

Australian Ethical[®] Investment Ltd

for Investors, Society and the Environment

ABN 47 003 188 930

MINUTES OF THE TWENTY FIRST ANNUAL GENERAL MEETING OF SHAREHOLDERS

Held at the Belconnen Premier Inn, 110 Benjamin Way, Belconnen ACT 2617 on
Thursday 22 November 2007.

Present: Naomi Edwards - Chair/Director
Caroline Le Couteur - Director / shareholder
Howard Pender - Director / shareholder
James Their - Director / shareholder
Justine Hickey - Director / shareholder

Shareholders

Anne O'Donnell – CEO
David Ferris - Investment Manager
Philip George - Company Secretary

Robert Pearson, Rob Whalan, Konrad Knerr, Duncan Paterson, Ariel Li, Eric Cupitt, Philip Sloane, Fiona Humpris, Guy de Vanny, Moya Crowe, Alice Wetherell, Mary Campbell, Margaret Kershaw, Robert Sharf, Justine Drury; Trevor Lee, Tony Shields (Gang-Gang Pty Ltd, Denholm Investments Pty Ltd), Chris Lee, Peter Sutherland, Andrea Simmons, Dianne Diprosa (Crowle Investments Pty Ltd).

Proxy holders (not including those listed above, some of whom also held proxies)

Helen Dent (Australian Shareholders Association)

Non-shareholder attendees

Gary Leckie – CFO
Tim Kelly – Staff Advocate
Peter Whiteman, Thomas Davis and Co (external auditor)

Zorica Durcinoska, Adam Verwey, Steph Lax, Vineet Koshy, Judy Chaffey,
Steve Carter

Quorum

The Chair announced that a quorum was present and declared the meeting open at 6.00pm.

Introductions, CEO Address and Staff Advocate Address

The Chair introduced directors and AEI staff at the meeting. The Chair then invited AEI's CEO, Anne O'Donnell, to address the meeting.

Following the presentation by Ms O'Donnell, Mr Tim Kelly, the AEI Staff Advocate addressed the meeting.

The Chair then addressed the meeting.

The Chair noted that a document with answers to written questions received prior to the AGM was provided to shareholders when they entered the meeting and had also been provided to the ASX and posted on the company's website.

The Chair then moved to the formal part of the meeting.

Formal business of the meeting

The notice of meeting was taken as read. The Chair described the process that would be followed for the formal business of the meeting. The Chair read to the meeting the quantum and nature of proxy votes received prior to the meeting.

Motion 1 – Minutes of previous meeting

The Chair advised that that the minutes of the previous meeting of members held 23 November 2006 were approved by the board and signed by the Chair in accordance with section 251A of the Corporations Act 2001. The minutes had been published on the company's website for some time. The Chair advised the meeting that the secretary had a copy of the minutes for inspection should any member wish to see them.

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

The Chair noted that in respect of the 2006 minutes:

- Mr Gary Leckie, Mrs Robyn Pearson and other observers were attendees at the 2006 AGM;
- Mr Trevor Lee was the dissenting voter on resolutions 3(a) and 3(b) at the 2006 AGM.

Mr Pearson and Mr Trevor Lee spoke against the motion. Mr Pender spoke for the motion.

The motion was put to a show of hands.

It was resolved *That the minutes of the general meeting held on 23 November 2006 be confirmed by the company in general meeting.*

Item 2 – Accounts & Reports

The Chair indicated that this was an opportunity for shareholders to ask questions about or make comments on the management of the company. Similarly, questions could be directed to Mr Whiteman from Thomas Davis and Co if anyone wished to do so.

Questions were asked by Mr Sharf, Ms Dent and Ms Diprosa.

Motion 3(a) – Remuneration Report

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

Ms Simmons asked two questions.

The motion was put to a show of hands.

It was resolved *That the remuneration report included in the Directors' Report to shareholders be approved.*

Motion 3(b) – Report on the status of employees

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

There were no questions or comments from the floor. The motion was put to a show of hands.

It was resolved *That the report on the status of employees to shareholders be noted pursuant to clause 2.2 of the Constitution.*

Motion 4 - Election of Directors

Motion 4(a) – Election of Ms Naomi Edwards

Howard Pender took over as Chair of the meeting.

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

There were no questions or comments from the floor. The motion was put to a show of hands.

It was resolved

That Ms Naomi Edwards who retires by rotation in accordance with the Company's Constitution and, being eligible, offers herself for re-election, be re-elected as a director of the Company.

Ms Edwards resumed the Chair.

Motion 4(b) – Election of James Thier

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

There were no questions or comments from the floor. The motion was put to a show of hands.

It was resolved

That Mr James Thier who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.

Mr Trevor Lee requested that the minutes record that he had voted against the motion.

Motion 4(c) – Election of Ms Justine Hickey

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

There were no questions or comments from the floor. The motion was put to a show of hands.

It was resolved

That Ms Justine Hickey, a director appointed on 1 March 2007 and, being eligible, offers herself for election, be elected as a director of the Company.

Motion 5 - Directors' Remuneration

The Chair read the motion to the meeting and advised the meeting of the proxy voting numbers.

The Chair advised that directors were not entitled to vote on the motion.

Mr Tony Shields spoke for the motion.

The motion was put to a show of hands.

It was resolved

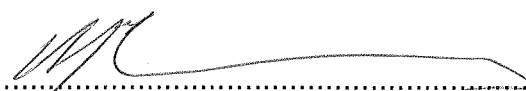
That for the purposes of clause 11.6 of the Constitution and listing rule 10.17, the Company reward persons who undertake duties and responsibilities of being a Director in



2007-2008 (including attendance at meetings of the Board of Directors and its Board Committees) by approving payment of \$180,000 in total plus Superannuation Guarantee contributions or equivalent payments, to be divided among the Directors at their discretion, and that these arrangements be maintained until further considered at an AGM.

The Chair thanked shareholders for their attendance.

The Chair declared the meeting closed at 7.20pm.

Signed by the Chairperson.....

Date: 19 Feb 2008

