

**Australian
Ethical**



Notice of Meeting

Annual General Meeting

10am Wednesday, 15 November 2023



Notice of Meeting

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

Date: Wednesday, 15 November 2023

Time: 10:00am (AEST)

Venue: Online at <https://meetings.linkgroup.com/AEF23>

In person at The Gold Melting Room, The Mint, 10 Macquarie Street, Sydney NSW 2000

Australian Ethical will deliver its 2023 Annual General Meeting as a hybrid meeting, comprising a virtual meeting as well as an in-person meeting. Shareholders will have the opportunity to attend and participate in the Meeting either in person or through the Link 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.linkgroup.com/AEF23> 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.

Proxyholders will need their proxy code which Link Market Services 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.

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 Government restrictions may 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 2023 and the related Directors' Report, Directors' Declaration and Auditor's Report.

2. 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 2023 be adopted.

3. Re-elect Stephen Gibbs

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

That Stephen Gibbs, Director, be re-elected as a Non-executive Director of the Company.

4. Elect Sandra McCullagh

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

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

By order of the Board

A handwritten signature in black ink that reads "KSHughes". The signature is written in a cursive, flowing style.

Karen Hughes
Company Secretary

Explanatory notes

Resolution 1 Accounts

The financial statements of the Company for financial year 2023 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 Remuneration Report

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

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 2023. 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 Company's remuneration structure for the CEO and key management personnel is a matter that the Board actively engages with through detailed reviews of the structure by the Board's People, Remuneration and Nominations Committee. This is done to ensure that we continue to reward employees fairly and provide a direct link between their effort and contribution and the long term performance of the Company. Our remuneration policy aligns to the philosophy of the Company that sees our people as key stakeholders in the Company's success.

The Board is confident that the current structure is fair, equitable and appropriate and that it has been a significant factor in the recent record performance of the Company.

The Directors recommend that shareholders vote for the adoption of the Remuneration Report.

Resolution 3 Re-election of a Director - Stephen Gibbs

The Board recommend shareholders vote FOR Resolution 3.

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

Mr Gibbs is standing for re-election, details of his qualifications and experience are:

Stephen Gibbs

Non-Executive Director since 2012 and Chair since 2013
BEcon, MBA

Stephen (Steve) chairs the People, Remuneration and Nominations Committee, is a member of the Product Disclosure Statement Committee and the Australian Ethical Investment Limited and Australian Ethical Superannuation Pty Limited Audit, Risk & Compliance Committees. He is Chair of Australian Ethical Superannuation Pty Limited and Australian Ethical Foundation Limited.

Steve is also the Non-Executive Chair of Netlinkz Limited. Steve has extensive experience at both an executive and non-executive level in the investment and superannuation industries, including being a former CEO of the Australian Institute of Superannuation Trustees, a former CEO of what is now Commonwealth Superannuation Corporation and a non-executive director of Hastings Funds Management and Westpac Funds Management.

Steve has been recognised for his commitment to, and expertise in, ethical and responsible investing.

Australian Ethical has a policy about Board Tenure which requires that, once a Non-Executive Director has served 10 years on the AEI Board the Board will determine:

- whether the Non-Executive Director should consider retiring; and
- whether the Non-Executive Director's independence has been compromised

The Non-Executive Directors have met (without Steve being present) and have resolved that Steve should not consider retiring and that his independence has not been compromised.

A new Non-Executive Director, Sandra McCullagh was appointed during the year following the retirement of Michael Monaghan. The Board will seek to identify new Non- Executive Directors with the skills and experience necessary to contribute to the company's growth strategy as part of an ongoing Board renewal process.

Given the recent integration of Christian Super, the significant transformation and synergy program underway, and the Board renewal process now commenced, the Board believes that it is in the Company's best interest for Steve to remain as Chair and provide valuable continuity for at least another term.

Resolution 4 Election of Director - Sandra McCullagh

The Board recommend shareholders vote FOR Resolution 3.

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

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

Sandra McCullagh

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

Sandra was appointed to the Board of Australian Ethical Investment Limited on 1 March 2023. Sandra is Chair of the Investment Committee and a Member of the People, Remuneration and Nominations Committee.

Sandra is a director of Workcover Queensland and is on the New Zealand Stock Exchange Corporate Governance Institute.

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. Sandra was a former trustee and Chair of the Investment Committee of QSuper, leading up to its merger with SunSuper.

Sandra is a former director of the Board of the Investor Group on Climate Change, whose scope includes Australia, New Zealand and Asia. Sandra is a Graduate of the Australian Institute of Company Directors and a member of Chief Executive Women.

Voting exclusion statements

Resolution 2 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 2 unless:

- the person votes as a proxy appointed by writing that specifies how the person is to vote on proposed Resolution 2; 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 2 (see the attached 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 Monday, 13 November 2023 (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://investorcentre.linkgroup.com>

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).

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.linkgroup.com/AEF23> 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 10 am (Sydney time) on 15 November 2023 and the time at which the Chair announces voting closure.

More information about online participation in the Meetings is available in the Online Guide at <https://meetings.linkgroup.com/AEF23>.

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, 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, 13 November 2023). 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 Parramatta Square Level 22, Tower 6 10 Darcy Street Parramatta NSW 2150
By mail	Australian Ethical Investment Limited C/- Link Market Services Locked Bag A14 Sydney South NSW 1235
By facsimile	+ 61 2 9287 0309
Online	https://investorcentre.linkgroup.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 2 (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 2. 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 2 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, and 4.

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.