1 July 2021

Dear Shareholders and CDI Holders,

ANNUAL GENERAL MEETING – NOTICE AND VOTING INSTRUCTION FORM/PROXY FORM

Notice is hereby given that the Annual General Meeting of eSense-Lab Ltd (**Company**) will be held at Quest South Perth Foreshore, 22 Harper Terrace, South Perth, Western Australia, 6151 on Friday, 6 August 2021 at 1:30pm (Australian Western Standard Time) (**Meeting**).

In accordance with the Australian Securities and Investments Commission's 'no action' position announced on 29 March 2021 via Media Release 21-061, the Company will not be sending hard copies of the Notice of Meeting to shareholders and CDI holders. Instead, a copy of the Notice is available on the ASX Company's Announcement Platform at www2.asx.com.au (ASX:ESE).

CDI Holders who have elected to receive notices by email will receive a copy of their personalised Voting Instruction Form by email. CDI Holders who have not elected to receive notices by email, and all Shareholders, will receive a copy of their personalised Voting Instruction Form or Proxy Form (as applicable) by post, together with this letter.

Only Shareholders (not CDI Holders) on record at the close of business on 28 June 2021 (the **Record Date**) will be entitled to vote at the Meeting, or any adjournment or postponement thereof. **CDI Holders as of the Record Date will be entitled to attend the Meeting, provided that they cannot vote at the Meeting and if they wish to vote they must direct CHESS Depository Nominees Pty Ltd (CDN) how to vote in advance of the Meeting.**

CDI holders who wish to vote on the Resolutions must do so by submitting their voting instructions to CDN no later than 72 hours before the Meeting (1:30pm (AWST) on Tuesday, 3 August 2021) by:

- Submitting voting instructions online at: www.linkmarketservices.com.au
- Lodging a completed Voting Instruction Form:
  - By Post to: eSense-Lab Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235, Australia; or
  - In person to: Link Market Services Limited at 1A Homebush Bay Drive, Rhodes NSW 2138; or
  - By facsimile to: +61 2 9287 0309.

Shareholders (not CDI Holders) who wish to vote prior to the meeting, must do so by submitting proxy voting instructions by the above means, by no later than 48 hours prior to the Meeting (1:30pm (AWST) on Wednesday 4 August 2021). If you are unsure if you are a Shareholder or a CDI Holder, please contact the Company on +61 9389 3115.

CDI Holders and Shareholders who wish to lodge questions in advance of the Meeting may do so by emailing questions to Erlyn Dale, Joint Company Secretary, at erlyn@azc.com.au, or by post to PO Box 3144, Nedlands, Western Australia, 6009, by no later than 2 August 2021.

The Australian government and the respective State governments are implementing a wide range of measures to contain or delay the spread of COVID-19. If it becomes necessary or

appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify securityholders accordingly via the Company's website at https://www.esense-lab.com/ and the Company's ASX Announcement Platform at asx.com.au (ASX: ESE).

This announcement is authorised for market release by the Joint Company Secretary, Erlyn Dale.

Sincerely,

Erlyn Dale
Joint Company Secretary

ESENSE LAB LTD

ARBN 616 228 703

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 1:30pm WST

DATE: 6 August 2021

PLACE: Quest South Perth Foreshore
22 Harper Terrace
South Perth
Western Australia, 6151

The business of the Meeting affects your interest in the Company and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders or holders of CDIs are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Meeting has a Record Date of 28 June 2021 in compliance with the provisions of the Israel Companies Law, 5759-1999, and the regulations promulgated thereunder (together, the Israel Companies Law).

BUSINESS OF THE MEETING

AGENDA

Notice is hereby given that the annual general meeting of Shareholders (the **Meeting**) of eSense-Lab Ltd (the **Company**) will be held on 6 August 2021 at 1:30pm WST, at Quest South Perth Foreshore, 22 Harper Terrace, South Perth, Western Australia, 6151.

The agenda of the Meeting will be as follows:

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2020 together with the declaration of the Directors, the Director's report and the auditor's report.

2. RESOLUTION 1 – APPOINTMENT OF AUDITORS

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

"That, for the purpose of clause 55 of the Articles and for all other purposes, BDO Ziv Haft be, and hereby is, appointed as the independent auditors of the Company for the financial statements of the Company for the year 2021 and for an additional period until the next annual general meeting, and be remunerated as set out in the Explanatory Statement."

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR WINTON WILLESEE

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

"That, for the purpose of clause 35(a) of the Articles, Listing Rule 14.4 and for all other purposes, Winton Willesee, a Director who was appointed as an additional Director on 31 July 2020 retires, and being eligible, is elected as a Director, and be remunerated as set out in the Explanatory Statement."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – DR JAMES ELLINGFORD

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

"That, for the purpose of clause 35(a) of the Articles, and for all other purposes, James Ellingford, a Director, retires, and being eligible, is re-elected as a Director, and be remunerated as set out in the Explanatory Statement."

5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR PETER HATFULL

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

"That, for the purpose of clause 35(a) of the Articles Listing Rule 14.4 and for all other purposes, Peter Hatfull, a Director who was appointed casually on 2 July 2020, retires, and being eligible, is elected as a Director, and be remunerated as set out in the Explanatory Statement."

6. RESOLUTION 5 – ELECTION OF MS DEBORAH GILMOUR AS AN EXTERNAL DIRECTOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution and as further required by the Israel Companies Law:

"That Deborah Gilmour be elected as an external director, to serve for a term of three years commencing as of the date of the Meeting, or until her office is vacated in accordance with the Company's Articles of Association or the Israel Companies Law, and be remunerated as set out in the Explanatory Statement."

7. RESOLUTION 6 – ELECTION OF MS MAAYAN BAR AS AN EXTERNAL DIRECTOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution and as further required by the Israel Companies Law:

"That Ms Maayan Bar be elected as an external director, to serve for a term of three years commencing as of the date of the Meeting, or until her office is vacated in accordance with the Company's Articles of Association or the Israel Companies Law, and be remunerated as set out in the Explanatory Statement."

8. RESOLUTION 7 – APPROVAL OF ENGAGEMENT AND REMUNERATION – MR YOAV ELISHOOV (CEO)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution and as further required by the Israel Companies Law:

"That pursuant to, and in accordance with Article 46(a) of the Articles of Association of the Company, clause 270(2) of Israel Companies Law and for all other purposes Shareholders approve the engagement with, and the annual remuneration of, Mr Yoav Elishoov, as set out in the Explanatory Statement."

9. RESOLUTION 8 – APPROVAL OF INDEMNIFICATION AGREEMENT FOR DIRECTORS AND OFFICERS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution and as further required by the Israel Companies Law:

"That pursuant to, and in accordance with Article 57 of the Articles of Association of the Company, clauses 258 to 261 of Israel Companies Law, the Company's compensation policy and for all other purposes Shareholders approve the Indemnification Agreement to be granted to the directors if elected to serve on the board of directors of the Company pursuant to Resolutions 2 to 6 above, and to any other director elected to the serve on the board of directors of the Company from time to time, as set out in the Explanatory Statement."

10. RESOLUTION 9 – INCREASE TO AUTHORISED SHARE CAPITAL AND AMENDMENT TO ARTICLES OF ASSOCIATION

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

"That pursuant to, and in accordance with Article 5 of the Articles of Association of the Company and for all other purposes, Shareholders approve the increase of the Company's Share Capital to Twelve Million Five Hundred Thousand New Israeli Shekels (NIS 12,500,000) divided into One Billion Two Hundred and Fifty Million (1,250,000,000) Ordinary Shares of a nominal value of NIS 0.01 each; and to amend Article 4(a) of the Articles of Association accordingly, as set out in the Explanatory Statement."

11. RESOLUTION 10 – APPROVAL TO ISSUE CDIS UNDER LOAN NOTES

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

> *"That, subject to the approval of Resolution 9, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 67,500,000 CDIs, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the 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 Company) (namely the participants in the Loan Notes (including without limitation Chifley Portfolios Pty Ltd and Anglo Menda Pty Ltd) and EverBlu Capital Pty Ltd) or an associate of that person (or those persons).
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 the directions given to the proxy or attorney to vote on the Resolution in that way; or

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

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on 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.

12. RESOLUTION 11 – APPROVAL TO ISSUE OPTIONS UNDER LOAN NOTES

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

> *"That, subject to the approval of Resolution 9, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 67,500,000 Options, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the 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 Company) (namely the participants in the Loan Notes (including without limitation Chifley Portfolios Pty Ltd and Anglo Menda Pty Ltd) and EverBlu Capital Pty Ltd) or an associate of that person (or those persons).
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 the directions given to the proxy or attorney to vote on the Resolution in that way; or

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

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on 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.

13. RESOLUTION 12 – ISSUE OF CDIS UNDER LOAN NOTES TO RELATED PARTY – ANGLO MENDA PTY LTD

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

> *"That, subject to the approval of Resolution 9, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to 19,444,444 CDIs to Anglo Menda Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of Anglo Menda Pty Ltd (or their nominee) 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 an associate of that person or those persons.
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 the directions given to the proxy or attorney to vote on the Resolution in that way; or

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

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on 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.

14. RESOLUTION 13 – ISSUE OF OPTIONS UNDER LOAN NOTES TO RELATED PARTY – ANGLO MENDA PTY LTD

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

> *"That, subject to the approval of Resolution 9, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 19,444,444 Options to Anglo Menda Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of Anglo Menda Pty Ltd (or their nominee) 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 an associate of that person or those persons.
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 the directions given to the proxy or attorney to vote on the Resolution in that way; or

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

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on 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.

15. RESOLUTION 14 – RATIFICATION OF PRIOR ISSUE OF CDIS – PROACTIVE

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

> *"That, for the purposes of Listing Rule 7.4, Article 5 of the Articles of Association and for all other purposes, Shareholders ratify the issue of 1,250,000 CDIs to Proactive Investors Australia Pty Ltd and the corresponding increase to the Company's share capital that occurred on 24 June 2020 on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely Proactive Investors Australia Pty Ltd) or an associate of that person or those persons.
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 the directions given to the proxy or attorney to vote on the Resolution in that way; or

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

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on 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.

16. RESOLUTION 15 – RATIFICATION OF PRIOR ISSUE OF CDIS – STOCKS DIGITAL

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

> *"That, for the purposes of Listing Rule 7.4, Article 5 of the Articles of Association and for all other purposes, Shareholders ratify the issue of 3,361,111 CDIs to S3 Consortium Pty Ltd and the corresponding increase to the Company's share capital that occurred on 9 June 2020 on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely S3 Consortium Pty Ltd) or an associate of that person or those persons.
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 the directions given to the proxy or attorney to vote on the Resolution in that way; or

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

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on 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.

17. RESOLUTION 16 – APPROVAL TO ISSUE CDIS TO RELATED PARTY – AZALEA CONSULTING

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

> *"Subject to the approval of Resolution 9, that, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 5,000,000 CDIs to Azalea Consulting Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement:
The Company will disregard any votes cast in favour of the 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 Company) (namely Azalea Consulting Pty Ltd and Mr Winton Willesee) or an associate of that person (or those persons).
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 the directions given to the proxy or attorney to vote on the Resolution in that way; or

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

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on 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.

18. RESOLUTION 17 – REMOVAL OF THE COMPANY FROM THE OFFICIAL LIST OF THE ASX

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

> *"That, for the purposes of Listing Rule 17.11, and for all other purposes, the Company be removed from the Official List of the ASX on a date to be decided by the ASX and the Directors be authorised to do all things reasonably necessary to give effect to the removal of the Company from the Official List of the ASX."*

Dated: 1 July 2021

By Order of the Board of Directors

Erlyn Dale
Joint Company Secretary

Who can attend the Meeting?

All Shareholders and CDI Holders will be able to physically attend the Meeting in person.

Who is entitled to vote?

Only Shareholders on record at the close of business on 28 June 2021 (the **Record Date**) will be entitled to vote at the Meeting, or any adjournment or postponement thereof. CDI Holders as of the Record Date will also be entitled to attend the 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 Ordinary Shares beneficially owned by the CDI Holders, how to vote in advance of the meeting pursuant to the instructions set forth in the voting instruction form attached to this Notice.

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 Meeting will be conferred exclusively upon the senior among the joint owners attending the 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 do I vote?

A sample proxy form for Shareholders (**Proxy Form**), and a sample voting instruction form for CDI Holders (to instruct CDN how to vote on each Resolution) (**CDI Voting Instruction Form**), are attached to this Notice. A personalised Proxy Form or CDI Voting Instruction Form (as applicable) will be sent to Shareholders and CDI Holders (respectively).

Completed 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 Meeting, or presented to the chairman of the Meeting at the time of the Meeting in order for the proxy to be qualified to participate in the Meeting.

Completed 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 Meeting. Shareholders and CDI Holders wishing to express their position on an agenda item for the Meeting may do so by submitting a written statement to the Company's office at the above address no later than 2 August 2021.

Can I change my vote or revoke my proxy?

Yes.

If you are a Shareholder, you may change your vote or revoke your proxy by no later than forty-eight (48) hours before the time fixed for the Meeting 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 Meeting and voting in person (attendance at the Meeting will not cause your previously granted proxy to be revoked unless you specifically so request).

If you are a CDI Holder, you may change your voting instructions prior to the vote at the 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 Meeting.

What constitutes a quorum?

To conduct business at the Meeting, two or more Shareholders must be present (including in person, by virtual means or by proxy) representing not less than 25% of the Ordinary Shares outstanding (including outstanding Ordinary Shares underlying CDIs) as of the Record Date, that is, a quorum.

Ordinary Shares represented in person or by proxy (including Ordinary Shares representing CDIs that are voted by CDN), as well non-directed 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.

What happens if a quorum is not present?

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

How will votes be counted?

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.

What vote is required to approve each Resolution presented at the Meeting?

Resolutions 5, 6 and 7

Each of Resolutions 5, 6 and 7 (Election of Ms Deborah Gilmour and Ms Maayan Bar as external directors and approval of engagement and remuneration - Mr Yoav Elishoov) require, in addition to the affirmative vote of a simple majority of the Ordinary Shares of the Company voted in person or by proxy or voting instruction at the Meeting on the proposal, that either:

(a) a simple majority of Ordinary Shares voted at the Meeting, excluding the Ordinary Shares of Controlling Shareholders and of Shareholders or CDI Holders who have a Personal Interest in the approval of the proposed resolution (for Resolutions 5 and 6, other than a Personal Interest that does not result from the Shareholder or CDI Holder's relationship with a Controlling Shareholder), be voted "FOR" these proposed resolutions; or

(b) the total number of Ordinary Shares of non-Controlling Shareholders and of Shareholders and CDI Holders who do not have a Personal Interest in the resolution (excluding a Personal Interest that is not a result of the holder's relationship with a Controlling Shareholder) voted against the proposed resolution does not exceed two percent (2%) of the outstanding voting power in the Company.

The term "**Controlling Shareholder**" means a Shareholder or CDI Holder having the ability to direct the activities of the Company, other than by virtue of being an office holder. A Shareholder or CDI Holder is presumed to be a Controlling Shareholder if the Shareholder or CDI Holder holds 50% or more of the voting rights in the Company or has the right to appoint the majority of the directors of the Company or its general manager.

Under the Israel Companies Law, a "**Personal Interest**" of a Shareholder or CDI Holder:

(a) includes a personal interest of such individual and any member of the family of such individuals, family members of such individual's spouse, or a spouse of any of the foregoing, or a personal interest of a company with respect to which the individuals (or such family member) serves as a director or chief executive officer, beneficially owns at least 5% of the shares or has the right to appoint a director or chief executive officer; and

(b) excludes an interest arising solely from the ownership of our Ordinary Shares.

Under the Israel Companies Law, in the case of a person voting by proxy for another person, "**Personal Interest**" includes a personal interest of either the proxy holder or the Shareholder granting the proxy, whether or not the proxy holder has discretion how to vote.

If you do not have a Personal Interest in this matter, you may assume that using the Proxy Form enclosed herewith or Voting Instruction Form for CDI Holders to instruct CDN how to vote, will not create a Personal Interest.

The Israel Companies Law requires that each Shareholder or CDI Holder voting on the proposal indicate whether or not the Shareholder or CDI Holder is a Controlling Shareholder or has a Personal Interest in the proposed resolution. The enclosed Proxy Form and Voting Instruction Form includes a box you can mark to confirm that you <u>are</u> a "Controlling Shareholder" and/or have a Personal Interest in this matter. **If you mark this box, your vote will not be counted.**

If you are unable to make this confirmation of whether you have a Personal Interest, please contact Erlyn Dale, the Joint Company Secretary, at erlyn@azc.com.au.

Resolutions 1 to 4 and 8 to 17

Each of Resolutions 1 (Appointment of Auditors), 2 to 4 (Election of Winton Willesee, James Ellingford and Peter Hatfull as Directors), 8 (Approval of Indemnification Agreement), 9 (Increase to Authorised Share Capital and Amendment to Articles Of Association), Resolutions 10 to 11 (Approval to Issue CDIs and Options under Loan Notes), Resolutions 12 to 13 (Approval to Issue CDIs and Options under Loan Notes to Related Party), Resolutions 14 to 15 (Ratification of Prior Issues of CDIs) and Resolution 16 (Approval to Issue CDIs to Related Party) require that a simple majority of the Ordinary Shares of the Company voted in person or by proxy at the Meeting on the matter presented for passage be voted "FOR" the adoption of the Resolution.

Resolution 17

Resolution 17 (Removal of the Company from the Official List) requires that a special majority of the Ordinary Shares of the Company voted in person or by proxy at the Meeting on the matter presented for passage be voted "FOR" the adoption of the Resolution and will therefore be passed only if at least 75% of the votes cast on a poll by Shareholders at the Meeting (in person or by proxy) who are entitled to vote on Resolution 17 are cast in favour of the Resolution.

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

Can a Shareholder or CDI Holder express an opinion on a Resolution or ask a question prior to the Meeting?

Shareholders and CDI Holders wishing to express their position on an agenda item for the Meeting or ask a question may do so by submitting their written statement or question:

(a) by email to erlyn@azc.com.au; or

(b) by mail to PO Box 3144, Nedlands, WA 6009,

no later than 2 August 2021.

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

Where do I find the voting results of the Meeting?

The Company will announce the results of the 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.

EXPLANATORY STATEMENT SHAREHOLDERS

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Articles, the business of the Meeting will include review and discussion of the annual financial report of the Company for the financial year ended 31 December 2020 together with the declaration of the directors, the directors' report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.esense-lab.com.

2. RESOLUTION 1 – APPOINTMENT OF AUDITOR

2.1 General

Under the Companies Law and clause 55 of the Company's Articles, the external auditor of the Company (as recommended by the Company's audit committee) shall be elected by Shareholders at each annual general meeting and shall serve until the next annual general meeting unless replaced and removed by resolution of the Company's Shareholders.

Under the Articles, the Board is authorised to determine the independent auditors' remuneration or delegate authority to the Company's audit committee.

The purpose of this Resolution is to seek Shareholder approval for the re-appointment of BDO Ziv Haft, certified public accountants in Israel, as the Company's external auditors for the year ending 31 December 2021 and for an additional period until the next annual general meeting.

The annual fees to the Company's independent auditors, as approved by the Board, shall be US$52,800. BDO Ziv Haft has no relationship with the Company or with any affiliate of the Company except to provide audit services.

Resolution 1 seeks Shareholder approval for the re-appointment of BDO Ziv Haft as the Company's auditor.

2.2 Board recommendation

The Company's Board of Directors recommend that Shareholders and CDI Holders vote in favour of Resolution 1 and the Chair intends to exercise all available proxies in favour of Resolution 1.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – WINTON WILLESEE

3.1 General

The Articles allow the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Articles.

Pursuant to Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Clause 35(a) of the Articles provides that the Directors shall be elected at each annual general meeting and shall serve in office until the close of the next annual general meeting at which one or more Directors are elected, unless their office becomes vacant earlier in accordance with the provisions of the Articles.

The Company is not aware of any reason why Mr Willesee, if elected, should not be able to serve as a Director. Mr Willesee has attested to the Board of Directors and to the Company that he meets all the requirements in connection with the election of directors under the Israeli Companies Law, per a statement substantially in the form attached hereto as Schedule 1.

Mr Winton Willesee, having been appointed by other Directors on 31 July 2020 in accordance with the Articles, will retire in accordance with the Articles and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

Mr Willesee is an experienced corporate professional with a broad range of skills and experience relevant to ASX listed companies having held directorships and chairmanships with a number of ASX-listed companies over many years.

Mr Willesee holds formal qualifications in economics, finance, accounting, education and governance. He is a Fellow of the Financial Services Institute of Australasia, a Graduate of the Australian Institute of Company Directors, Member of CPA Australia, and a Chartered Secretary. Mr Willesee has extensive experience in Israeli based companies listed on the ASX.

Current directorships include MMJ Group Holdings Limited (ASX:MMJ), Nanollose Limited (ASX:NC6), and Neurotech International Limited (ASX:NTI). Mr Willesee is also the Non-Executive Chairman of New Zealand Coastal Seafoods Limited (ASX:NZS), and Chairman of UUV Aquabotix Ltd (ASX:UUV).

3.3 Independence

Mr Willesee has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

Whilst for the purposes of the Recommendations, the Board considers that Mr Willesee would be deemed independent, Mr Willesee is not independent under Israeli corporations laws due to the engagement of an entity under his control, Azalea Consulting Pty Ltd, for the provision of company secretarial services to the Company.

3.4 Other material information

The Company undertook informal background checks and assessments of Mr Willesee prior to his appointment to the Board, which it deemed appropriate in the circumstances.

3.5 Compensation

The Board of Directors resolved (with Mr Willesee abstaining) to recommend to Shareholders and CDI Holders to approve the following compensation to Mr Willesee.

Mr Willesee will receive a fee of A$48,000 per annum in accordance with his director agreement.

The annual fees referred to above are intended to be a fixed-fee and shall be paid on a monthly basis. There is no limit regarding the number and/or hours of meetings, and it includes all meetings of the Board and any Board committees.

The proposed compensation is in accordance with the Company's compensation policy and in accordance with the regulations stated under the Israeli Companies Law.

3.6 Board recommendation

The Board has reviewed Mr Willesee's performance since his appointment to the Board and considers that Mr Willesee's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (with Mr Willesee abstaining) supports the election of Mr Willesee and recommends that Shareholders and CDI Holders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – JAMES ELLINGFORD

4.1 General

Clause 35(a) of the Articles provides that the Directors shall be elected at each annual general meeting and shall serve in office until the close of the next annual general meeting at which one or more Directors are elected, unless their office becomes vacant earlier in accordance with the provisions of the Articles.

Dr James Ellingford, having been elected by Shareholders on 9 June 2020 in accordance with the Articles, will retire in accordance with the Articles and being eligible, seeks re-election.

Dr Ellingford has attested to the Board of Directors and to the Company that he meets all the requirements in connection with the election of directors under the Israeli Companies Law, per a statement substantially in the form attached hereto as Schedule 1.

Resolution 3 seeks approval for the re-election of Dr Ellingford, and Shareholder approval for the purpose of Israel Companies Law in order to approve Dr Ellingford's Annual Remuneration (as defined below) for the future and to ratify his entitlement to the remuneration that has accrued and been paid since Dr Ellingford's appointment.

4.2 Re-election

(a) *Qualifications and other material directorships*

Dr Ellingford previously served as International President of a multi-billion-dollar NASDAQ software business Take-Two Interactive Software with its headquarters in Geneva and New York.

He has vast international experience in the software industry and has close ties with financial institutions and governments throughout the world. He is considered an expert in the areas of collaboration of media and digital assets, data sharing and corporate communications to enable workflow acceleration and has close ties with large US based corporates who dominate this space.

Dr Ellingford holds a Postgraduate in Corporate Management from Governance Institute of Australia, Master's in Business Administration from University of Western Sydney and a Doctorate in Management from International Management Centres Association, Revans University UK. Dr Ellingford has lectured MBA students in Corporate Governance, ethics and marketing at a leading Sydney University which are areas he has a keen interest in.

Other current directorships include Creso Pharma Limited and Roots Agriculture Sustainable Technologies Ltd.

(b) *Independence*

If re-elected the Board considers that Dr Ellingford will be an independent Director.

4.3 Compensation

Dr Ellingford was appointed as Chairman of the Company on 13 January 2020. The Board has resolved (with Dr Ellingford abstaining) to recommend to Shareholders and CDI Holders to approve the following compensation to Dr Ellingford.

When determining remuneration for Dr Ellingford, the Board considered his position, the Company's compensation policy, and his contribution to the Company, as well as remuneration benchmarks for comparable companies traded on ASX. In light of Dr Ellingford's anticipated contribution to the Company, and in accordance with the Company's compensation policy, the Board determined an annual remuneration of US$72,000 (US$6,000 per month) (**Annual Remuneration**) in accordance with his director agreement. The remuneration is intended to be a fixed-fee and shall be paid on a monthly basis. There is no limit regarding the number and/or hours of meetings, and it includes all meetings of the Board and any Board committees.

The proposed compensation is in accordance with the Company's compensation policy and in accordance with the Israeli Companies Law.

If Resolution 3 is passed, Dr Ellingford's Annual Remuneration will be approved and his entitlement to his previous remuneration accrued and paid without Shareholder approval will be ratified for purposes of the Israel Companies Law.

If Resolution 3 is not passed, Dr Ellingford's remuneration in excess of the maximum compensation allowed for directors of Israeli companies traded abroad without shareholders' approval, i.e. an annual compensation of NIS133,770 (AU$54,500), plus board meeting participation compensation of NIS 2,412 (AU$980) per conference call meeting, will need to be repaid to the Company and his future Annual Remuneration will also be reduced to such allowed maximum compensation.

4.4 Board recommendations

The Board has reviewed Dr Ellingford's performance since his appointment to the Board and considers that Dr Ellingford's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (with Dr Ellingford abstaining) supports the election of Dr Ellingford and recommends that Shareholders and CDI Holders vote in favour of Resolution 3.

The Board considers Dr Ellingford has made a significant contribution to the development of the Company's business strategy and his involvement moving forward is a key for the successful execution of the strategy. Therefore, the Board (with Dr Ellingford abstaining) considers the Annual Remuneration appropriate and reasonable for Dr Ellingford.

Accordingly, the Board (with Dr Ellingford abstaining) recommends Shareholders and CDI Holders approve the Annual Remuneration of Dr Ellingford going forward and ratify his entitlement to his previous remuneration to date.

5. RESOLUTION 4 – ELECTION OF DIRECTOR – PETER HATFULL

5.1 General

Clause 37(a) of the Articles allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director elected to fill a vacancy shall be elected to hold office until the next annual general meeting at which one or more Directors are elected.

Pursuant to the Articles and ASX Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders.

Mr Peter Hatfull, having been appointed by other Directors on 2 July 2020 in accordance with the Articles, will retire in accordance with the Articles and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Mr Hatfull has attested to the Board of Directors and to the Company that he meets all the requirements in connection with the election of directors under the Israeli Companies Law, per the statement substantially in the form attached hereto as Schedule 1.

5.2 Qualifications and other material directorships

Mr Hatfull has over 40 years' experience in a range of Board and senior executive positions with Australian and international companies. He has an extensive skill-set in the areas of business optimisation, capital raising and Group restructuring.

Mr Hatfull is a professional Director and is currently the independent Chairman of several listed and unlisted companies. Mr Hatfull specializes in corporate governance and strategic planning and has held senior financial and board positions in Australia, Africa and the UK.

Mr Hatfull graduated as a Chartered Accountant in the United Kingdom where he worked for Coopers and Lybrand (now PriceWaterhouseCoopers), and subsequently moved to Africa, where he spent 8 years in Malawi prior to moving to Australia.

Other current directorships include Rafaella Resources Limited and Roots Agriculture Sustainable Technologies Ltd.

5.3 Independence

Mr Hatfull has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

Mr Hatfull has certified to the Board of Directors that he meets all requirements applicable to an independent director under the Israel Companies Law.

If elected the Board considers that Mr Hatfull will be an independent Director.

5.4 Other material information

The Company undertook informal background checks and assessments of Mr Hatfull prior to his appointment to the Board, which it deemed appropriate in the circumstances.

5.5 Compensation

The Board of Directors (with Mr Hatfull abstaining) resolved to recommend to the Shareholders and CDI Holders to approve the following compensation to Mr Hatfull.

Mr Hatfull will receive a fee of A$48,000 per annum in accordance with his director agreement.

The annual fees referred to above are intended to be a fixed-fee and shall be paid on a monthly basis. There is no limit regarding the number and/or hours of meetings, and it includes all meetings of the Board and any Board committees.

The proposed compensation is in accordance with the Company's compensation policy and in accordance with the regulations stated under the Israeli Companies Law.

5.6 Board recommendation

The Board has reviewed Mr Hatfull's performance since his appointment to the Board and considers that Mr Hatfull's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (with Mr Hatfull abstaining) supports the election of Mr Hatfull and recommends that Shareholders vote in favour of Resolution 4.

6. BACKGROUND TO RESOLUTIONS 5, 6, 9, 14 AND 15

6.1 Background

As announced on 31 July 2020, following queries from ASX, the Company became aware of certain areas of non-compliance with the Company's Articles of Association (**Articles**) and the Israel Companies Law (**Companies Law**) (together, the **Breaches**) in respect of:

(a) the need to have appointed two external directors under the Companies Law; and

(b) the need to have appointed a minimum of four Directors to the Board, under the Company's Articles.

As a result, the Company's securities remained suspended from trading, pending:

(a) the Company adequately responding to certain enquiries from ASX; and

(b) where required, the rectification of the Breaches.

Upon further investigation, the Company became aware that it had overlooked the requirement to seek shareholder approval to increase its 'authorised share capital' (the maximum share capital that it may issue) under and in accordance with its Articles.

6.2 Legal Opinion

In light of the above matters, and in response to a request by ASX to do so, the Company sought an independent legal opinion (**Legal Opinion**) from Israeli law firm, Matry, Meiri & Co, which addresses the implications of the non-compliance identified (including any potential consequences), and the suitability under Companies Law, of the candidates proposed to be appointed as external directors (being Ms Maayan Bar, and Ms Deborah Gilmour (refer to Section 7 for further detail)).

The Company attaches to this Notice the full Legal Opinion issued by Matry, Meiri & Co at Annexure 1 .

It is the Company's general position that the Breaches are administrative or technical in nature. The Company considers that the Breaches arose from administrative oversights following a series of board changes, together with a lack of internal Israeli corporate compliance support. The Company has since engaged an Israeli based law firm to act as the Company's Israeli company secretarial advisor which the Company considers will rectify this deficiency.

Having regard to the Legal Opinion, the Company does not consider the Breaches to have the effect of invalidating any material actions or decisions of the Board, nor any material transactions undertaken by the Company during any periods of non-compliance. Further, to the extent that the Breaches require rectification to re-establish compliance with the Articles and Companies Law, that rectification can be lawfully achieved by either ratification by shareholders at a general meeting, or ratification by a compliant and appropriately composed Board, Audit Committee or Remuneration Committee.

Notwithstanding the above, the Company notes that it is still participating in ongoing dialogue with the ASX in this regard, and, in the event that the Delisting (refer to Resolution 17) is not approved, will continue to keep shareholders apprised of any material developments.

6.3 Board Composition - External Director Requirements

As set out in the Legal Opinion, under Companies Law, the Company is required to have at least two 'external directors' (**External Directors Requirement**). As has been disclosed to the market, the Company currently does not have any external directors and has not complied with the External Directors Requirement since the resignation of Mr Quentin Megson on 29 March 2018.

The Legal Opinion addresses the implications (including any potential consequences) of the non-compliance with the External Directors Requirement, including in respect of entry into agreements, research approvals received by the Company, appointment of directors and officers, resolutions of directors and shareholders, issues of securities, and the lodgement of financial statements.

Having regard to that advice, it is the Company's position that the Company's failure to comply with the External Directors Requirement:

(a) does not affect the general authority of the Company's organs;

(b) subject to (c) below, does not affect the validity of any of the corporate actions, financial statements and other decisions made by the Board during the period of non-compliance with the External Directors Requirement; and

(c) does not affect the validity of certain 'Special Transactions' (which included appointment of directors and CEOs and determination of their remuneration, and the issue of CDIs to a former director on 13 March 2019, as approved by Shareholders). Notwithstanding the fact that the Company did not comply with the requirement to have Special Transactions approved by a compliant Audit Committee and/or a Remuneration Committee, the Company considers there to be sufficient basis to rely on certain mitigating factors which support the 'Special Transactions' having been valid for a number of reasons, including a majority of independent directors serving on the Board of the Company.

To remedy these Breaches, and ensure compliance with the External Directors Requirement, the Company is seeking Shareholder approval pursuant to Resolutions 5 and 6 for the appointment of two proposed candidates previously announced to the market, Ms Maayan Bar, and Ms Deborah Gilmour, as external directors.

In addition, following the appointment of two external directors by Shareholders, the Company intends to form a compliant Audit Committee and Remuneration Committee, and proposes to bring before the Committees each of the 'Special Transactions' for ratification.

6.4 Board Composition - Minimum Number of Directors Under the Articles

Under Article 34 of the Company's Articles, the Company is required to have a minimum of four Directors at all times. Due to an administrative oversight, the Company failed to meet this requirement for the period from 9 June 2020 to 31 July 2020. As announced on 31 July 2020, the Company appointed Mr Winton Willesee as an additional Director, such that the Company was then in compliance with its Articles.

Following the resignation of Mr Benjamin Karasik on 31 October 2020, the Board is required to appoint an additional Director to the Board to fill the vacancy and remain in compliance with its Articles. The Articles provide that while the Company do not have a minimum of four Directors, the Board is able to act only in an emergency (in their sole discretion).

The Legal Opinion addresses the implications (including any potential consequences) of the Company not complying with Article 34, including in respect of entry into agreements, research approvals received by the Company, resolutions of directors, and issues of securities.

Having regard to that advice, it is the Company's position that:

(a) under the Articles and Companies Law, any restriction established by the Articles does not bare, as such, consequences on the validity of the actions of the Company's organs. It is further noted that the Company's Articles specifically provides that all acts done bona fide at any meeting of the Board shall be valid, notwithstanding that some defect in the process is later identified, with the exception of certain 'Special Transactions', which will require ratification;

(b) the actions that the Board took prior to this Meeting constituted an emergency in the circumstances (as they were actions required to keep the Company progressing ahead of appointment of external directors), and the Company therefore proposes to seek to re-comply with its obligation under the Articles by the election of the external directors under Resolutions 5 and 6; and

(c) the implication of this noncompliance is therefore that 'Special Transactions' which occurred during the non-compliant periods, will require ratification. The 'Special Transactions' that occurred during the relevant periods are:

(i) the appointment of Peter Hatfull (2 July 2020) to the Board and the determination of his remuneration;

(ii) the appointment of Winton Willesee (31 July 2020) to the Board and the determination of his remuneration; and

(iii) the approval of the terms of employment of the Company's new Chief Executive Officer, Yoav Elishoov,

each of which will be ratified by the compliant Board, once formed.

To ensure good corporate governance, upon appointment of the external directors, the compliant Board will seek to consider, and if thought fit, ratify all corporate actions taken between the period 9 June 2020 to 31 July 2020 and the period between 31 October 2020 and the date of this Meeting.

6.5 Authorised Issued Capital

As set out in the Legal Opinion, under Companies Law, a company's authorised share capital (ie the maximum share capital that it may issue) is specified in its Articles of Association. The Company's current authorised share capital is NIS 4,000,000 divided into 400,000,000 Ordinary Shares of 0.01 NIS par value each (**Authorised Capital**). Prior to 24 June 2020, the Company's fully diluted share capital was within its Authorised Capital.

On 9 June 2020, a general meeting of Shareholders approved the issue of 503,125,000 securities in the Company. These securities were issued on 24 and 29 June 2020. In addition, on 24 June 2020 the Company issued 6,611,111 CDIs which were not approved by its Shareholders, under its ASX Listing Rule 7.1 placement capacity. Having identified that the Company has securities on issue in excess of its authorised capital, the Company is now seeking Shareholder approval under Resolution 9 to increase its authorised capital, in compliance with the Articles.

The Legal Opinion addresses the implications (including any potential consequences) under the Companies Law and general law for the Company's issuance of CDIs in excess of its authorised capital.

Having regard to that advice, it is the Company's position that as the vast majority of the securities issued in excess of the Authorised Capital were approved by Shareholders (which implies approval for the corresponding increase in Authorised Capital), the issue of securities in excess of the Company's Authorised Capital is at most, a technical breach, and all issuances are valid.

For the sake of good order, and to ensure the validity of the issues which were not approved by Shareholders (being 6,611,111 CDIs issued on 24 June 2020) the Company is seeking Shareholder approval to increase its authorised capital (being the subject of Resolution 9) and to ratify the issues which were not previously approved by shareholders, pursuant to Resolutions 14 and 15.

6.6 Resolutions

As noted above, the Company is seeking the following approvals and ratifications to rectify the Breaches (further detail of which is disclosed in Sections 7, 10, 13 and 14):

(a) Resolutions 5 and 6 – Election of external directors;

(b) Resolution 9 – Increase to authorised share capital; and

(c) Resolutions 14 and 15 – Ratification of prior issues of CDIs.

7. RESOLUTIONS 5 AND 6 - ELECTION OF EXTERNAL DIRECTORS

7.1 General

Companies incorporated under the laws of Israel whose shares have been offered to the public, such as the Company, are required by the Israel Companies Law to have at least two external directors. To qualify as an external director, an individual may not have, and may not have had at any time during the previous two years, any "affiliations" with the company or an "Affiliated Company," as such terms are defined in the Israel Companies Law.

In addition, a person may not serve as an external director if that person or that person's relative, partner, employer, a person to whom such person is subordinate (directly or indirectly) or any entity under the person's control has a business or professional relationship with any entity that has an affiliation with any affiliates of the company, even if such relationship is intermittent (excluding insignificant relationships). Additionally, any person who has received compensation intermittently (excluding insignificant relationships) other than compensation permitted under the Israeli Companies Law may not continue to serve as an external director.

In addition, no individual may serve as an external director if the individual's position or other activities create or may create a conflict of interest with his or her role as an external director. For a period of two years from termination from office, a former external director may not serve as a director or employee of the Company or provide professional services to the Company for compensation.

If at the time an external director is appointed, all current members of the board of directors, who are not controlling shareholders or relatives of controlling shareholders, are of the same gender, then the external director to be appointed must be of the other gender. In addition, a person who is a director of a company may not be elected as an external director of another company if, at that time, a director of the other company is acting as an external director of the first company.

The Companies Law provides that an external director must meet certain professional qualifications or have financial and accounting expertise and that at least one external director must have financial and accounting expertise. The determination of whether a director possesses financial and accounting expertise is made by the board of directors. A director with financial and accounting expertise is a director who by virtue of his or her education, professional experience and skill, has a high level of proficiency in and understanding of business accounting matters and financial statements so that he or she is able to fully understand the Company's financial statements and initiate debate regarding the manner in which the financial information is presented.

The regulations promulgated under the Companies Law define an external director with requisite professional qualifications as a director who satisfies one of the following requirements:

(a) the director holds an academic degree in either economics, business administration, accounting, law or public administration; or

(b) the director either holds an academic degree in any other field or has completed another form of higher education in the company's primary field of business or in an area which is relevant to his or her office as an external director in the company; or

(c) the director has at least five years of experience serving in any one of the following, or at least five years of cumulative experience serving in two or more of the following capacities:

(i) a senior business management position in a company with a substantial scope of business;

(ii) a senior position in the company's primary field of business; or

(iii) a senior position in public administration.

Pursuant to the Israel Companies Law, the external directors of a company are required to be elected by its shareholders, for a maximum of two three-year terms. All of the external directors of a company must be members of its audit committee and compensation committee; and each other committee of a company's Board of Directors that is authorised to execute powers of the Board of Directors must include at least one external director. In addition, an external director must serve as the chairman of each of the audit committee and compensation committee.

An external director may be removed by the same special majority of the shareholders required for his or her election, if he or she ceases to meet the statutory qualifications for appointment or if he or she violates his or her fiduciary duty to the company. An external director may also be removed by order of an Israeli court if the court finds that the external director is permanently unable to exercise his or her office, has ceased to meet the statutory qualifications for his or her appointment, has violated his or her fiduciary duty to the company, or has been convicted by a court outside Israel of certain offenses detailed in the Israeli Companies Law.

It is proposed that our current Shareholders and CDI Holders elect Ms Deborah Gilmour and Ms Maayan Bar as external directors for a term of three years, commencing as of the date of this Meeting.

7.2 Qualifications and other material directorships

7.2.1 Ms Deborah Gilmour

A brief biography of Ms Gilmour is set forth below:

Ms Deborah Gilmour is a qualified Chartered Accountant with over 30 years' experience, specialising in management (both operational and financial), business advisory, systems applications and change and reorganisation.

Ms Gilmour's experience is vast, from public practice to commercial operations, including having held the Honorary Financial Controller position for the Special Olympics South Island, New Zealand. Ms Gilmour is currently the Group General Manager of Vrhovac Enterprises Pty Ltd, a multi division service provider which focuses on providing services to blue chip customers, prior to which she was a General Manager and Financial Controller at McLernon Group Pty Ltd.

Being a member of Chartered Accountants Australia New Zealand, holding a Bachelor of Commerce from University of Otago, and a New Zealand Diploma of Business Studies from Southern Institute

of Technology, New Zealand, coupled with 30 years financial business experience, Ms Gilmour will be a major asset as the Company continues to grow. Ms Gilmour has certified to the Board of Directors that she meets all requirements applicable to an external director under the Israel Companies Law.

The Board of Directors has determined that Ms Gilmour possesses requisite professional qualifications as required under the Israeli Companies Law.

In considering whether Ms Gilmour has the requisite financial and accounting expertise of an External Director deemed to have this expertise, the Board considered her education, experience and knowledge in the following areas:

(a) generally accepted accounting and audit principles which are typical in the field in which ESE and companies of a size and complexity similar to ESE operate;

(b) the duties and responsibilities of an accountant; and

(c) preparation of financial reports and their approval pursuant to the Law and Securities Law.

In respect of (a), the Board considered that Ms Gilmour has significant experience (~30 years) in various accounting and financial roles, and the appropriate accounting and business qualifications (as set out in her Declaration) to have a deep understanding of generally accepted accounting and audit principles applicable across a range of companies, including companies comparable to ESE.

In respect of (b) the Board considered that Ms Gilmour's experience and qualifications, specifically, her Chartered Accountancy, require that she would have a deep understanding of the duties and responsibilities of an accountant.

In respect of (c) the Board considered that Ms Gilmour's experience and qualifications would afford her a level of understanding in respect of preparation of financial accounts in accordance with IFRS, to objectively receive and interrogate information provided from expert advisors in a manner sufficient for the role of a director. The Board considered that Ms Gilmour's vast experience and qualifications and resultant business acumen are sufficient to allow her to fully understand the financial reports of the Company and to commence discussions in connection with the presentation of financial data of the Company, in the manner required of an external director with financial and accounting expertise. The Board also considered that Ms. Gilmour will be supported by the Company's extremely experienced Israeli CFO, the Company's auditors, and the Company's legal advisors in any Israeli Companies Law or Israeli Securities Laws matter relating to the preparation of the financial statements of the Company or the approval thereof.

7.2.2 Ms Maayan Bar

A brief biography of Ms Bar is set forth below:

Ms Bar is an experienced executive with a broad systemic vision which is demonstrated by her multidisciplinary management experience, business development, finance and sales.

Her background covers everything from corporates to start-ups operating in the environmental, resource efficiency, renewable energy, agriculture and industrial spaces. Mrs Bar is currently the CEO of Aqwind Solutions, a leading provider of biological wastewater treatment solutions and reuse solutions for agricultural, industrial and municipal, and was previously the COO at ISS Israel, one of the world's leading facility services companies.

Holding an Executive Master of Business Administration from the University of Bradford as well as a Bachelor of Laws from Queen Mary University of London , being a Solicitor of the Supreme Court of England and Wales and member of the Israel Bar Association, and having served for six years as

a board member with Gaon Group Ltd. (a public company traded on the Tel-Aviv Stock Exchange) (where she was also a member of the Financial, Remuneration and Audit Committee), Ms Bar will be a tremendous asset to the Company as it continues to grow.

Ms Bar has certified to the Board of Directors that she meets all requirements applicable to an external director under the Israel Companies Law.

The Board of Directors has determined that Ms Bar possesses requisite expertise as required under the Israeli Companies Law.

7.3 Independence

Each of Ms Gilmour and Ms Bar have no interests, positions or relationships that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers each of Ms Gilmour and Ms Bar will be independent Directors.

7.4 Remuneration

An external director is entitled to remuneration and reimbursement of expenses in accordance with regulations promulgated under the Israeli Companies Law and is prohibited from receiving any other compensation, directly or indirectly, in connection with serving as a director except for certain exculpation, indemnification and insurance provided by the company, as specifically allowed by the Israeli Companies Law.

Regulations promulgated under the Israeli Companies Law provide for a relative remuneration mechanism under which the remuneration of external directors should fall within a range determined relatively to the lowest and average remuneration of other directors of the Company who meet independence criteria set forth in the regulations.

The Board recommends using such mechanism and remunerating the Company's external directors relatively to the remuneration of our other independent directors, namely Dr. James Ellingford and Mr Peter Hatfull.

Accordingly, the Board has resolved to recommend to the Shareholders at the Meeting to approve an annual remuneration of US$42,000 for Ms Gilmour and US$42,000 for Ms Bar, acting as the Company's external directors. The annual amount listed above shall be paid in U.S. dollars or the AU dollar equivalent.

The annual fees referred to above are intended to be a fixed-fee and shall be paid on a monthly basis. There shall be no limit regarding the number and/or hours of meetings, and it includes all meetings of the Board and any Board's committees.

The proposed remuneration is in accordance with the Company's compensation policy and in accordance with the regulations promulgated under the Israeli Companies Law. In addition, the remuneration proposal above was determined by the Board after assessment of other remuneration benchmarks for comparable companies traded on ASX.

7.5 Board recommendation

The Board has reviewed the backgrounds of Ms Gilmour and Ms Bar and considers that their skills and experience will enhance the Board's ability to perform its role. Accordingly, the Board supports the election and proposed remuneration of Ms Gilmour and Ms Bar and recommends that Shareholders and CDI Holders vote in favour of Resolutions 5 and 6.

7.6 Vote Required

Approval of each of Resolutions 5 and 6 requires, in addition to the affirmative vote of a simple majority of the Ordinary Shares of the Company voted in person or by proxy or Voting Instruction Form on the Resolution, that either:

(a) a simple majority of Ordinary Shares voted at the Meeting, excluding the Ordinary Shares of Controlling Shareholders and of Shareholders or CDI Holders who have a Personal Interest in the appointment (other than a Personal Interest that does not result from the Shareholder or CDI Holder's relationship with a Controlling Shareholder), be voted "FOR" these Resolutions; or

(b) the total number of Ordinary Shares of non-Controlling Shareholders and of Shareholders and CDI Holders who do not have a Personal Interest in the resolution (excluding a Personal Interest that is not a result of the holder's relationship with a Controlling Shareholder) voted against the election of the external director does not exceed two percent (2%) of the outstanding voting power in the Company.

Refer to "What vote is required to approve each Resolution presented at the Meeting?" at page 8 of this Notice for further details on the Voting Requirements of Resolutions 5 and 6.

8. RESOLUTION 7– APPROVAL OF ENGAGEMENT AND REMUNERATION – MR YOAV ELISHOOV (CEO)

8.1 Background

As announced on 4 December 2020, the Company's Board has appointed Mr Yoav Elishoov as Chief Executive Officer (**CEO**). Mr Elishoov's appointment became effective on 7 December 2020, subject to the required Shareholder approval of his terms of compensation. Mr Elishoov succeeds Mr Itzik Mizrahi, who had been serving as CEO since 9 March 2020.

The following contains information with respect to Mr Elishoov, based upon the information furnished to the Company by Mr Elishoov:

Mr Elishoov brings to the Company vast experience in commercial, market access, regulatory affairs and marketing roles with global pharmaceutical companies.

Mr Elishoov served as the CEO of Trima Ltd, one of Israel's leading pharmaceutical companies, involved in generic research and development (**R&D**). Under his supervision, Trima Ltd turned its sales rate to a sustainable growth annually. He positioned the company to become a local generic R&D powerhouse, introducing 4-5 new products annually. In this position and his management of multicultural and multidisciplinary teams, Mr Elishoov developed strong and close communication with decision-makers in the pharmaceuticals business, regulatory authorities, reimbursement regulators, HMOs, hospitals, key opinion leaders and pharmacies.

Prior to this, Mr Elishoov established the Oncology Business unit of Novartis Israel as a new entity, and managed it for more than a decade. During those years, he was personally involved in launching Novartis Oncology mega brands, and made Novartis' Israel business unit the sub-region top market leader. During his time at Novartis Oncology, Mr Elishoov also led CIS markets, and brought regional management experience of 5 years.

Prior to this, he served as the regulatory affairs director of Novartis Israel. Mr Elishoov's multidisciplinary experience through various positions make him an ideal fit for the organisation.

8.2 Annual Remuneration

As set out above, Mr Elishoov was appointed as Global CEO on 7 December 2020. The Board approved an annual remuneration of NIS 540,000 (approximately AU$220,000 per annum, based

on an exchange rate of $0.41 AUD per NIS) to Mr Elishoov, to be paid in NIS or the AU dollars equivalent (**Annual Remuneration**). The Annual Remuneration is a fixed-fee and paid on a monthly basis.

The Board has approved and recommends the CDI Holders and Shareholders approve the following compensation package to Mr Elishoov:

(a) **Annual Remuneration**: as noted above, an annual gross base salary of NIS 540,000 (approximately AU$220,000 per annum, based on an exchange rate of $0.41 AUD per NIS);

(b) **Bonus**: an annual bonus, as follows:

(i) 70% of the Maximum Annual Bonus, following release of the Company's annual financial statements;

(ii) 20% of the Maximum Annual Bonus, at the discretion of the Compensation Committee and the Board after considering the overall qualitative contribution of the CEO to the Company's business during the year; and

(iii) 10% of the Maximum Annual Bonus, based on measurable criteria relating to specific key performance indicators with regard to special activities, which may include the following: treatment on the public market expects, mergers and acquisitions, fund raising and cost reduction targets, as will be determined by the Remuneration Committee and the Board at the commencement of each fiscal year.

The "Maximum Annual Bonus" shall mean the lower of:

(i) 1.5% of Company’s Net Sales in each fiscal year; or

(ii) five (5) monthly salaries of the CEO.

(c) **Equity based compensation**: Mr Elishoov is entitled to be issued the following securities under the Company’s Israeli Employee Share Option Plan:

(i) 2,000,000 restricted Ordinary Shares with a par value of NIS0.01 each, to be granted following three months service to the Company, to be restricted for 24 months from issue;

(ii) 2,000,000 restricted Ordinary Shares, granted only after, and subject to the Company’s annual sales exceeding AUD 2.5 million (as set out in published annual financial statements), to be restricted for 24 months from issue; and

(iii) 2,000,000 restricted Ordinary Shares, granted only after, and subject to the Company’s annual sales exceeding AUD 5.0 million (as set out in published annual financial statements), to be restricted for 24 months from issue.

The equity-based compensation will be subject to standard terms in the Company's Israeli Employee Share Option Plan and only be granted in compliance with applicable laws. In addition, the equity-based component of the compensation package described above, is subject to an increase of the authorized share capital of the Company.

(d) **Benefits**: Similar to market standard for senior executives.

(e) **Paid Leave**: 22 days per year of paid time off.

(f) **Termination**: Either party may terminate the Executive's employment by giving 90 days prior written notice. The Company may terminate the Executive without notice (or pay) in certain circumstances.

(g) **Competition and Interfering Activities**: Mr Elishoov undertook not to compete with the products and services offered by the Company and not to do any interfering activities during the term of his employment and for 6 months of the date of termination of his employment for any reason.

The conditions regarding Company's annual revenues stated in sub-sections (b) and (c) above shall be considered satisfied only after the Company has published annual financial statements showing that its revenues for the respective year have satisfied such condition.

8.3 Approval being sought

Resolution 7 seeks to approve the engagement and terms of compensation of Mr Elishoov, the Company's CEO on the terms described in this Section 8. The Company's Board of Directors recommend a vote FOR approval of the proposed resolution.

9. RESOLUTION 8 – APPROVAL OF INDEMNIFICATION AGREEMENT FOR DIRECTORS AND OFFICERS

9.1 Background

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of a fiduciary duty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care but only if a provision authorizing such exculpation is included in its articles of association. The Company's Articles of Association include such a provision.

The Company may not exculpate in advance a director from liability arising due to the breach of his or her duty of care in the event of a prohibited dividend or distribution to shareholders.

Under the Companies Law and the Israeli Securities Law, 5728-1968 (**Securities Law**) a company may:

(a) indemnify an office holder in respect of certain liabilities as fully set forth in such laws, payments and expenses incurred for acts performed by him or her as an office holder, either in advance of an event or following an event, provided its articles of association include a provision authorizing such indemnification; and

(b) insure an office holder against certain liabilities as fully set forth such laws, incurred for acts performed by him or her as an office holder if and to the extent provided in the company's articles of association.

Under the Companies Law, a company may not indemnify, exculpate or insure an office holder against certain acts, omissions, breaches or fines, as fully set forth in the law.

Under the Companies Law, exculpation, indemnification and insurance of directors or controlling shareholders, their relatives and third parties in which controlling shareholders have a personal interest, must be approved by the shareholders.

The Company's Articles of Association permit the Company to exculpate, indemnify and insure its office holders to the fullest extent permitted or to be permitted by law.

9.2 Indemnification Agreement

The Company is proposing to provide each of the directors elected under this Notice of Meeting, the CEO of the Company, and to each serving director of the Company from time to time, with an

Indemnification Agreement in the form attached hereto as Schedule 3 (**Indemnification Agreement**). The proposed Indemnification Agreement is in compliance with the Companies Law and the Securities Law, the Articles of Association of the Company, and the Company's compensation policy.

9.3 Approval being sought

Resolution 8 seeks approval by Shareholders and CDI Holders for the grant of an Indemnification Agreement in the form attached at Schedule 3, to each of the directors elected under this Notice of Meeting, the CEO of the Company, and to each serving director of the Company from time to time.

The Company's Board of Directors recommend a vote FOR approval of the proposed resolution.

10. RESOLUTION 9 - INCREASE TO AUTHORISED SHARE CAPITAL AND AMENDMENT TO ARTICLES OF ASSOCIATION

10.1 Background

The Company's Articles of Association sets out the authorised share capital that can be issued in the Company at any certain time. The Articles of Association also provides that the Company can increase its authorised share capital though amending the Articles, which requires Shareholder approval. The Company's shares are quoted on the ASX as CDIs, quoted financial products which provide CDI Holders with beneficial interests in existing shares in a foreign entity. In the case of the Company, 1 CDI represents one Ordinary Share in the Company and, as such, for the purposes of this Section, a reference to "CDIs" should be read interchangeably with "Ordinary Shares".

The authorised share capital of the Company set out in the Company's Articles of Association is NIS 4,000,000 divided into 400,000,000 Ordinary Shares of 0.01 NIS par value each.

Prior to the general meeting of the Company held on 9 June 2020 (**June Meeting**) the Company's issued share capital on a fully diluted basis was 235,315,609 Ordinary Shares, which was within the share capital limit as depicted in the Articles of Association.

At the June Meeting, Shareholders approved a number of issues of CDIs and Options for the purposes of the Listing Rules and "for all other purposes". Following the approval, 315,750,000 CDIs and 189,375,000 Options were issued to various parties (**Approved Issues**). Refer to notice of meeting dated 4 May 2020 for further details of the shareholder approvals.

Following the Approved Issues (and Additional Issues noted below), the Company's issued capital on a fully diluted basis was 745,051,720 which was in excess of the limit as depicted in the Articles of Association.

Upon becoming aware that the Company had overlooked the need to seek approval to explicitly amend its Articles for the associated increase in the authorised share capital, the Company sought Israeli legal advice in respect of the validity of the issues. The Israeli legal advice concluded that the Shareholder approval obtained for the Approved Issues, impliedly included approval for the corresponding increase to the authorised share capital, accordingly, the Approved Issues are valid.

As set out in further details at Sections 13 and 14 of this Notice, the Company notes that in addition to the Approved Issues, the Company issued a further:

(a) 1,250,000 CDIs to Proactive on 24 June 2020; and

(b) 3,361,111 CDIs to Stocks Digital on 9 June 2020,

under the Company's Listing Rule 7.1 placement capacity without specific approval from Shareholders (**Additional Issues**).

As the Additional Issues had not been pre-approved by Shareholders, there is no implication that Shareholder approval was obtained for the corresponding increase in authorised share capital that resulted from the Additional Issues. Accordingly, the Company's Israeli legal advice recommended that the Company seek a ratification of these issues for the purposes of the corresponding increase in share capital. This is being sought via Resolutions 14 and 15. If the ratification approval is not obtained, the Additional Issues will be void. Please refer to Resolutions 14 and 15 of this Notice and Sections 13 and 14 of the Explanatory Statement for further information.

Regardless of whether Resolutions 14 and 15 are approved, the increased authorised share capital approval which is being sought under this Resolution 9 will not change.

Considering the above and the issue of additional CDIs and Options contemplated by this Notice, the Board of Directors consider that an amendment to the authorised capital is necessary to clarify the previous implied increases in the authorised share capital and to allow future flexibility to issue further securities (including the Additional Issues if ratified by Shareholders under Resolutions 14 and 15). The Board of Directors confirm that any securities issued by the Company will be subject to the Listing Rules whilst the Company is listed on the Official List of the ASX. If Shareholders approve Resolutions 10 - 13 and 16, the Company will have the placement capacity under ASX Listing Rule 7.1 to issue up to 67,500,000 CDIs, together with up to 67,500,000 Options within 3 months from the date of the Meeting and 19,444,444 CDIs and 19,444,444 Options within 1 month from the date of the Meeting, without having to seek further approval from Shareholders (or use up its existing placement capacity).

By Resolution 9, the Company is seeking Shareholder approval in accordance with Article 5 of the Articles of Association to increase the Company's Authorised Capital to 12.5 million New Israeli Shekels (NIS 12,500,000) divided into one billion two hundred and fifty million (1,250,000,000) Ordinary Shares of a nominal value of NIS 0.01 each, and to amend Article 4 of the Articles of Association accordingly. Following approval, Article 4(a) of the Articles of Association will be deleted and replaced with the following:

> *"The Share Capital of the Company is Twelve Million Five Hundred Thousand New Israeli Shekels (NIS 12,500,000) divided into One Billion Two Hundred and Fifty Million (1,250,000,000) ordinary shares of a nominal value of NIS 0.01 each (the Ordinary Shares)."*

Resolution 9 is an ordinary resolution and therefore requires approval of 50% of the votes cast by Shareholder's present and eligible to vote (in person, by proxy, by attorney; and, in the case of a corporate Shareholder, by a corporate representative, or by CDN).

10.2 Board recommendation

The Board unanimously recommends that Shareholders and CDIs Holders vote in favour of Resolution 9 and the Chair intends to exercise all available proxies in favour of Resolution 9.

11. RESOLUTIONS 10 AND 11 – APPROVAL TO ISSUE CDIS AND OPTIONS UNDER LOAN NOTES

11.1 General

The Company is proposing to issue up to 67,500,000 CDIs (**Conversion CDIs**) (being the subject of Resolution 10) and 67,500,000 Options (**Conversion Options**) (being the subject of Resolution 11) (together, **Conversion Securities**) to sophisticated and professional investors (**Lenders**) who are party to loan note agreements with the Company (**Loan Notes**).

The Lenders are all clients of EverBlu Capital Pty Ltd (**EverBlu**), who was engaged by the Company to manage the capital raising under the Loan Notes.

As at the date of this Notice, the Company has secured funding of $1,565,000 comprising:

(a) $1,215,000 (before costs) from unrelated Lenders under the Loan Notes; and

(b) $350,000 (before costs) from a related party Lender under the Loan Notes.

The funding received under the Loan Notes has been used to meet operational expenditure, costs of the offer, outstanding liabilities, and to provide working capital to progress the development of the Company's sanitiser products.

The Company is seeking Shareholder approval under Resolutions 10 and 11 respectively, for the issue of 67,500,000 Conversion CDIs at a notional issue price of $0.018 per CDI and 67,500,000 Conversion Options, in satisfaction of the $1,215,000 of loans from unrelated Lenders.

In addition, the Company is seeking separate Shareholder approval under Resolutions 12 and 13 for the issue of Conversion Securities to Anglo in satisfaction of the funds loaned by Anglo. Refer to Section 12 for further details.

As noted above, the Company engaged the services of EverBlu to manage the capital raising under the Loan Notes. EverBlu is engaged under an existing mandate with the Company to provide capital raising services (**Mandate**). The fees in respect of the Loan Note raise were confirmed by way of letter agreement between EverBlu and the Company (**Letter Agreement**) acting to replace the fees payable under Mandate, while the remainder of the Mandate applies.

Pursuant to the Letter Agreement, the Company has agreed to pay to EverBlu a cash fee of 6% of the total funds raised under the Loan Notes, and has agreed to issue (but has not yet issued) to EverBlu 5,000,000 CDIs at a deemed issue price of $0.018 per CDI for every $1,000,000 raised under the Loan Notes (adjusted pro rata per $1,000,000 raised under the Loan Notes) and 2 Options for every 1 CDI issued to the Lenders under the Loan Notes (on the same terms as the Conversion Options). The Company has received $1,565,000 under the Loan Notes. Accordingly, EverBlu is currently entitled to receive 7,825,000 CDIs and 173,888,889 Options in consideration for their services. The Company intends to seek any necessary approvals for the issue to EverBlu, following confirmation of finalisation of the capital raising.

11.2 Material terms of Loan Notes

The material terms of the Loan Notes are set out below:

(a) **Security**: the Loan Notes are unsecured;

(b) **Interest**: the Loan Notes carry an interest rate of 12% per annum (accruing daily from the date of advance), which is payable in cash on the repayment date.

(c) **Repayment**: the Loan Notes are repayable:

(i) subject to Shareholder approval, by conversion into CDIs in the Company at an issue price of $0.018 per CDI, together with one free attaching Option for every CDI issued (exercisable at $0.018, expiring 12 months from the date that the Company's securities are reinstated to trading on ASX[1]), with conversion of the

[1] In the event Shareholders approve Resolution 17 (Removal of the Company from the Official List of the ASX), the Company will vary the terms of the Options under the Loan Notes so that the expiry date of the Conversion Options will be varied to the date that is 24 months from the date of issue.

Loan Notes into CDIs to occur within 3 months following shareholder approval; or

(ii) in cash on 30 November 2021.

The Loan Notes are otherwise on terms considered standard for an agreement of its nature.

11.3 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, 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 shares it had on issue at the start of that period. The proposed issue of the Conversion Securities does not fall within any of the exceptions set out in Listing Rule 7.2 and may exceed the 15% limit in Listing Rule 7.1.

Accordingly, the Company is seeking Shareholder approval under Listing Rule 7.1 for the issue of Conversion Securities to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1.

11.4 Technical information required by Listing Rule 14.1A

If Resolutions 10 and 11 are passed, the Company will be able to proceed with the issue of the Conversion Securities to repay the Loan Notes, conserving the Company's cash reserves. In addition, the issue of the Conversion Securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 10 and 11 are not passed, the Company will not be able to proceed with the issue of the Conversion Securities and the Company will be required to repay the Loan Notes by way of cash which will reduce the Company's cash reserves.

Resolutions 10 and 11 seek Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Conversion Securities.

11.5 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolutions 10 and 11:

(a) the Conversion Securities will be issued to the Lenders (proportionate to their interest in the Loan Notes). No Conversion Securities will be issued to any related parties of the Company;

(b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that:

(i) existing substantial holder Chifley Portfolios Pty Ltd participated in the Loan Notes and accordingly is to be issued 11,111,111 Conversion CDIs (along with 11,111,111 Conversion Options) (being 2.22% of the Company's total CDIs on issue prior to the completion of the issue); and

(ii) Anglo Menda Pty Ltd, a related party of the Company by virtue of being an associate of EverBlu (a person whose relationship with the Company or a person referred to in ASX 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) participated in the Loan Notes and accordingly, subject to Shareholder approval under Resolutions 13 and 14 is to be issued 19,444,444 Conversion CDIs (along with 19,444,444 Conversion Options) (being 3.88% of the Company's total CDIs on issue prior to the completion of the issue);

(c) other than the parties identified above in Section 11.5(b), the Company confirms that none of the recipients of the Conversion Securities will be:

(i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

(ii) issued more than 1% of the issued capital of the Company;

(d) the maximum number of Conversion CDIs to be issued is 67,500,000 and Conversion Options is 67,500,000 (as the Conversion Options will be issued free attaching with the Conversion CDIs on a 1:1 basis). The Conversion CDIs issued will be CDIs issued over fully paid Ordinary Shares in the capital of the Company, issued on the same terms and conditions as the Company's existing CDIs. The terms and conditions of the Conversion Options are set out in Schedule 2;

(e) the Conversion Securities 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 issue of the Conversion Securities will occur at the same time;

(f) the Conversion CDIs will be issued for nil cash consideration at a deemed issue price of $0.018 per CDI in repayment of the Loan Notes. The Conversion Options will be issued for nil consideration as the Conversion Options will be free attaching on a 1:1 basis. The Company will not receive any other consideration for the issue of the Conversion Securities (other than funds received on exercise of the Conversion Options);

(g) the purpose of the issue of the Conversion Securities is to repay the funds under the Loan Notes, whilst enabling the Company to conserve its existing cash reserves;

(h) the Conversion Securities are being issued to the Lenders in repayment of the loans under the Loan Notes. A summary of the material terms of the Loan Notes is set out in Section 11.1;

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

(j) a voting exclusion statement is included in Resolutions 10 and 11 of the Notice.

11.6 Dilution

Assuming no Options are exercised and no other CDIs are issued and the maximum number of Conversion Securities as set out above are issued, the number of CDIs on issue would increase from 498,500,516 (being the number of CDIs on issue as at the date of this Notice) to 566,000,516 and the holdings of existing Shareholders and CDI Holders would be diluted by 11.9%. Further, assuming no Options are exercised, no convertible securities are converted, or other CDIs issued and the maximum number of CDIs as set out above are issued, in the event all the Conversion Options issued pursuant to Resolution 11 were exercised, the number of CDIs on issue would increase to 633,500,516 and the holding of existing Shareholders and CDI Holders would be diluted by 21.31%.

12. RESOLUTIONS 12 AND 13 – ISSUE OF CDIS AND OPTIONS UNDER LOAN NOTES TO RELATED PARTY – ANGLO MENDA PTY LTD

12.1 General

As set out in Section 11 above, the Company is seeking Shareholder approval for the issue of Conversion Securities to Lenders of the Loan Notes in repayment of the loans (in accordance with the terms of the Loan Notes).

The Company has secured funding of $350,000 (before costs) under the Loan Notes from a related party Lender, being Anglo Menda Pty Ltd (**Anglo**) (**Anglo Loan**). The Company is proposing to issue 19,444,444 Conversion CDIs at a notional issue price of $0.018 per CDI (being the subject of Resolution 12) and 19,444,444 Conversion Options (being the subject of Resolution 13) to Anglo in satisfaction of the Anglo Loan.

Anglo is an entity controlled by Mr Adam Blumenthal. Anglo is deemed an associate of EverBlu by reason of Mr Blumenthal's being the Chairman of EverBlu, and a related party of the Company by virtue of being an associate of EverBlu.

ASX has advised the Company of ASX's opinion that, given the relationship between the Company's Chairman Dr James Ellingford and EverBlu, the issue of any securities by the Company to EverBlu or any of its associates (which includes Anglo) will require shareholder approval under ASX Listing Rule 10.11.5 (which is set out at paragraph (e) below).

Accordingly, the Company is seeking Shareholder approval under Resolutions 12 and 13 for the issue of the Conversion Securities in accordance with the terms of the Loan Notes. The Conversion Securities proposed to be issued to Anglo are on the same terms as unrelated participants in the Loan Notes.

Resolutions 12 and 13, respectively, seek Shareholder approval for the issue of 19,444,444 Conversion CDIs and 19,444,444 Conversion Options to Anglo (or their nominee) on the terms set out below.

12.2 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:

10.11.1 a related party;

10.11.2 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;

10.11.3 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;

10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or

10.11.5 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 noted above in Section 12.1, Anglo is a related party of the Company by virtue of being an associate of EverBlu, a person whose relationship with the Company or a person referred to in ASX 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.

Accordingly, the issue of Conversion Securities to Anglo falls within Listing Rule 10.11.5 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 12 and 13 seek Shareholder approval for the issue of Conversion Securities to Anglo under and for the purposes of Listing Rule 10.11.

12.3 Technical information required by Listing Rule 14.1A

If Resolutions 12 and 13 are passed, the Company will be able to proceed with the issue of the Conversion Securities to Anglo within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of Conversion Securities in respect of the issue (because approval is being obtained under Listing Rule 10.11), the issue of the Conversion Securities will not use up any of the Company's 15% annual placement capacity.

If Resolutions 12 and 13 are not passed, the Company will not be able to proceed with the issue of the Conversion Securities, and the Company will be required to repay the Anglo Loan in accordance with the terms of the Loan Notes.

12.4 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 12 and 13:

(a) the Conversion Securities will be issued to Anglo (or their nominee), who falls within the category set out in Listing Rule 10.11.5, and is a related party of the Company by virtue of being an associate of EverBlu, a person whose relationship with the Company or a person referred to in ASX 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. Refer to Section 12.1 for further detail;

(b) the maximum number of Conversion CDIs to be issued to Anglo (or their nominee) is 19,444,444 and the maximum number of Conversion Options to be issued to Anglo (or their nominee) is 19,444,444;

(c) the Conversion CDIs issued will be CDIs issued over fully paid Ordinary Shares in the capital of the Company, issued on the same terms and conditions as the Company's existing CDIs. The terms and conditions of the Conversion Options are set out in Schedule 2;

(d) the Conversion 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 Listing Rules) and it is anticipated the Conversion Securities will be issued on the same date;

(e) the Conversion CDIs will be issued for nil cash consideration at a deemed issue price of $0.018 per CDI. The Conversion Options will be issued for nil consideration as the Conversion Options will be free attaching on a 1:1 basis. The Company will not receive any other consideration for the issue of the Conversion Securities (other than funds received on exercise of the Conversion Options);

(f) the purpose of the issue of the Conversion Securities is to repay the Anglo Loan in accordance with the terms of the Loan Note, whilst enabling the Company to conserve its existing cash reserves;

(g) the Conversion Securities are being issued to Anglo in repayment of the Anglo Loan in accordance with the terms of the Loan Notes. A summary of the material terms of the Loan Notes is set out in Section 11.2;

(h) the Conversion Securities to be issued to Anglo under Resolutions 12 and 13 are not intended to remunerate or incentivise Mr James Ellingford; and

(i) a voting exclusion statements is included in Resolutions 12 and 13 of the Notice.

12.5 Dilution

Assuming no Options are exercised and no other CDIs are issued and the maximum number of Conversion Securities as set out above are issued, the number of CDIs on issue would increase from 498,500,516 (being the number of CDIs on issue as at the date of this Notice) to 517,944,960 and the holdings of existing Shareholders and CDI Holders would be diluted by 3.75%. Further, assuming no Options are exercised, no convertible securities are converted, or other CDIs issued and the maximum number of CDIs as set out above are issued, in the event all the Conversion Options issued pursuant to Resolution 13 were exercised the number of CDIs on issue would increase to 537,389,404 and the holding of existing Shareholders and CDI Holders would be diluted by 7.24%.

13. RESOLUTION 14 – RATIFICATION OF PRIOR ISSUE OF CDIS – PROACTIVE

13.1 General

On 24 June 2020, the Company issued 1,250,000 CDIs in consideration for promotional services (as set out in Section 13.3 below) provided by Proactive Investors Australia Pty Ltd (ABN 19 132 787 654) (**Proactive**) (**Proactive CDIs**).

As set out above, the issue of the Proactive CDIs was not previously approved by Shareholders. Additionally, at the time of the issue the Company did not have any availability under its Authorised Capital as per the Company's Articles of Association. Accordingly, as per the Israeli legal advice obtained, the issue of the Proactive CDIs is void under Israeli law unless the issue and resulting increase in Authorised Capital is ratified by Shareholders.

Resolution 14 seeks ratification for the issue and the corresponding increase of the Company's Authorised Capital that occurred on 24 June 2020 for purposes of Article 5 of the Articles of Association.

13.2 Listing Rules

As summarised in Section 11.3 above, 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 shares it had on issue at the start of that period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 9 June 2020.

The issue of the Proactive CDIs does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders and holders of CDIs, 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 the approval of Shareholders and holders of CDIs under Listing Rule 7.1 for the 12 month period following the date of issue of the Proactive CDIs.

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 in the future without having to obtain Shareholder and CDI Holder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking ratification pursuant to Listing Rule 7.4 for the issue of the Proactive CDIs.

Resolution 14 seeks Shareholder and CDI Holder ratification pursuant to Listing Rule 7.4 for the issue of the Proactive CDIs.

13.3 Proactive Agreement

On 3 June 2020, the Company entered into an agreement with Proactive (**Proactive Agreement**), pursuant to which Proactive agreed to provide digital media services, including social media promotion and other services to assist with the Company's visability in the global investment community for a period of 12 months.

In consideration for the services provided pursuant to the Proactive Agreement, the Company agreed to issue Proactive $25,000 worth of CDIs at the market value of the Company's CDIs on the date of their issue which, on 24 June 2020, was $0.02. As such, the Company issued 1,250,000 CDIs to Proactive at a deemed issue price of $0.02 per CDI, fulfilling its obligations pursuant to the Proactive Agreement.

13.4 Technical information required by Listing Rule 14.1A

If Resolution 14 is passed, the Proactive CDIs will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder and CDI Holder approval over the 12 month period following the date of issue of the Proactive CDIs.

If Resolution 14 is not passed, the Proactive CDIs will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder and CDI Holder approval over the 12 month period following the date of issue of the Proactive CDIs.

Additionally, if Resolution 14 is not passed, the issue of the Proactive CDIs will be deemed void under Israeli law requiring the Company to seek alternative arrangements to compensate Proactive which will most likely involve payment by way of cash and reduce the Company's cash reserves.

13.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 14:

(a) the Proactive CDIs were issued to Proactive, which is not a related party of the Company;

(b) 1,250,000 Proactive CDIs were issued and the Proactive CDIs issued were CDIs issued over fully paid Ordinary Shares in the capital of the Company, issued on the same terms and conditions as the Company's existing CDIs;

(c) the Proactive CDIs were issued on 24 June 2020;

(d) the Proactive CDIs were issued for nil cash consideration and at a deemed issue price of $0.02 per Proactive CDI, in consideration for promotional services provided by Proactive. The Company has not and will not receive any other consideration for the issue of the Proactive CDIs;

(e) the purpose of the issue of the Proactive CDIs was to satisfy the Company's obligations under the Proactive Agreement;

(f) the Proactive CDIs were issued to Proactive under the Proactive Agreement. A summary of the material terms of the Proactive Agreement is set out in Section 13.3; and

(g) a voting exclusion statement is included in Resolution 14 of the Notice.

14. RESOLUTION 15 – RATIFICATION OF PRIOR ISSUE OF CDIS – STOCKS DIGITAL

14.1 General

On 9 June 2020, the Company entered into a services agreement with S3 Consortium Pty Ltd (ABN 231 3523 9968) (**Stocks Digital**) (**Stocks Digital Agreement**), pursuant to which Stocks Digital provided the Company with sponsored content and digital marketing campaign services for a period of 2 months.

In consideration for the services provided pursuant to the Stocks Digital Agreement, the Company agreed to pay Stocks Digital a total sum of $55,000 (inclusive of GST), comprising:

(a) 2,750,000 CDIs at the deemed issue price of $0.01 per CDI (total value of $27,500); and

(b) $27,500 in cash.

On 24 June 2020, the Company issued 3,361,111 CDIs to Stocks Digital, comprising:

(a) 2,750,000 CDIs at a deemed issue price of $0.01 per CDI pursuant to the Stocks Digital Agreement (**Stocks Digital Agreement CDIs**); and

(b) 611,111 CDIs at a deemed issue price of $0.018 per CDI, being the Company's 5-day VWAP up to and including 1 July 2019 as the equity component of consideration (**Stocks Digital VWAP CDIs**) for a 1-week digital advertising campaign, which was payable in addition to a $10,000 (plus GST) cash component,

(together, the **Stocks Digital CDIs**).

The Stocks Digital VWAP CDIs were issued pursuant to a service agreement with Stocks Digital pursuant to which Stocks Digital was engaged for a 1-week engagement to provide digital advertising services to the Company (**Stocks Campaign Agreement**). The material terms of the Stocks Campaign Agreement are as set out below:

(a) (**Consideration**): In consideration for the services provided, the Company agreed to pay Stocks Digital a fee of $22,000 ($11,000 payable in cash and $11,000 payable in shares (both inclusive of GST)). For the portion of the fees payable in shares, the Company agreed to issue the number of shares which is equal to the value of the fees (including GST) divided by the 5-day VWAP calculated on the date of entry into the Stocks Campaign Agreement.

(b) (**Termination**): Termination was agreed to occur as follows:

  (i) three calendar months after the end of the contract period; or

  (ii) earlier, by either party if the other party:

    (A) did not remedy a default within 14 days of notice; or

    (B) immediately if the other party was declared bankrupt, suffered an insolvency event, or entered into a deed of arrangement with its creditors; or

  (iii) by either party giving not less than 45 days written notice of termination.

The Stocks Campaign Agreement was otherwise on standard terms for an agreement of its nature.

As set out above, the issue of the Stocks Digital CDIs was not previously approved by Shareholders. Additionally, at the time of the issue, the Company did not have any availability under its Authorised Capital in accordance with the Articles of Association. Accordingly, as per Israeli legal advice

obtained, the issue of the Stocks Digital CDIs is void under Israeli law unless the issue and resulting increase in Authorised Capital is ratified by Shareholders.

Resolution 15 seeks ratification for the issue of the Stocks Digital CDIs and the corresponding increase of the Company's Authorised Capital that occurred on 9 June 2020 for purposes of Article 5 of the Articles of Association.

14.2 Listing Rule 7.1

As summarised in Section 11.3 above, 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 shares it had on issue at the start of that period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 9 June 2020.

The issue of the Stocks Digital CDIs does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders and holders of CDIs, 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 the approval of Shareholders and holders of CDIs under Listing Rule 7.1 for the 12 month period following the date of issue of the Stocks Digital CDIs.

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 in the future without having to obtain Shareholder and CDI Holder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking ratification pursuant to Listing Rule 7.4 for the issue of the Stocks Digital CDIs.

Resolution 15 seeks Shareholder and CDI Holder ratification pursuant to Listing Rule 7.4 for the issue of the Stocks Digital CDIs.

14.3 Technical information required by Listing Rule 14.1A

If Resolution 15 is passed, the Stocks Digital CDIs will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder and CDI Holder approval over the 12 month period following the date of issue of the Stocks Digital CDIs.

If Resolution 15 is not passed, the Stocks Digital CDIs will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder and CDI Holder approval over the 12 month period following the date of issue of the Stocks Digital CDIs.

Additionally, if Resolution 15 is not passed, the issue of the Stocks Digital CDIs will be deemed void under Israeli law requiring the Company to seek alternative arrangements to compensate Stocks Digital which will most likely involve payment by way of cash and reduce the Company's cash reserves.

14.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 15:

(a) the Stocks Digital CDIs were issued to Stocks Digital, which is not a related party of the Company;

(b) a total of 3,361,111 Stocks Digital CDIs were issued and the Stocks Digital CDIs issued were CDIs over fully paid Ordinary Shares in the capital of the Company, issued on the same terms and conditions as the Company's existing CDIs;

(c) the Stocks Digital CDIs were issued on 24 June 2020;

(d) the Stocks Digital Agreement CDIs were issued for nil cash consideration and at deemed issue price of $0.01 per Stocks Digital Agreement CDI, in consideration for digital marketing and content production services, and the Stocks Digital VWAP CDIs were issued for nil cash consideration and at a deemed issue price of $0.018 per Stocks Digital VWAP CDI, in satisfaction of amounts owing to Stocks Digital. The Company has not and will not receive any other consideration for the issue of the Stocks Digital CDIs;

(e) the purpose of the issue of the Stocks Digital Agreement CDIs and the Stocks Digital VWAP CDIs was to satisfy the Company's obligations under the Stocks Digital Agreement and in satisfaction of amounts owing to Stocks Digital for the provision of a 1-week digital marketing campaign;

(f) the Stocks Digital CDIs were issued to Stocks Digital under the Stocks Digital Agreement and the Stocks Digital VWAP CDIs were issued to Stocks Digital under the Stocks Campaign Agreement. A summary of the material terms of the both agreements is set out in Section 14.1; and

(g) a voting exclusion statement is included in Resolution 15 of the Notice.

15. RESOLUTION 16 – APPROVAL TO ISSUE CDIS TO RELATED PARTY – AZALEA CONSULTING

15.1 General

The Company is proposing to issue 5,000,000 CDIs to Azalea Consulting Pty Ltd (ACN 080 922 603) (**Azalea**), an entity associated with interim Director Winton Willesee, in partial consideration for corporate administrative and compliance services (including company secretary services) provided by Azalea to the Company (**Azalea CDIs**).

The issue of Azalea CDIs is a change in the terms of the existing engagement between the Company and Azalea for the provision of corporate services. The issue of Azalea CDIs is being made as an equity-based incentive as part of Azalea's role as Company Secretary. The Azalea CDIs are based on a deemed issue price of $0.018, equivalent to the value of $90,000. The Board has approved such change, and determined that it is not a material change to the Company's existing engagement with Azalea.

Resolution 16 seeks Shareholder and CDI Holder approval for the issue of the Azalea CDIs to Azalea (or its nominee).

15.2 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 12.2 above.

The issue of Azalea CDIs falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders and holders of CDIs under Listing Rule 10.11.

Resolution 16 seeks the required approval of Shareholders and CDI Holders for the issue of the Azalea CDIs under and for the purposes of Listing Rule 10.11.

15.3 Technical information required by Listing Rule 14.1A

If Resolution 16 is passed, the Company will be able to proceed with the issue of the Azalea CDIs within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Azalea CDIs (because approval is being obtained under Listing Rule 10.11), the issue of the Azalea CDIs will not use up any of the Company's 15% annual placement capacity.

If Resolution 16 is not passed, the Company will not be able to proceed with the issue of the Azalea CDIs and will have to negotiate alternative payment terms which will likely require payments in cash, which will impact on the Company's cash flow and available operational working capital.

15.4 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 16:

(a) the Azalea CDIs will be issued to Azalea (or its nominee), which falls within the category set out in Listing Rule 10.11.1 as it is associated with Mr Winton Willesee (an interim Director of the Company) and is, therefore, a related party of the Company;

(b) the number of Azalea CDIs to be issued to Azalea (or its nominee) is 5,000,000;

(c) the Azalea CDIs issued will be CDIs issued over fully paid Ordinary Shares in the capital of the Company, issued on the same terms and conditions as the Company's existing CDIs;

(d) the Azalea CDIs 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 Listing Rules) and it is anticipated that issue of the Azalea CDIs will occur on the same date;

(e) the Azalea CDIs will be issued for nil cash consideration and at a deemed issue price of $0.018 per Azalea CDIs, in partial consideration for corporate administrative and compliance services. The Company will not receive any other consideration for the issue of the CDIs;

(f) the purpose of the issue of the Azalea CDIs is in partial consideration for corporate administrative and compliance services (including company secretary services) provided by Azalea to the Company and accordingly retaining the Company's cash reserves;

(g) the Azalea CDIs to be issued are not intended to remunerate or incentivise Mr Willesee as a Director;

(h) the Azalea CDIs are not being issued under an existing agreement. The issue of Azalea CDIs is a change in the terms of the existing engagement between the Company and Azalea for the provision of corporate services. The issue of Azalea CDIs has been approved by the Board; and

(i) a voting exclusion statement is included in Resolution 16 of the Notice.

16. RESOLUTION 17 – REMOVAL OF THE COMPANY FROM THE OFFICIAL LIST OF THE ASX

16.1 Background

As announced on 25 June 2021, the Company has applied to ASX to be removed from the Official List of the ASX pursuant to ASX Listing Rule 17.11 (**Delisting**).

As is its usual practice, ASX has imposed a requirement under ASX Listing Rule 17.11 and Guidance Note 33 *Removal of Entities From the ASX Official List*, that the Delisting be approved by a special resolution of Shareholders of the Company (**Delisting Approval**).

ASX advised the Company that its removal from the Official List is also subject to compliance with the following conditions:

(a) the notice of meeting seeking shareholder approval for the Company's removal from the Official List must include a statement, in form and substance satisfactory to ASX, setting out:

(i) a timetable of key dates, including the time and date at which the Company will be removed from ASX if that approval is given;

(ii) details of the processes that will exist after the Company is removed from the Official List to allow security holders to dispose of their holdings and how they can access those processes; and

(iii) include, to ASX's satisfaction, the information prescribed in section 2.11 of Guidance Note 33; and

(b) the Company releases the full terms of ASX's decision to the market immediately (as noted above the Company announced the Delisting on 25 June 2021),

(together with the Delisting Approval, the **Delisting Conditions**).

The Board considers that it is in the best interests of the Company and its security holders for the Company to be removed from the Official List of ASX for the reasons set out in Section 16.3 of this Explanatory Statement.

The Delisting may be perceived to have some disadvantages for security holders. Potential disadvantages are set out in Section 16.4 below.

Resolution 17 seeks the required Shareholder approval to the Delisting under and for the purposes of the ASX Listing Rules.

16.2 Listing Rule 17.11

Listing Rule 17.11 provides that the ASX may at any time remove an entity from the Official List at the request of the entity. The ASX is not required to act on the entity's request or may require conditions to be satisfied before it will act on the request. The ASX has approved the Company's request for Delisting, subject to the satisfaction of the Delisting Conditions set out in Section 16.1.

16.3 Reasons for seeking Delisting

The primary reasons the Board has decided to remove the Company from the Official List are as follows:

(a) **Lack of liquidity**

ASX suspended the Company from official quotation on 27 July 2020. As such, there has been no trading in the Company's securities on ASX since that time. The Company notes

that, in accordance with ASX policy set out in ASX Guidance Note 33, if the Company's securities are not reinstated to trading by 27 July 2022, ASX would remove the Company from the Official List of ASX at commencement of trading on the following trading day.

The Company is in the process of assessing opportunities to seek an alternative listing on the TSX Venture Exchange (**TSXV**) or the Canadian Securities Exchange (**CSE**) following the delisting, where it considers the Company will have greater access to capital, and shareholders will have the benefit of increased liquidity. As at the date of this Notice of Meeting, no listing application has been made to the TSXV or CSE, and the proposed terms of any such listing (including a potential timeline) have not been determined. Shareholders should be aware that this is currently an expression of intention only. Any such listing is subject to a number of factors which are outside of the control of the Company (including the TSXV or CSE approving an application of the Company to be listed), and no guarantee can be given by the Company or its officers that a listing on the TSXV or CSE (or any other exchange) can or will be achieved by the Company.

Any significant developments in respect of the proposal to seek a TSXV or CSE listing will be notified to shareholders prior to the date of the Meeting. In the event that a listing is not achieved on either of these exchanges, the Company will continue to explore other opportunities to provide greater liquidity to shareholders following the delisting.

(b) **Fundraising**

The Company requires funding to meet its ongoing operational and working requirements. However, since its suspension from trading on ASX in July 2020, the Company has experienced significant and increasing difficulty raising funds on attractive terms, and has not benefited from being a listed entity in this sense.

As such, the Company is seeking to be removed from the official list to enable it to raise third party funding to allow the Company to continue operations on an ongoing basis in the short to medium term.

(c) **Listing costs**

Maintaining an ASX listing adds additional costs to the Company's business. The Board estimates that costs attributable to the Company's ASX listing are approximately $250,000 per annum. In addition, there are indirect costs associated with the need to devote management time attending to matters relating to the listing which could be directed elsewhere if the Company was unlisted.

(d) **Limited Operations**

While the Company remains underfunded, its ability to progress to its intermediate term goals will remain limited, and there is therefore little benefit from being listed on ASX.

(e) **Minority shareholders**

The rights of the Company's security holders under the Companies Law, including minority shareholders, will not be affected by the Delisting, and there will be no change to the corporate governance of the Company.

Under the Companies Law, the Company would not be the equivalent of an "unlisted disclosing entity" under the Corporations Act following its removal from the Official List.

Shareholders will be affected by lack of both liquidity and reporting as there is no security holder communication obligation under Companies Law post Delisting. However,

Shareholders are entitled to receive the Company's audited annual financial reports upon request.

In the event of Delisting, the Company will endeavour to provide updates on its website from time to time, engage with Shareholders at its annual general meeting, and post or email any information required to be sent to Shareholders in the manner and time periods required by Israeli Companies Law. Shareholders will be able to contact the Company via the contact details available on the Company's website.

16.4 Advantages of Delisting

As set out in Section 16.3(b) above, the Company requires funding to meet its ongoing operational and working requirements. Since its suspension from trading, the Company has experienced significant and increasing difficulty raising funds on attractive terms, and has not benefited from being a listed entity in this sense.

Delisting will provide the Company flexibility to seek third party funding on more attractive terms to help the Company to continue operations on an ongoing basis in the short to medium term. Access to third party funding will also increase the Company's ability to progress to its intermediate term goals and operations, which progress is currently limited due to being underfunded.

As referred to in Section 16.3(c), Delisting will also reduce the ASX listing costs associated with the Company's business, which provides opportunity for capital to be directed elsewhere in the Company.

In addition, as noted in Section 16.3(e), the rights of the Company's security holders under the Companies Law, including minority shareholders, will not be affected by the Delisting, and there will be no change to the corporate governance of the Company.

16.5 Potential disadvantages of Delisting

The potential disadvantages of Delisting include:

(a) **Shareholders will no longer have the ability to sell their securities on ASX**

After the Company is removed from the Official List of ASX, CDIs in the Company will no longer be quoted on ASX and will no longer be traded on the ASX. Security holders will only be able to sell the converted, underlying Ordinary Shares via off-market private transactions in accordance with the Company's Articles of Association. Security holders who wish to sell their securities after the Company is delisted will need to find a buyer for their securities and complete a standard off-market transfer form, and provide it to the Company's share registry for processing.

However, as noted above, CDI Holders have been unable to sell their securities on ASX since 27 July 2020.

After the Delisting, the Directors will continue to assess appropriate measures to enable Shareholders to realise the value of their investment in the Company.

(b) **The Company will not be able to raise capital from public listed equity capital markets**

After the Company is removed from the Official List of ASX, it will be unable to raise capital from public listed equity capital markets (assuming that the Company does not seek or achieve an alternative listing on TSXV or CSE). Unlike a listed public company, an unlisted public company generally does not have the ability to raise capital from the issue of securities in reliance on a limited disclosure fundraising document because its shares are not quoted on a prescribed financial market. If the Company wishes to raise capital following its removal from the Official List of ASX, this will be by way of an offer of shares

pursuant to a prospectus or a privately negotiated investment transaction and issuance of ordinary shares or other securities to the investor(s). Any placement made by the Company as an unlisted company may involve certain restrictions on selling those shares after they have been issued.

However, as noted above, since its suspension from trading on ASX in July 2020, the Company has experienced significant and increasing difficulty raising funds on attractive terms, and has not benefited from being a listed entity in this sense.

(c) **The ASX Listing Rules will no longer apply**

The ASX Listing Rules will no longer apply to the Company and shareholder protections contained in the ASX Listing Rules will no longer apply, including certain restrictions on the issue of shares by the Company, certain restrictions in relation to transactions with persons in a position of influence and the requirement to address the ASX Corporate Governance Principles and Recommendations on an annual basis. However, the Company will continue to be subject to, and the Shareholders will still have the benefit of, Israeli corporate governance which is governed by the Companies Law.

16.6 Consequences of the Delisting

Consequences for the Company's Delisting include the following:

(a) the CDIs in the Company will no longer be quoted on ASX and will no longer be traded on the ASX. However, as noted above, CDI Holders have been unable to sell their securities on ASX since 27 July 2020 as the Company's securities are suspended from quotation and are not trading;

(b) Under the Companies Law, the Company would not be the equivalent of an "unlisted disclosing entity" under the Corporations Act following its removal from the Official List;

(c) The rights of the Company's security holders under the Companies Law, including minority shareholders, will not be affected by the Delisting, and there will be no change to the corporate governance of the Company. Shareholders will be affected by lack of both liquidity and reporting as there is no security holder communication obligation under Companies Law post Delisting. However, Shareholders are entitled to receive the Company's audited annual financial reports upon request; and

(d) there will no longer be a readily available indicator of market price for the Company's CDIs (or underlying Ordinary Shares), and security holders in the Company will need to find a purchaser for their securities at an agreed price.

16.7 Special majority Resolution

Resolution 17 is being put to Shareholders as a special majority resolution and will therefore be passed only if at least 75% of the votes cast on a poll by Shareholders at the Meeting who are entitled to vote on Resolution 17 are cast in favour of the Resolution.

16.8 Indicative timetable

If Resolution 17 is passed, the Company will be able to proceed with the Delisting and will be removed from the Official List on a date to be decided by the ASX in consultation with the Company (**Delisting Date**).

The indicative timetable for the removal of the Company from the Official List (and assuming the special resolution is passed by shareholders at the Meeting) is:

Event	Date*
Meeting to approve delisting	6 August 2021
Delisting Date (at close of trading, Sydney time)	10 August 2021
ASX Settlement to give notice of its decision to revoke approval of the CDIs	11 August 2021
Any CHESS CDI holdings to be converted to the Issuer Sponsored register (**CHESS Holdings Conversion**)[2]	17 August 2021
CDN to revoke the trust under which it holds Ordinary Shares (**CDN Revocation**)	18 August 2021
Notice to be sent to CDI Holders stating that: • approval of CDIs has been revoked by ASX Settlement; • CDN has revoked the trust under which it holds the Ordinary Shares (and the effective date of the revocation of the trust); and • the CDI Holders' CHESS CDI holdings have been converted to the Issuer Sponsored register.	Promptly following CDN Revocation
CDN to transfer the title to the underlying Ordinary Shares to the former CDI Holder (**Transfer of Title**) and Company to cancel remaining CDIs	Promptly following CHESS Holdings Conversion
Company to issue to former CDI Holders Issuer Sponsored Holding Statements in respect of Ordinary Shares	Within 5 Business Days of Transfer of Title

1. Dates and times above are Sydney, Australia time and are indicative only and subject to change by the Company or ASX. The Company will inform CDI Holders of any changes to the indicative timetable referred to above by market announcement made via the ASX market announcements platform.
2. This will occur automatically, 5 Business Days after the Delisting Date.

CDI Holders should note that as CDIs in the Company are suspended from trading, ASX has advised that the Company does not need to comply with the usual condition that removal from the Official List will not take place any earlier than one month after Shareholder approval has been obtained.

16.9 Shareholder remedies available

The Israeli Companies Law provides remedies that Shareholders may pursue if they consider the Delisting to have caused deprivation to some or all of the Company's Shareholders. Under Israeli Companies Law, if the affairs of a company are managed in a way that causes deprivation to its shareholders, or there is a substantial concern that the affairs would be managed in such manner, the Israeli courts may, at the application of a shareholder, give orders (at the courts discretion) for pre-empting or removing such deprivation, including orders relating to the management of a company's affairs going forward.

16.10 Share trading

The Company does not intend to undertake any share sale facility or other facility for CDI Holders to dispose of the underlying Ordinary Shares in the Company. CDI Holders are not currently able to dispose of their CDI holding in the Company on ASX as the Company has been suspended since July

2020. The Company will seek out opportunities to provide liquidity for Shareholders following the Delisting, as contemplated above in Section 16.3(a).

After the Delisting, approval of CDIs in respect of Ordinary Shares in the Company will be revoked by ASX Settlement Pty Limited. The Company and CDN will then be required to take steps to unwind the CDIs over the underlying securities.

CDI Holders have an existing right to convert their CDIs to the underlying Ordinary Shares, which they may do by contacting the Company's Share Registry on the below details:

Email:	registrars@linkmarketservices.com.au
Post:	eSense-Lab Ltd C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
Telephone:	1300 554 474

In order to complete the conversion, CDI Holders must complete the Register Removal Request provided to you by the Share Registry, and provide this to the Share Registry before the Transfer of Title (defined in the timetable above) occurs, following which your CDIs will be converted to the underlying Ordinary Shares. In the event the Delisting is not approved, if you wish to hold CDIs over Ordinary Shares, you will need to contact the Share Registry to apply to have your Ordinary Shares converted back to CDIs.

For the avoidance of doubt, if the Delisting is approved, all CDIs will be cancelled and the underlying Ordinary Shares will be transferred to the former CDI holders in accordance with the above timetable, irrespective of whether you elected to convert your CDIs to Ordinary Shares in the manner set out above.

On or around 17 August 2021, any remaining CHESS CDI holdings will be converted to the Issuer Sponsored register and CDN will revoke the trust under which it holds the underlying securities. Promptly following this, CDN will transfer the title to the underlying securities (Ordinary Shares) to the former CDI Holders.

The Company will maintain a registry for the underlying Ordinary Shares and send a letter to confirm holdings following the unwinding of the CDIs. Holders will be entitled to request a share certificate to be issued to them. Share certificates will only be issued to a holder following a request being made to the Company.

16.11 Technical information required by Listing Rule 14.1A

If Resolution 17 is passed, the Company will be able to proceed with the Delisting.

If Resolution 17 is not passed, the Company will not be able to proceed with the Delisting and will remain suspended with the Company's securities not being reinstated to official quotation. The Company will therefore be required to satisfy to ASX that it is in compliance with Listing Rules 12.1 and 12.2, along with its continuous disclosure obligations in Chapter 3 of the Listing Rules. While the Company considers that it is in compliance with Listing Rules 12.1 and 12.2, ASX have advised that it does not currently agree, and therefore discussions with ASX would need to be progressed if the Delisting is not approved.

16.12 Directors' Recommendation and intentions

The Directors recommend that Shareholders vote in favour of Resolution 17.

17. OTHER BUSINESS

The Board knows of no other matter to come before the 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,

Erlyn Dale
Joint Company Secretary
1 July 2021

GLOSSARY

$ means Australian dollars.

Affiliated Company means a company in which another company holds twenty-five percent or more of the nominal value of its issued share capital or of the voting power therein or is entitled to appoint twenty-five percent or more of its directors.

Affiliation means, either (a) an employment relationship; (b) a business or professional relationship maintained on a regular basis; (c) control; or (d) service as an office holder, excluding service as a director in a private company prior to the first offering of its shares to the public if such director was appointed as a director of the private company in order to serve as an external director following the initial public offering.

Anglo means Anglo Menda Pty Ltd (ACN 608 554 052).

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

Articles of Association means the Company's Second Amended and Restated Articles of Association.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means eSense Lab Ltd (ARBN 616 228 703).

Conversion CDI has the meaning given in Section 11.1 of the Explanatory Statement.

Conversion Option is an Option on the terms set out in Schedule 2.

Conversion Securities means Conversion Options and Conversion CDIs.

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

CDI means CHESS Depositary Interest over Ordinary Shares in the Company.

CDI Holder means the registered holder of a CDI.

CDN means CHESS Depository Nominees Pty Ltd.

Directors means the current directors of the Company.

EverBlu means EverBlu Capital Pty Ltd (ACN 612 793 683).

Explanatory Statement means the explanatory statement accompanying the Notice.

Israel Companies Law means the I*srael Companies Law, 5759-1999,* and the regulations promulgated thereunder.

Legal Opinion means the independent legal opinion from Israeli law firm, Matry, Meiri & Co, as set out in Annexure 1 .

Loan Notes has the meaning given in Section 11.1 of the Explanatory Statement.

Listing Rules means the Listing Rules of ASX.

NIS means New Israeli Shekel, the official currency of Israel.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a CDI.

Optionholder means a holder of an Option.

Ordinary Share means a fully paid ordinary share in the capital of the Company, which have a nominal value of NIS 0.01 each.

Proxy Form means the proxy form accompanying the Notice.

Recommendations means the ASX Corporate Governance Principles and Recommendations (4^{th} Edition).

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Shareholder means a registered holder of an Ordinary Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – FORM OF STATEMENT OF A CANDIDATE TO SERVE AS A DIRECTOR

Form of Statement of a Candidate to Serve as a Director

The undersigned, _____, hereby declares to eSense-Lab Ltd. (the "Company"), effective as of _____, as follows:

I am making this statement as required under Section 224B of the Israeli Companies Law, 5759-1999 (the "Israeli Companies Law"). Such provision requires that I make the statements set forth below prior to, and as a condition to, the submission of my election as a director of the Company to the approval of the Company's shareholders.

I possess the necessary qualifications and skills and have the ability to dedicate the appropriate time for the purpose of performing my service as a director in the Company, taking into account, among other things, the Company's special needs and its size.

My qualifications were presented to the Company. In addition, attached hereto is a biographical summary as contained in the Company's notice of meeting for my election as a director, which includes a description of my academic degrees, as well as previous experience relevant for the evaluation of my suitability to serve as a director.

I am not restricted from serving as a director of the Company under any items set forth in Sections 2261, 226A2 or 2273 of the Israeli Companies Law, which include, among other things, restrictions relating to the appointment of a minor, a person who is legally incompetent, a person who was declared bankrupt, a person who has prior convictions or anyone whom the administrative enforcement committee of the Israel Securities Law 5728-1968 (the "Israel Securities Law") prohibits from serving as a director.

I am aware that this statement shall be presented at the Annual General Meeting of Shareholders of the Company in which my election shall be considered, and that pursuant to Section 241 of the Israeli Companies Law it shall be kept in the Company's registered office and shall be available for review by any person.

Should a concern arise of which I will be aware and/or that will be brought to my attention, pursuant to which I will no longer fulfill one or more of the requirements and/or the declarations set forth above, I shall notify the Company immediately, in accordance with Section 227A of the Israeli Companies Law.

IN WITNESS WHEREOF, the undersigned has signed this statement as of the date set forth above.

Name: _____ Signature: _____

Date: _____

[1] As of the date hereof, Section 226 of the Israeli Companies Law generally provides that a candidate shall not be appointed as a director of a public company (i) if the person was convicted of an offense <u>not</u> listed below but the court determined that due to its nature, severity or circumstances, he/she is not fit to serve as a director of a public company for a period that the court determined which shall not exceed five years from judgment or (ii) if he/she has been convicted of one or more offences specified below, unless five years

have elapsed from the date the convicting judgment was granted or if the court has ruled, at the time of the conviction or thereafter, that he/she is not prevented from serving as a director of a public company:

(1) offenses under Sections 290-297 (bribery), 392 (theft by an officer), 415 (obtaining a benefit by fraud), 418-420 (forgery), 422-428 (fraudulent solicitation, false registration in the records of a legal entity, manager and employee offences in respect of a legal entity, concealment of information and misleading publication by a senior officer of a legal entity, fraud and breach of trust in a legal entity, fraudulent concealment, blackmail using force, blackmail using threats) of the Israel Penal Law 5737-1997; and offences under sections 52C, 52D (use of inside information), 53(a) (offering shares to the public other than by way of a prospectus, publication of a misleading detail in the prospectus or in the legal opinion attached thereto, failure to comply with the duty to submit immediate and period reports) and 54 (fraud in securities) of the Israel Securities Law;

(2) conviction by a court outside of the State of Israel of an offense of bribery, fraud, offenses of directors/managers in a corporate body or exploiting inside information.

[2] As of the date hereof, Section 226A of the Israeli Companies Law provides that if the administrative enforcement committee of the Israel Securities Authority has imposed on a person enforcement measures that prohibited him/her from holding office as director of a public company, that person shall not be appointed as a director of a public company in which he/she is prohibited to serve as a director according to this measure.

[3] As of the date hereof, Section 227 of the Israeli Companies Law provides that a candidate shall not be appointed as a director of a company if he/she is a minor, legally incompetent, was declared bankrupt and not discharged, and with respect to a corporate body – in case of its voluntary dissolution or if a court order for its dissolution was granted.

SCHEDULE 2 – CONVERSION OPTION TERMS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one fully paid CDI in the capital of eSense-Lab Ltd (**Company**) upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be $0.018 per Option (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that 12 months from the date that the Company's securities are reinstated to trading on ASX (**Expiry Date**).[2] 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 by the relevant option exercise form (**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 CDIs on exercise**

Within 10 business days of the later of the following:

(i) the Exercise Date, if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act; and

(ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the Exercise Date,

the Company will:

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

(ii) 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

[2] In the event Shareholders approve Resolution 17 (Removal of the Company from the Official List of the ASX), the Company will vary the terms of the Options under the Loan Notes so that the expiry date of the Options will be varied to the date that is 24 months from the date of issue.

satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the CDIs does not require disclosure to investors; and

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

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the CDIs 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 CDIs does not require disclosure to investors.

(h) **CDIs issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **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 CDI holders during the currency of the Options without exercising the Options.

(k) **Change in Exercise Price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are not transferable.

SCHEDULE 3 – INDEMNIFICATION AGREEMENT

DIRECTORS AND OFFICERS

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "**Agreement**") is entered into effective as of [date], by eSense-Lab Ltd., a company incorporated under the laws of the State of Israel (the "**Company**") and [Director/Officer] (referred herein as "**Indemnitee**").

WHEREAS, the Company and Indemnitee recognize the substantial increase in corporate litigation in general, subjecting directors, officers, employees, agents and fiduciaries to expensive litigation risks at the same time as the availability and coverage of liability insurance have been limited; and

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company and, in part, in order to induce Indemnitee to continue to provide services to the Company, wishes to provide for the indemnification and advancement of expense to Indemnitee to the maximum extent permitted by law;

WHEREAS, the Indemnitee is an office holder (*nose misra*) (an "**Office Holder**"), as such term is defined in the Israeli Companies Law, 5759–1999 (the "**Companies Law**"); and

WHEREAS, in view of the considerations set forth above, the Company desires that Indemnitee shall be indemnified by the Company as set forth herein.

NOW, THEREFORE, the Company and Indemnitee hereby agree as follows:

1. The Company hereby undertakes to indemnify Indemnitee to the maximum extent permitted by the Companies Law, on a worldwide basis, in respect of the following:

1.1. any financial obligation imposed on Indemnitee in favor of another person by, or expended by Indemnitee as a result of, a court judgment, including a settlement or an arbitrator's award approved by court, in respect of any act or omission ("**Action**") taken or made by Indemnitee in its capacity as a director or office holder of the Company and any subsidiary and/or other affiliated entity thereof (a "**Subsidiary**");

1.2. all reasonable litigation expenses, including reasonable attorney fees, expended by Indemnitee or charged to Indemnitee by a court, in a proceeding instituted against Indemnitee by the Company or on its behalf or by another person, or in any criminal proceedings in which Indemnitee are acquitted, or in any criminal proceedings with respect to a crime which does not require proof of criminal intent (mens rea) in which Indemnitee are convicted, all in respect of actions taken by Indemnitee in its capacity as a director or officer of the Company and a Subsidiary thereof; and

1.3. all reasonable litigation expenses, including reasonable attorney fees, expended by Indemnitee due to an investigation or a proceeding instituted against Indemnitee by an authority qualified to conduct such investigation or proceeding, where such investigation or proceeding is concluded without the filing of an indictment against Indemnitee (as defined in the Companies Law) and without any financial obligation imposed on Indemnitee in lieu of criminal proceedings (as defined in the Companies Law), or that is concluded without Indemnitee's indictment but with a financial obligation imposed on Indemnitee in lieu of criminal proceedings with respect to a crime that does not require proof of criminal intent (mens rea), all in respect of actions taken by Indemnitee in its capacity as a director or office holder of the Company or a Subsidiary thereof. Without derogating from the generality of the foregoing, such expenses will include a payment imposed on Indemnitee in favor of an injured party as set forth in Section 52(54)(a)(1)(a) of the Israeli Securities Law, 1968 – 5728 (the "**Securities Law**"), and expenses that Indemnitee incurred in connection with a proceeding under

Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees.

1.4. The Company may give an advance undertaking to indemnify Indemnitee in respect of the following matters:

1.4.1. Matters as detailed in Section 1.1 herein, provided, however, that the undertaking is restricted to events, which in the opinion of the Company's Board of Directors (the "**Board**"), are foreseeable in light of the Company's actual activity at the time of granting the obligation to indemnify and is limited to a sum or measurement determined by the Board of Directors as reasonable under the circumstances. The indemnification undertaking shall specify the events that, in the opinion of the Board are foreseeable in light of the Company's actual activity at the time of grant of the indemnification and the sum or measurement, which the Board determined to be reasonable under the circumstances;

1.4.2. Matters as detailed in Sections 1.2 and 1.3 herein; and

1.4.3. Any matter permitted by applicable law.

2. Notwithstanding the foregoing, the Company will not indemnify Indemnitee for any amount for which indemnification is not permitted under the Companies Law, including but not limited to:

2.1. a breach of Indemnitee's duty of loyalty to the Company, except, to the extent permitted by Companies Law, for a breach of Indemnitee's duty of loyalty to the Company or a Subsidiary thereof while acting in good faith and having reasonable cause to assume that such act would not prejudice the interests of the Company or a Subsidiary thereof, as applicable;

2.2. a willful breach of Indemnitee's duty of care to the Company or a Subsidiary thereof or reckless disregard for the circumstances or to the consequences of a breach of Indemnitee's duty of care to the Company or a Subsidiary thereof, except if such breach of Indemnitee's duty of care is solely due to negligence;

2.3. an action taken or omission by Indemnitee with the intent of unlawfully realizing personal gain; and

2.4. a fine or penalty imposed upon Indemnitee for an offense.

3. The Company will make available all amounts payable to Indemnitee in accordance with Section 1 above on the date on which such amounts are first payable by Indemnitee ("**Time of Indebtedness**"), including with respect to any claim against Indemnitee initiated by the Company or in its right, and with respect to items referred to in Sections 1.2 and 1.3 above, not later than the date on which the applicable court renders its decision. Advances given to cover legal expenses in criminal proceedings will be repaid by Indemnitee to the Company if Indemnitee is found guilty of a crime, which requires proof of criminal intent. Other advances will be repaid by Indemnitee to the Company if it is determined by a final judgment of a court of competent jurisdiction that Indemnitee is not lawfully entitled to such indemnification.

As part of the aforementioned Agreement, the Company will make available to Indemnitee any security or guarantee that Indemnitee may be required to post in accordance with an interim decision given by a court or an arbitrator, including for the purpose of substituting liens imposed on Indemnitee's assets.

4. The Company will indemnify Indemnitee notwithstanding if at the relevant Time of Indebtedness Indemnitee is no longer a director or office holder of the Company and/or a Subsidiary provided that the obligations with respect to which Indemnitee will be indemnified hereunder are in respect of actions taken by Indemnitee while Indemnitee was a director or office holder of the Company and/or a Subsidiary (as applicable) as aforesaid, and in such capacity.

5. The indemnification will be limited to the matters mentioned in Sections 1.2 and 1.3 (pursuant and subject to Section 3 and insofar as indemnification with respect thereto is not restricted by law or by the provisions of Section 2 above) and to the matters mentioned in Section 1.1 above insofar as they result from, or are connected to, events and circumstances set forth in **Schedule A** attached hereto,

which are currently deemed by the Board, based on the current activities of the Company, to be reasonably foreseeable in any jurisdiction worldwide.

6. The indemnification that the Company undertakes towards all persons whom it has resolved to indemnify for the matters and in the circumstances described herein, jointly and in the aggregate, shall be the greater of: (i) an amount equal to fifty percent (50%) of the shareholders' equity in the Company, as set forth in the Company's most recent financial statements before such payment as of the date of actual payment by the Company of the indemnification amount; (ii) US $10,000,000 (ten million US Dollars); and (iii), solely in connection with or arising out of a public offering of the Company's securities, the aggregate amount of proceeds from the sale by the Company and/or any shareholder of Company's securities in such offering (the greater of (i), (ii) and, if applicable, (iii), the "**Maximum Indemnification Amount**"); provided, that if such amount is found insufficient to cover all amounts to which such persons are entitled pursuant to such mentioned agreement by the Company, the Maximum Indemnification Amount shall be allocated to such persons pro rata to the amounts to which they are so entitled. At the end of each calendar year, the Maximum Indemnification Amount shall be automatically increased in proportion with the Directors and Officers Insurance held by the Company, unless otherwise approved by the Board.

7. Notwithstanding anything contained herein to the contrary, the Company will not indemnify Indemnitee for any liability with respect to which Indemnitee has received payment by virtue of an insurance policy or another indemnification agreement other than for amounts which are in excess of the amounts actually paid to Indemnitee pursuant to any such insurance policy or other indemnity agreement (including deductible amounts not covered by insurance policies), within the limits set forth in Section 6 above.

8. Subject to the provisions of Sections 6 and 7 above, the indemnification hereunder will, in each case, cover all sums of money that Indemnitee will be obligated to pay, in those circumstances for which indemnification is permitted under the law and under this Agreement.

9. Subject to Section 11 below (to the extent applicable), the Company will be entitled to retain any amount collected from a third party in connection with liabilities indemnified hereunder.

10. In all indemnifiable circumstances, indemnification will be subject to the following:

10.1. Indemnitee shall promptly notify the Company of any legal proceedings initiated against Indemnitee and of all possible or threatened legal proceedings without delay following your first becoming aware thereof. Indemnitee shall deliver to the Company, or to such person as it shall advise Indemnitee, without delay all documents Indemnitee receives in connection with such proceedings.

Similarly, Indemnitee hereby commits to advise the Company on an ongoing and current basis concerning all events which Indemnitee suspects may give rise to the initiation of legal proceedings against Indemnitee in connection with Indemnitee's actions or omissions as a director or office holder of the Company or a Subsidiary thereof.

10.2. Other than with respect to proceedings that have been initiated against Indemnitee by the Company or in its name, the Company shall be entitled to undertake the conduct of Indemnitee's defense in respect of such legal proceedings and/or to hand over the conduct thereof to any attorney which the Company may choose for that purpose, except to an attorney who is not, upon reasonable grounds, acceptable to Indemnitee; provided that the Indemnitee shall be entitled to employ his own attorney at the reasonable expense of the Company if there is a conflict of interest between the Company and the Indemnitee in the conduct of Indemnitee's defense. The Company shall notify Indemnitee of any such decision to defend within ten (10) calendar days of receipt of notice of any such proceeding.

The Company and/or the attorney as aforesaid shall be entitled, within the context of the conduct as aforesaid, to conclude such proceedings, all as it shall see fit, including by way of settlement, subject to the exceptions described below. As a condition of Indemnitee's entitlement to be indemnified, at the request of the Company, Indemnitee shall execute all documents required to enable the Company and/or its attorney as aforesaid to conduct Indemnitee's defense in Indemnitee's name,

and to represent Indemnitee in all matters connected therewith, in accordance with and subject to the aforesaid.

For the avoidance of doubt, in the case of criminal proceedings the Company and/or the attorneys as aforesaid will not have the right to plead guilty in Indemnitee's name or to agree to a plea-bargain in Indemnitee's name without Indemnitee's consent. However, the aforesaid will not prevent the Company and/or its attorneys as aforesaid, with the approval of the Company, to enter into a settlement with a plaintiff in a civil proceeding without Indemnitee's consent so long as such settlement will not be an admittance of an occurrence not indemnifiable pursuant to this Agreement and/or pursuant to law. The Company shall not, without Indemnitee's prior written consent, consent to the entry of any judgment against Indemnitee or enter into any settlement or compromise which (i) includes an admission of Indemnitee's fault, (ii) does not include, as an unconditional term thereof, the full release of Indemnitee from all liability in respect of such proceeding or (iii) is not fully indemnifiable pursuant to this Agreement and pursuant to law. This paragraph shall not apply to a proceeding brought by Indemnitee under Section 10.7 below.

10.3. Indemnitee will fully cooperate with the Company and/or any attorney as aforesaid in every reasonable way as may be required of Indemnitee within the context of their conduct of such legal proceedings, including but not limited to the execution of power(s) of attorney and other documents, *provided that* the Company shall cover all costs incidental thereto such that Indemnitee will not be required to pay the same or to finance the same by itself, and *provided, further*, that Indemnitee shall not be required to take any action that would reasonably prejudice Indemnitee's defense in connection with any indemnifiable proceeding.

10.4. Notwithstanding the provisions of Sections 10.2 and 10.3 above, (i) if in a proceeding to which Indemnitee is a party by reason of its status as an Officer Holder of the Company or a Subsidiary thereof and the named parties to any such proceeding include both Indemnitee and the Company or any Subsidiary of the Company, a conflict of interest or potential conflict of interest (including the availability to the Company and its Subsidiary, on the one hand, and Indemnitee, on the other hand, of different or inconsistent defenses or counterclaims) exists between Indemnitee and the Company, or (ii) if the Company fails to assume the defense of such proceeding in a timely manner, Indemnitee shall be entitled to be represented by separate legal counsel, who shall represent Indemnitee and other persons similarly situated, of the Company's choice and reasonably acceptable to Indemnitee and the other persons, at the expense of the Company. In addition, if the Company fails to comply with any of its material obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any action, suit or proceeding to deny or to recover from Indemnitee the benefits intended to be provided to Indemnitee hereunder, except with respect to such actions, suits or proceedings brought by the Company that are resolved in favor of the Company, Indemnitee shall have the right to retain counsel of its choice, and reasonably acceptable to the Company and at the expense of the Company, to represent Indemnitee in connection with any such matter.

10.5. If, in accordance with Section 10.2 above (but subject to Section 10.4), the Company has taken the conduct of Indemnitee's defense upon itself, the Company will have no liability or obligation pursuant to this Agreement or the above resolutions to indemnify Indemnitee for any legal expenses, including any legal fees, that Indemnitee may expend in connection with its defense, unless (i) the Company shall not have assumed the conduct of Indemnitee's defense as contemplated, (ii) the Company refers the conduct of Indemnitee's defense to an attorney who is not, upon reasonable grounds, acceptable to Indemnitee, (iii) the named parties to any such action (including any impleaded parties) include both Indemnitee and the Company, and joint representation is inappropriate under applicable standards of professional conduct due to a conflict of interest between Indemnitee and the Company, or (iv) the Company shall agree to such expenses in any of which events all reasonable fees and expenses of Indemnitee's counsel shall be borne by the Company.

10.6. The Company will have no liability or obligation pursuant to this Agreement to indemnify Indemnitee for any amount expended by Indemnitee pursuant to any compromise or settlement agreement reached in any suit, demand or other proceeding as aforesaid without the Company's consent to such compromise or settlement.

10.7. If required by law, the Company's authorized organs will consider the request for indemnification and the amount thereof and will determine if Indemnitee is entitled to indemnification and the amount thereof. In the event that Indemnitee makes a request for payment of an amount of indemnification hereunder or a request for an advancement of indemnification expenses hereunder and the Company fails to determine Indemnitee's right to indemnification hereunder or fails to make such payment or advancement, Indemnitee may petition any court which has jurisdiction to enforce the Company's obligations hereunder. The Company agrees to reimburse Indemnitee in full for any reasonable expenses incurred by Indemnitee in connection with investigating, preparing for, litigating, defending or settling any action brought by Indemnitee under the immediately preceding sentence, except where such action or any claim or counterclaim in connection therewith is resolved in favor of the Company.

10.8. Neither the Company nor any of its directors or officers shall make any statement to the public or to any other person regarding any settlement of claims made pursuant to this Indemnification Letter against Indemnitee that would in any manner cast any negative light, inference or aspersion against Indemnitee. The Indemnitee shall not make any statement to the public or to any other person regarding any settlement of claims made pursuant to this Indemnification Letter against the Company nor any of its directors or officers (in their capacity as such) that would in any manner cast any negative light, inference or aspersion against the Company nor any of its directors or officers (in their capacity as such).

11. Indemnification of Holding Entity.

11.1. If (i) Indemnitee is or was a representative of or affiliated with one or more entities that has invested in the Company (the "**Holding Entity**"), (ii) the Holding Entity is, or is threatened to be made, a party to or a participant in any Holding Entity Proceeding (as hereinafter defined), and (iii) the Holding Entity's involvement in the Holding Entity Proceeding arises out of facts or circumstances that are the same or substantially similar to the facts and circumstances that form the basis of claims that have been or could be brought against the Indemnitee in a Proceeding, regardless of whether the legal basis of the claims against the Indemnitee and the Holding Entity are the same or similar, then the Holding Entity shall be entitled to all of the indemnification rights and remedies under this Agreement pursuant to this Agreement as if the Holding Entity were the Indemnitee.

11.2. "**Holding Entity Proceeding**" means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which a Holding Entity was, is or will be involved as a party or otherwise.

11.3. The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by a Holding Entity and certain of its affiliates and insurers (collectively, the "**Holding Entity Indemnitors**"). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Holding Entity Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Certificate of Incorporation or Bylaws of the Company (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Holding Entity Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Holding Entity Indemnitors from any and all claims against the Holding Entity Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Holding Entity

Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Holding Entity Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Holding Entity Indemnitors are express third party beneficiaries of the terms of this Agreement.

12. Insurance.

12.1. The Company shall maintain an insurance policy or policies providing liability insurance for directors and officers, and Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director or officer under such policy or policies.

12.2. The Company undertakes to give prompt written notice of the commencement of any claim hereunder to the insurers in accordance with the procedures set forth in each of the policies. The Company shall thereafter diligently take all actions reasonably necessary under the circumstances to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such action, suit, proceeding, inquiry or investigation in accordance with the terms of such policies. The above shall not derogate from Company's authority to freely negotiate or reach any compromise with the insurer which is reasonable at the Company's sole discretion, and provided that the Company shall act in good faith and in a diligent manner.

13. Exculpation.

Subject to the provisions of the Companies Law, the Company hereby releases, in advance, the Office Holder from liability to the Company for any damage that arises from the breach of the Office Holder's duty of care to the Company (within the meaning of such terms under Sections 252 and 253 of the Companies Law), other than breach of the duty of care towards the Company in a distribution (as such term is defined in the Companies Law).

14. If any act, resolution, approval or other procedure is required for the validation of any of the obligations under this Agreement, the Company undertakes to cause these to be done or adopted in a manner which will enable the Company to fulfill all its obligations herein.

15. For the avoidance of doubt, it is hereby clarified that nothing contained in this Agreement derogates from the Company's right to indemnify Indemnitee post factum for any amounts which Indemnitee may be obligated to pay as set forth in Section 1 above without the limitations set forth in Sections 5 and 6 above.

16. If any obligation or undertaking mentioned in this Agreement is held invalid or unenforceable, such invalidity or unenforceability will not affect any of the other obligations or undertakings contained herein, which shall remain in full force and effect. Furthermore, if such invalid or unenforceable obligation or undertaking may be modified or amended so as to be valid and enforceable as a matter of law, such obligation or undertaking will be deemed to have been modified or amended, and any competent court or arbitrator are hereby authorized to modify or amend such obligation or undertaking, so as to be valid and enforceable to the maximum extent permitted by law.

17. This Agreement and the obligations or undertakings contained herein shall be governed by and construed and enforced in accordance with the laws of the State of Israel (irrespective of it choice of law rules and regulations). The competent courts located in the city of Tel-Aviv-Jaffa shall have sole and exclusive jurisdiction with respect to any claim which arises in relation with this Agreement.

18. This Agreement cancels and supersedes any preceding letter of indemnification or arrangement for indemnification that may have been issued to Indemnitee by the Company.

19. Neither the settlement, termination of any proceeding, nor the failure of the Company to award indemnification or to determine that indemnification is payable shall create an adverse presumption that Indemnitee is not entitled to indemnification hereunder. In addition, the termination of any proceeding by judgment or order (unless such judgment or order provides so specifically) or

settlement, shall not create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's action was unlawful.

20. This Agreement shall be (i) binding upon all successors and assigns of the Company (including any transferee of all or a substantial portion of the business, shares and/or assets of the Company and any direct or indirect successor by merger or consolidation or otherwise by operation of law), and (ii) binding on and shall inure to the benefit of Indemnitee's heirs, personal representatives, executors and administrators.

21. Except with respect to changes in the governing law, which expand your right to be indemnified by the Company, no supplement, modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement (whether or not similar), nor shall such waiver constitute a continuing waiver.

22. This Agreement is being executed pursuant to the resolutions adopted by the Board of the Company on 28 June 2021. At the time of approval, the Board determined, based on the then current activity of the Company, that the amount stated in Section 6 was reasonable, and that the events listed in **Schedule A** attached hereto reasonably anticipated and the amounts stated therein were reasonable.

-Signature Page to Follow-

IN WITNESS WHEREOF**,** the parties have duly executed this Indemnification Agreement as of the first date written above.

eSense-Lab Ltd	**[Director/Officer]**
Name: _____	
Title: _____	

SCHEDULE A TO INDEMNIFICATION AGREEMENT

1. Negotiations, execution, delivery and performance of agreements on behalf of the Company or a Subsidiary thereof including, inter alia, any claim or demand made by a customer, supplier, contractor or other third party transacting any form of business with the Company, its Subsidiaries or affiliates relating to the negotiations or performance of such transactions, representations or inducements provided in connection thereto or otherwise.

2. Anti-competitive acts and acts of commercial wrongdoing.

3. Acts in regard of invasion of privacy including with respect to maintenance and access to databases, the distribution of commercial advertisements and acts in regard of slander.

4. Any claim or demand made for actual or alleged infringement, misappropriation or misuse of any third party's intellectual property rights including, but not limited to confidential information, patents, copyrights, design rights, service marks, trade secrets, copyrights, misappropriation of ideas by the Company, its Subsidiaries or affiliates.

5. Actions taken in connection with the intellectual property of the Company and any Subsidiary and its protection, including the registration or assertion of rights to intellectual property and the defense of claims relating thereto.

6. Participation and/or non-participation at the Company's or Subsidiary's Board of Directors meetings, bona fide expression of opinion and/or voting and/or abstention from voting at the Company's or Subsidiary's Board of Directors meetings.

7. Approval or the omission to approve of corporate actions including the approval of the acts of the Company's and/or Subsidiary's management, their guidance and their supervision, and the approval of transactions of the Company and/or a Subsidiary with officers and/or directors and/or holders of controlling interests in the Company and/or in a Subsidiary, and any other transactions referred to in Section 270 of the Companies Law.

8. Claims of failure to exercise business judgment and a reasonable level of proficiency, expertise and care in regard of the Company's and/or Subsidiary's business.

9. Violations of securities laws of any jurisdiction, including without limitation, fraudulent disclosure claims, failure to comply with any stock exchange disclosure or other rules and any other claims relating to relationships with investors, shareholders and the investment community.

10. Any claim or demand made under any securities laws or by reference thereto, or related to the failure to disclose any information in the manner or time such information is required to be disclosed pursuant to such laws, or related to inadequate or improper disclosure of information to shareholders, or prospective shareholders, or related to the purchasing, holding or disposition of securities of the Company and/or a Subsidiary or any other investment activity involving or affected by such securities, including any actions relating to an offer or issuance of securities of the Company or of its subsidiaries and/or affiliates to the public by prospectus or privately by private placement, in Israel or abroad, including the details that shall be set forth in the documents in connection with execution thereof.

11. Violations of laws requiring the Company and/or a Subsidiary to obtain regulatory and governmental licenses, permits and authorizations or laws related to any governmental grants in any jurisdiction.

12. Claims in connection with publishing or providing any information, including any filings with any governmental authorities, on behalf of the Company and/or a Subsidiary in the circumstances required under any applicable laws, rules or instructions, including without limitation reports or notices published or filed in accordance with rules or instructions prevailing on an Israeli stock exchange or the Nasdaq Stock Market and/or the Tel Aviv Stock Exchange and/or any stock market outside of Israel, or any law of another country regulating similar matters and/or the omission to act accordingly, or the failure to publish or file any such report or notice.

13. Any claim or demand made by employees, consultants, agents or other individuals or entities employed by or providing services to the Company and/or a Subsidiary relating to compensation owed to them or damages or liabilities suffered by them in connection with such employment or service.

14. Resolutions and/or actions relating to employment matters of the Company and/or its Subsidiaries.

15. Events, pertaining to the employment conditions of employees and to the employer – employee relations, including the promotion of workers, handling pension arrangements, insurance and saving funds, options and other benefits.

16. Any claim or demand made by any lenders or other creditors or for moneys borrowed by, or other indebtedness of, the Company or its Subsidiaries.

17. Any claim or demand made by any third party suffering any personal injury and/or bodily injury and/or property damage to business or personal property through any act or omission attributed to the Company or its Subsidiaries, or their respective employees, agents or other persons acting or allegedly acting on their behalf.

18. Any claim or demand made directly or indirectly in connection with complete or partial failure, by the Company or any Subsidiary thereof, or their respective directors, officers and employees, to pay, report, keep applicable records or otherwise, of any foreign, federal, state, country, local, municipal or city taxes or other compulsory payments of any nature whatsoever, including without limitation, income, sales, use, transfer, excise, value added, registration, severance, stamp, occupation, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll or employee withholding or other withholding, including any interest, penalty or addition thereto, whether disputed or not.

19. Any claim or demand made by purchasers, holders, lessors or other users of products or assets of the Company and/or a Subsidiary, or individuals treated with such products, including in connection with the performance of pre-clinical and clinical trials on such products, whether performed by the Company and/or by a Subsidiary or by third parties on behalf of the Company and/or a Subsidiary, for damages or losses related to such use or treatment.

20. Any administrative, regulatory or judicial actions, orders, decrees, suits, demands, demand letters, directives, claims, liens, investigations proceedings or notices of noncompliance or violation by any governmental entity or other person alleging potential responsibility or liability (including potential responsibility or liability for costs of enforcement, investigation, cleanup, governmental response, removal or remediation, for natural resources damages, property damage, personal injuries, or penalties or contribution, indemnification, cost recovery, compensation, or injunctive relief) arising out of, based on or related to (x) the presence of, release spill, emission, leaking, dumping, pouring, deposit, disposal, discharge, leaching or migration into the environment (each a "**Release**") or threatened Release of, or exposure to, any hazardous, toxic, explosive or radioactive substance, wastes or other substances or wastes of any nature regulated pursuant to any environmental law, at any location, whether or not owned, operated, leased or managed by the Company or any Subsidiaries, or (y) circumstances forming the basis of any violation of any environmental law, environmental permit, license, registration or other authorization required under applicable environmental and/or public health law.

21. Actions in connection with the Company's and/or Subsidiary's development, use, sale, licensing, distribution, marketing or offer of products and/or services.

22. Resolutions and/or actions relating to a merger of the Company and/or of its Subsidiaries, the issuance of shares or securities exercisable into shares of the Company and/or a Subsidiary, changing the share capital of the Company, formation of subsidiaries, reorganization, winding up or sale of all or part of the business, operations or shares of the Company and/or a Subsidiary.

23. Resolutions and/or actions relating to investments in the Company and/or its Subsidiaries and/or the purchase or sale of assets, including the purchase or sale of companies and/or businesses, and/or

investments in corporate or other entities and/or investments in traded securities and/or any other form of investment.

24. Any administrative, regulatory or judicial actions, orders, decrees, suits, demands, demand letters, directives, claims, liens, investigations, proceedings or notices of noncompliance or violation by any governmental entity or other person alleging the failure to comply with any statute, law, ordinance, rule, regulation, order or decree of any of its subsidiaries and/or affiliates, or any of their respective business operations.

25. Any claim or demand, not covered by any of the categories of events described above, which, pursuant to any applicable law, a director or officer of the Company and/or a Subsidiary may be held liable to any government or agency thereof, or any person or entity, in connection with actions taken by such director or officer in such capacity.

ANNEXURE 1 – LEGAL OPINION

Matry, Meiri & Co. מטרי, מאירי ושות'
LAW OFFICES עורכי - דין

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Yael Gabai
Shncor Shapira
Asaf Abramzon
Inbar Gorelick
Mor Zagrun

• Also admitted in New York
•• Also admitted in Ontario, Canada

רונן מטרי
מורן מאירי
קיטי ברונר
קרן וכט
אורן קנובל •
עידו לוין •
רמי אהרון
ד"ר איל גבע
יוסי בן נפתלי
רביב צפרוני
רז בן-דור
שלום מטלון ••
משה כהן
יעל כספי
גיל ביאלי
מעין רוטבאום
גל גורדון
טים פלוטקין
שניר בר חיים
טל שמראל
יעל גבאי
שניאור שפירא
אסף אברמזון
ענבר גורליק
מור זגרון

• מוסמך גם במדינת ניו-יורק
•• מוסמך גם באונטריו, קנדה

January 20, 2021

To: The Australian Stock Exchange (**"ASX"**)

Re: **eSense-Lab Ltd. ("ESE") – ASX request for information**

I was asked by ESE to give my opinion regarding the questions that will be presented below. This opinion is given to the best of my professional knowledge and the best of my understanding of the provisions of Israeli law and practice in the matters in question at this time, relying on the data provided to me, which is presented below and as reported in the public reports of ESE. There is no certainty that a court or other competent authority, if these matters come before them, will not reach different conclusions from those reached by me in this opinion. This opinion relates to the issues discussed in it only explicitly and does not relate, implicitly or otherwise, to issues that are not explicitly mentioned in it.

The undersigned is a practicing lawyer in Israel, an expert in the field of corporate and securities regulations and corporate governance. Representing Companies traded in the Tel-Aviv stock exchange as well as Israeli companies traded abroad. Served in the past as a senior legal advisor to the Israeli Securities Authority and head of the corporate governance department. Holds an

LLB (the Hebrew University of Jerusalem), an LLM (University of Toronto) and a PhD in law (the London School of Economics). Currently an external lecturer at the Hebrew University, Faculty of law and served in the past as a member of the LSE law faculty. Published articles on issues close to the subject matter of this opinion in various law journals in Israel and abroad.

1. ASX REQUEST FOR INFORMATION

Below is my opinion with respect to the following matters:

1.1. The implications (including any potential implications) for ESE of not complying with the requirement to have a minimum of four directors under Clause 34 of its Articles of Association during the period between 9 June 2020 and 31 July 2020, including (but not limited to) the implications for: (i) the agreements and arrangements that ESE entered into during the relevant period; (ii) the approval obtained by the Central Virology Lab from the Israeli Ministry of Health for the joint research project; (iii) the validity of directors' resolutions adopted during this time; and (iv) the issue of a total of 320,361,111 CHESS Depositary Interests over ordinary shares in ESE on 24 and 29 June 2020.

During the relevant period and as the ASX noted in that regard, the Company entered into agreements with ANC Enterprises Pty Ltd, Sassey Pty Ltd, Blue Science Solutions LLC, and the Central Virology Lab of the Israeli Ministry of Health.

1.2. The implications (including any potential implications) for the Company of the period of it not complying with the requirement of the Israeli Companies Law, 1999 ("**Companies Law**") to have two External Directors, including (but not limited to) the implications for:

1.2.1. each of the material agreements and arrangements (including employment, consultancy and advisory agreements) that the Company has entered into since 29 March 2018;

1.2.2. the approval obtained by the Central Virology Lab from the Israeli Ministry of Health for the joint research project;

1.2.3. the appointment of directors, company secretaries and the Chief Executive Officer;

1.2.4. the validity of resolutions put to and passed at directors' meetings, annual meetings of shareholders, and extraordinary meetings of shareholders;

1.2.5. the issuance of securities in the Company; and

1.2.6. the financial statements, annual reports (including the directors' reports therein) and half year reports approved and published to the public by the Company.

1.3. Whether ESE's proposed External Directors, namely Ms. Maayan Bar and Ms. Deborah Gilmour, satisfy the requirements for External Directors under Israeli law.

1.4. The implications (including any potential implications) under the Israeli Companies Law and general law for ESE of its issuance of CDIs in ESE in excess of its authorised capital.

2. FACTUAL BACKGROUND

2.1. With respect to the minimum of four Directors:

2.1.1. The Company's Articles of Association ("**AOA**") determines that the Company's board of directors (the "**Board**") shall be comprised of a minimum of four directors, as follows:

> "*Article 34(a). The Board shall include at least four (4) Directors and cannot be more than eight (8) Directors, including two external Directors (if required under the companies Law).*"

2.1.2. On June 9, 2020, Mr. Amit Edri, an independent director under ASX principles, resigned from the Board, and from this date and until July 31, 2020 (the date on which Mr. Winton Willesee was appointed as a director of the Company), the Board comprised of only 3 members[1].

[1] On July 2, 2020 Mr. Piers Lewis resigned from the Board and Mr. Peter Hatful was appointed (on that same day) as a director, hence the Board remained with 3 members only (until July 31, 2020).

2.2. With respect to the requirement to have at least two external directors:

2.2.1. In accordance with the provisions of the Israeli Companies Law, 5759-1999, the shareholders' meeting of the Company held on May 10, 2017, approved the appointments of Mr. Quentin Megson and Mrs. Galit Assaf, as external directors of the Company.

2.2.2. On March 29, 2018 Mr. Quentin Megson resigned from the Board, and the Company did not appoint an external director in his place.

2.2.3. On November 8, 2019 Mrs. Galit Assaf resigned from the Board, and as of that date no external directors serve on the Board.

2.2.4. The Company stated that it does not have a controlling shareholder (as defined in Section 3.1.2.1 below).

2.2.5. The majority of the acting directors of the Company stated that he meets the requirements of an independent director under Israeli law set forth below.

2.3. With respect to the authorised share capital of the Company

See Sections 4.6.6 through 4.6.6 below.

3. LEGAL FRAMEWORK

3.1. External Directors – Companies Law

3.1.1. Under the provisions of the Companies Law, the Company is required to appoint at least two external directors who meet the qualification requirements set forth in the Companies Law and the relevant regulations promulgated thereunder. The appointment of external directors must be made by a general meeting of the Company's shareholders as elaborated in Section 3.1.4 below.

3.1.2. General Qualifications

For a person to be appointed as an external director he must meet the qualification requirements of the Companies Law. The following is a list of the main qualification requirements under the Companies Law:

3.1.2.1. A person may not be appointed as an external director if the person is a relative of a controlling shareholder or if on the date of the person's appointment or within the preceding two years that person or his or her relatives, partners, employers or anyone to whom that person is subordinate, whether directly or indirectly, or entities under the person's control have or had any affiliation with any of (each an "**Affiliated Party**"): (1) the Company; (2) any person or entity controlling the company on the date of such appointment; (3) any relative of a controlling shareholder; or (4) any entity controlled, on the date of such appointment or within the preceding two years, by the company or by a controlling shareholder. If there is no controlling shareholder or any shareholder holding 25% or more of voting rights in the company, a person may not be appointed as an external director if the person has any affiliation to the chairman of the board of directors, the general manager (chief executive officer), any shareholder holding 5% or more of the company's shares or voting rights or the senior financial officer as of the date of the person's appointment.

The term "**controlling shareholder**" means a shareholder with "the ability to direct the activities of the company", other than by virtue of being an office holder. A shareholder is also presumed to have "control" of the company and thus to be a controlling shareholder of the company if the shareholder holds 50% or more of the "means of control" of the company.

"**Means of control**" is defined as (1) the right to vote at a general meeting of a company or a corresponding body of another

corporation; or (2) the right to appoint directors of the corporation or its general manager.

The term "**affiliation**" includes: (i) an employment relationship; (ii) a business or professional relationship maintained on a regular basis; (iii) control; and (iv) service as an office holder, excluding service as a director in a private company prior to the first offering of its shares to the public if such director was appointed as a director of the private company in order to serve as an external director following the initial public offering.

The term "**relative**" is defined as a spouse, sibling, parent, grandparent, descendant, spouse's descendant, sibling and parent and the spouse of each of the foregoing.

The term "**office holder**" is defined as a general manager, chief business manager, deputy general manager, vice general manager, director or manager directly subordinate to the general manager or any other person assuming the responsibilities of any of the foregoing positions, without regard to such person's title.

3.1.2.2. A person may not serve as an external director if that person or that person's relative, partner, employer, a person to whom such person is subordinate (directly or indirectly) or any entity under the person's control has a business or professional relationship with any entity that has an affiliation with any Affiliated Party, even if such relationship is intermittent (excluding insignificant relationships). Additionally, any person who has received compensation intermittently (excluding insignificant relationships) other than compensation permitted under the Companies Law may not continue to serve as an external director.

3.1.2.3. No person can serve as an external director if the person`s position or other affairs create, or may create, a conflict of interest with the person`s responsibilities as a director or may otherwise interfere with the person`s ability to serve as a director or if such a person is an employee of the Israeli Securities Authority or of an Israeli stock exchange.

3.1.2.4. If at the time an external director is appointed all current members of the board of directors, who are not controlling shareholders or relatives of controlling shareholders, are of the same gender, then the external director to be appointed must be of the opposite gender.

3.1.2.5. A person who is a director of a company may not be elected as an external director of another company if, at that time, a director of the other company is acting as an external director of the first company.

3.1.3. Professional Qualifications.

In addition, The Companies Law provides that an external director must have "professional qualifications" or have "financial and accounting expertise" and that at least one external director must have financial and accounting expertise.

"**financial and accounting expertise**" means a director who by virtue of his or her education, professional experience and skill, has a high level of proficiency in and understanding of business accounting matters and financial statements so that he or she is able to fully understand the company's financial statements and initiate debate regarding the manner in which the financial information is presented.

"**professional qualifications**" means a director who satisfies one of the following requirements: (1) the director holds an academic degree in either economics, business administration, accounting, law or public administration,

(2) the director either holds an academic degree in any other field or has completed another form of higher education in the company's primary field of business or in an area which is relevant to his or her office as an external director in the company, or (3) the director has at least five years of experience serving in any one of the following, or at least five years of cumulative experience serving in two or more of the following capacities: (a) a senior business management position in a company with a substantial scope of business, (b) a senior position in the company's primary field of business or (c) a senior position in public administration.

The determination of whether a director possess financial and accounting expertise or professional qualifications is made by the board of directors.

3.1.4. Majority Required for Election of External Director.

Under the Companies Law, external directors are elected at a shareholders' meeting in a special majority vote, as follows:

3.1.4.1. the majority of the shares that are voted at the meeting in favor of the election of the external director, excluding abstentions, include at least a majority of the votes of shareholders who are not controlling shareholders and do not have a personal interest in the appointment (excluding a personal interest that did not result from the shareholder's relationship with the controlling shareholder); or

3.1.4.2. the total number of shares held by non-controlling shareholders or any one on their behalf that are voted against the election of the external director does not exceed two percent (2%) of the aggregate voting rights in the company.

3.1.5. Term in Office.

Under the Companies Law, the initial term of an external director is three years. The external director may be re-elected, for up to two additional terms of three years each,

each re-election is subject to meeting at least one of the criteria for such re-election as set forth in the Companies Law.

3.1.6. Vacancy of External Director.

Under the Companies Law, where the position of an external director becomes vacant and there are not two other external directors serving in the company, the board of directors shall convene a special general meeting, for the earliest date possible, on the agenda of which shall be the appointment of an external director.

3.1.7. Compensation.

An external director is entitled to compensation and reimbursement of expenses in accordance with regulations promulgated under the Companies Law and is prohibited from receiving any other compensation, directly or indirectly, in connection with serving as an external director except for certain exculpation, indemnification and insurance provided by the company, as specifically allowed by the Companies Law.

3.1.8. External Directors under the Company's AOA.

Under Article 34(a) the Board shall include at least four (4) Directors and cannot be more than eight (8) Directors, including two external Directors (if required under the companies Law).

3.2. Independent Directors – Companies Law

In addition, the Companies Law stipulates that a company may appoint independent directors (in addition to the two external directors).

The independent directors are those who have been determined by the Company's Audit Committee to meet the eligibility conditions listed in sections 3.1.3 above and their term of office is limited to 9 years only. However, their appointments are made annually by a simple majority vote at a general meeting of shareholders. The independent directors may serve on the Audit Committee and the Remuneration Committee of the company.

3.3. Board Committees – Companies Law

3.3.1. Audit Committee.

3.3.1.1. In accordance with the provisions of the Companies Law, each public company is required to appoint an audit committee ("**Audit Committee**"), that shall have no less than three members, all external directors shall be members of it and most of its members shall be independent directors.

3.3.1.2. The following persons shall not be members of an Audit Committee: the chairman of the board and any director employed by the company or employed by a controlling shareholder or by a corporation controlled by such controlling shareholder, a director who regularly provides services to the company, controlling shareholder or corporation controlled by such controlling shareholder, and a director that the controlling shareholder is responsible to most of his/her living;

3.3.1.3. The controlling shareholder or his/her relative shall not be members of the Audit Committee.

3.3.1.4. The Chairman of the Audit Committee shall be an external director.

3.3.2. Remuneration Committee

3.3.2.1. In accordance with the provisions of the Companies Law, each public company is required to appoint a remuneration committee ("**Remuneration Committee**"). that shall have no less than three members, all the external directors shall be members of it and they shall be the majority of its members.

3.3.2.2. Section 3.3.1. above shall also apply in relation to the Remuneration Committee.

3.3.2.3. The Companies Law further stipulates that an Audit Committee that meets the conditions detailed in section 3.3.2.13.3.1.2 above may also serve as the company's Remuneration Committee.

3.4. Transactions that require special approvals under the Companies Law

3.4.1. The fifth chapter of the Companies Law stipulates certain Related Party Transactions and actions that potentially evoke a conflict of interest between the company and the personal benefit of its officers or controlling shareholders. Therefore, such transactions and actions are required to be for the benefit of the company as well as require a special approval procedure ("**Special Transactions**").

3.4.2. The following is a brief description (V meaning approval by the relevant organ is required) of the main types of such special transactions and the approval procedures for each type:

Transaction	**Extraordinary Transaction**	**Audit Committee**	**Remuneration Committee**	**Board**	**General Meeting of Shareholders**
Transactions with an officer of the Company or that an officer has a personal interest in	Yes	V	-	V	-
	No	-	-	V	-
Approval of the CEO's terms of employment	N/A	-	V	V	V (in a special majority vote)

Approval of a director's terms of employment	N/A	-	V	V	V (in a majority vote)
Approval of other officer's terms of employment	N/A	-	V	V	-
Extraordinary transactions with a controlling shareholder in a company or with another party that a controlling shareholder in the company has a personal interest in	V	V	-	V	V (in a special majority vote)
a transaction with a controlling shareholder in a company or with its relative	N/A	-	V	V	V (in a special majority vote)

regarding rendering services to the company and/or their terms of employment					

"**Extraordinary Transaction**" means a transaction not in the ordinary course of business and/or not in arm's length and/or that may have a material influence on the profitability of the company, its assets or its liabilities.

3.4.3. It should be emphasized and as further elaborated below (s. 4.3), the approval of the Company's financial statements is not considered a Special Transaction and requires only Board approval.

3.5. Relief from the obligation to appoint External Directors

It is noted, that under the Companies Regulations (Relief for Companies which are Listed on a foreign stock exchange), 5760-2000 (the "**Foreign Companies Reliefs Regulations**"), companies which are listed for trade on a foreign stock exchange (ASX not included)[2] that: (a) do not have a controlling shareholder; and (b) are in compliance with the applicable foreign law and foreign stock exchange rules regarding the appointment of independent directors and regarding the composition of the Audit Committee and the Remuneration Committee, are exempt from certain provisions of the Companies Law, as follows:

3.5.1. The provisions regarding the composition of the Audit Committee.

3.5.2. The provisions regarding the composition of the Remuneration Committee.

[2] In this regard, "foreign stock exchange" is one of the following exchanges: New York Stock Exchange (NYSE), American Stock Exchange (AMGX), National Association of Securities Dealers Automated Quotation (NASDAQ) – Global Select Market, NASDAQ Global Market and NASDAQ Capital Market

3.5.3. The provisions regarding the obligation to appoint external directors, provided that if at the time of appointment of a director all the members of the board of directors are of the same gender, then the director to be appointed must be of the opposite gender.

3.6. Minimum Number of Directors

3.6.1. The Companies Law does not determine a minimum or a maximum number of directors in a company.

3.6.2. Under Article 34(a) of the Articles of Association of the Company (the "**Articles**"), the Board shall include at least four (4) Directors and cannot be more than eight (8) Directors, including two External Directors (if required under the Companies Law).

3.6.3. Under Article 37(b) of the Articles, in the event of one or more vacancies in the Board of Directors, the continuing Directors may continue to act in every matter, provided, however, that if their number is less than four, they may only act in an emergency (as determined in their absolute discretion), may appoint one or more directors and call one or more General Meetings of shareholders for any purpose.

3.7. Authorised Share Capital

3.7.1. See Sections 4.6.1 through 4.6.3 below.

4. ANALYSIS

4.1. General

4.1.1. Some general principles of Israeli corporate law should be presented at this point:

4.1.1.1. As a general rule, the Companies law is dispositive. S. 16 of the Companies law states that: "*the company article of association, is deemed to be a contract between the company, its shareholders and amongst themselves*". Accordingly, any restriction established by the AOA, can lead to a contractual dispute only and does not bare consequences on the validity of the actions of the company organs,

unless a contractual remedy is sought and granted by a competent court (such as cancelation of certain corporate decision).

4.1.1.2. A company may choose, under its AOA, whether this general principle fully applies to it. In our case, this general principal was incorporated into ESE AOA, in s. 45 that states:

4.1.1.3. "**Validity of Acts Despite Defects: Subject to the provisions of the Companies Law, all acts done bona fide at any meeting of the Board of Directors, or of a Committee of the Board of Directors, or by any Person(s) acting as Director(s), shall, notwithstanding that it may afterwards be discovered that there was some defect in the process or in the appointment of the participants in such meetings or any of them or any Person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there were no such defect or disqualification**".

4.1.1.4. Accordingly, unless expressly established by the Companies Law, non-compliance with the governance rules established by the AOA, does not hold automatic implications on the validity of the relevant corporate actions, unless otherwise established by law.

4.1.1.5. The foregoing notwithstanding, in certain issues the Companies Law establishes a specific framework and stipulates its non-dispositive nature.

4.1.1.6. In accordance with the provisions of the s. 280 of the Companies Law, a Special Transaction that was not approved in accordance with the approval requirements of the Companies Law or has suffered a material flaw in its approval process, is not valid towards the company and the office holder or controlling shareholder, nor towards another person if that person knew of the personal interest

of the office holder or controlling shareholder in approving the transaction and knew or should have known that the transaction was not approved as required by the Companies Law.

4.1.1.7. According to s. 281 of the Companies Law, a company **may** terminate a Special Transaction with another person (other than a transaction of a company with an office holder) or with another person that the office holder has a personal interest and that is not an extraordinary transaction (and therefore requires only a Board approval). In addition, a company may claim damages for loss even without termination of the transaction, provided that the engaging person knew of the personal interest of the office holder or controlling shareholder in approving the transaction, and knew or should have known of the absence of approval as required by the Companies Law for such special transaction.

4.1.1.8. Accordingly, in ss. 280-282, the Companies Law establishes a special legal framework relevant to Special Transactions only. With regard to Special Transactions, the legal rule which apply, deviate from the general rule of validity despite deemed defects or flaws in the composition of the board. The consequences of this reversal of the general rule, is that t Special Transactions that were not properly approved, ns need to be ratified.

4.2. <u>Deviation from the provisions of the Companies Law regarding External Directors</u>

4.2.1. In light of the above, I will turn to examine the consequences of the lack of external directors serving on ESE board at certain times.

4.2.2. During the period from March 29, 2018 the Company does not have two external directors, as required under the Companies Law.

Ordinary Course Transactions

4.2.3. The absence of External Directors as required by law is a breach of the Companies Law that, as explained above, does not affect the general authority of the company organs (with the exception of Special Transactions. as set forth below).

4.2.4. Under s. 363a of the Companies Law, the Israeli Securities Authority may impose monetary sanctions on a company that is traded on the Tel-Aviv Stock Exchange if such company is not compliant with the requirements for external directors for more than 90 days. However, this part of the Companies Law does not apply to public companies traded at a foreign exchange (such as ASX). This also demonstrates that that a company **continues** to be able to make decisions and engage in transactions, even without external directors.

4.2.5. Accordingly, and for all the reasons above, the general law is that corporate actions and decisions are valid, throughout the period that the ESE did not have external directors as required by law.

Special Transactions

4.2.6. W**ith respect to Special Transactions**, the Company did not have duly comprised Audit Committee nor Remuneration Committee as required by the Companies Law, therefore, the Special Transactions approved during that period were not approved by the applicable Committee, rather only by the Board, and for Special Transaction that require Shareholders approval, by the shareholders. The Special Transactions that the Company approved during the relevant period are transactions concerning appointment and remuneration of directors, CEO appointment and remuneration, and issuance of securities to related parties, as fully set forth in Annex A attached hereto.

4.2.7. In case of the Company, the following mitigating factors may support a view that albeit the absence external directors, general corporate actions of the Company are in effect also in relation to Special Transactions:

4.2.7.1. Special Transactions of the Company were approved by the Board and by the general meeting of shareholders.

4.2.7.2. As stated by the company's acting directors, a majority of Independent Directors serve on the Company's Board of Directors at the relevant times in a manner similar to that required of an Audit and Remuneration Committees. Thus, the composition of audit and remuneration committees as an independent forum, practically exists within ESE board.

4.2.7.3. The purpose of the external directors under the Companies Law is to maintain and allow independent discussions and decision-making from the company controlling shareholder and a board controlled by board members appointed or connected to the controlling shareholder. As stated in sections 2.2.4 and 2.2.5 above, the company does not have a controlling shareholder, and all of its acting directors meet the requirements of independent directors under the Companies Law (although they were not formally classified as such). So, the actual composition of an independent Board from a controlling shareholder makes it similar to the member composition required in Audit and Remuneration Committees.

4.2.7.4. Foreign Companies Reliefs Regulations, as stated in section 3.5 above, recognizes that if a company meets the requirements of the law of the state in which it offers securities or listed for trading regarding independent directors and the composition of the Audit Committee and the Remuneration Committee, then it may choose not to comply with the provisions of the Companies Law relating to: (i) the obligation to appoint external directors; (ii) Composition of an Audit and Remuneration Committee. Although, as of this date, the Companies Relief Regulations do not apply to companies traded on Australian stock exchanges, we understand that Australian law and ASX rules impose stringent corporate governance rules and that the Company meets the ASX rules

regarding independent directors and the composition of the Audit Committee and the Remuneration Committee.

4.2.7.5. Therefore, there is room to give significant weight to the fact that the approval procedures of all the Special Transactions comply with the ASX rules (although the ASX is not yet included in the Foreign Companies Reliefs Regulations).

4.2.8. Ratification of the Special Transactions by the Audit and Remuneration Committees

4.2.8.1. Having said the mitigating factors above, because of the non-dispositive nature of the regulations, as elaborated above, it is recommended that the relevant Special Transactions, will be validated by the Company through a ratification process.

Accordingly, and without detracting from the above, it is the recommendation of this opinion that the Company acts in the following manner to discuss and approve (or reject) **the Special Transactions** in the following steps:

4.2.8.2. The Company will convene a meeting of shareholders with an agenda to appoint two external directors who meet all the conditions of eligibility under the Companies Law.

4.2.8.3. Following the appointment of such external directors, the Board will appoint directors (including the external directors) to the Audit Committee and the Remuneration Committee in accordance with the provisions of the Companies Law.

4.2.8.4. Following the establishment of the said Remuneration and Audit Committees and after a reasonable time, the Company will bring before the committees each of the Special Transactions conducted in the relevant period.

4.2.8.5. With respect to each of the Special Transactions the committees will be given a full mandate to decide whether: (a) to approve the

transaction; Or (b) approve it subject to adjustments; Or (c) reject it and decide on its nullity.

4.2.8.6. The discussion of each of the Special Transactions will be done separately and after the Audit or Remuneration Committees, as applicable, have been provided with all the relevant and necessary materials in order to make an informed and reasoned decision in relation to each of the Special Transactions.

4.2.8.7. Upon completion of the deliberation and approval (or rejection) procedure as aforesaid, the Company will submit to the ASX a report regarding the decision of the Committees for each of the Special Transactions.

4.3. Financial Statements

According to the Companies Law, as an Israeli public company traded on the ASX, the financial statements of the Company need only be approved by the Board and are not regarded as Special Transaction. The authority to approve the financial statements rests with the board and the board alone. On February 27, 2020 the Board approved the Company's annual Financial Statements for 2019. Hence, **the Company's financial statements were duly approved and no further action is required.**

4.4. Deviation from the Company's Articles regarding minimum number of acting Directors

As specified in Section 3.6.3 above, a Board of the Company of less than 4 directors may only act in an emergency (as determined in the Board's absolute discretion), may appoint one or more directors and call one or more General Meetings of shareholders for any purpose.

However, we also have seen that the s. 45 of the AOA stipulates that "...notwithstanding that it may afterwards be discovered that there was some defect in the process or in the appointment of the participants in such meetings or any of them or any Person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there were no such defect or disqualification".

Accordingly, the conclusion is that decisions and actions that are not Special Transactions are valid. However, for caution and as practically possible, we are of the opinion that the current Board of Directors consisting of 4 directors can approve and ratify all actions of the Board taken during the period from June 9, 2020 until July 31, 2020.

4.5. The appointment of Ms. Maayan Bar and Ms. Deborah Gilmour, as External Directors under Israeli law

Based on the C.V. of Ms. Maayan Bar and Ms. Deborah Gilmour and the statements they have made to the Company (attached as Annex B to this opinion) I am of the opinion that both candidates comply with the eligibility rules under the Companies Law for appointment as external directors and there is no impediment from bringing their appointments before the Board and the general meeting of shareholders of the Company.

4.6. Issuance of Shares in excess of the Authorised Share Capital

4.6.1. *Authorised Share Capital.* According to the Companies Law, the authorised share capital of a company is specified in the company's articles of association. The general meeting of shareholders of the company may increase such authorised share capital by a simple majority.

4.6.2. *Issued Share Capital.* According to the Companies Law, the board of directors of a company is authorized and empowered to take decisions relating to issuance of shares or securities convertible into shares of the company, except for issuance of securities which is considered a Special Transaction that requires approval as set forth in Section 3.4 above.

4.6.3. In light of the provisions of the Companies Law, Article 5 of the Articles of Association of the Company states that "*the Company may, from time to time, by Shareholders*

Resolution, whether or not all the shares then authorised have been issued..., increase its authorised share capital by the creation of new shares through amending these Articles. Any such increase shall be in such amount and shall be divided into shares of such nominal amounts (or no nominal amounts), and such shares shall confer such rights and preferences, and shall be subject to such restrictions, as such resolution shall provide".

4.6.4. The authorised share capital of the Company, as determined in the Company's Articles of Association, is NIS 4,000,000 divided into 400,000,000 Ordinary Shares of 0.01 NIS par value each.

4.6.5. As of this date, the number of issued shares of the Company on a fully diluted basis is 745,051,720 Ordinary Shares of 0.01 NIS par value each.

4.6.6. Prior to the issues that were approved at the general meeting of shareholders of the Company held on June 9, 2020, the Company's issued capital was 235,315,609 on a fully diluted basis.

4.6.7. At the general meeting of shareholders of the Company held on June 9, 2020, the shareholders of the Company approved the following issuances:

Security holder to which securities were issued	Number of securities	Type of securities	Special Transaction Yes/No
Nominee of unrelated lender (Anglo Menda Pty Limited)	6,250,000	Options	No
	12,500,000	CDIs	No

Various sophisticated and professional investors under a placement	111,875,000	Options	No
	223,750,000	CDIs	No
Nominee of lead manager to placement (Anglo Menda Pty Limited)	15,000,000	CDIs	No
Various nominees of lead manager to placement	40,000,000	Options	No
IBI Trust Management <Yitzhak Mizrahi A/C> (on behalf of the Company's CEO)	2,000,000	CDIs	No
Consultants (Proactive Investors Australia Pty Ltd and S3	4,611,111	CDIs	No

Consortium Pty Ltd)			
Various nominees of unrelated lenders	62,500,000	CDIs	No
	31,250,000	Options	No

4.6.8. Although the Company did not bring to the approval of the shareholders an explicit decision to increase the authorised share capital, the shareholders approved each issuance of shares in excess of the authorised share capital (an approval that as explained in Section 4.6.2 above, is not normally required for the issuance of shares under the Companies Law), and it is implied that such approval includes the corresponding increase of the authorised share capital that is required to enable such issuances.

4.6.9. In light of all of the above, we believe that this is at most a technical failure and that all of the above issuances are valid.

4.6.10. For the sake of good order, however, we are of the opinion that in the notice of the next shareholders' meeting, the Company should include a proposal to amend the Company's Articles of Association and increase the authorised share capital by at least the number of shares required to reflect the issued and outstanding share capital of the Company on a fully diluted basis.

4.6.11. We also note that on June 24, 2020, the Board of Directors of the Company approved the issuance of 4,611,111 CDIs to Proactive and to Stocks Digital.

With respect to the issuance of these 4,611,111 CDIs to Proactive and Stocks Digital, these were not approved by the General Meeting of the Company. Accordingly, it cannot be said that it is implied that the share capital of the company increased correspondingly. As a result, the company must convene a shareholder meeting on which agenda will be the approval of the increase of the share capital of the company,

retrospectively. Absent such approval, the issuance of CDIs cannot be regarded as valid and will be void.

***

This opinion is given only to the recipients in connection with the matter to which it relates, and no other use may be made of it without the prior written consent of the undersigned, including, subject to the cases where it is required by law, this opinion and/or copies thereof may not be forwarded, communicated, published or included in any public document or report published to the public in connection with any transaction or in any prospectus for a public offering of securities and may not allow a third party to rely on or make any use of it without the prior written consent of the undersigned.

Sincerely yours,

Dr. Eyal Geva, Adv.

Matry, Meiri & Co.

Annexure A – Special Transactions

(a) Appointment of the following Directors, and determination of their remuneration:
- (i) Jakob (Kobi) Zecharia (appointed 30 May 2018, resigned 20 December 2018)
- (ii) Piers Lewis (appointed 30 November 2018, resigned 2 July 2020)
- (iii) Amit Edri (appointed 30 November 2018, resigned 9 June 2020)
- (iv) Michael Edwards (appointed 8 November 2019, resigned 27 March 2020)
- (v) James Ellingford (appointed 13 January 2020)
- (vi) Peter Hatful (appointed 2 July 2020)
- (vii) Winton Willesee (appointed 31 July 2020)

(b) Appointment of Chief Executive Officers, and determination of their remuneration:
- (i) Piers Lewis (appointed 28 January 2020, resigned 6 March 2020)
- (ii) Itzik Mizrahi (appointed 6 March 2020)

(c) Issues of securities to related parties of the Company:
- (i) Issue of 400,000 CDIs to Jakob Zecharia on 13 March 2019 (then a former director), as approved by shareholders on 13 February 2019.

Date: 2 December, 2020

To: eSense-Lab Ltd. (the "Company")

Re: Declaration of a Nominee to Serve as an External Director in the Company

I, the Undersigned, Maayan Bar I.D. 024219925, a resident of Israel, whose address is 16 Moshe Sharet Street, Tel-Aviv, Israel, after being warned that I must state the truth and that I will be subject to the punishment provided by applicable law if I do not do so, declare and commit as follows:

1. I hereby give my consent to serve as an External Director of the Company.

2. I am qualified to serve as a director of the Company, inter alia pursuant to the requirements of Sections 225 and 227 of the Law, as in effect as of the date hereof. An unofficial translation of these Sections, as in effect as of the date hereof, is attached hereto as **Annex A**, and constitutes an integral part of this declaration.

3. I have the necessary skills and the ability to devote the appropriate amount of time in order to perform the role of an External Director of the Company.

4. Neither I, or my Relative, partner, employer, person who he is directly or indirectly subject to, or a corporation in which I am a controlling shareholder, has, on the date of appointment or during the two years prior thereto, an Affiliation with the Company or to a Person who is, on the date of appointment, the Chairman of the Board of Directors of the Company, the Chief Executive Officer, a Material Shareholder or the most senior financial Officer, on the date of appointment or to another body corporate. Moreover, neither I, nor my Relatives, my partner, my employer, someone to whom I am subordinate directly or indirectly, nor any entity of which I am a controlling shareholder, have any business or professional relationship with whom an Affiliation, as described above, is forbidden, including instances when such business or professional relationships do not occur on a regular basis, except for insignificant relationships.

   For the purpose of this section:

   "**Affiliation**" means an employment relationship, a business or professional relationship of a regular nature or control, service as an officer, excluding service as a director appointed to serve as an External Director of a company which intends to offer shares to the public for the first time.

   "**Other Entity**" means an entity in which, on the date of appointment or within the two years prior to the date of appointment, the controlling person was the Company.

"**Relative**" means spouse, sibling, parent, grandparent, offspring and offspring, sibling, or parent of the spouse, or the spouse of each of the persons mentioned above.

5. I have not had, as of the date of appointment, or within the past two years prior to the date of appointment, insignificant business or professional relationships with the Company, which commenced prior to my date of appointment as an External Director and which do not constitute an Affiliation under the Companies Regulations (Matters that do Not Constitute an Affiliation), 2006-5767 (the "**Affiliation Regulations**"). An unofficial translation of the Affiliation Regulations, as in effect as of the date hereof, are attached hereto as **Annex E**, which constitute an integral part of this declaration

6. My other position or business does not or may not give rise to a conflict of interest with the role of a director of the Company, or if this might harm my ability to act as a Director.

7. I am not serving as a director of another company where one of its external directors serves as a director of the Company.

8. I am not an employee of the Israeli Securities Authority and/or of the Tel Aviv Stock Exchange Ltd.

9. I do not serve as a Director in the Company for a period longer than nine consecutive years, and in this regards - ceasing to serve as Director for a period which is no longer than two years will not be considered as stopping the sequence of directorship

10. I am aware of the requirements with regard to serving as an External Director, including among other things, the service period, termination of service, membership in the Company's committees, etc.

11. I hereby undertake to fulfill all the requirements provided by law, with respect to directors and External Director, and to fulfill my duty in the Company in the best possible way and for the benefit of the Company. Should a concern arise that I will be aware of and/or that will be brought to my attention, pursuant to which I will no longer fulfill one or more of the requirements and/or the declarations set forth above, or should there be a concern, that I have breached my fiduciary duty towards the Company (as defined under Section 254 of the Law), I shall immediately notify the Company's Chairman of the Board, pursuant to Section 227A of the Law, as described in **Annex A**, attached hereto.

12. Please mark **X** in the applicable box:

    X☐ I am an "Expert External Director" in accordance with the Companies Regulations (Conditions and Tests for a Director having Accounting and Financial Expertise and a Director having Professional Qualifications), 5766-2005 (the "**Companies Regulations**").

    X☐ I have professional qualifications, in accordance with the Companies Regulations.

    An unofficial translation of the provisions of the Companies Regulations, as in effect as of the date hereof, is attached hereto as **Annex B**, which constitutes an integral part of this declaration.

13. I have the education, qualification, academic degrees (the degree, the name of institute which the degree was granted from and the year of such granting), as detailed in my Curriculum Vita and as detailed in the documents evidencing these academic degrees, attached hereto as **Annex C** and **Annex D**, respectively, which are an integral parts of this declaration.

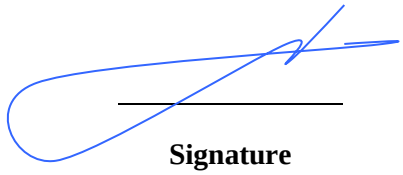
14. I am aware that the Company and a company controlled thereby shall not grant me as an External Director of the Company, my spouse or my child with any benefit, directly or indirectly, and shall not appoint me, my spouse or my child as an Officer of the Company or a company under the control of the Company, shall not hire me as an employee and shall not receive professional services me in return for payment, whether directly or indirectly, including by way of a corporate body controlled by my, unless two years have elapsed from the termination of my tenure as External Director of the Company, and regarding a Relative of mine who is not a spouse or child - one year from the termination my services as an External Director.

15. I am aware that my declaration herein shall be brought before the appointing organ of the Company prior to my appointment as a director and before the Company's shareholders. I am also aware that a copy of this declaration shall be kept in the Company's registered office, shall be open for inspection by any person and shall be published in the Company's public reports.

16. I hereby acknowledge and agree that I will not receive any additional consideration, directly or indirectly, for my service as an External Director of the Company, except for

the compensation and refund of expenses to which I am entitled for my services as an External Director as further detailed in **Annex F**. For the purpose hereof - consideration shall not include the grant of an exemption, an undertaking to indemnify, indemnification or insurance.

17. This is my name, this is my signature and the facts stated above are true.

Maayan Bar	024219925	
Name	**I.D.**	**Signature**

Annex A

Articles 225, 227, 227A and 245A of the Companies Law, 5759-1999

Duty of Disclosure

225. (a) A person who is a candidate to hold office as a director shall disclose to the person appointing him:
(1) whether he has been convicted by a conclusive judgment of an offense referred to in section 226(a) and not yet passed the period in which he should not serve as a director under section 226;
(2) whether he has been convicted by a conclusive judgment of an offense referred to in section 226(a1) and the period set by the court under that subsection has not yet passed;
(3) whether the Administrative Enforcement Committee imposed on him enforcement measure which prohibits him to serve as a director in any Public Company or in a private company which is a Bond Company, and the period set by the Administrative Enforcement Committee has not yet passed.

(b) In this section:

"enforcement measure" – as stated in section 52NF to the Securities Law which imposed under chapter H4 to the Securities Law, under chapter G2 to the Investment Advice and Investment Portfolio Management Law, or under chapter J1 to the Joint Investment Trust Law, as applicable;

"Administrative Enforcement Committee" - the committee appointed under section 52LB(a) to the Securities Law;

"Conclusive judgment" – judgment of court of first instance.

Termination of Office

227. (a) A minor, a legally incompetent, a person who has been declared bankrupt as long as such person remains undischarged, shall not be appointed as director, nor shall a corporation that has resolved to enter into voluntary liquidation or in respect of which a winding up order has been issued.

(b) A person nominated to hold office as director to whom the provisions of subsection (A) apply shall disclose such to the entity appointing him.

Duty of Notice

227A. A director which no longer fulfills one of the requirements for his office as a director under this Law or there is ground for expiration of his office as a director shall notify the company immediately, and his office shall expire on the date of the notice.

Duty of Notice

245A. An external director which no longer fulfills one of the requirements for his office as an external director under the Law shall notify the company immediately, and his office shall expire on the date of the notice.

Annex B

Regulations 1-3 of the Companies Regulations (Conditions and Tests for a Director Having Accounting and Financial Expertise and a Director having Professional Qualifications), 5766- 2005

Director who has Accounting and Financial Expertise

1. A Director who has accounting and financial expertise is a director who due to his/her education, his/her experience and his/her qualifications, has a high level of skill and understanding in business/accounting manners and financial reports in such a manner which allows him/her to fully understand the financial reports of the company, and to commence discussions in connection with the presentation of the financial data; the assessment of the financial and accounting expertise of an External Director shall be made by the Board of Directors which will take into account, *inter alia*, all considerations, including, his/her education, his/her experience and knowledge in the following areas:

(1) generally accepted accounting principles and audit principles which are typical in the field in which the Company and companies of size and complexity similar to the Company operate;

(2) The duties and the responsibilities of an accountant;

(3) Preparation of financial reports and their approval pursuant to the Law and the Securities Law.

Director who has Professional Qualifications

2. **(a)** A Director who has professional qualifications must comply with one of the following:

(1) Holds an academic degree in one of the following fields: Economics, Business Management, Accounting, Law, Public Management;

(2) Holds a different academic degree or has completed other higher education all in the area of the Company's business or another relevant field.

(3) Has at least five years experience in one of the following, or has aggregate experience of at least five years in two of the following:

(i) a senior business management position in a company with significant business activity;

(ii) a senior public position or a senior position in the public service;

(iii) a senior position in the primary business of the company.

(b) The assessments of the professional qualification of the nominee to serve as a director as stated in the aforementioned subsection (a) shall be made by the Board of Directors.

Annex C

CV

Annex D

Documentation Evidencing the Academic Degrees

Annex E

Regulations 4-5 of the Companies Regulations (Matters that Do Not Constitute a Relationship), 5767-2006

Relationship with Another Company While it was Controlled By Another Person

4. A person who had a relationship with a company controlled by a controlling shareholder in the public company, solely during the period in which the controlling shareholder of the company was not the current controlling shareholder, will not be deemed to have had a relationship during the two years prior to the appointment date; in this Regulation, "a company controlled by the controlling shareholder"- excluding the company or a company controlled by it.

***De minimis* Relationships**

5. Maintaining business or professional relationships, will not be deemed as a "relationship" if all of the following apply:

(1) The relationships are *de minimis* to the nominee and to the company;

(2) The relationship commenced prior to the appointment date;

(3) The audit committee approved prior to the appointment, based on facts presented to it, that the condition set forth in subsection (1) apply;

(4) In a Public Company – The maintenance of the business or professional relationships as aforesaid and the approval of the audit committee have been brought before the general meeting prior to the approval of the appointment.

Annex F - Compensation

I agree and aware that the compensation I will receive with respect to my services as an External Director of the Company, shall be as follows:

For each financial year in which I will serve as an External Director, the Company shall pay me an annual consideration (including meeting participation consideration) in the fixed amount of USD~~36,000~~ 42,000, in accordance with Regulation 8 (*relative compensation*) under the Companies Regulations (Rules regarding the Compensation and Expenses of an External Director), 5760-2000.

I acknowledge and agree that (i) the annual fee referred to above is intended to be a fixed-fee and shall be paid on a monthly basis in U.S. dollars or the AU dollars equivalent, and (ii) there shall be no limit regarding the number and/or hours of meetings, and the annual fee includes fees for participation in all meetings of the Board of Directors and any Board's committees.

M.B.

Date: 03 December, **2020**

To: eSense-Lab Ltd. (the "Company")

Re: Declaration of a Nominee to Serve as an External Director in the Company

I, the Undersigned, Deborah J Gilmour I.D. Australian Passport PB3119292, a resident of Australia, whose address is 1/9 Topaz Court, Hollywell, QLD 4216, after being warned that I must state the truth and that I will be subject to the punishment provided by applicable law if I do not do so, declare and commit as follows:

1. I hereby give my consent to serve as an External Director of the Company.

2. I am qualified to serve as a director of the Company, inter alia pursuant to the requirements of Sections 225 and 227 of the Law, as in effect as of the date hereof. An unofficial translation of these Sections, as in effect as of the date hereof, is attached hereto as **Annex A**, and constitutes an integral part of this declaration.

3. I have the necessary skills and the ability to devote the appropriate amount of time in order to perform the role of an External Director of the Company.

4. Neither I, or my Relative, partner, employer, person who he is directly or indirectly subject to, or a corporation in which I am a controlling shareholder, has, on the date of appointment or during the two years prior thereto, an Affiliation with the Company or to a Person who is, on the date of appointment, the Chairman of the Board of Directors of the Company, the Chief Executive Officer, a Material Shareholder or the most senior financial Officer, on the date of appointment or to another body corporate. Moreover, neither I, nor my Relatives, my partner, my employer, someone to whom I am subordinate directly or indirectly, nor any entity of which I am a controlling shareholder, have any business or professional relationship with whom an Affiliation, as described above, is forbidden, including instances when such business or professional relationships do not occur on a regular basis, except for insignificant relationships.

   For the purpose of this section:

   > "**Affiliation**" means an employment relationship, a business or professional relationship of a regular nature or control, service as an officer, excluding service as a director appointed to serve as an External Director of a company which intends to offer shares to the public for the first time.
   >
   > "**Other Entity**" means an entity in which, on the date of appointment or within the two years prior to the date of appointment, the controlling person was the Company.

"**Relative**" means spouse, sibling, parent, grandparent, offspring and offspring, sibling, or parent of the spouse, or the spouse of each of the persons mentioned above.

5. I have not had, as of the date of appointment, or within the past two years prior to the date of appointment, insignificant business or professional relationships with the Company, which commenced prior to my date of appointment as an External Director and which do not constitute an Affiliation under the Companies Regulations (Matters that do Not Constitute an Affiliation), 2006-5767 (the "**Affiliation Regulations**"). An unofficial translation of the Affiliation Regulations, as in effect as of the date hereof, are attached hereto as **Annex E**, which constitute an integral part of this declaration

6. My other position or business does not or may not give rise to a conflict of interest with the role of a director of the Company, or if this might harm my ability to act as a Director.

7. I am not serving as a director of another company where one of its external directors serves as a director of the Company.

8. I am not an employee of the Israeli Securities Authority and/or of the Tel Aviv Stock Exchange Ltd.

9. I do not serve as a Director in the Company for a period longer than nine consecutive years, and in this regards - ceasing to serve as Director for a period which is no longer than two years will not be considered as stopping the sequence of directorship

10. I am aware of the requirements with regard to serving as an External Director, including among other things, the service period, termination of service, membership in the Company's committees, etc.

11. I hereby undertake to fulfill all the requirements provided by law, with respect to directors and External Director, and to fulfill my duty in the Company in the best possible way and for the benefit of the Company. Should a concern arise that I will be aware of and/or that will be brought to my attention, pursuant to which I will no longer fulfill one or more of the requirements and/or the declarations set forth above, or should there be a concern, that I have breached my fiduciary duty towards the Company (as defined under Section 254 of the Law), I shall immediately notify the Company's Chairman of the Board, pursuant to Section 227A of the Law, as described in **Annex A**, attached hereto.

12. Please mark **X** in the applicable box:

☐ I am an "Expert External Director" in accordance with the Companies Regulations (Conditions and Tests for a Director having Accounting and Financial Expertise and a Director having Professional Qualifications), 5766-2005 (the "**Companies Regulations**").

✓ I have professional qualifications, in accordance with the Companies Regulations.

An unofficial translation of the provisions of the Companies Regulations, as in effect as of the date hereof, is attached hereto as **Annex B**, which constitutes an integral part of this declaration.

13. I have the education, qualification, academic degrees (the degree, the name of institute which the degree was granted from and the year of such granting), as detailed in my Curriculum Vita and as detailed in the documents evidencing these academic degrees, attached hereto as **Annex C** and **Annex D**, respectively, which are an integral parts of this declaration.

14. I am aware that the Company and a company controlled thereby shall not grant me as an External Director of the Company, my spouse or my child with any benefit, directly or indirectly, and shall not appoint me, my spouse or my child as an Officer of the Company or a company under the control of the Company, shall not hire me as an employee and shall not receive professional services me in return for payment, whether directly or indirectly, including by way of a corporate body controlled by my, unless two years have elapsed from the termination of my tenure as External Director of the Company, and regarding a Relative of mine who is not a spouse or child - one year from the termination my services as an External Director.

15. I am aware that my declaration herein shall be brought before the appointing organ of the Company prior to my appointment as a director and before the Company's shareholders. I am also aware that a copy of this declaration shall be kept in the Company's registered office, shall be open for inspection by any person and shall be published in the Company's public reports.

16. I hereby acknowledge and agree that I will not receive any additional consideration, directly or indirectly, for my service as an External Director of the Company, except

for the compensation and refund of expenses to which I am entitled for my services as an External Director as further detailed in **Annex F**. For the purpose hereof - consideration shall not include the grant of an exemption, an undertaking to indemnify, indemnification or insurance.

17. This is my name, this is my signature and the facts stated above are true.

Deborah J Gilmour	Passport PB3119292	
Name	**I.D.**	**Signature**

Annex A

Articles 225, 227, 227A and 245A of the Companies Law, 5759-1999

Duty of Disclosure

225. (a) A person who is a candidate to hold office as a director shall disclose to the person appointing him:
(1) whether he has been convicted by a conclusive judgment of an offense referred to in section 226(a) and not yet passed the period in which he should not serve as a director under section 226;
(2) whether he has been convicted by a conclusive judgment of an offense referred to in section 226(a1) and the period set by the court under that subsection has not yet passed;
(3) whether the Administrative Enforcement Committee imposed on him enforcement measure which prohibits him to serve as a director in any Public Company or in a private company which is a Bond Company, and the period set by the Administrative Enforcement Committee has not yet passed.

(b) In this section:

"enforcement measure" – as stated in section 52NF to the Securities Law which imposed under chapter H4 to the Securities Law, under chapter G2 to the Investment Advice and Investment Portfolio Management Law, or under chapter J1 to the Joint Investment Trust Law, as applicable;

"Administrative Enforcement Committee" - the committee appointed under section 52LB(a) to the Securities Law;

"Conclusive judgment" – judgment of court of first instance.

Termination of Office

227. (a) A minor, a legally incompetent, a person who has been declared bankrupt as long as such person remains undischarged, shall not be appointed as director, nor shall a corporation that has resolved to enter into voluntary liquidation or in respect of which a winding up order has been issued.

(b) A person nominated to hold office as director to whom the provisions of subsection (A) apply shall disclose such to the entity appointing him.

Duty of Notice

227A. A director which no longer fulfills one of the requirements for his office as a director under this Law or there is ground for expiration of his office as a director shall notify the company immediately, and his office shall expire on the date of the notice.

Duty of Notice

245A. An external director which no longer fulfills one of the requirements for his office as an external director under the Law shall notify the company immediately, and his office shall expire on the date of the notice.

Annex B

Regulations 1-3 of the Companies Regulations (Conditions and Tests for a Director Having Accounting and Financial Expertise and a Director having Professional Qualifications), 5766- 2005

Director who has Accounting and Financial Expertise

1. A Director who has accounting and financial expertise is a director who due to his/her education, his/her experience and his/her qualifications, has a high level of skill and understanding in business/accounting manners and financial reports in such a manner which allows him/her to fully understand the financial reports of the company, and to commence discussions in connection with the presentation of the financial data; the assessment of the financial and accounting expertise of an External Director shall be made by the Board of Directors which will take into account, *inter alia,* all considerations, including, his/her education, his/her experience and knowledge in the following areas:
   (1) generally accepted accounting principles and audit principles which are typical in the field in which the Company and companies of size and complexity similar to the Company operate;
   (2) The duties and the responsibilities of an accountant;
   (3) Preparation of financial reports and their approval pursuant to the Law and the Securities Law.

Director who has Professional Qualifications

2. **(a)** A Director who has professional qualifications must comply with one of the following:
   (1) Holds an academic degree in one of the following fields: Economics, Business Management, Accounting, Law, Public Management;
   (2) Holds a different academic degree or has completed other higher education all in the area of the Company's business or another relevant field.
   (3) Has at least five years experience in one of the following, or has aggregate experience of at least five years in two of the following:

      (i) a senior business management position in a company with significant business activity;

      (ii) a senior public position or a senior position in the public service;

      (iii) a senior position in the primary business of the company.

   (b) The assessments of the professional qualification of the nominee to serve as a director as stated in the aforementioned subsection (a) shall be made by the Board of Directors.

Annex C

CV

Annex D

Documentation Evidencing the Academic Degrees

Annex E

Regulations 4-5 of the Companies Regulations (Matters that Do Not Constitute a Relationship), 5767-2006

Relationship with Another Company While it was Controlled By Another Person

4. A person who had a relationship with a company controlled by a controlling shareholder in the public company, solely during the period in which the controlling shareholder of the company was not the current controlling shareholder, will not be deemed to have had a relationship during the two years prior to the appointment date; in this Regulation, "a company controlled by the controlling shareholder"- excluding the company or a company controlled by it.

***De minimis* Relationships**

5. Maintaining business or professional relationships, will not be deemed as a "relationship" if all of the following apply:

(1) The relationships are *de minimis* to the nominee and to the company;

(2) The relationship commenced prior to the appointment date;

(3) The audit committee approved prior to the appointment, based on facts presented to it, that the condition set forth in subsection (1) apply;

(4) In a Public Company – The maintenance of the business or professional relationships as aforesaid and the approval of the audit committee have been brought before the general meeting prior to the approval of the appointment.

Annex F - Compensation

I agree and aware that the compensation I will receive with respect to my services as an External Director of the Company, shall be as follows:

For each financial year in which I will serve as an External Director, the Company shall pay me an annual consideration (including meeting participation consideration) in the fixed amount of USD42,000, in accordance with Regulation 8 (*relative compensation*) under the Companies Regulations (Rules regarding the Compensation and Expenses of an External Director), 5760-2000.

I acknowledge and agree that (i) the annual fee referred to above is intended to be a fixed-fee and shall be paid on a monthly basis in U.S. dollars or the AU dollars equivalent, and (ii) there shall be no limit regarding the number and/or hours of meetings, and the annual fee includes fees for participation in all meetings of the Board of Directors and any Board's committees.

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LODGE YOUR VOTE

ONLINE
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 **1:30pm (WST) on Tuesday, 3 August 2021,** 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:

ONLINE
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.

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

X99999999999

CDI VOTING INSTRUCTION FORM

STEP 1

DIRECTION TO CHESS DEPOSITARY NOMINEES PTY LTD

I/We being a holder of CHESS Depositary Interests (**CDIs**) of eSense-Lab Ltd (**Company**) hereby direct CHESS Depositary Nominees Pty Ltd (**CDN**) to vote the shares underlying my/our CDI holding at the Annual General Meeting of stockholders of the Company to be held **at Quest South Perth Foreshore, 22 Harper Terrace, South Perth, Western Australia, 6152, at 1:30pm (WST) on Friday, 6 August 2021,** 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.

STEP 3

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*
1 Appointment of Auditors			
2 Election of Director - Mr Winton Willesee			
3 Election of Director - Dr James Ellingford			
4 Election of Director - Mr Peter Hatfull			
5 Election of Ms Deborah Gilmour as an External Director*			
6 Election of Ms Maayan Bar as an External Director*			
7 Approval of Engagement and Remuneration – Mr Yoav Elishoov (CEO)*			
8 Approval of Indemnification Agreement for Directors and Officers			
9 Increase to Authorised Share Capital and Amendment to Articles of Association			
10 Approval to Issue CDIs under Loan Notes			
11 Approval to Issue Options under Loan Notes			
12 Issue of CDIs Under Loan Notes to Related Party – Anglo Menda Pty Ltd			
13 Issue of Options under Loan Notes to Related Party – Anglo Menda Pty Ltd			
14 Ratification of Prior Issue of CDIs – Proactive			
15 Ratification of Prior Issue of CDIs – Stocks Digital			
16 Approval to Issue CDIs to Related Party – Azalea Consulting			
17 Removal of the Company from the Official List of the ASX			

*** IMPORTANT FOR RESOLUTIONS 5, 6 & 7**

Resolution 5
If you are a "Controlling Shareholder" or have a "Personal Interest" in this Resolution, please mark this box, in which case your vote on this Resolution will not be counted. If you do not mark this box, you are taken to have represented to the Company that you are not a "Controlling Shareholder" and do not have a Personal Interest in this Resolution, and your vote will be counted. ☐

Resolution 6
If you are a "Controlling Shareholder" or have a "Personal Interest" in this Resolution, please mark this box, in which case your vote on this Resolution will not be counted. If you do not mark this box, you are taken to have represented to the Company that you are not a "Controlling Shareholder" and do not have a Personal Interest in this Resolution, and your vote will be counted. ☐

Resolution 7
If you are a "Controlling Shareholder" or have a "Personal Interest" in this Resolution, please mark this box, in which case your vote on this Resolution will not be counted. If you do not mark this box, you are taken to have represented to the Company that you are not a "Controlling Shareholder" and do not have a Personal Interest in this Resolution, and your vote will be counted. ☐

Refer to page 8 of the Notice of Meeting for information regarding what constitutes a "Controlling Shareholder" and "Personal Interest".

ⓘ * 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)	Joint CDI Holder 2 (Individual)	Joint CDI Holder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

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

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LODGE YOUR VOTE

ONLINE
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BY MAIL
eSense-Lab Ltd
C/- Link Market Services Limited
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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 **1:30pm (WST) on Wednesday, 4 August 2021,** 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:

ONLINE
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).

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:

(a) 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

(b) 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 security-holder 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.

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 **1:30pm (WST) on Friday, 6 August 2021 at Quest South Perth Foreshore, 22 Harper Terrace, South Perth, Western Australia, 6152** (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.

STEP 2

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*
1 Appointment of Auditors			
2 Election of Director - Mr Winton Willesee			
3 Election of Director - Dr James Ellingford			
4 Election of Director - Mr Peter Hatfull			
5 Election of Ms Deborah Gilmour as an External Director*			
6 Election of Ms Maayan Bar as an External Director*			
7 Approval of Engagement and Remuneration – Mr Yoav Elishoov (CEO)*			
8 Approval of Indemnification Agreement for Directors and Officers			
9 Increase to Authorised Share Capital and Amendment to Articles of Association			
10 Approval to Issue CDIs Under Loan Notes			
11 Approval to Issue Options under Loan Notes			
12 Issue of CDIs Under Loan Notes to Related Party – Anglo Menda Pty Ltd			
13 Issue of Options under Loan Notes to Related Party – Anglo Menda Pty Ltd			
14 Ratification of Prior Issue of CDIs – Proactive			
15 Ratification of Prior Issue of CDIs – Stocks Digital			
16 Approval to Issue CDIs to Related Party – Azalea Consulting			
17 Removal of the Company from the Official List of the ASX			

*** IMPORTANT FOR RESOLUTIONS 5, 6 & 7**

Resolution 5
If you are a "Controlling Shareholder" or have a "Personal Interest" in this Resolution, please mark this box, in which case your vote on this Resolution will not be counted. If you do not mark this box, you are taken to have represented to the Company that you are not a "Controlling Shareholder" and do not have a Personal Interest in this Resolution, and your vote will be counted. ☐

Resolution 6
If you are a "Controlling Shareholder" or have a "Personal Interest" in this Resolution, please mark this box, in which case your vote on this Resolution will not be counted. If you do not mark this box, you are taken to have represented to the Company that you are not a "Controlling Shareholder" and do not have a Personal Interest in this Resolution, and your vote will be counted. ☐

Resolution 7
If you are a "Controlling Shareholder" or have a "Personal Interest" in this Resolution, please mark this box, in which case your vote on this Resolution will not be counted. If you do not mark this box, you are taken to have represented to the Company that you are not a "Controlling Shareholder" and do not have a Personal Interest in this Resolution, and your vote will be counted. ☐

Refer to page 8 of the Notice of Meeting for information regarding what constitutes a "Controlling Shareholder" and "Personal Interest".

ⓘ * 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 3

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).