

24th October 2014

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eighth Annual General Meeting of Heritage Brands Ltd is to be held at 30 Bando Road, Springvale, Vic 3171 on Thursday 27th November 2014 at 10am AEDT.

1. ANNUAL REPORT

To receive and consider the annual financial report and the reports of the directors and of the auditor for the financial year ended 31 July 2014.

2. REMUNERATION REPORT

To adopt the remuneration report for the year ended 31 July 2014.

Note: Pursuant to section 250R(3) of the Corporations Act the vote on this resolution is advisory only and does not bind the directors or the company.

3. RE-ELECTION OF DIRECTORS AND RESTRUCTURING OF THE BOARD

In accordance with clause 20.2 of the Company's Constitution, to resolve and if thought fit to pass an ordinary resolution:

"No directors need retire this year by rotation and therefore will continue to act as Directors until the next AGM"

4. RE-APPOINTMENT OF AUDITOR

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

"Rothsay Chartered Accountants be re-appointed as Auditors"

5. OTHER MATTERS

To transact any other business brought forward in accordance with the Company's Constitution.

Pursuant to Regulation 7.11.37 of the Corporations Regulations the Company has determined that for the purposes of the meeting, all Shares will be taken to be held by the persons who held them as registered shareholders at 7.00pm (AEDT) on Tuesday 25th November 2014. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

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A member entitled to attend and vote is entitled to appoint a proxy. A proxy need not be a member. A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Details for completion and lodgement of proxies are on the reverse side of the Proxy form. A proxy must be received by the Company's share registry, Boardroom Pty Limited by 10.00am AEDT on Tuesday 25th November 2014. Proxies may be mailed to Boardroom Pty Ltd GPO Box 3993 Sydney NSW 2001. Hand delivered to Boardroom Pty Ltd Level 7, 207 Kent Street Sydney NSW 2000 or sent by facsimile to +61 2 9290 9655.

Chris Mc Gibbon

Company Secretary

Dated: 24th October 2014

EXPLANATORY NOTES FOR 2014 ANNUAL GENERAL MEETING

Financial Statements and Reports

The Corporations Act requires that the financial report (which includes the financial statements and directors' declaration), the Directors Report and the Auditor's Report be laid before the Annual General Meeting. There is no requirement however to members to approve the reports.

Remuneration Report

The Remuneration Report is set out on page 9 of the 2014 Annual Report which is available on the website at www.heritagebrands.com.au. It sets out the policy for the remuneration of the directors and specified executives of the company.

The Corporations Act requires that the company put the remuneration report to a vote by Members at the Annual General Meeting. Prior to the vote the Chairman will give all members the opportunity to ask questions about or make comments on the Remuneration Report.

The Corporations Act expressly provides that the vote is advisory only and does not bind the directors or the company.

The Board recommends that the shareholders vote in favour of the resolution to adopt the Remuneration Report

Election of Directors and Restructuring of the Board

Full details of each Director appear on page 4 of the 2014 Annual Report which is available on the website at www.heritagebrands.com.au. If you require a hard copy, please contact Heritage Brands Ltd on 03 85862100.

In terms of clause 20.2 of the Company's Constitution, unless otherwise determined by a Resolution of the company, while the company is Listed, one third of the Directors for time being, or if their number is not a multiple of 3, then the whole number nearest one third must retire from office at each annual general meeting. The Directors to retire will be those who have been longest in office since their last election. A retiring Director may act as a Director throughout the meeting at which it retires and at any adjournment. This clause does not apply to the managing director. A retiring Director is eligible for re-election.

As noted in the Company's announcement on 9 October 2014, as part of an ongoing reorganisation of the Heritage Group, a restructuring of the Board has taken place from 8 members down to 4. As a result, the following directors cease to hold office in accordance with clause 20.2 of the Company's Constitution as of the date of this AGM and do not offer themselves for re-election:

- William McCartney

- Steven Beinart
- Brent Smith.

The Company also announced that the Managing Director, Stephen Goodey, had advised the Board on 31st July that he would be stepping down from the role on 31st October 2014. The Board is in the process of appointing a new CEO .

In terms of Clause 19.1 of the Company's Constitution, the number of Directors must not be less than 3, nor, until otherwise determined by the Company in general meeting, more than 10.

The remaining directors of the Company, Mr David Fairfull, Mr Maxim Krok, Mr Stephen Mason and Mr Peter Cox continue to hold office in accordance with the Company's Constitution.

The Board recommends that the shareholders vote in favour of the resolution that no Directors need retire this year by rotation and therefore will continue to act as Directors until the next AGM

Re-appointment of Auditor

The incumbent auditor of the Company is Rothsay Chartered Accountants

The Board recommends that the shareholders vote in favour of the resolution to adopt the Re election of Rothsay Chartered Accountants