



Dear Shareholders and Holders of CDIs,

You are cordially invited to attend the 2018 Annual Meeting of Shareholders (the “**Annual Meeting**”) of eSense-Lab Ltd., to be held at the Company’s registered office at Level 14, 330 Collins Street, Melbourne, Australia, on Wednesday, 13 February 2019, at 3:30pm. Australian AEST (6:30am Israel time).

At the Annual Meeting, shareholders will be asked to consider and vote on the matters listed in the enclosed Notice of Annual Meeting of Shareholders. Holders of our CHESS Depository Interests over ordinary shares (“**CDIs**”) will also be entitled to attend the Annual Meeting, provided that they cannot vote at the meeting and if they wish to vote they must direct CHESS Depository Nominees Pty Ltd (“**CDN**”), the holder of legal title of the CDIs, how to vote in advance of the meeting pursuant to the instructions set forth in the accompanying Proxy Statement.

**Whether or not you plan to attend the Annual Meeting, it is important that the ordinary shares you hold or that underlie the CDIs you hold be represented and voted at the Annual Meeting. Accordingly, after reading the enclosed Notice of Annual Meeting of Shareholders and the accompanying Proxy Statement, if you are a holder of ordinary shares please sign and date the enclosed proxy form and return it via mail, fax or personal delivery in the envelope provided or over the Internet in accordance with the instructions on your proxy form, and if you are a holder of CDIs please sign and date the enclosed voting instruction form in the envelope provided and return it via mail, fax or personal delivery or over the Internet in accordance with the instructions on your voting instruction form.**

We look forward to greeting as many of you as can attend the meeting.

Sincerely,

**Haim Cohen**  
**Managing Director**



## **Notice of 2018 Annual Meeting of Shareholders**

3 Pinchas Sapir St., Ness Ziona, Israel

NOTICE IS HEREBY GIVEN that the 2018 Annual Meeting of Shareholders (the “Annual Meeting”, or the “Meeting”) of eSense-Lab Ltd. (“eSense” or the “Company”) will be held on Wednesday, 13 February 2019 at 6:30am Israel time (3:30pm Australian Eastern Standard Time), at the Company’s registered offices at Level 14, 330 Collins Street, Melbourne, Australia

The agenda of the Annual Meeting will be as follows:

1. To elect each of the directors named in the attached Proxy Statement as a member of the board of directors of the Company (the “Board” or the “Board of Directors”), to serve until the end of the 2019 annual meeting of shareholders and until his or her successor has been duly elected and qualified or until his office is vacated in accordance with the Company’s Second Amended and Restated Articles of Association (the “Articles of Association”) or the Israel Companies Law, 5759-1999, and the regulations promulgated thereunder (together, the “Israel Companies Law”).
2. To approve the issue of 400,000 ordinary shares (in the form of CDI’s) to Mr Jakob Zecharia for nil cash consideration in accordance with ASX Listing Rule 10.11.
3. To approve an increase in the number of equity securities that can be issued by the Company during a period of up to 12 months following the Annual Meeting by up to 10% of the outstanding ordinary shares, in accordance with and as calculated under ASX Listing Rule 7.1A. Such approval must be passed as a “special resolution” requiring approval of holders of 75% of the ordinary shares voted in person or by proxy on the matter.
4. To approve the reappointment of BDO Ziv Haft as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2018 and until the end of the 2019 annual meeting of shareholders, and to authorize the Board, upon recommendation of the audit committee, to fix the remuneration of said independent registered public accounting firm.
5. To report on the business of the Company for the fiscal year ended December 31, 2017, including a review of the fiscal 2017 financial statements.
6. To act upon any other matters that may properly come before the Meeting or any adjournment thereof.

Holders of our CHESS Depository Interests over ordinary shares (“CDIs”) will also be entitled to attend the Annual Meeting, provided that they cannot vote at the Meeting and if they wish to vote they must direct CHESS Depository Nominees Pty Ltd (“CDN”), the holder of legal title of

the CDIs beneficially owned by the holders of the CDIs, how to vote in advance of the meeting pursuant to the instructions set forth in the accompanying proxy statement.

A proxy statement describing the various matters to be voted upon at the Annual Meeting along with a proxy form enabling shareholders to indicate their vote on each matter and a voting instruction form for holders of CDIs to instruct CDN how to vote on each proposal, will be mailed as soon as practicable to all shareholders and holders of CDIs entitled to vote at the Annual Meeting. Signed proxy forms must be received by Link Market Services, the Company's share registry, at the address set forth on the proxy form no later than forty-eight (48) hours before the time fixed for the Annual Meeting or presented to the chairman of the Annual Meeting at the time of the Annual Meeting in order for the proxy to be qualified to participate in the Annual Meeting. Signed CDI voting instruction forms must be received by Link Market Services at the address set forth on the CDI voting instruction form no later than seventy-two (72) hours before the time fixed for the Annual Meeting. Shareholders and holders of CDIs wishing to express their position on an agenda item for the Annual Meeting may do so by submitting a written statement to the Company's office at the above address no later than Friday, 1 February 2019.

By Order of the Board of Directors,

Haim Cohen  
Managing Director  
Ness Ziona, Israel  
31 December 2018



## PROXY STATEMENT

This proxy statement (“Proxy Statement”) is being furnished to the holders of our ordinary shares and holders of our CHESS Depository Interests over ordinary shares (“CDIs”) in connection with the 2018 Annual Meeting of Shareholders of eSense-Lab Ltd., to be held at Level 14, 330 Collins Street, Melbourne, Australia on Wednesday, 13 February 2019 (the “Annual Meeting”, or the “Meeting”), at 6:30am Israel time (3:30pm Australian Eastern Standard Time) and at any adjournment or postponement thereof, pursuant to the accompanying Notice of 2018 Annual General Meeting of Shareholders.

The agenda of the Annual Meeting will be as follows:

1. To elect each of the directors named herein as a member of the board of directors of the Company (the “Board” or the “Board of Directors”), to serve until the end of the 2019 annual meeting of shareholders and until his successor has been duly elected and qualified or until his office is vacated in accordance with the Company’s Second Amended and Restated Articles of Association (the “Articles of Association”) or the Israel Companies Law, 5759-1999, and the regulations promulgated thereunder (together, the “Israel Companies Law”).
2. To approve the issue of 400,000 ordinary shares (in the form of CDI’s) to Mr. Jakob Zecharia for nil cash consideration in accordance with ASX Listing Rule 10.11.
3. To approve an increase in the number of equity securities that can be issued by the Company during a period of up to 12 months following the Annual Meeting by up to 10% of the outstanding ordinary shares, in accordance with and as calculated under ASX Listing Rule 7.1A.
4. To approve the reappointment of BDO Ziv Haft as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2018 and until the end of the 2019 annual meeting of shareholders, and to authorize the Board, upon recommendation of the audit committee, to fix the remuneration of said independent registered public accounting firm.
5. To report on the business of the Company for the fiscal year ended December 31, 2017, including a review of the fiscal 2017 financial statements.
6. To act upon any other matters that may properly come before the Meeting or any adjournment thereof.

Currently, we are not aware of any other matters that will come before the Annual Meeting. If any other matters properly come before the Annual Meeting, the persons designated as proxies on the proxy forms intend to vote in accordance with their judgment on such matters.

## ABOUT THE ANNUAL MEETING

**Q: When and where is the Annual Meeting of Shareholders being held?**

A: The Annual Meeting will be held on Wednesday, 13 February 2019, at [6:30am] Israel time ([3:30pm] Australian Eastern Standard Time) at Level 14, 330 Collins Street, Melbourne, Australia.

**Q: Who can attend the Annual Meeting?**

A: Any shareholder or holder of CDIs may attend. Current proof of ownership of the Company's ordinary shares or CDIs, as well as a form of personal photo identification, must be presented in order to be admitted to the Annual Meeting. If your shares are held in the name of a bank, broker or other holder of record, you must bring a current brokerage statement or other proof of ownership with you to the Annual Meeting.

**Q: Who is entitled to vote?**

A: Only holders of ordinary shares are entitled to vote at the Annual Meeting. Holders of our CDIs cannot vote at the Meeting and if they wish to vote they must direct CDN how to vote in advance of the Annual Meeting by returning their CDI voting instruction form and returning it in the enclosed, prepaid and addressed envelope.

Joint holders of ordinary shares should note that, pursuant to Article 28(d) of the Company's Articles of Association, the right to vote at the Annual Meeting will be conferred exclusively upon the senior among the joint owners attending the Annual Meeting, in person or by proxy, and for this purpose, seniority will be determined by the order in which the names appear in the Company's register of shareholders.

## HOW TO VOTE YOUR SHARES

**Q: How do I vote?**

A: **Shareholders may vote by mail** by completing your proxy form and returning it in the enclosed, prepaid and addressed envelope. If you return a signed card but do not provide voting instructions, your shares will be voted as set out under the heading 'How will my shares be voted if I do not provide instructions on the proxy form'.

**Holders of our CDIs can vote by directing CDN how to vote** in advance of the Annual Meeting by returning their CDI voting instruction form and returning it in the enclosed, prepaid and addressed envelope.

**Shareholders may vote electronically or by fax** in accordance with the instructions set out in your proxy form or CDI voting instruction form.

**Shareholders may vote in person.** Ballots will be passed out at the Annual Meeting to any shareholder who wants to vote at the Annual Meeting. If you choose to do so, please bring the enclosed proxy form or proof of identification. If your shares are held directly

in your name, you may vote in person at the Annual Meeting. However, if your shares are held by a bank, broker or other nominee, you must first obtain a signed proxy from such entity and vote. Holders of our CDIs can attend the Annual Meeting but they cannot vote at the Annual Meeting.

**Q: Can I change my vote or revoke my proxy?**

A: **Yes.** You may change your vote or revoke your proxy by no later than forty-eight (48) hours before the time fixed for the Annual Meeting. If you are a shareholder, you may do this by lodging a written notice of revocation or a new proxy form with Link Market Services, the Company's Share Registry, or by attending the Annual Meeting and voting in person (attendance at the Annual Meeting will not cause your previously granted proxy to be revoked unless you specifically so request). If you are a holder of CDIs, you may change your voting instructions prior to the vote at the Annual Meeting by lodging a new CDI voting instruction form with Link Market Services by no later than seventy-two (72) hours before the time fixed for the Annual Meeting.

**Q: How are my votes cast when I submit a proxy vote or, if I am a holder of CDIs, when I submit my voting instructions to CDN?**

A: If you are a shareholder, when you submit a proxy vote you appoint the chairperson at the meeting (expected to be Haim Cohen) as your representative at the Annual Meeting unless you appoint someone else to serve as your proxy. Your shares will be voted at the Annual Meeting as you have instructed. Upon the receipt of a properly submitted proxy form, which is received in time (by [3:30] AEDT (Level 14, 330 Collins Street, Melbourne, Australia), on Monday, 11 February 2019, forty-eight (48) hours prior to the Annual Meeting) and not revoked prior to the Annual Meeting or presented to the chairperson at the Annual Meeting, the persons named as proxies will vote the ordinary shares represented thereby at the Annual Meeting in accordance with the instructions indicated on the proxy form.

If you are a holder of CDIs, your votes are effectively 'cast' when you submit your voting instructions to CDN by the provision of a completed CDI voting instruction form to Link Market Services, which will direct CDN how to vote the ordinary shares underlying the CDIs held by you.

**Q: What does it mean if I receive more than one proxy form or CDI voting instruction form?**

A: It means that you have multiple accounts at the transfer agent or with brokers. Please sign and return all proxy forms and CDI voting instruction forms to ensure that all of your shares are voted.

## **ABOUT THE VOTING PROCEDURE AT THE ANNUAL GENERAL MEETING**

**Q: What constitutes a quorum?**

A: To conduct business at the Annual Meeting, two or more shareholders must be present, in person or by proxy, representing not less than 25% of the ordinary shares outstanding (including outstanding shares underlying CDIs) as of the Record Date, that is, a quorum.

Ordinary shares represented in person or by proxy (including shares representing CDIs that are voted by CDN), as well broker non-votes and shares that abstain or do not vote with respect to one or more of the matters to be voted upon will be counted for purposes of determining whether a quorum exists. “Broker non-votes” are shares held in a street name by a bank or brokerage firm that indicates on its proxy that it does not have discretionary authority to vote because the nominee does not have discretionary voting power with respect to a particular matter and has not received instructions from the beneficial owner on that particular matter. On all matters considered at the Annual Meeting, abstentions and broker non-votes will be treated as neither a vote “for” nor “against” the matter, although they will be counted as present in determining if a quorum is present.

**Q: What happens if a quorum is not present?**

A: If a quorum is not present, the Annual Meeting will be adjourned to the same day at the same time the following week.

**Q: How will votes be counted?**

A: Each outstanding ordinary share (including each ordinary share underlying a CDI) is entitled to one vote. The Company’s Articles of Association do not provide for cumulative voting.

**Q: What vote is required to approve each proposal presented at the Annual Meeting?**

Each of Proposal 1 (election of each of the directors named in this Proxy Statement), Proposal 2 (issue of shares to Mr Jakob Zecharia) and Proposal 4 (approve the appointment of BDO Ziv Haft as the Company’s independent registered public accounting firm), requires that a simple majority of the ordinary shares of the Company voted in person or by proxy at the Annual Meeting on the matter presented for passage be voted “FOR” the adoption of the proposal.

Proposal 3 (approval of an increase in the number of equity securities that can be issued by the Company) is a “special resolution” under ASX Listing Rule 7.1A and therefore requires approval of holders of 75% of the ordinary shares voted in person or by proxy at the Annual Meeting on the matter.

On all matters considered at the Annual Meeting, abstentions and broker non-votes will not be treated as either a vote “FOR” or “AGAINST” the matter.

**Q: How will my shares be voted if I do not provide instructions on the proxy form?**

A: If you are the record holder of your shares and do not specify on your proxy form how you want to vote your shares, your shares will be voted 'FOR' each of the proposed resolutions to be considered at the Annual Meeting.

### **POSITION STATEMENTS**

**Q: Can a shareholder express an opinion on a proposal prior to the Annual Meeting?**

A: Shareholders and holders of CDIs wishing to express their position on an agenda item for the Annual Meeting may do so by submitting a written statement:

(a) by email to [ian@cfo2grow.com.au](mailto:ian@cfo2grow.com.au); or

(b) by mail to Level 14, 330 Collins Street, Melbourne 3000, VIC, Australia,

no later than 1 February 2019.

Position statements must be in English and otherwise must comply with applicable law. We will make publicly available any valid position statement that we receive.

### **HOW TO FIND VOTING RESULTS**

**Q: Where do I find the voting results of the Annual Meeting?**

A: The Company will announce the results of the Annual Meeting by an ASX announcement available on the ASX market announcements platform following the conclusion of the meeting, in accordance with the requirements of ASX Listing Rule 3.13.2.



**BENEFICIAL OWNERSHIP OF SECURITIES BY CERTAIN  
BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information as of 31 December 2018, concerning the number of ordinary shares beneficially owned, directly or indirectly, by (i) each person or entity known to us to beneficially own 5% or more of our outstanding shares and (ii) by all of our current directors and officers as a group.

Name	Number of Shares (1)	Percentage of Shares (2)
Benjamin Karasik (3)	6,298,226	3.81%
All of our officers and directors as a group	7,421,852	4.50%

1. The numbers of shares shown in the above table do not include the 9,537,503 CDIs that were issued to these shareholders upon conversion of certain Class C Performance Rights on 29 January 2018, which are subject to trust arrangements as per the Company’s announcement to ASX on 19 February 2018 and will not be voted at the Annual Meeting.
  
2. All percentage information is based on the remaining 165,105,981 ordinary shares (including ordinary shares underlying CDIs) outstanding as of 31 December 2018. In particular, it should be noted that the above figures do NOT include the following:
  - 35 million options to purchase ordinary shares (as CDIs) to be granted to subscribers under the placement announced in October;
  - 300,000 ordinary shares (as CDIs) to Otsana Capital Pty Ltd; and
  - 10 million options to purchase ordinary shares (as CDIs) to EverBlu Capital Pty Ltd, all of which are intended to be issued or granted following receipt of approval of members at the extraordinary general meeting of shareholders of the Company held on November 12, 2018. The above figures also do NOT include the 400,000 ordinary shares to be issued (as CDIs) to Mr Zecharia subject to shareholders approving Proposal 2.
  
3. Mr. Karasik is also a member of our Board of Directors.

**CORPORATE GOVERNANCE**

Following the Annual Meeting, assuming the election of the directors under Proposal 1, our Board will consist of four directors (including our external director, Ms. Galit Assaf, who was re-elected for a term of three years at our Extraordinary General Meeting of Shareholders held on May 10, 2017, and who is not up for re-election at the Annual Meeting).

Our Articles of Association provide that our Board may consist of up to eight directors (including two external directors). Our directors, other than our external directors, are elected at each annual meeting of shareholders.

The names and the particulars of the current members of our Board of Directors are as follows:

<b>Name</b>	<b>Position</b>	<b>Date Appointed</b>
Mr. Haim Cohen	CEO and Executive Director	1 October 2016
Mr. Benjamin Karasik	Non-Executive Director	8 February 2018
Ms. Galit Assaf	Non-Executive Director	5 December 2016
Mr. Piers Lewis	Chairman and Non-Executive Director	30 November 2018
Mr. Amit Edri	Non-Executive Director	30 November 2018

The number of formal meetings of the Board held during the year ended December 31, 2017, and the number of meetings attended by each director was as follows:

#### **DIRECTORS' MEETINGS**

<b>Name of Director</b>	<b>Number Eligible to Attend</b>	<b>Number Attended</b>
Haim Cohen	2	2
Galit Assaf	2	2
Benjamin Karasik	0	0
Piers Lewis	0	0
Amit Edri	0	0

## MATTERS SUBMITTED TO SHAREHOLDERS

### PROPOSAL 1

#### ELECTION OF DIRECTORS

At the Meeting, shareholders will be asked to vote on the re-election of the following nominees to the Board of Directors all of whom are recommended by the Board of Directors: each of Haim Cohen, Benjamin Karasik, Piers Lewis and Amit Edri.

Mr. Cohen has entered into a management services agreement with the Company in connection with his serving as our CEO, and he does not receive any additional compensation for serving as a member of our Board.

A brief biography of each nominee recommended by the Board of Directors is set forth below:

*Haim Cohen (Chief Executive Officer and Director).* Mr. Cohen has extensive managerial experience across numerous sectors including real estate, transport communications, human resources and information systems in both private and government enterprises. He has a successful track record in business development and marketing and has been a manager of project budgets of up to US\$4 billion. Mr. Cohen holds a B.A in social science from Bar Ilan University and also represented the Israeli Government as chairman of the youth exchange authority in Israel.

*Benjamin Karasik (Director).* Mr. Karasik is one of the founders of the Company and is currently one of the largest shareholders in the Company. He has over 40 years' experience in business development in many segments and industries across the world and has been a founder of more than 20 start-ups, including J&B Optical Company Inc., Karasik Developers Company Inc. and GK Vector Company Inc. Mr. Karasik was appointed as a member of the Company's Board of Directors on February 8, 2018.

*Piers Lewis (Director).* Mr Lewis has over 20 years' corporate experience in finance, banking, management and M&A in the resources, banking and technology sectors in Australia, Asia and Europe. He currently serves on the board of Dawine Limited (ASX:DW8) and Cycliq Group (ASX:CYQ), and is Company Secretary for Grange Resources (ASX:GRR) and Ultima United (ASX: UUL). In 2011, Mr Lewis founded Smallcap Corporate, a corporate advisory services company providing service to more than a dozen listed and unlisted clients. He has completed a Bachelor of Commerce degree at the University of Western Australia and qualified as a Chartered Accountant from Deloitte in 2001 and is a member of the Chartered Secretaries of Australia.

*Amit Edri (Director).* Mr Edri has extensive experience in the medicinal cannabis industry, having served as an Independent consultant for several International medical cannabis companies. Consulting on business development, investment opportunities, and strategy. Amit was the COO of a large-scale medical cannabis processor in Israel. In 2013 he built a medical cannabis Vaporizers company from scratch, as the founder of this own company, he drove the strategic initiatives of a start-up; fused the business, financial, and technology interests of the

company into cohesive operations and led the business through market unpredictability, cutthroat competition, and economic turmoil. Amit also had a unique career in the Israeli military, gaining the rank of Major with the Israeli Special Air Force Unit.

## **Proposed Resolutions**

You are requested to adopt the following resolutions:

“1.a. RESOLVED, that Haim Cohen be re-elected to the Board of Directors of the Company, effective immediately, until the next annual general meeting of the Company and until his successor is duly elected or until his office is vacated in accordance with clause 35(a) of the Company’s Articles of Association of the Israel Companies Law, 5759-1999 and for all other purposes”;

“1.b. RESOLVED, that Benjamin Karasik be re-elected to the Board of Directors of the Company, effective immediately, until the next annual general meeting of the Company and until his successor is duly elected or until his office is vacated in accordance with clause 35(a) of the Company’s Articles of Association of the Israel Companies Law, 5759-1999 and for all other purposes”;

“1.c. RESOLVED, that Piers Lewis be re-elected to the Board of Directors of the Company, effective immediately, until the next annual general meeting of the Company and until his successor is duly elected or until his office is vacated in accordance with clause 35(a) of the Company’s Articles of Association of the Israel Companies Law, 5759-1999, ASX Listing Rule 14.4 and for all other purposes”;

“1.d. RESOLVED, that Amit Edri be re-elected to the Board of Directors of the Company, effective immediately, until the next annual general meeting of the Company and until his successor is duly elected or until his office is vacated in accordance with clause 35(a) of the Company’s Articles of Association of the Israel Companies Law, 5759-1999, ASX Listing Rule 14.4 and for all other purposes”.

The majority of the Board of Directors has recommended that the shareholders vote **IN FAVOUR OF** resolutions 1.a, 1.b, 1.c and 1.d.

## **Vote Required**

Approval of each of the resolutions set forth above requires the affirmative vote of a simple majority of the ordinary shares of the Company voted in person or by proxy or voting instruction card at the Annual Meeting on the resolution.

## PROPOSAL 2

### ISSUE OF SHARES TO MR JAKOB ZECHARIA

#### **Background**

On 20 December 2018, Mr. Jakob Zecharia resigned as a director of the Company.

The Company has agreed, subject to obtaining Shareholder approval, to issue 400,000 ordinary shares (as CDI's) (**Related Party Securities**) to Mr. Zecharia (or his nominee). The Company has agreed to issue the Related Party Securities to Mr Zecharia for nil cash consideration, in consideration for consulting services provided to the Company in addition to the services provided to the Company by Mr Zecharia in his role as a director of the Company. These shares are being issued for the provision of services to the Company outside of the scope of Mr. Zecharia's role as a non-executive director, including advising on the Company's budgets and assisting with the preparation of a cleansing prospectus.

The Related Party Securities will be issued for nil cash consideration at a deemed issue price of \$0.03 per share (\$12,000 in total).

The directors of the Company (other than Mr. Zecharia who has a material personal interest in the Resolution) unanimously recommend that Shareholders vote in favour of this Proposal.

#### **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

Mr Zecharia is a related party for these purposes having been a director of the Company in the past 6 months. Accordingly, shareholder approval under ASX Listing Rule 10.11 is required for the Company to issue the Related Party Securities to Mr Zecharia unless an exception applies under ASX Listing Rule 10.12. 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.

#### **Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Proposal 2:

- (a) the **Related Party Securities** will be issued to Mr Zecharia (or his nominee);
- (b) the number of **securities** to be issued is 400,000 ordinary shares (as CDI's);

- (c) the Related Party Securities will be issued no later than 1 month 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 issue of the Options will occur on the same date;
- (d) the Related Party Securities will be issued for nil cash consideration at a deemed issue price of \$0.03 per share (\$12,000 in total); and
- (e) the Related Party Securities issued will be fully paid ordinary shares in the capital of the Company (as CDI's) issued on the same terms and conditions as the Company's existing Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Securities as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Securities to Mr Zecharia (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

### **Proposed Resolution**

You are requested to adopt the following resolution:

“2. RESOLVED that, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 400,000 ordinary shares (as CDIs) to Mr Jakob Zecharia (or his nominee).”

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Zecharia (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Vote Required**

The affirmative vote of the holders of a majority of the voting power represented at the Annual Meeting in person or by proxy and voting thereon is required to adopt this resolution.

## **PROPOSAL 3**

### **APPROVAL OF AN INCREASE IN THE NUMBER OF EQUITY SECURITIES THAT CAN BE ISSUED BY THE COMPANY**

#### **Background**

ASX Listing Rule 7.1A enables “eligible entities” to issue equity securities in an amount equal to up to 10% of their issued share capital over a period of up to 12 months following such entities’ respective annual general meeting (“10% Placement Facility”). The exact number of equity securities that can be issued under the 10% Placement Facility is determined at the date of issuance of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as described below). The 10% Placement Facility is in addition to the Company’s 15% placement capacity under ASX Listing Rule 7.1, pursuant to which companies listed on the ASX can issue equity securities in an amount equal to up to 15% of their issued share capital.

An “eligible entity” for the purposes of ASX Listing Rule 7.1A is an entity that (i) is not included in the S&P/ASX 300 Index and (ii) has a market capitalization of A\$300 million or less. As of the date of this notice, the Company was not included in the S&P/ASX 300 Index, and based on the closing price of the Company’s ordinary shares on the ASX on such date the Company had a market capitalization of less than A\$300 million.

The Company is now seeking shareholder approval to have the ability to issue equity securities under the 10% Placement Facility.

#### **Summary**

##### **ASX 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.

(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 hereof, has on issue one quoted class of equity security, the Company’s ordinary shares.

(c) **Formula for calculating 10% Placement Facility.**

ASX Listing Rule 7.1A.2 provides that eligible entities that have obtained

shareholder approval at an annual general meeting may issue or agree to issue during a period of up to 12 months following the date of 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 shares on issue 12 months before the date of issue or agreement, plus

(A) the number of fully paid shares issued during 12 months under an exception in ASX Listing Rule 7.2;

(B) the number of partly paid shares that became fully paid during such 12 months; and

(C) the number of fully paid shares issued during the 12 months before the date of issue or agreement with shareholder approval under ASX Listing Rules 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);

less the number of fully paid shares cancelled during such 12 months;

*D* is equal to "10%"; and

*E* is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that were not issued with shareholder approval under ASX Listing Rule 7.1 or 7.4.

(d) **ASX Listing Rules 7.1 and 7.1A.**

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

The number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX listing rule 7.1A.2 (refer to paragraph (c) above).

(e) **Minimum Issue Price.**

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price 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 five 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 ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which shareholder approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of such annual general meeting; or
- (ii) the date of shareholder approval of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

such period, the “10% Placement Period”.

In the event that Proposal 3 is approved, the Company will be able to issue securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company’s 15% placement capacity under ASX Listing Rule 7.1.

**Specific information required by Listing Rule 7.3A.**

In accordance with ASX Listing Rule 7.3A, information is provided as follows:

- (a) The equity securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company’s equity securities over the 15 trading days on which trades in that class were recorded immediately before:
  - (iii) the date on which the price at which the equity securities to be issued is agreed; or
  - (iv) if the equity securities are not issued within five trading days of the date in paragraph (i) above, the date on which the equity securities are issued.
- (b) If this Proposal 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 convertible securities, only if the convertible securities are converted into ordinary shares). There is a risk that:

- (i) the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the Annual 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 or the equity securities may be issued as part of consideration for the acquisition of a new asset;

either of which may have an effect on the amount of funds raised by the issue of the equity securities.

- (c) The below table shows the dilution of existing shareholders on the basis of the current market price of the Company's shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as of the date hereof.
- (d) The table also shows:
  - (i) two examples where variable "A" has increased, by 50% and 100% respectively. Variable "A" is based on the number of ordinary shares 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 future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders' meeting; and
  - (ii) two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the current market price (A\$0.027 as at 31 December 2018).

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		A\$0.0135 50% decrease in Issue Price	A\$0.027 Issue Price	A\$0.054 100% increase in Issue Price
Current Variable A 175,043,484 Ordinary Shares (inc CDIs)	10% Voting dilution	17,504,348 Ordinary Shares	17,504,348 Ordinary Shares	17,504,348 Ordinary Shares
	Funds raised	\$236,309	\$472,617	\$945,235
50% increase in current Variable A 262,565,226 Ordinary Shares (inc CDIs)	10% Voting dilution	26,256,522 Ordinary Shares	26,256,522 Ordinary Shares	26,256,522 Ordinary Shares
	Funds raised	\$354,463	\$708,926	\$1,417,852
100% increase in current Variable A 350,086,968 Ordinary Shares (inc CDIs)	10% Voting dilution	35,008,697 Ordinary Shares	35,008,697 Ordinary Shares	35,008,697 Ordinary Shares
	Funds raised	\$472,617	\$945,235	\$1,890,470

The above table has been prepared on the following assumptions:

1. There are currently ordinary shares on issue comprising:
  - (a) 6 ordinary shares as at the date of this Notice of Meeting;
  - (b) 174,643,478 existing ordinary shares (as CDI's) as at the date of this Notice of Meeting. This includes 9,537,503 CDI's that will remain on the separate sub-register of unlisted securities until a resolution of an authorized body of the Company to move such securities from the sub-register of unlisted securities. The holders will wave all rights arising from such securities; and
  - (c) 400,000 ordinary shares (as CDI's) which will be issued if Proposal 2 is passed at the Meeting.
2. The Company issues the maximum number of equity securities available under the 10% Placement Facility;
3. No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into shares before the date of the issue of the equity securities;
4. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue (which is why the voting dilution is shown in each example as 10%);
5. 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 that shareholder's holding at the date of the Annual Meeting;
6. The table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, and not under the 15% placement capacity under ASX Listing Rule 7.1;
7. The issue of equity securities under the 10% Placement Facility consists only of shares; and
8. The issue price is A\$0.027, being the closing price of the ordinary shares on the ASX on 31 December 2018.

- (e) The Company will only issue the equity securities during the 10% Placement Period.
- (f) The Company may seek to issue the equity securities for the following purposes:
  - (i) non-cash consideration for the acquisition of new technology or research assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new technology or research assets or investments (including expenses associated with such acquisition such due diligence costs and external advisors) and continued advancement of the Company's current projects and working capital requirements.
- (g) The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities.
- (h) 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 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).
- (i) The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial shareholders and/or new shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new technology or research assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (j) The Company has previously obtained shareholder approval under ASX Listing Rule 7.1A at its previous Annual General Meeting. The following information is included for the purposes of Listing Rule 7.3A.6:

The total number of equity securities issued in the 12 months preceding the date of the meeting, and the percentage they represent of the total number of equity securities on issue at the commencement of that 12 month period.	The date of the Annual Meeting is set for 13 February 2019. In the 12 month period prior to that date, the Company has issued a total of 93,966,671 ordinary shares (as CDIs) (being 53.8% of the total number of equity securities on issue at the commencement of that 12 month period).
Details of all issues of equity securities by the eligible entity during the 12 months preceding the date of the meeting, including for each such issue.	See Schedule 1 for the information required by Listing Rule 7.3A.6(b).

### **Proposed Resolution**

You are requested to adopt the following resolution:

“3. RESOLVED, to approve an increase in the number of equity securities that can be issued by the Company during the 10% Placement Period by up to 10% of the outstanding ordinary shares, in accordance with and as calculated under ASX Listing Rule 7.1A.”

### **Vote Required**

Proposal 3 is a “special resolution” under ASX Listing Rule 7.1A and therefore requires approval of requires approval of holders of 75% of the ordinary shares voted in person or by proxy at the Annual Meeting on the matter.

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Proposal by a person who is expected to participate in, or who will obtain a material benefit as a result of, the 10% Placement Facility (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the **directions** on the proxy form/voting instruction card; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form /voting instruction card to vote as the proxy decides.

#### **PROPOSAL 4**

### **REAPPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

#### **Background**

BDO Ziv Haft served as our independent registered public accounting firm for the fiscal year ended December 31, 2017. At the Annual Meeting, shareholders will be asked to approve the reappointment of BDO Ziv Haft as our independent registered public accounting firm for the year ending December 31, 2018 and until the next annual meeting of shareholders and to authorize the Board, upon the recommendation of the audit committee, to fix the remuneration of the independent registered public accounting firm in accordance with the volume and nature of its services.

#### **Proposed Resolution**

You are requested to adopt the following resolution:

“4. RESOLVED, that the reappointment of BDO Ziv Haft as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2018 and until the next annual meeting of shareholders be approved, and that the Board, upon recommendation of the audit committee, be authorized to fix the remuneration of said independent registered public accounting firm in accordance with the volume and nature of their services.”

#### **Vote Required**

The affirmative vote of the holders of a majority of the voting power represented at the Annual Meeting in person or by proxy and voting thereon is required to adopt this resolution.

## **REVIEW OF THE COMPANY'S FINANCIAL STATEMENTS FOR 2017**

At the Annual Meeting, the Board will provide a management report that will include a discussion of the Company's audited financial statements for the fiscal year ended December 31, 2017. These financial statements are included in our annual report filed with the ASX on March 29, 2018, a copy of which is available on the ASX's website at [www.asx.com.au](http://www.asx.com.au) and on our website at [www.esense-lab.com](http://www.esense-lab.com). These reports are not a part of this Proxy Statement. This item does not require a vote of the shareholders.

## **PROPOSALS OF SHAREHOLDERS**

Any shareholder or holder of CDIs who intends to present a proposal at the Annual Meeting must satisfy the requirements of the Israel Companies Law. Under the Israel Companies Law, only shareholders or holders of CDIs who hold at least 1% of our outstanding voting power are entitled to request that the Board includes a proposal in a shareholders meeting, provided that such proposal is appropriate for consideration by shareholders at such meeting. Such shareholders or holders of CDIs may present proposals for consideration at the Annual Meeting by submitting their proposals in writing to our CEO, Mr. Haim Cohen, by email: [ian@cfo2grow.com.au](mailto:ian@cfo2grow.com.au). For a shareholder proposal to be considered for inclusion in the Annual Meeting we must receive the written proposal no later than February 1, 2018 and such proposal should be made in the manner set forth in Article 22(c) of our Articles of Association and in accordance with the provisions of the Israel Companies Law. If our Board determines that a shareholder proposal is appropriate for inclusion in the agenda of the Meeting, it will be announced on the ASX market announcements platform and we will amend this Proxy Statement, the proxy form and the voting instruction form for holders of CDIs and mail such revised documents to our shareholders and holders of CDIs. In such event, it is also possible that we may be required to postpone the date of the Annual Meeting.

Likewise, under the Israel Companies Law and our Articles of Association, nominations for directors may be made by any shareholder or holder of CDIs holding at least 1% of our outstanding voting power, and a shareholder may make such a nomination only if a written notice of a shareholder's intention to make such nomination has been provided to our CEO, Mr. Haim Cohen, at the address set forth above. Any such notice must include certain information, the consent of the proposed director nominee(s) to serve as our director(s) if elected and a declaration signed by the nominee(s) declaring that there is no limitation under the Israel Companies Law preventing their election and that all of the information that is required to be provided to us in connection with such election under the Israel Companies Law and under our Articles of Association has been provided.

## **OTHER BUSINESS**

The Board knows of no other matter to come before the Annual Meeting. However, if any matters requiring a vote of the shareholders arise, it is the intention of the persons named in the attached form of proxy to vote such proxy in accordance with their best judgment, including any matters or motions dealing with the conduct of the Meeting.

By Order of the Board of Directors,

**Mr. Haim Cohen**  
**CEO and Director**

Ness Ziona, Israel  
31 December 2018



**SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 13 FEBRUARY 2018**

<b>Date</b>	<b>Quantity</b>	<b>Class</b>	<b>Recipients</b>	<b>Issue price and discount to Market Price (if applicable)<sup>1</sup></b>	<b>Form of consideration</b>
Issue – 29 March 2018 Appendix 3B – 5 April 2018	5,000,000	Unquoted Options <sup>4</sup>	Otsana Capital (or its nominees).	No issue price (non-cash consideration).	Consideration: for services provided for a placement Current value <sup>7</sup> = \$265,515
Issue – 22 October 2018 Appendix 3B – 22 October 2018	19,633,333	Shares (as CDIs) <sup>2</sup>	Sophisticated and professional investors. The Shares (as CDIs) were placed by EverBlu Capital.	\$0.03 (being a 52.4% discount of the Market Price).	Amount raised = \$589,000 Amount spent = \$128,942 Use of funds: to fund the Company’s commercialization and research development. Amount remaining = \$460,058 Proposed use of remaining funds <sup>6</sup> is to meet its ongoing business expenses and to implement its business plan
Issue – 20 November 2018 Appendix 3B – 20 November 2018	71,333,337	Shares (as CDIs) <sup>2</sup>	Sophisticated and professional investors. The Shares (as CDIs) were placed by EverBlu Capital.	\$0.03 (being a 28.6% discount of the Market Price).	Amount raised = \$2,140,000 Amount spent = Nil Use of funds: to fund the Company’s commercialization and research development. Amount remaining = \$2,140,000 Proposed use of remaining funds <sup>6</sup> is to meet its ongoing business expenses and to implement its business plan
	30,322,225	Unquoted Options <sup>5</sup>	Sophisticated and professional investors.	Nil – issued as part of share placement.	Consideration: Nil. Unquoted Options were issued to investors who participated in Tranche 1 and Tranche 2 of the share placements. Investors received 1 Option for every 3 CDI applied for. Current value <sup>7</sup> = \$814,788

Issue – 6 December 2018 Appendix 3B – 6 December 2018	3,000,001	Shares (as CDIs) <sup>2</sup>	Institutional and sophisticated investors. The Shares (as CDIs) were placed by EverBlu Capital.	\$0.03 (being a 16.7% discount of the Market Price).	Amount raised = \$90,000 Amount spent = \$Nil Use of funds: to fund the Company's commercialization and research development. Amount remaining = \$2,140,000 Proposed use of remaining funds <sup>6</sup> is to meet its ongoing business expenses and to implement its business plan
	1,000,000	Unquoted Options <sup>5</sup>	Sophisticated and professional investors.	Nil – issued as part of share placement.	Consideration: Nil. Unquoted Options were issued to investors who participated in Tranche 1 and Tranche 2 of the share placements. Investors received 1 Option for every 3 CDI applied for. Current value <sup>7</sup> = \$22,089

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: ESE (terms are set out in the Constitution).
3. Being Class E Performance Rights. Performance Rights Class E escrow 24M until 14 February 2019. Class E Performance Rights will convert into Shares upon satisfaction of the following milestone: if the Company signs binding distribution contracts for its reconstructed Terpene Profiles with a cumulative value of A\$2,000,000 within 18 months from the date of Admission
4. Unquoted Options, exercisable at \$0.40 each, on or before 7 February 2020 and escrowed until 14 February 2019.
5. Unquoted Options, exercisable at \$0.06 each, on or before 20 November 2022.
6. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
7. In respect of quoted Equity Securities, the value is based on the closing price of the Shares \$0.027 as the context requires on the ASX on insert. In respect of unquoted Equity Securities, the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk-free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market-based performance conditions (i.e. conditions linked to the price of Shares).

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## LODGE YOUR VOTE

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
eSense-Lab Ltd  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

## LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **3:30pm Australian AEST (6:30am Israel time) on Monday, 11 February 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

 **BY MOBILE DEVICE**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

**QR Code**



## HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either securityholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME  
 ADDRESS LINE 1  
 ADDRESS LINE 2  
 ADDRESS LINE 3  
 ADDRESS LINE 4  
 ADDRESS LINE 5  
 ADDRESS LINE 6



X99999999999

## PROXY FORM

I/We being a member(s) of eSense-Lab Ltd and entitled to attend and vote hereby appoint:

STEP 1

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **3:30pm Australian AEST (6:30am Israel time) on Wednesday, 13 February 2019 at The Company's registered office at Level 14, 330 Collins Street, Melbourne, Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*
1a RESOLVED, that Haim Cohen be re-elected to the Board of Directors of the Company, effective immediately, until the next annual general meeting of the Company and until his successor is duly elected or until his office is vacated in accordance with clause 35(a) of the Company's Articles of Association of the Israel Companies Law, 5759-1999 and for all other purposes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1b RESOLVED, that Benjamin Karasik be re-elected to the Board of Directors of the Company, effective immediately, until the next annual general meeting of the Company and until his successor is duly elected or until his office is vacated in accordance with clause 35(a) of the Company's Articles of Association of the Israel Companies Law, 5759-1999 and for all other purposes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1c RESOLVED, that Piers Lewis be re-elected to the Board of Directors of the Company, effective immediately, until the next annual general meeting of the Company and until his successor is duly elected or until his office is vacated in accordance with clause 35(a) of the Company's Articles of Association of the Israel Companies Law, 5759-1999, ASX Listing Rule 14.4 and for all other purposes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1d RESOLVED, that Amit Edri be re-elected to the Board of Directors of the Company, effective immediately, until the next annual general meeting of the Company and until his successor is duly elected or until his office is vacated in accordance with clause 35(a) of the Company's Articles of Association of the Israel Companies Law, 5759-1999, ASX Listing Rule 14.4 and for all other purposes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 To approve the issue of 400,000 ordinary shares (in the form of CDI's) to Mr Jakob Zecharia for nil cash consideration in accordance with ASX Listing Rule 10.11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 To approve an increase in the number of equity securities that can be issued by the Company during a period of up to 12 months following the Annual Meeting by up to 10% of the outstanding ordinary shares, in accordance with and as calculated under ASX Listing Rule 7.1A. Such approval must be passed as a "special resolution" requiring approval of holders of 75% of the ordinary shares voted in person or by proxy on the matter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 To approve the reappointment of BDO Ziv Haft as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018 and until the end of the 2019 annual meeting of shareholders, and to authorize the Board, upon recommendation of the audit committee, to fix the remuneration of said independent registered public accounting firm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 To report on the business of the Company for the fiscal year ended December 31, 2017, including a review of the fiscal 2017 financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 To act upon any other matters that may properly come before the Meeting or any adjournment thereof	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

STEP 2

### SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3

ESE PRX1901N




## LODGE YOUR VOTE

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
eSense-Lab Ltd  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

## LODGEMENT OF A CDI VOTING INSTRUCTION FORM

This CDI Voting Instruction Form (and any Power of Attorney under which it is signed) must be received at an address given above by **3:30pm Australian AEST (6:30am Israel time) on Sunday, 10 February 2019**, being not later than 72 hours before the commencement of the Meeting. Any CDI Voting Instruction Form received after that time will be invalid.

CDI Voting Instruction Forms may be lodged using the reply paid envelope or:

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the CDI Voting Instruction Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, stockholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this CDI Voting Instruction Form).

## HOW TO COMPLETE THIS CDI VOTING INSTRUCTION FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's CDI register. If this information is incorrect, please make the correction on the form. CDI Holders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your CDIs using this form.**

### DIRECTION TO CHESS DEPOSITARY NOMINEES PTY LTD

Each CHESS Depositary Interest (CDI) is evidence of an indirect ownership in the Company's shares of common stock (Shares). The underlying Shares are registered in the name of CHESS Depositary Nominees Pty Ltd (CDN). As holders of CDIs are not the legal owners of the Shares, CDN is entitled to vote at the Meetings of stockholders on the instruction of the registered holders of the CDIs.

### APPOINTMENT OF A PROXY

If you wish to attend the Meeting in person or appoint some person or company other than CDN, who need not be a stockholder, to attend and act on your behalf at the Meeting or any adjournment or postponement thereof, please insert your name(s) or the name of your chosen appointee in the box in Step 2. Link will then send you a legal form of proxy which will grant you or the person specified by you the right to attend and vote at the Meeting. Please remember that a legal proxy is subject to all terms and conditions that apply to proxies as outlined in the *Notice of Annual Meeting* including any cut off time for receipt of valid proxies.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either holder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with Link. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** with respect to an Australian company, 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 indicate the office held by signing in the appropriate place. With respect to a U.S. company or other entity, this form may be signed by one officer. Please give full name and title under the signature.

NAME SURNAME  
 ADDRESS LINE 1  
 ADDRESS LINE 2  
 ADDRESS LINE 3  
 ADDRESS LINE 4  
 ADDRESS LINE 5  
 ADDRESS LINE 6



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## CDI VOTING INSTRUCTION FORM

STEP 1

### DIRECTION TO CHESSE DEPOSITARY NOMINEES PTY LTD

I/We being a holder of CHESSE Depositary Interests (CDIs) of eSense-Lab Ltd (Company) hereby direct CHESSE Depositary Nominees Pty Ltd (CDN) to vote the shares underlying my/our CDI holding at the Annual Meeting of stockholders of the Company to be held at **3:30pm Australian AEST (6:30am Israel time) on Wednesday, 13 February 2019 at The Company's registered office at Level 14, 330 Collins Street, Melbourne, Australia**, and at any adjournment or postponement of that Meeting, in accordance with the following directions. By execution of this CDI Voting Instruction Form the undersigned hereby authorises CDN to appoint such proxies or their substitutes in their discretion to vote in accordance with the directions set out below.

### VOTING INSTRUCTIONS

**Voting instructions will only be valid and accepted by CDN if they are signed and received no later than 72 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .**

#### Resolutions

- |   | For                      | Against                  | Abstain*                 |
|---|--------------------------|--------------------------|--------------------------|
| 1a RESOLVED, that Haim Cohen be re-elected to the Board of Directors of the Company, effective immediately, until the next annual general meeting of the Company and until his successor is duly elected or until his office is vacated in accordance with clause 35(a) of the Company's Articles of Association of the Israel Companies Law, 5759-1999 and for all other purposes  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1b RESOLVED, that Benjamin Karasik be re-elected to the Board of Directors of the Company, effective immediately, until the next annual general meeting of the Company and until his successor is duly elected or until his office is vacated in accordance with clause 35(a) of the Company's Articles of Association of the Israel Companies Law, 5759-1999 and for all other purposes  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1c RESOLVED, that Piers Lewis be re-elected to the Board of Directors of the Company, effective immediately, until the next annual general meeting of the Company and until his successor is duly elected or until his office is vacated in accordance with clause 35(a) of the Company's Articles of Association of the Israel Companies Law, 5759-1999, ASX Listing Rule 14.4 and for all other purposes                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1d RESOLVED, that Amit Edri be re-elected to the Board of Directors of the Company, effective immediately, until the next annual general meeting of the Company and until his successor is duly elected or until his office is vacated in accordance with clause 35(a) of the Company's Articles of Association of the Israel Companies Law, 5759-1999, ASX Listing Rule 14.4 and for all other purposes                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To approve the issue of 400,000 ordinary shares (in the form of CDI's) to Mr Jakob Zecharia for nil cash consideration in accordance with ASX Listing Rule 10.11  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 To approve an increase in the number of equity securities that can be issued by the Company during a period of up to 12 months following the Annual Meeting by up to 10% of the outstanding ordinary shares, in accordance with and as calculated under ASX Listing Rule 7.1A. Such approval must be passed as a "special resolution" requiring approval of holders of 75% of the ordinary shares voted in person or by proxy on the matter | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 To approve the reappointment of BDO Ziv Haft as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018 and until the end of the 2019 annual meeting of shareholders, and to authorize the Board, upon recommendation of the audit committee, to fix the remuneration of said independent registered public accounting firm  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 To report on the business of the Company for the fiscal year ended December 31, 2017, including a review of the fiscal 2017 financial statements  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 To act upon any other matters that may properly come before the Meeting or any adjournment thereof  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



\* If you do not mark the "For", "Against" or "Abstain" box your vote will not be counted.

STEP 3

### SIGNATURE OF CDI HOLDERS – THIS MUST BE COMPLETED

CDI Holder 1 (Individual)

Sole Director and Sole Company Secretary

Joint CDI Holder 2 (Individual)

Director/Company Secretary (Delete one)

Joint CDI Holder 3 (Individual)

Director

This form should be signed by the CDI Holder in accordance with the instructions overleaf.

STEP 3

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