



ECS Botanic Holdings Ltd

(ACN 009 805 298)

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Wednesday, 26 October 2022

11:30am AEDT (8:30am AWST)

To be held in person at Level 7/1 Collins St, Melbourne, VIC 3000

The Annual Report is available online at <https://ecs-botanics.com/>

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 6559 1792.

NOTICE OF MEETING

Notice is given that the Annual General Meeting of Shareholders of ECS Botanics Holdings Ltd (ACN 009 805 298) (**Company**) will be held at Level 7/1 Collins St, Melbourne VIC 3000 on Wednesday, 26 October 2022 commencing at 11:30am AEDT (8:30am AWST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 11:30am AEDT (8:30am AWST) on Monday, 24 October 2022.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report that forms part of the Directors' Report for the financial year ended 30 June 2022 be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum.”

Please note that a vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report;
- (b) a Closely Related Party of such member.

However, a person (the **voter**) described above, may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person is acting as a proxy and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote on a resolution connected with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of Director – Jeremy King

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

“That, for the purpose of clause 6.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Jeremy King, a Director, retires by rotation, and being eligible for re-election, is elected as a Director with immediate effect.”

3. Resolution 3 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on terms and conditions in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) any Associate of that person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. Resolution 4 – Amendments to Constitution

To consider, and if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes approval is given for the Company to amend its Constitution in the manner set out in the Explanatory Memorandum with effect from close of the Meeting.”

5. Resolutions 5(a) and (b) – Issue of Performance Rights to Ms Nan-Maree Schoerie and Mr Jeremy King

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

“That, for the purposes of Listing Rule 10.14, and for all other purposes, approval is given for the Company to issue:

- (a) *15,000,000 Performance Rights to Ms Nan-Maree Schoerie (and/or her nominee/s); and*
- (b) *5,000,000 Performance Rights to Mr Jeremy King (and/or his nominee/s), on the terms and conditions set out in the Explanatory Memorandum.”*

Voting Exclusion

The Company will disregard any votes cast in favour of:

- (a) Resolution 5(a) by or on behalf of:
 - (i) the person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (namely, Ms Nan-Maree Schoerie); or
 - (ii) any Associate of that person or those persons;
- (b) Resolution 5(b) by or on behalf of:
 - (i) the person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (namely, Mr Jeremy King); or
 - (ii) any Associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with directions given to the proxy or attorney to vote on the Resolutions in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with a direction given to the Chair to vote on the Resolutions as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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, on these Resolutions; and
 - (ii) the holder votes on these Resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 5 Excluded Party**). However, this prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated 23 September 2022

BY ORDER OF THE BOARD

A handwritten signature in black ink, reading "Mauro Piccini". The signature is written in a cursive style with a large, prominent 'P'.

Mauro Piccini
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Level 7/1 Collins St, Melbourne VIC 3000 on Wednesday, 26 October 2022 commencing at 11:30am AEDT (8:30am AWST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a proxy) to vote in their place. All Shareholders are invited and encouraged to participate in the Meeting, and are encouraged to lodge a directed Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting.

Please note that:

- (a) a member of the Company entitled to attend the Meeting in person and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that:

- (a) If proxy holders vote, they must cast all directed proxies as they are directed to; and
- (b) Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the Chair of the meeting; and
- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA, on the question that the resolution be passed; and
- (d) either of the following applies:
 - (i) if a record of attendance is made for the meeting - the proxy is not recorded as attending;
 - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 as proxy if the vote is not cast behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution; or

- (b) the person is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 1; and
 - (ii) expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.

2.3 Submit your Proxy Vote

2.3.1 Online

Vote online at www.investorvote.com.au and simply follow the instructions on the enclosed proxy form.

Or alternatively:

2.3.2 By Paper

If you do not wish to vote online, then it is necessary to complete in accordance with the detailed instructions set out on the enclosed Proxy Form.

The return of your completed form (ONLY if you do NOT vote online) can be done by one of the following ways:

BY MAIL	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
BY FAX	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
BY MOBILE	Scan the QR Code on your proxy form and follow the prompts
CUSTODIAN VOTING	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

3. Annual Report

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report which is available online at <https://ecs-botanics.com/>;
- (b) ask questions or make comment on the management of the Company;
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;

- (b) the conduct of the audit;
- (c) accounting policies by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act also gives Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report will cease to hold office immediately before that further meeting but may stand for re-election.

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, a further resolution relating to the Two Strikes Rule is not relevant for this Annual General Meeting.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

5. Resolution 2 – Re-election of Director – Jeremy King

Clause 6.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded down to the nearest whole number), shall retire from office, provided always that no Director (except a managing director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in the office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

Further, ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment, or 3 years, whichever is longer.

A Director who retires by rotation under clause 6.3 of the Constitution and ASX Listing Rule 14.4 is eligible for re-election.

The Company currently has 2 non-executive Directors and accordingly one must retire.

Jeremy King (**Mr King**) will retire in accordance with clause 6.3 of the Constitution and ASX Listing Rule 14.4, and being eligible, seeks re-election.

Details of Mr King's background and experience are set out below.

Mr King is a corporate lawyer and adviser with over 20 years' experience in domestic and international legal, financial and corporate matters. Mr King is a director of a boutique corporate advisory and compliance business where he specializes in corporate and strategic advice and managing legal issues associated with clients. He spent several years in London where he worked with Allen and Overy LLP and Debevoise & Plimpton LLP and has extensive experience, particularly in relation to cross border private equity, leveraged buy-out acquisitions and acting for banks, financial institutions and corporate issuers in respect of various debt and equity capital raisings. He regularly advises ASX listed companies on corporate and commercial matters. Mr King holds directorships in other ASX listed companies.

The Board (excluding Mr King) recommends that Shareholders vote in favour of Resolution 2. The Chair of the meeting intends to vote undirected proxies in favour of Resolution 2.

6. Resolution 3 – Approval of 10% Placement Facility

6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements commencing from the date of the Meeting where the Company obtains the approval until the earlier of the following:

- (a) the date that is 12 months after the date of the Meeting at which the approval is obtained;
- (b) the time and date of the Company's next annual general meeting; or
- (c) the time and date of the approval of Shareholders of a transaction under Listing Rule 11.1.2 or 11.2 in respect of the Company,

(10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company currently has a market capitalisation of \$27,668,266.67 and is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer Section 6.2(c) below).

6.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of quoted Equity Securities, being Shares (ASX: ECS) and Listed Options (ASX: ECSO).

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary securities on issue at the commencement of the relevant period:

(A) plus the number of fully paid shares issued in relevant period under an exception in Listing Rule 7.2 other than Exception 9,16 or 17;

(B) plus the number of fully paid shares issued in relevant period on conversion of convertible securities within Listing Rule 7.2 Exception 9 where:

(1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

(2) the issue of, or agreement to issue, the convertible securities approved, or taken to have been approved, under Listing Rule 7.1 or 7.4;

(C) plus the number of fully paid shares issued in relevant period under an agreement to issue securities within Listing Rule 7.2 Exception 16 where:

(1) the agreement was entered into before the commencement of the relevant period ; or

- (2) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or 7.4;
- (D) plus the number of partly paid shares that became fully paid in the 12 months;
- (E) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (F) less the number of fully paid shares cancelled in the relevant period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 month period immediately preceding the date of the issue or agreement, where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under rule 7.4.

(d) Listing Rule 7.1A and Listing Rule 7.3A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 1,106,730,667 Shares and therefore has a capacity to issue:

- (i) 116,009,600 Equity Securities under Listing Rule 7.1; and
- (ii) 110,673,066 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the entity's next annual general meeting; or
- (iii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

6.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) on the Resolution.

6.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities in that class may be significantly lower on the date of the issue of the Equity Securities than of the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table shows:

- (i) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable “A” in Listing Rule 7.1A.2		Dilution		
		\$0.0125 50% decrease in Issue Price	\$0.025 Issue Price	\$0.05 100% increase in Issue Price
Current Variable “A” 1,106,730,667 Shares	10% Voting Dilution	110,673,067 Shares	110,673,067 Shares	110,673,067 Shares
	Funds raised	\$1,383,413	\$2,766,827	\$5,533,653
50% increase in current Variable “A” 1,660,096,001 Shares	10% Voting Dilution	166,009,600 Shares	166,009,600 Shares	166,009,600 Shares
	Funds raised	\$2,075,120	\$4,150,240	\$8,300,480
100% increase in current Variable “A” 2,213,461,334 Shares	10% Voting Dilution	221,346,133 Shares	221,346,133 Shares	221,346,133 Shares
	Funds raised	\$2,766,827	\$5,533,653	\$11,067,307

Note

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example at 10%.
 - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on the Shareholder’s holding at the date of the Meeting.
 - The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - The issue price is \$0.025, being the closing price of the Shares on ASX on 2 September 2022.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (d) The Company can only issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition

of new assets or investments (including expenses associated with such acquisition), and general working capital.

- (e) The Company will comply with the disclosure obligations under the Listing Rule 7.1A(4) upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not Related Parties or associates of a Related Party of the Company.

- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 22 October 2021. In the 12 months preceding the date of the 26 October 2022 Annual General Meeting, the Company issued a total of 90,000,000 Equity Securities, representing 9.9% of the total number of Equity Securities on issue at 22 October 2021. Details of the Equity Securities issued in the preceding 12 month period are set out in Schedule 2. The Company confirms that no participants in the placement as set out in Schedule 2, were material investors that require to be disclosed in accordance with Guidance Note 21.
- (h) For the purpose of ASX Listing Rule 14.1A (and in addition to the disclosure in clause 6.4(b) above):
 - (i) if Resolution 3 is passed, the Directors will be able to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1; and
 - (ii) if Resolution 3 is not passed, the Directors will not be able to issue the Equity Securities under Listing Rule 7.1A, and will have to either rely on the Company's existing 15% placement capacity under Listing Rule 7.1 (from time to time), or (in the event that the Company's 15% placement capacity is exhausted) the Company will be required to obtain prior shareholder approval under Listing Rules 7.1 before being able to issue such Equity Securities (which may result in the Company incurring further time and expense).

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. As such, no voting exclusion statement has been included in the Notice.

The Directors of the Company believe Resolution 3 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

7. Resolution 4 – Amendment to Constitution

7.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 4 is a special resolution which will enable the Company to amend its Constitution to incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted.

A summary of the proposed material changes is set out below.

A copy of the amended Constitution is available for review by Shareholders at the Company's website <https://ecs-botanics.com/> and at the office of the Company. A copy of the amended Constitution can also be sent to Shareholders upon request to the Company Secretary by sending an email to mp@miradorcorporate.com. Shareholders are invited to contact the Company if they have any queries or concerns.

7.2 Summary of material proposed changes

How to call meeting of Members (clause 5.3)

The *Corporations Amendment (Meetings and Documents) Act 2022* (Cth) permits a notice of meeting and any other information provided with that notice to be communicated using technology. For example, an entity may send its shareholders an email setting out or attaching a notice of meeting and other material relating to that notice of meeting (for example, a proxy form). Alternatively, an entity may send an email to its shareholders with a link to whether the notice and other materials can be viewed or downloaded. In circumstances where the entity does not have the email address for certain shareholders, the entity may send a letter or postcard setting out a URL for viewing or downloading the notice and other materials.

Shareholders may elect to receive documents in a physical form or electronically and the Company must provide that member with the documents in the form based on the shareholder's election (unless it falls under ASIC's emergency power to grant relief).

The amended Constitution makes it clear at clause 5.3, that unless the applicable law otherwise provides, a notice of meeting and proxy form do not need to be provided physically in writing, and that the Company may provide a notice of meeting and proxy form to Shareholders electronically.

Meeting at more than one place (clause 5.5)

The amended Constitution includes a provision at clause 5.5(a) to expressly permit the Company to hold 'hybrid meetings' – that being meetings which are held partly in person and partly by virtual technology. The amended Constitution allows Shareholders to elect how they wish to attend hybrid meetings.

Virtual Meetings (clause 5.6)

The recent updates to the Corporations Act, (by way of the *Corporations Amendment (Meetings and Documents) Act 2022* (Cth)), provides that a company may use technology to allow Shareholders to attend general meetings virtually if a wholly virtual meeting is expressly permitted in the company's constitution.

The amended Constitution includes a provision which allows a meeting of Shareholders to be held by virtual means only, which provides greater flexibility for the Company and Shareholders. Any technology used at a general meeting must give Shareholders as a whole a reasonable opportunity to participate in the meeting.

8. Resolutions 5(a) and (b) – Issue of Performance Rights to Ms Nan-Maree Schoerie and Mr Jeremy King

8.1 General

Resolutions 5(a) and 5(b) seek Shareholder approval for the issue of a total of 20,000,000 Performance Rights, as follows:

- (a) 15,000,000 Performance Rights to be issued to Ms Nan-Maree Schoerie comprising:
 - (i) 3,750,000 Class A Performance Rights;
 - (ii) 3,750,000 Class B Performance Rights;
 - (iii) 3,750,000 Class C Performance Rights; and
 - (iv) 3,750,000 Class D Performance Rights; and
- (b) 5,000,000 Performance Rights to be issued to Mr Jeremy King comprising:
 - (i) 2,500,000 Class C Performance Rights; and
 - (ii) 2,500,000 Class D Performance Rights.

(together, the **Related Party Performance Rights**).

The Related Party Performance Rights are being issued as part of their remuneration and to incentivise the Directors and Officers of the Company in their performance of future services. The Related Party Performance Rights are subject to vesting conditions which are set out in schedule 3.

8.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Related Party Performance Rights constitutes giving a financial benefit and Ms Nan-Maree Schoerie and Mr Jeremy King are related parties of the Company by virtue of being Directors of the Company.

The Directors (other than Ms Nan-Maree Schoerie and Mr Jeremy King who have a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Party

Performance options because the Related Party Performance Rights are considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

8.3 Listing Rule 10.14

Listing Rule 10.14 provides that shareholder approval must be obtained where the Company issues, or agrees to issue, securities under an employee incentive scheme to a Director of the Company, an Associate of the Director, or a person whose relationship with the Company, Director or Associate of the Director is, in ASX's opinion, such that approval should be obtained.

The issue of the Related Party Performance Rights falls within Listing Rule 10.14.1 as the Company intends to issue the Related Party Performance Rights under the Company's Employee Securities Incentive Plan (**Plan**). Accordingly, the issue of the Related Party Performance Rights requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 5(a) and 5(b) seek the required Shareholder approval for the issue of the Related Party Performance Rights to the Directors under and for the purposes of Listing Rule 10.14.

8.4 Technical information required by ASX Listing Rule 14.1A

If Resolutions 5(a) and 5(b) are passed, the Company will be able to proceed with the issue of the Related Party Performance Rights to the Directors within one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

If Resolutions 5(a) and 5(b) are not passed, the Company will not be able to proceed with the issue of the Performance Rights to the Directors, and the Company may consider alternative forms of remuneration in lieu of such issue.

8.5 Technical Information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to Resolutions 5(a) and 5(b) for the purposes of issuing the Related Party Performance Rights pursuant to Listing Rule 10.14:

- (a) the Related Party Performance Rights will be issued to the following existing Directors of the Company, Ms Nan-Maree Schoerie and Mr Jeremy King;
- (b) each of Ms Schoerie and Mr King fall within the category of Listing Rule 10.14.1 by virtue of being Directors of the Company;
- (c) a total of 20,000,000 Related Party Performance Rights will be issued as follows:
 - (i) 15,000,000 Performance Rights to be issued to Ms Nan-Maree Schoerie comprising:
 - (A) 3,750,000 Class A Performance Rights;
 - (B) 3,750,000 Class B Performance Rights;
 - (C) 3,750,000 Class C Performance Rights; and
 - (D) 3,750,000 Class D Performance Rights; and
 - (ii) 5,000,000 Performance Rights to be issued to Mr Jeremy King comprising:

(A) 2,500,000 Class C Performance Rights; and

(B) 2,500,000 Class D Performance Rights;

(d) details of the Directors' current total remuneration package is set out below:

Name	Total Remuneration of Directors for the 2022 financial year \$ ¹	Current Financial Year \$ ¹
Ms Nan-Maree Schoerie	\$196,346	\$51,154
Mr Jeremy King	\$39,600	\$39,600

Notes:

1. Includes annual leave, superannuation, bonuses and other benefits.

(e) no Securities have previously been issued to the Directors under the Plan;

(f) a summary of the material terms of the Related Party Performance Rights are set out in Schedule 3;

(g) the Related Party Performance Rights have the values, as attributed to by the Company and using the Black & Scholes valuation methodology, shown in Schedule 4;

(h) the Related Party Performance Rights will be issued no later than three (3) years after the date of the Meeting and it is intended that issue of the Related Party Performance Rights will occur on or around 5 November 2025;

(i) the Related Party Performance Rights will be issued for nil consideration. The Related Party Performance Rights are being issued as part of the Directors' remuneration and to incentivise the Directors in their performance of future services;

(j) a summary of the material terms of the Plan are set out in Schedule 5;

(k) there is no loan being made in respect of the Securities;

(l) details of the Related Party Performance Rights issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement confirming that approval for the issue of the Related Party Performance Rights was sought and obtained under Listing Rule 14.1. Any additional persons covered by Listing Rule 14.1 who become entitled to participate in an issue of Securities under the Plan after this Resolution is approved and who were not named in the Notice, will not participate until approval is obtained under the relevant Listing Rule;

(m) the Board (except for Ms Schoerie and Mr King) consider that the issue of the Related Party Performance Rights is a reasonable and appropriate method to provide benefits to the Directors as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash benefits were given to the Directors;

(n) the Board (except for Ms Schoerie and Mr King) recommend that Shareholders vote in favour of this Resolution;

- (o) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 5(a) and 5(b); and
- (p) a voting exclusion statement is included for Resolutions 5(a) and 5(b) of this Notice.

SCHEDULE 1 – Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 6.1.

10% Placement Period has the meaning given in Section 6.1.

AEDT means Australia Eastern Daylight Time, being the time in Melbourne, Victoria.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ending 30 June 2022.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

ASX means ASX Limited (© 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

AWST means Australia Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors.

Business Day means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

Chair means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means ECS Botanics Holdings Lt©ACN 009 805 298).

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities contained in the Annual Report.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listed Options means listed options of the Company each with an exercise price of \$0.08 and expiry date of 17 December 2023.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option which entitles the holder to subscribe for one Share.

Placement Shares has the meaning given in Section 6.1.

Proxy Form means the proxy form attached to the Notice.

Related Party Performance Rights has the meaning given in Section 8.1.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means resolution contained in the Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Share Placement has the meaning given in Section 6.1.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Two Strikes Rule has the meaning in Section 4.

VWAP means volume weight average price.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

SCHEDULE 3 – Related Party Performance Rights Terms

Subject to the terms and conditions below, each (1) Related Party Performance Right is convertible into one (1) fully paid ordinary share in the capital of the Company, upon the following milestones being achieved collectively (**Vesting Conditions**):

1. Vesting Conditions

Class	Expiry Date	Vesting Conditions
A	31 December 2024	Audited revenue of over AYD\$20,000,000 in the 12 month continuous period prior to the date of issue of the Related Party Performance Rights
B	31 December 2024	(a) 6.5% of the Company revenue (based on a minimum EBIT of AUD\$1,300,000)
C	31 December 2024	(a) Company share price of \$0.05 based on a 15 day VWAP; or (b) automatically vests if there is a Change of Control Event (as set out in clause 5 below)
D	31 December 2024	(a) Company share price of \$0.075 based on a 15 day VWAP; or (b) automatically vests if there is Change of Control Event (as set out in clause 5 below).

In each case, the Related Party Performance Rights issued to a Recipient will only vest if the relevant Recipient continue to hold a employee or consultant position (in the case of Ms Schoerie) and the position of Chair (in the case of Mr King) of the Company at all times until the relevant Vesting Condition is satisfied. Where the Recipient ceases employment, or their engagement is discontinued (for whatever reason), with the Company, any Related Party Performance Rights that have not vested will automatically lapse and be forfeited by the Recipient (unless otherwise determined by the Board at its absolute discretion).

For the avoidance of doubt:

- a. a Vesting Condition will only be achieved, after the Company's external auditor verifies that, based on the Company's audited accounts the relevant revenue Vesting Condition has been met through the achievement of revenues recognised in accordance with the applicable accounting standard then in force; and
- b. in calculating revenue for the purpose of the Vesting Conditions, the following items shall be expressly excluded: one-off extraordinary revenue items and revenue in the form of government grants, allowances, rebates and other hand-outs.

2. General Terms

- a. The Related Party Performance Rights shall lapse at 5.00pm WST on the respective expiry date for each of Classes A, B, C and D (**Expiry Date**).
- b. The Related Party Performance Rights will be granted for nil consideration, as their primary purpose is to provide a performance and retention linked incentive component of the remuneration package of the persons listed above (**Holders**), to motivate and reward their performance with the Company.
- c. The Company has applied to the ASX for approval of the terms of the Related Party Performance Rights. If the proposed terms are not approved by the ASX, the Holders

and the Company shall negotiate (in good faith) a restructuring of the securities to be issued to the Holders such that the Holders receive equivalent incentivisation.

- d. The Related Party Performance Rights will not convert to Shares until such time as the relevant Vesting Conditions referred to above have collectively been satisfied.
- e. The Board may, at its discretion, and by notice to the Holders, adjust or vary the terms of a Related Party Performance Right, subject to the requirements of the Listing Rules. No adjustment or variation to these terms will be made without the prior written consent of each Holder, if such adjustment or variation would have a materially prejudicial effect upon that Holder (in respect of their outstanding Related Party Performance Rights).
- f. The Related Party Performance Rights are otherwise subject to the following standard terms and conditions:
 - i. **(No Voting Rights)**: The Related Party Performance Rights do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
 - ii. **(No Voting Rights)** The Related Party Performance Rights do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
 - iii. **(No Dividend Rights)** The Related Party Performance Rights do not entitle the Holder to any dividends.
 - iv. **(Rights on Winding Up)** The Related Party Performance Rights do not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
 - v. **(Not Transferable)** The Related Party Performance Rights are not transferable.
 - vi. **(Not Quoted)** The Related Party Performance Rights will not be quoted on ASX. However, upon conversion of the Related Party Performance Rights into Shares, the Company must, within seven (7) days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
 - vii. **(Participation in Entitlements and Bonus Issues)** Holders of Related Party Performance Rights will not be entitled to participate in new issues of securities offered to holders of Shares such as bonus issues and entitlement issues, unless and until the Holder is entitled to convert the Related Party Performance Rights, and does so before the record date for the determination of entitlements to the new issue of securities and participates as a result of being a holder of Shares.
 - viii. **(No Other Rights)** The Related Party Performance Rights give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

3. Conversion of Related Party Performance Rights

- a. A certificate or holding statement will be issued to each Holder for their respective Related Party Performance Rights.
- b. Holders may only convert their Related Party Performance Rights by delivering to the Company Secretary, in the period between the relevant Vesting Condition being satisfied and the relevant Expiry Date:

- i. the certificate or holding statement for the Related Party Performance Rights or, if either or both have been lost or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company by relying on the declaration; and
 - ii. a notice signed by the Holder stating the Holder wishes to convert the Related Party Performance Rights and specifying the number of Related Party Performance Rights which are converted.
- c. Vested Related Party Performance Rights may be converted in one or more parcels of any size. A conversion of only some Related Party Performance Rights shall not affect the rights of the Holder to the balance of the Related Party Performance Rights held by the Holder.
- d. The Company shall issue to the Holder Shares, and deliver holding statements following conversion within 10 Business Days of receipt of the notice described in clause 3(b)(ii).
- e. Shares issued following conversion of a Related Party Performance Right shall rank, from the date of issue, equally with existing Shares of the Company in all respects.

4. Lapse of Related Party Performance Rights

- a. Subject to clauses 4(b) and 4(c), every Related Party Performance Right will lapse immediately and all rights attaching to the Related Party Performance Rights will be lost:
 - i. if the Holder ceases to be an employee or Director of, or to render services to, a member of the Group for any reason whatsoever (including without limitation resignation or termination for cause) and the relevant Vesting Condition has not been satisfied; or
 - ii. the Vesting Conditions are unable to be satisfied; or
 - iii. the Expiry Date has passed;

whichever is earlier.
- b. If the Expiry Date of a Related Party Performance Right falls outside any applicable trading window, then the Expiry Date of such Related Party Performance Right shall be extended to the close of business on the 10th Business Day during the next applicable trading window.
- c. If the Holder dies, becomes permanently disabled, resigns employment on the basis of retirement from the workforce or is made redundant by the relevant member of the Group, prior to the Expiry Date of any Related Party Performance Rights granted to the Holder (**Ceasing Event**) the following provisions apply:
 - i. the Holder or the Holder's personal legal representative, where relevant, may convert those Related Party Performance Rights which at that date:
 - 1. have become convertible;
 - 2. have not already been converted; and
 - 3. have not lapsed,

in accordance with cl©e 4(c)(iii);

- ii. at the absolute discretion of the Board, the Board may resolve that the Holder, or the Holder's personal legal representative, where relevant, may convert those Related Party Performance Rights which at that date:

- 1. have not become convertible; and
- 2. have not lapsed,

in accordance with clause Schedule 34.c.iii and, if the Board exercises that discretion, those Related Party Performance Rights will not lapse other than as provided in clause Schedule 34.c.iii;

- iii. the Holder or the Holder's personal legal representative (as the case may be) must convert those Related Party Performance Rights referred to in clause 4(c)(i) and, where permitted by clause 4(c)(ii), not later than the earliest of:

- 1. the Expiry Date of the relevant Related Party Performance Rights; and
- 2. the date which is 6 months after the Ceasing Event provided that in the case of Related Party Performance Rights referred to in clause 4(c)(ii), all Vesting Conditions have been met at that time (unless the Board decides to waive any relevant Vesting Conditions, in its absolute discretion); and

- iv. Related Party Performance Rights which have not been converted by the end of the period specified in clause 4(c)(ii) lapse immediately at the end of that period.

d. Where:

- i. the Holder ceases to be a Holder for any reason whatsoever (including without limitation resignation or termination for cause) prior to the relevant Expiry Date, however the relevant Vesting Condition has been met, the Holder is entitled to convert the Related Party Performance Rights for a period of up to 1 month after the date which the Holder ceased to be a Holder, after which the Related Party Performance Rights will lapse immediately.

5. Change in Control Event

a. In respect of Class C and Class D only, a Change in Control Event means:

i. the occurrence of:

- 1. the offeror under a takeover offer in respect of Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
- 2. that takeover bid has become unconditional;

ii. the announcement by the Company that:

- 1. shareholders of the Company have (at a Court convened meeting of shareholders) voted (by the necessary majority) in favour of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
- 2. the Court, by order, approves the scheme of arrangement; or

- iii. the completion of a merger (**Merger**) by way of acquisition by the Company whereby the Company issues no less than 100% of its existing issued capital as consideration (or party of the consideration for the Merger).

- b. On the occurrence of a Change of Control Event, the Board may in its sole and absolute discretion determine that any unvested Related Party Performance Rights will vest in the Holders, despite the non-satisfaction of any Vesting Conditions and become convertible in accordance with clause 3(b), with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the Holder is terminated or ceases in connection with the Change of Control Event.

- c. Whether or not the Board determines to accelerate the vesting of any Related Party Performance Rights, the Company shall give written notice of any proposed Change of Control Event to all Holders.

- d. Upon the giving of such notice, the Holder shall be entitled to convert, at any time within the 14-day period following the receipt of such notice, all or a portion of those Related Party Performance Rights granted to the Holder which are then vested and convertible in accordance with their terms, as well as any unvested Related Party Performance Rights which shall become vested and convertible in connection with the Change of Control Event.

- e. Unless the Board determines otherwise (in its sole and absolute discretion), upon the expiration of such 14-day period, all rights of the Holder to convert any outstanding Related Party Performance Rights, whether vested or unvested, shall terminate and all such Related Party Performance Rights shall immediately lapse, expire and cease to have any further force or effect, subject to the completion of the relevant Change of Control Event.

- f. In any event, the maximum number of Related Party Performance Rights that can be converted into Shares and issued upon a Change of Control Event pursuant to this clause 5 must not exceed 10% of the issued share capital of the Company (as at the date of the Change in Control event).

SCHEDULE 4 – Valuation of Related Party Performance Rights

The Related Party Performance Rights to be issued to the Related Parties pursuant to Resolutions 5(a) and 5(b) have been valued by internal management.

Using the Black & Scholes valuation methodology and based on the assumptions set out below, the Related Party Performance Rights were ascribed the following value:

Assumptions:	
Valuation date	15 September 2022
Market price of Shares	\$0.025
Exercise price	\$0.000
Expiry date (length of time from issue)	31 December 2024
Risk free interest rate	3.03%
Volatility (discount)	100%
Indicative value per Related Party Performance Right	\$0.025
Total Value of Related Party Performance Rights	\$500,000
-Nan-Maree Schoerie (Resolution 5(a))	\$375,000
Jeremy King (Resolution 5(b))	\$125,000

Note: The valuation noted above is not necessarily the market price that the Related Party Performance Rights could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 5 – Terms and Conditions of Employee Securities Incentive Plan

A summary of the terms of the Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that:
- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (d) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

- (e) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (g) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless

and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

- (h) **(Exercise of Convertible Securities and cashless exercise)**: To exercise an Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Cashless exercise of Convertible Securities)**: Subject to agreement by the Board, an Eligible Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise but that on exercise of those Convertible Securities the Company will transfer or allot to the Eligible Participant that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities (with the number of Shares rounded down to the nearest whole Share).

If the difference between the total exercise price otherwise payable for the Convertible Securities being exercised and the then market Value of the Share at the time of exercise and the exercise price is zero or negative, then the Eligible Participant will not be entitled to use the cashless exercise facility.

- (j) **(Delivery of Shares on exercise of Convertible Securities)**: As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

- (k) **(Forfeiture of Convertible Securities)**: Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant

date; and

(ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

(l) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

(m) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

(n) **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

(i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or

(ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

(o) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(p) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

(q) **(Compliance with Applicable Laws):** Notwithstanding the Plan rules or any terms of a Security, no Security may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any applicable laws. In particular, the Company must have reasonable grounds to believe, when making an Invitation, that the total number of Plan Shares that may be acquired upon exercise of the Convertible Securities offered, under an Invitation, when aggregated with the number of Shares issued or that may

be issued as a result of offers made in reliance on ASIC Class Order 14/ 1000 at any time during the previous 3 year period under:

- (i) an employee incentive scheme covered by ASIC Class Order 14/1000; or
- (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:

- (iii) an offer to a person situated at the time of receipt of the offer outside Australia;
- (iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
- (v) an offer made under a disclosure document,

would not exceed 5% (or such other maximum permitted under any Applicable Law) of the total number of Shares on issue at the date of the Invitation.

- (r) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (s) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.



ECS Botanic Holdings Ltd
ABN 98 009 805 298

ECS

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:30am (AEDT) on Monday, 24 October 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of ECS Botanics Holdings Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of ECS Botanics Holdings Ltd to be held at Level 7/1 Collins St, Melbourne, VIC 3000 on Wednesday, 26 October 2022 at 11:30am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5(a) and 5(b) (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5(a) and 5(b) are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5(a) and 5(b) by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director – Jeremy King	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Amendments to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(a)	Issue of Performance Rights to Ms Nan-Maree Schoerie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(b)	Issue of Performance Rights to Mr Jeremy King	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

ECS

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Computershare

