (ELTI) which has been in operation since 2021 and is outlined in the Remuneration Report. The plan seeks to incentivise and reward the achievement of challenging long-term targets for the Company, aligning performance of Key Management Personnel (KMP) with shareholder outcomes.

The Company's preferred method to provide the ELTI incentive is to grant Hurdled Performance Share Rights (HPSRs). Each HPSR is a conditional right to receive one ordinary fully paid share in the Company at no cost subject to meeting applicable performance and employment conditions.

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of shares (which would include the HPSRs) to a Director under an employee incentive scheme. Accordingly, this resolution is being put to Shareholders to seek approval for a grant of HPSRs to be made to the Chief Executive Officer and Managing Director, Mr John McMurdo.

While shares granted to Mr McMurdo on vesting may be acquired on-market, which the Company has done in recent years, shareholder approval is being sought as this is good governance practice. If shareholders approve Resolution 4 this will give the Company the ability to issue shares or buy those shares on market (if the performance hurdles are met) depending on the circumstances at the time. If new shares are issued in order to satisfy the HPSRs (if they vest), that issue will fall within ASX Listing Rule 10.14 because Mr McMurdo is a director of the

Company, and therefore approval under ASX Listing Rule 10.14 is required.

If Resolution 4 is passed, the Company will proceed with the grant of HPSRs outlined in this Notice of Meeting. If Resolution 4 is not passed, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr McMurdo, which may include amending the terms of and/ or the quantum of the award.

Mr McMurdo's current total annual remuneration package comprises the following elements:

- total fixed remuneration (TFR) of \$660,000 per annum (inclusive of statutory superannuation contributions and any salary sacrifice items), reviewable annually;
- a short-term incentive target of 75% of TFR (potential range zero to 150% maximum of TFR), which if earned, based on the Company's current Remuneration Policy, is payable 50% in cash and 50% in deferred shares; and
- a long-term incentive in the form of HPSRs.

The Company grants the long-term incentive in the form of HPSRs to ensure a significant proportion of Mr McMurdo's total reward is 'at risk' and directly linked to shareholder outcomes.

Hurdled Performance Share Rights

Mr McMurdo is eligible for a long-term incentive award each year. The performance hurdles for the ELTI were expanded in 2024 and made more stretching. This change was made considering the expectation of the Financial Accountability Regime (FAR) which requires material levels of total variable remuneration to be deferred for at least 4 years.

The only long term incentive program applicable to Mr McMurdo, for vesting consideration in 2029, is the ELTI.

Explanatory notes

The maximum number of HPSRs of 68,088 has been calculated by dividing 75% of TFR (being \$495,000) by the 20-day volume weighted average price (VWAP) of the Company's shares traded (post the 'ex-dividend' date of 3 September 2025) over the 20 trading days from 4 September 2025

to 1 October 2025 (being \$7.27). This is the same allocation price used for other KMP.

Vesting criteria for the ELTI 2025 HPSRs will only occur if one or more (in proportion) of the following conditions are satisfied over the performance period to 30 June 2029:

	Objective	Target	Achievement scale
1/3rd of HPSRs	Net-flows (organic)	\$4.2bn over the 4-year period.	<p>Rights that vest:</p> <ul style="list-style-type: none"> - Less than \$3.4bn = 0% - \$3.4b to \$4.2bn = Straight-line vesting from 50% to 100% - \$4.2bn or above = 100% <p>Noting that should the Group complete inorganic growth, the Board will assess expectations of flows from any target, and factor any agreed alteration to the achievement scale for rights to vest.</p>
1/3rd of HPSRs	Diluted Earnings Per Share (EPS) growth (adjusted NPAT pre-performance fees)	15% p.a. Compound Annual Growth Rate (CAGR) of diluted EPS	<p>Rights that vest:</p> <ul style="list-style-type: none"> - Less than 10% CAGR = 0% - 10% to 15% CAGR = Straight-line vesting from 50% to 100% - 15% or above CAGR = 100%
1/3rd of HPSRs	TSR (absolute)	10% p.a. CAGR	<p>Rights that vest:</p> <ul style="list-style-type: none"> - Less than 7% CAGR = 0% - 7% to 10% CAGR = Straight-line vesting from 50% to 100% - 10% or above CAGR = 100%
Moderator	<p>Non-financial measures. i.e Median NPS (net promoter score) for Financial Services companies in Australia</p> <p>Median employee engagement score for Financial Services companies in Australia</p> <p>Continued compliance with the aims of our Ethical Charter.</p>		<p>Used as a downward moderator (only), applied by Board for non-compliance with any of the non-financial measures.</p> <p>The Board cannot use non-financial measures to increase ELTI where some or all financial measures are not met.</p>

The weighting to the long-term incentive in Mr McMurdo's reward mix and the use of both financial measures and the non-financial moderators as metrics support a continued focus by Mr McMurdo on long-term performance outcomes and ensures a direct link between Mr McMurdo's realised reward and long-term shareholder outcomes.

Any HPSRs that do not vest at four years following the performance period start date will lapse. The performance period start and end dates applicable to Mr McMurdo's proposed grant of HPSRs are the same as those applicable to other KMP.

POST-VESTING RESTRICTIONS

Cessation of employment

The subsection titled '4.9 Contract Terms' set out on page 68 of the 2025 Annual Report sets out the notice periods and payments which apply to Mr McMurdo upon termination.

Change of control

If a takeover bid is made to acquire all of the issued Shares of the Company, or a scheme of arrangement, selective capital reduction or other transaction is initiated (such as acquisition of a relevant interest¹) which has an effect similar to a full or partial takeover bid for Shares in the Company, then Employees are entitled to accept the takeover bid or participate in the other transaction in respect of all or part of their Hurdled Performance Share Rights. The Board may, in its discretion, waive unsatisfied Vesting Conditions in relation to some or all Hurdled Performance Share Rights in the event of such a takeover or other transaction and Hurdled Performance Share Rights that have been awarded may vest in part or full at the discretion of the Board.

Malus

The Board has the discretion to reduce or cancel any Hurdled Performance Share Rights in the ELTI Plan for:

- Fraudulent or dishonest conduct;
- Material misstatements or omission in the financial statements; or
- Circumstances occur that the Board determines to have resulted in unfair or inappropriate benefit.

Material terms of HPSRs

In addition to the terms described in this explanatory note for Resolution 4, the following terms apply to the HPSRs until the HPSRs vest and convert into ordinary securities:

- the HPSRs are not transferrable;
- the HPSRs do not confer any right to vote;
- the HPSRs do not confer any entitlement to a dividend;
- the HPSRs do not confer any right to participate in the surplus profit or assets of the Company on winding up; and
- the HPSRs do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues.

Additional information

The following additional information is relevant to the proposed grant of securities

- There is no cost payable by Mr McMurdo, and no loan made by the Company to Mr McMurdo in relation to the grant of the HPSRs or the allocation of shares on vesting of the HPSRs.
- Mr McMurdo is the only Director (or associate of a Director) entitled to participate in the ELTI.
- The HPSRs that are the subject of this approval will be granted to Mr McMurdo following the AGM and no later than 12 months from the AGM.
- A total of 238,234 HPSRs have been granted to Mr McMurdo under the ELTI in prior years

¹An acquisition of a relevant interest occurs when greater than 20% of the issued voting shares are purchased by a party.

Explanatory notes

(commencing from 2021), with vesting subject to performance measures as per section 4.7.1 on page 65 of the Annual Report. These awards were granted to Mr McMurdo as his long-term incentive for no cost. The ELTI commenced in 2021 and has a four year performance hurdle. No HPSRs granted to Mr McMurdo under the ELTI scheme have vested, with 24,178 of the 238,234 HSPRs granted now lapsed under the 2021 ELTI scheme.

- Details of any securities issued under the ELTI will be published in the Company's Annual Report relating to the period in which they were bought on market/ were issued, along with a statement that approval for the issue was obtained under ASX listing Rule 10.14. Any additional persons covered by ASX listing Rule 10.14. who become entitled to participate in an issue of securities under the ELTI after this resolution is approved and who are not named in the Notice of Meeting, will not participate until approval is obtained under ASX listing Rule 10.14.

Recommendation

The Board (with Mr McMurdo abstaining) unanimously recommends that shareholders vote in favour of the grant of long-term Hurdled Performance Share Rights to Mr McMurdo.

Resolution 5 Remuneration Report

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

Section 250R(2) of the Corporations Act requires directors to provide 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 certain Company executives for the financial year ended

30 June 2025. 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 Directors recommend that shareholders vote for the adoption of the Remuneration Report.

Voting exclusion statements

Resolution 4 Grant of long-term Hurdled Performance Share Rights to the Chief Executive Officer

As required by the Corporations Act 2001 (Corporations Act) Mr McMurdo, or a closely related party of Mr McMurdo, or any member of the Company's Key Management Personnel on the date of the Meeting, may not vote in any capacity (e.g. as a shareholder, proxy or corporate representative) on proposed Resolution 4 unless:

- the person votes as a proxy appointed by writing that specifies how the person is to vote on proposed Resolution 4; 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 Mr McMurdo, or a closely related party of Mr McMurdo, or 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 4 (see the Explanatory Notes for AGM Agenda items for further information).

As required by ASX Listing Rule 14.11 (ASX Listing Rules) the Company will disregard any votes cast in favour of the resolution by or on behalf of:

- John McMurdo, or any member of the Company's Key Management Personnel excluded from voting; or
- An associate of John McMurdo or of any of the Company's Key Management Personnel.

However, this does not apply to a vote cast in favour of a resolution by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given the proxy or attorney to vote on the resolution in that way; or
- The Chairman of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction

given to the Chairman to vote on the resolution as the Chairman decides; or

- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, in the resolution; and
 - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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
- 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 5 (see the Explanatory Notes for AGM Agenda items for further information).

Additional information

Annual report

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

<https://www.australianethical.com.au/shareholder/>

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 Sunday, 9 November 2025 (Section 1074E; Regulation 7.11.37 Corporations Act 2001, ASTC Settlement Rules, Section 5.6).

Recording of proceedings

Please note that the AGM will be recorded.

All Resolutions by Poll

The Chair intends to call a poll on each of the resolutions proposed at the AGM. The Chair considers voting by poll to be in the interests of the shareholders as a whole and ensures the representation of as many shareholders as possible at the meeting.

How to Vote

A Shareholder who is entitled to attend and vote at the Meeting may do so:

- a. using the online platform
 - b. by Proxy
 - c. by corporate representative (if the Shareholder is a corporation)
 - d. by Attorney
- a. **Voting online before the meeting**
- This can be done here:
<https://au.investorcentre.mpms.mufig.com/>
- Login to the MUFG Corporate Markets 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).

PLEASE NOTE IF YOU HAVE MORE THAN ONE SHAREHOLDING YOU WILL ONLY BE ABLE TO VOTE FOR ONE SHAREHOLDING WHEN PARTICIPATING ONLINE. IT IS RECOMMENDED THAT FOR ANY ADDITIONAL HOLDINGS THAT YOU SUBMIT A DIRECTED PROXY OR VOTE ONLINE BEFORE THE MEETING TO ENSURE YOUR VOTES ARE COUNTED (SEE APPOINTING A PROXY BELOW).

b. Using the online platform during the AGM

We recommend logging in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

- Enter <https://meetings.openbriefing.com/AEF25> into a web browser on your computer or online device;
- Securityholders will need their SRN or HIN (printed at the top of the Voting Form); and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meeting.

Online voting will be open between the commencement of the Meeting at 10am (Sydney time) on 11 November 2025 and the time at which the Chair announces voting closure.

PLEASE NOTE IF YOU HAVE MORE THAN ONE SHAREHOLDING YOU WILL ONLY BE ABLE TO VOTE FOR ONE SHAREHOLDING WHEN PARTICIPATING ONLINE. IT IS RECOMMENDED THAT FOR ANY ADDITIONAL HOLDINGS THAT YOU SUBMIT A DIRECTED PROXY OR VOTE ONLINE BEFORE THE MEETING TO ENSURE YOUR VOTES ARE COUNTED (SEE APPOINTING A PROXY BELOW).

More information about online participation in the Meetings is available in the Online Guide at <https://www.australianethical.com.au/shareholder/#2025>

c. Appointing a Proxy

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, MUFG Corporate Markets, 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, 9 November 2025). Any proxy received after that time will not be valid for the scheduled meeting.

Proxies can be delivered as follows:

By hand	MUFG Corporate Markets Parramatta Square Level 22, Tower 6 10 Darcy Street Parramatta NSW 2150
By mail	Australian Ethical Investment Limited C/- MUFG Corporate Markets (AU) Limited Locked Bag A14 Sydney South NSW 1235
By facsimile	+ 61 2 9287 0309
Online	https://au.investorcentre.mpms.mufg.com

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 box in Step 1 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. 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.

The Chair will vote all undirected proxies in favour of Resolutions 2, 3, 4, and 5.

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.