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18 November 2021

IMPORTANT INFORMATION REGARDING GENERAL MEETING

Dear Shareholder

Notice is hereby given that the General Meeting (**Meeting**) of **ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company") (ACN 009 805 298)** will be held as a physical meeting at Suite 2, Level 1/1 Altona Street, West Perth WA 6005, on Friday, 17 December 2021 at 12:00pm (noon) (AEDT).

The Australian Securities and Investments Commission (**ASIC**) has recently released the *ASIC Corporations (Extension of Time to Hold AGM) Instrument 2021/770* (**Instrument**) which extends the time for certain public companies to hold their General Meetings (**AGMs**) to allow companies to plan and prepare for holding their AGMs in the context of the ongoing COVID-19 pandemic restrictions on gathering and movement. The Instrument complements the modifications to the Corporations Act 2001 made by Parliament in *Treasury Laws Amendment (2021 Measures No. 1) Act 2021*. These amendments came into effect on 14 August 2021 and allow meetings to be convened electronically and held using virtual meeting technology, and for notices of meeting to be sent to recipients by means of an electronic communication or access the document electronically.

Accordingly, the Company is not sending hard copies of the Meeting materials to shareholders. Instead, a copy of the Notice is available on the Company's website at https://www.ecs-botanics.com/. If you have elected to receive notices by email, you will be notified by email. If you have not elected to receive notices by email, a copy of your proxy form will be posted to you, together with this Letter.

The Company will hold a physical meeting with the appropriate social gathering and physical distancing measures in place to comply with the Federal Government's and State Government's current restrictions on physical gatherings. However, in order to minimise the risk to shareholders and to the Company and its ongoing operations, **Shareholders are encouraged to vote by proxy instead of attending the meeting.**

The situation regarding COVID-19 is evolving rapidly and the Company is following the guidance of the Australian Government. Shareholders are encouraged to monitor the Company's ASX announcements for any further updates in relation to the Meeting.

The Meeting materials are important and should be read in their entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

Yours sincerely,

Mauro Piccini
Company Secretary

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ECS Botanics Holdings Ltd

(ACN 009 805 298)

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM

Date of Meeting: 17 December 2021

Time of Meeting: 9:00am (AWST)

Place of Meeting: Suite 2, Level 1/1 Altona Street, West Perth WA 6005

This Notice of 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 8 6559 1792.

NOTICE OF MEETING

Notice is given that a General Meeting of Shareholders of ECS Botanics Holdings Ltd (ACN 009 805 298) (**Company**) will be held at Suite 2, Level 1/1 Altona Street, West Perth WA 6005 on 17 December 2021 commencing at 9:00am (AWST).

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 5:00pm (AWST) on 15 December 2021.

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

AGENDA

1. Resolutions 1(a) and 1(b) – Ratification of Prior Issue – Placement Shares

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

(a) 108,484,848 Shares under the Company's Listing Rule 7.1 capacity; and

(b) 90,000,000 Shares under the Company's Listing Rule 7.1A capacity,

on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the Placement Participants) or an 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 a 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;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the 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 the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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2. Resolution 2 – Approval to issue Free-Attaching Options for Placement

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to a maximum of 99,242,424 free-attaching Options to the Placement Participants on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a 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 entity) or an associate of that persons or those persons.

However, this does not apply to a vote cast in favour of a 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 of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the 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 the resolution; and

(ii) the holder votes on the resolution in accordance with directors given by the beneficiary to the holder to vote in that way.

3. Resolution 3 – Approval to issue Lead Manager Options

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue to the Lead Manager (and/or their nominees) up to a total of 12,000,000 Options on the terms set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a 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 entity) or an associate of that persons or those persons.

However, this does not apply to a vote cast in favour of a 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 of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the 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 the resolution; and

(ii) the holder votes on the resolution in accordance with directors given by the beneficiary to the holder to vote in that way.

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4. Resolution 4 – Approval to Director Participation in the Placement

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,515,152 Shares and 757,576 free-attaching Options to Jeremy King (and/or his nominee) on the terms set out in the Explanatory Memorandum.

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

(a) Jeremy King (being a Related Party set out in the explanatory memorandum) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) any Associate of the Participating Director who is to receive the securities and any other person who will obtain a material benefit as a result of the issue of the securities (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 a 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;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the 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 the person excluded from voting, on the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

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 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: 18 November 2021

BY ORDER OF THE BOARD



MAURO PICCINI
ECS BOTANICS HOLDINGS LTD
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 **Suite 2, Level 1/1 Altona Street, West Perth WA 6005 on 17 December 2021 commencing at 9:00am (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 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:

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(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 on the resolution; and

(d) either of the following applies:

(i) the proxy is not recorded as attending the meeting;

(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 Submit your Proxy Vote Online

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

Or alternatively:

2.3 Submit your Proxy Vote 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)

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	+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. Resolutions 1(a) and 1(b) – Ratification of Prior Issue – Placement Shares

3.1 Background

3.1.1 Placement

On 29 October 2021, the Company announced a placement for a total value of $6,600,000 (**Placement**). The Placement comprised of the issuing of 200,000,000 Shares at an issue price of $0.033 per share (**Placement Shares**), to raise up to $6,600,000 (before costs) pursuant to Company's pre-existing capacity available under Listing Rule 7.1 and 7.1A.

The Placement would be conducted on the following basis:

(a) with the issue of 108,484,848 Shares under Listing Rule 7.1 and 90,000,000 Shares under Listing Rule 7.1A on 4 November 2021. The Placement Shares were issued at an issue price $0.033 per Share to raise $6,550,000 (before costs);

(b) 99,242,424 free-attaching Options (exercisable at $0.08 each, expiring 2 years from the date of issue) will be issued to the Placement Participants on a 1:2 basis (the subject of Resolution 2); and

(c) also 1,515,152 Shares and 757,576 free-attaching Options will be issued to Jeremy King who participated in Placement on the same terms and conditions as all other participants (the subject of Resolution 4).

3.1.2 Related Party Participation

The Company notes that Director Jeremy King (and/or his nominees) are intending on subscribing for a total of 1,515,152 Shares and 757,576 free-attaching Options in the Placement subject Shareholder approval. Accordingly, the Company is seeking prior shareholder approval pursuant to Listing Rule 10.11 in respect of the Directors' participation in the Placement, and the issue of the Shares, in Resolution 4 of this Notice.

3.1.3 Use of Funds

The primary purpose of the Placement is to raise funds to rapidly accelerate the Company's growth plans to meet the surging demand for ECS' medicinal cannabis and hemp products. ECS will again progress the purchase and installation of additional protected cropping enclosures for premium dry flower. The increase in production capacity is expected to significantly boost the Company's revenue.

ECS will also utilise capital to expand its drying room capacity, which is anticipated to yield 4,000kg this financial year. Additional funds will be deployed to automate the Company's

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trimming and packing processes, leading to a reduction in staff costs and increase in overall profit margin.

Additional capital will be deployed to finalise the acquisition of Murray Meds, and to increase investment in the Company's organic cannabis and regenerative farming ESG strategy, as it pushes towards net zero. ECS' unique production model uses fifty-five times less energy than typical indoor cannabis cultivation. The Company intends to pursue a number of initiatives including measuring and tracking its supply chain, decreasing its carbon footprint through full plant utilisation, and transition to 100% renewable energy. The Company will appoint new key personnel, invest in new product development and marketing to increase sales.

3.1.4 Lead Manager Mandate

On 25 October 2021, the Company entered into a lead manager mandate with Peak Asset Management (**Lead Manager**) for the purpose of acting as lead manager to the Placement (**Mandate**).

Under the Mandate, in consideration for the lead management and capital raising services provided in respect of the Placement, the Company agreed to pay/issue the Lead Manager (and/or their nominees) on completion of the Placement:

(a) a 6% capital raising fee on all monies raised under the Placement; and

(b) 12,000,000 Options (being the subject of Resolution 3) on the same terms as the Options issued to the Placement Participants.

3.2 ASX Listing Rules 7.1

Broadly speaking, and subject to a number of exceptions which are contained in Listing Rule 7.2 (which do not apply in the circumstance of this Resolution), Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. The issue of the Conversion Securities do not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 1(a) and Resolution 1(b) seek Shareholder approval to the Shares under and for the purposes of Listing Rule 7.4.

If Resolution 1(a) and Resolution 1(b) are passed, the Shares will be excluded in calculating the Company's 15% and 10% limit in Listing Rule 7.1 and 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1(a) and Resolution 1(b) are not passed, the Shares will be included in calculating the Company's 15% and 10% limit in Listing Rule 7.1 and 7.1A, effectively

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decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

3.3 Technical Information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to ratification:

(a) a total of 198,484,848 Shares were issued under Listing Rule 7.1 and 7.1A;

(b) the issue price was $0.033 per Share;

(c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(d) the date the securities were issued was 4 November 2021;

(e) the Shares were allotted and issued to Placement Participants who are clients and contacts of the Lead Manager. None of these Placement Participants are related parties of the Company, substantial holders or key management personnel.

(f) the funds raised from this issue are used for the purposes set out in section 3.13.

(g) the Shares were not issued under an agreement; and

(h) a voting exclusion statement is set out in the Notice.

The Directors of the Company believe Resolutions 1(a) and 1(b) are in the best interests of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

4. Resolution 2 – Approval to issue Free-Attaching Options for Placement

4.1 General

As outlined in Section 3.1 above, subject to the Company obtaining prior Shareholder approval, the Company intends to issue a 1:2 free attaching Option (exercisable at $0.08 and expiring 2 years from the date of issue) with every Share issued under the Placement. Further details regarding the Placement are specified in Section 3.1 above.

This Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the 99,242,424 free attaching Options (exercisable at $0.08 and expiring 2 years from the date of issue) (**Unrelated Party Options**)

4.2 ASX Listing Rule 7.1

An explanation of Listing Rule 7.1 is outlined in Section 3.2 above.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Unrelated Party Options under the Placement during the period of 3 months after the Meeting, without using the Company's 15% annual placement capacity.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Unrelated Party Options.

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4.3 Technical Information Required By ASX Listing Rule

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Placement:

(a) the Options will be issued to the Placement Participants (and/or their nominees);

(b) the maximum number of Options to be issued 99,242,424;

(c) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue will occur on the same date;

(d) each Option is issued for a nil issue price as they are free attaching to the Placement Shares;

(e) the Options will be issued to the Placement Participants on a 1:2 basis in accordance with their subscription for Placement Shares. None of these subscribers are related parties of the Company (or key management personnel, substantial holders or advisors);

(f) the Options will be issued on the terms and conditions set out in Schedule 2;

(g) the Company intends to use the funds raised from the Placement as outlined in Section 3.1.3;

(h) the Options are not being issued under an agreement;

(i) the Options are not being issued under, or to fund, a reverse takeover; and

(j) a voting exclusion statement is included for Resolution 2 of the Notice.

The Directors believe Resolution 2 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

5. Resolution 3 – Approval to issue Lead Manager Options

5.1 General

Refer to Section 3.1 above for a summary of the Placement and the Company's engagement of the Lead Manager pursuant to the Mandate.

Resolution 3 seeks Shareholder approval for the issue 12,000,000 Options (exercisable at $0.08, expiring 2 years from the date of issue) (and/or their nominees) to the Lead Manager (**Lead Manager Options**).

5.2 ASX Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 3.2 above. If Resolution 3 is passed, the Company will be able to proceed with the issue of the Lead Manager Options to the Lead Manager (and/or their nominees). In addition, the issue of the Lead Manager Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

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If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options to the Lead Manager.

5.3 Technical Information required ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to this Resolution:

(a) the Lead Manager Options will be issued to the Lead Manager, Peak Asset Management (and/or their nominees);

(b) the maximum number of Options to be issued to the Lead Manager (and/or nominee) is 12,000,000 Options;

(c) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the same date, being the completion of the Placement;

(d) the Lead Manager Options will be issued for nil cash consideration, but rather as part of the consideration for the services provided by the Lead Managers in respect of the Placement and services under the Mandate. Accordingly, no funds will be raised from the issue of the Lead Manager Options;

(e) the Options will be issued on the terms and conditions specified in Schedule 2;

(f) the issue of the Lead Manager Options are issued pursuant to the Mandate, the key terms of which are set out in Section 3.1.4;

(g) the Lead Manager Options are not being issued under, or to fund, a reverse takeover; and

(h) a voting exclusion statement is included for Resolution 3 of the Notice.

The Directors 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.

6. Resolution 4 – Approval of Director Participation in the Placement

6.1 General

Please review Section 3.1 for an overview of the Placement and the proposed subscription for Shares and free attaching Options by the participating Director Jeremy King (**Participating Director**).

6.2 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,

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

The Participating Directors subscription for the Shares under the Placement will result in the giving of a financial benefit, and the Participating Director is a Related Party of the Company by virtue of being a Director of the Company.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares because the Securities will be issued to the Participating Director (and/or their nominees) on the same terms as the Securities issued to non-Related Parties who participate in the Placement. As such the giving of the financial benefit is on arm's length terms.

6.3 Technical Information required by ASX Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with issuing 1,515,512 shares and 757,576 free-attaching Options to Jeremy King as part of the Placement. This will occur within one month after the date of the Meeting (or such later date as permitted by an ASX waiver or modification of the Listing Rules).

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of 1,515,512 shares and 757,576 free-attaching Options to Jeremy King.

The Directors believe Resolution 4 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

6.4 ASX Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

(a) a related party;

(b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;

(c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

(d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or

(e) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

As the Participating Director participation in the Placement involves the issue of Shares to Related Parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

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6.5 Technical Information required by ASX Listing Rule 10.11

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participating Director subscription for the Shares and free-attaching Options in the Placement:

(a) the Shares and free-attaching Options will be issued to the Participating Director, being Jeremy King (and/or his nominee) (pursuant to Resolution 4);

(b) the Participating Director falls under Listing Rule 10.11.1 as a Related Party because he is a Director of the Company;

(c) under Resolution 4, the maximum number of Securities to be issued to the Participating Director (and/or his nominee) is 1,515,152 Shares and 757,576 free-attaching Options to Jeremy King;

(d) the Options will be issued as free-attaching Options, exercisable at $0.08 on or before 17 December 2023, on the terms and conditions set out in Schedule 2 and subject to ASX quotation requirements;

(e) the Shares and free-attaching Options issued under Resolution 4 will be issued no later than 1 month after the date of the Meeting and it is intended that the issue will occur on the same date;

(f) the issue price will be $0.033 per Share, being the same issue price as all other shares issued by the Company under the Placement and a nil issue price for the free-attaching Options as they are free-attaching to the shares issued under the Placement on a 1:2 basis (being the same as all other free-attaching Options issued under the Company Placement);

(g) the purpose of the issue and the use of the funds raised will be used for the same purposes and use as all other funds raised under the Placement as set out in Section 3.1.3; and

(h) the issue of the Shares and free-attaching Options to the Participating Director is not intended to remunerate or incentivise the participants;

(i) the issue of the Shares and free-attaching Options under the Placement is not in accordance with any agreement;

(j) a voting exclusion statement is included in this Notice.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party participation in the Placement as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Securities to the Related Party under this Resolution will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

7. Enquiries

Shareholders are required to contact the Company Secretary on +61 8 6559 1792 if they have any queries in respect of the matters set out in these documents.

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Schedule 1– Definitions

In this Notice and the Explanatory Memorandum:

$ means Australian Dollars.

AEDT means Australian Eastern Daylight Time.

ASIC means the Australian Securities and Investments Commission.

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

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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 Ltd (ACN 009 805 298).

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

Director means the current director of the Company.

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

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

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.

Lead Manager means Peak Asset Management.

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Lead Manager Mandate has the meaning contained in 3.1.4.

Lead Manager Options has the meaning contained in 5.1.

Listing Rules means the listing rules of ASX.

Mandate has the meaning contained in Section 3.1.4.

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

Notice means this notice of meeting.

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

Placement means the placement to sophisticated and professional investors of 200,000,000 Shares at an issue price of $0.033 per Share to raise up to $6,600,000 (before costs) conducted by the Company in November 2021.

Placement Participants means subscribers to the Placement.

Proxy Form means the proxy form attached to the Notice.

Related Party has the meaning set out in the ASX Listing Rule 10.11.

Resolution means a 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.

Shareholder means a shareholder of the Company.

WST means western standard time.

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

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Schedule 2– Terms and conditions of free-attaching Options

(a) Entitlement

Subject to paragraph (m), each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraphs (j) and (l), the amount payable upon exercise of each Option will be $0.08 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00pm (AWST) on 17 December 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

(i) the Exercise Date; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

(iii) issue the number of Shares required under these terms and conditions in respect of the number of Option specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

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(v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Quotation of Shares issued on exercise

Unless the Company's Board resolves otherwise (and then subject to the requirements of the ASX Listing Rules), the Company will not apply to ASX for quotation of the Options.

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Adjustment for rights issue

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(m) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the optionholder would have received if the optionholder had exercised the Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

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ECS Botanics Holdings Ltd
ABN 98 009 805 298

Need assistance?

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

Online:
www.investorcentre.com/contact

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

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YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00am (AWST) on Wednesday, 15 December 2021.**

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.

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 N D

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 General Meeting of ECS Botanics Holdings Ltd to be held at Suite 2, Level 1, 1 Altona Street, West Perth, WA 6005 on Friday, 17 December 2021 at 9:00am (AWST) and at any adjournment or postponement of that meeting.

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
Resolution 1a	Ratification of Prior Issue – Placement Shares - Listing Rule 7.1	☐	☐	☐
Resolution 1b	Ratification of Prior Issue – Placement Shares - Listing Rule 7.1A	☐	☐	☐
Resolution 2	Approval to issue Free-Attaching Options for Placement	☐	☐	☐
Resolution 3	Approval to issue Lead Manager Options	☐	☐	☐
Resolution 4	Approval to Director Participation in the Placement	☐	☐	☐

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	Securityholder 2	Securityholder 3	
			/ /
Sole Director & Sole Company Secretary	Director	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

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