

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme

IntelliHR Limited (IHR)

ACN/ARSN

(ACN 600 548 516)

1. Details of substantial holder (1)

Name Colinton Capital Partners I (A) Pty Ltd (ACN 620 748 718) as Trustee for Colinton Capital Partners Fund I (A) Trust
(CCP), Colinton Capital Pty Limited (ACN 156 276 425) (Colinton Capital), and Simon Moore (Simon Moore)
ACN/ARSN (if applicable) See above

The holder became a substantial holder on 8/1/2020

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	14,956,550	14,956,550	8.9 % (based on 168,689,200 ordinary shares on issue)

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
CCP	Relevant interest under 608(1)(b) & (c) of the Corporations Act 2001 (Cth) (Corporations Act) i.e. CCP has power to exercise a right to vote and to dispose of the securities acquired under the agreement in Annexure A.	13,168,670 fully paid ordinary shares
Colinton Capital Pty Ltd	Relevant interest under 608(1)(a) of the Corporations Act. I.e. Colinton Capital Pty Ltd is the holder of the securities.	1,787,880 fully paid ordinary shares
Simon Moore	Relevant interest under 608(3)(b) of the Corporations Act. I.e. Simon Moore has power to control Colinton Capital and has a relevant interest in the IHR securities it holds.	1,787,880 fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
CCP	Sargon CT Pty Ltd	CCP	13,168,670 fully paid ordinary shares
Colinton Capital	Colinton Capital	Colinton Capital	1,787,880 fully paid ordinary shares
Simon Moore	Colinton Capital	Colinton Capital	1,787,880 fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
CCP	8/01/2020	\$0.075 per IHR share		13,168,670 fully paid ordinary shares
Colinton Capital	12/08/19	\$0.075 per IHR share		694,254 fully paid ordinary shares
Colinton Capital	25/06/2019	\$0.075 per IHR share		639,080 fully paid ordinary shares
Colinton Capital	30/09/2017	\$0.22 per IHR share		454,546 fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
CCP	Pursuant to section 12(2)(c) of the Corporations Act, they propose to act in concert with Colinton Capital and Simon Moore in relation to the affairs of IHR.
Colinton Capital	Pursuant to section 12(2)(c) of the Corporations Act, they propose to act in concert with CCP and Simon Moore in relation to the affairs of IHR.
Simon Moore	Pursuant to section 12(2)(c) of the Corporations Act, he proposes to act in concert with CCP and Colinton Capital in relation to the affairs of IHR.

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
CCP	Suite 2, Level 5, 7 Macquarie Place, Sydney, New South Wales
Colinton Capital	Suite 2, Level 5, 7 Macquarie Place, Sydney, New South Wales
Simon Moore	Suite 2, Level 5, 7 Macquarie Place, Sydney, New South Wales

Signature

print name

SIMON MOORE

capacity

DIRECTOR

sign here

Simon Moore

date

9.1.20

DIRECTIONS

1. If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members clearly set out in paragraph 7 of the form.
2. See the definition of "associate" in section 9 of the Corporations Act 2001.
3. See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
4. The voting shares of a company constitute one class unless divided into separate classes.
5. The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) the person or an associate has a relevant interest in.
6. The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
7. Include details of:
- 8. any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, pay of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - 9. any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting power or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
10. If the substantial holder is unable to determine the identity of the person (e.g., if the relevant interest arises because of a option) write "unknown".
11. Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure “A”

This is Annexure “A” of 18 pages referred to in the Form 603 (Notice of Initial Substantial Holder), signed by me and dated 19 December 2019.

Signature

print name *SIMON MOORE*
sign here *Simon Moore*

capacity *DIRECTOR*
date *9, 1, 20*

intelliHR Limited
ACN 600 548 516
(Company)

and

COLINTON CAPITAL PARTNERS FUND I (A) PTY LTD AS
TRUSTEE FOR COLINTON CAPITAL PARTNERS FUND I (A)
TRUST
ACN 620 748 718
(Investor)

SUBSCRIPTION AGREEMENT

THIS AGREEMENT is made the

19th

day of

December

2019

BETWEEN

intelliHR Limited (ACN 600 548 516) of Level 28, 345 Queen St, Brisbane, Queensland (Company);

AND

COLINTON CAPITAL PARTNERS I (A) PTY LTD AS TRUSTEE FOR COLINTON CAPITAL PARTNERS FUND I (A) TRUST (ACN 620 748 718) of Suite 2, Level 5, 7 Macquarie Place, Sydney, New South Wales (Investor).

RECITALS

- A. The Company is a public company limited by shares and listed on the ASX.
- B. The Investor has agreed to subscribe for the Subscription Shares at the Subscription Price and the Company has agreed to issue the Subscription Shares to the Investor.
- C. The Parties have agreed to enter into this agreement to record the terms of the Subscription.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this agreement:

Accounts Date means 30 June 2019.

Application Form means the application form set out in Schedule 1.

Applicable Law means the constitution of the Company, the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules, any regulatory guides published by ASIC and all other applicable laws and regulations in any jurisdiction.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the market which it operates.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Ltd (ACN 008 504 532) in its capacity as a CS facility licensee.

Business Day means a day on which banks are open for business in Brisbane, Queensland, excluding a Saturday or a Sunday or a public holiday.

Certificate means a certificate signed by two directors or a director and the company secretary of the Company, which certifies to the Investor as at the date of the certificate that to the best of those persons' knowledge and information after due enquiry the representations and warranties set out in clause 6.1 are true and correct.

Colinton Capital means Colinton Capital Partners Fund I(A) Pty Ltd ACN 620 748 718 as trustee for Colinton Capital Partners Fund I(A) Trust.

Company Warranties means the representations and warranties given by the Company to the Investor pursuant to clause 6.1.

Completion means completion of the subscription for the Subscription Shares in accordance with clause 2.7.

Confidential Information means all confidential, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the Parties before, on or after the date of this agreement relating to the business, technology or other affairs of the Party who provides the information, but excludes information which:

- (a) is in or becomes part of the public domain other than through a breach of this agreement or an obligation of confidence owed to the Party to whom the information belongs;
- (b) the recipient of the information can prove was already known to it at the time of disclosure by the Party to whom the information belongs (unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality); or
- (c) the recipient acquires from a source other than the Party to whom the information belongs, where such source is entitled to disclose it.

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

Duty means any transfer, transaction or registration duty or similar charge imposed by any Government Authority and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them.

Encumbrance means an interest or power:

- (a) reserved in or over an interest in any share or asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any share or asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to, any or third party rights or interests and any agreement to grant or create any of the above.

Event of Insolvency means, in relation to a corporation:

- (a) a receiver, manager, receiver and manager, trustee, administrator or similar officer is appointed in respect of a person or any material asset of a corporation;
- (b) a liquidator or provisional or interim liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:

- (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up the relevant corporation; or
 - (iii) proposing or implementing a compromise with creditors (including a scheme of arrangement, other than to carry out a reconstruction or amalgamation while solvent);
- (d) a final order, judgment or award is made against the corporation which it fails to satisfy within 7 days of being required to do so;
- (e) the corporation becomes, or admits in writing that it is, is declared to be, or is deemed under any Applicable Law to be, insolvent or unable to pay its debts; or
- (f) anything analogous or having a substantially similar effect occurring in relation to a Group member.

First Qualifying Interest means a voting power of not less than 10%.

Government Authority means a government or government department, a governmental or semi-governmental or judicial person (whether autonomous or not) charged with the administration of any applicable law.

Group means in relation to either Party, entities directly or indirectly controlling, controlled by, or in common control with, that party and any Related Body Corporate of that Party.

Indemnified Losses means, in relation to any fact, matter or circumstance, all losses, costs, damages, expenses and other liabilities arising out of or in connection with that fact, matter or circumstance, including all reasonable legal and other professional expenses on a solicitor-client basis incurred in connection with investigating, disputing, defending or settling any claim, action, demand or proceeding relating to that fact, matter or circumstance (including any claim, action, demand or proceeding based on the terms of this agreement).

Investor Shareholding means, at any time, the total of all Shares held in the Company by the Investor (including its Group) at that time.

Investor Warranties means the representations and warranties given by the Investor to the Company pursuant to clause 6.2.

Listing Rules means the listing rules of ASX.

Party means a party to this agreement and **Parties** means all of them.

Second Qualifying Interest means a voting power of not less than 15%.

Related Body Corporate has the meaning given that expression in the Corporations Act.

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

Shareholder means, at any time, is the registered holder of a Share.

Subscription means the subscription by the Investor for the Subscription Shares under this agreement.

Subscription Price means \$0.075 per Subscription Share.

Subscription Shares means, 36,500,000 shares, to be paid for and issued to the Investor in accordance with the terms and conditions of this agreement.

Subscription Date means 17 January 2020 or such other date as may be mutually agreed between the Parties.

Voting Power has the meaning given in section 610 of the Corporations Act.

1.2 Interpretation

In this agreement unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) an obligation or liability assumed by, or a right conferred on, two or more Parties binds or benefits all of them jointly and each of them severally;
- (c) the expression person includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (e) a reference to any document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (h) reference to clauses, schedules, exhibits or annexures are references to clauses, schedules, exhibits and annexures to or of this agreement and a reference to this agreement includes any schedule, exhibit or annexure to this agreement;
- (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (j) a reference to time is to Western Standard Time as observed in Perth, Western Australia;
- (k) where an action is required to be undertaken on a day that is not a Business Day it shall be undertaken on the next Business Day;
- (l) a reference to a payment is to a payment by bank cheque or such other form of cleared funds the recipient otherwise allows in the relevant lawful currency specified;
- (m) "includes" in any form is not a word of limitation; and

- (n) a reference to \$ or **dollar** is to Australian currency.

1.3 Knowledge and awareness of the Company

A reference in this agreement to the Company's awareness or knowledge (in any grammatical form) will be taken to include all matters, facts and circumstances of which the Company or any officer or senior executive of the Company is actually aware or should reasonably have been aware had such persons made due and proper inquiries.

2. SUBSCRIPTION

2.1 Subscription and issue

- (a) Subject to the terms and conditions of this agreement including the conditions in clause 2.2 (**Conditions**), the Investor agrees to subscribe for, and the Company agrees to allot and issue to the Investor, the Subscription Shares at the Subscription Price.
- (b) Upon the signing of this agreement but prior to:
 - (i) completion of the Subscription as outlined in clause 2.7; or
 - (ii) the termination of this agreement pursuant to clause 2.9,

the Company shall not offer, solicit or contact any third party to subscribe for the Subscription Shares.

2.2 Conditions

- (a) Completion is subject to and conditional on the Company and the Investor complying with all of their respective obligations under clauses 2.3 and 2.4 which are interdependent and must be carried out contemporaneously .

2.3 Payment of Subscription Price – Investor obligations

Subject to the Company complying with its obligations under clause 2.4, on the Subscription Date, the Investor must:

- (a) deliver to the Company the Application Form for the Subscription Shares duly completed and executed by the Investor;
- (b) pay to the Company the Subscription Price for the Subscription Shares in accordance with clause 3; and
- (c) deliver to the Company written evidence of payment in the form of a confirmation of receipt of payment from the bank referred to in clause 3 of the Subscription Price made under clause 2.4 (b).

2.4 Issue of Certificate – Company obligation

On the Subscription Date, the Company must give the Investor a Certificate for the Subscription Shares, stated to be effective as at the Subscription Date.

2.5 Issue of Subscription Shares – Company obligation

Subject to the Investor complying with its obligations under clauses 2.3 in respect of the Subscription Date, following the receipt by the Company of the Subscription Price in cleared funds, the Company must immediately:

- (a) allot and issue the relevant Subscription Shares to the Investor or its designated nominee;
- (b) enter the Investor or its nominee in the Company's register of members as the holder of those respective Subscription Shares and provide written confirmation from the Company's share registry that those Subscription Shares have been issued;
- (c) within two (2) Business Days of the receipt by the Company of the relevant Subscription Price in cleared funds:
 - (i) send holding statements in respect of those Subscription Shares to the Investor or its nominee in accordance with Applicable Law;
 - (i) apply to ASX for official quotation of those Subscription Shares in the same class and on the same terms as all other Shares quoted on ASX on the Subscription Date; and
 - (ii) take all other steps necessary to give effect to the allotment of those Subscription Shares to the Investor or its nominee in accordance with Applicable Law; and
- (d) undertake all steps required to remove all trading restrictions on those Subscription Shares and ensure that those Subscription Shares are able to be freely tradable by the Investor on the ASX.

2.6 Rights and ranking of Subscription Shares

All Subscription Shares issued to the Subscriber under this agreement will:

- (a) be credited as fully paid;
- (b) be free of Encumbrances; and
- (c) rank equally in all respects with other Shares on issue in the capital of the Company as at Completion.

2.7 Completion

The Parties acknowledge and agree that in relation to the Subscription Date:

- (a) completion of the relevant Subscription only occurs once all of the obligations of the Parties under clauses 2.3, 2.4 and 2.5 have been satisfied; and
- (b) if any obligation specified in clauses 2.3, 2.4 and 2.5 (as applicable) is not performed on the due date then, without prejudice to any other rights of the Parties, any document delivered or payment made under those clauses must be returned to the Party that delivered such document or paid such amount.

2.8 Reasonable endeavours

The Company and the Investor must:

- (a) use their reasonable endeavours to obtain fulfilment of the requirements under this clause 2 applicable to it; and
- (b) keep each other informed of any circumstances which may result in any requirement under this clause 2 not being completed or satisfied in accordance with its terms.

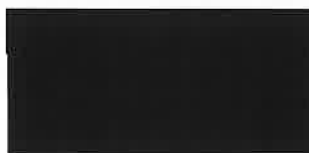
2.9 Termination of Agreement

- (a) If a Party (the **Defaulting Party**) fails or is unable to complete or satisfy a requirement under this clause 2 for which it is responsible, the other party may terminate this agreement by giving written notice to the Defaulting Party.
- (b) Termination of this agreement by a Party under clause 2.9(a) is without prejudice to any other rights or remedies that the Party may have against the Defaulting Party in respect of their failure or non-performance.

3. MANNER OF PAYMENT

On or prior to 4:00 pm on the Subscription Date, the Investor must pay the Subscription Price in immediately available funds to the account with the following details (or as otherwise directed by the Company):

Account Name:
Bank:
BSB:
Account:



4. USE OF FUNDS

The parties agree that the Subscription Amount shall be used as follows, unless otherwise agreed in writing:

- (a) general working capital for the ongoing needs of the Company's existing business.

5. BOARD REPRESENTATION

- (a) On and from the Investor achieving:
 - (i) the First Qualifying Interest, the Investor has the right, but not the obligation, to nominate one director of the Board of the Company as a non-executive directors (**First Nominated Director**)
 - (ii) the Second Qualifying Interest, the Investor has the right, but not the obligation, to nominate a further director of the Board of the Company as a non-executive director, in addition to the First Nominated Director (**Second Nominated Director**).

and the Company must procure that the Board appoints the First Nominated Director and the Second Nominated Director to the Board accordingly (**Director Appointment Right**).

- (b) The Investor shall maintain the Director Appointment Right until the Investor's interest in Shares in the Company drops below the level of the:
 - (i) First Qualifying Interest in respect of the First Nominated Director (other than by reason of an issue of Shares by the Company); and
 - (ii) Second Qualifying Interest in respect of the Second Nominated Director
- (c) Upon either of the events in clause (b) occurring, the Investor, upon receipt of a written request by the Company, must procure the relevant Nominated Director(s) to resign.
- (d) The Board will promptly appoint the Nominated Directors as casual or additional directors of the Board until the next annual general meeting of the Company, at which time the Nominated Directors will be subject to election by Shareholders of the Company in accordance with the Listing Rules. If, at any time the Nominated Directors are not elected, the Investor can nominate different persons under paragraph (a) and this paragraph (d) will apply.

6. REPRESENTATIONS AND WARRANTIES

6.1 Representations and warranties by Company

The Company represents and warrants to the Investor that, as at the date of this agreement and separately on each date that the Subscription Shares are issued to the Investor, except as otherwise fairly disclosed by the Company to the Investor in writing prior to the date of this agreement:

- (a) **(Registration)**: it is a corporation as that expression is defined in the Corporations Act having limited liability, registered (or taken to be registered) and validly existing under the Corporations Act;
- (b) **(Authority)**: it has full power and authority to enter into this agreement and to perform its obligations under it;
- (c) **(Corporate authorisations)**: it has taken all necessary action to authorise the execution, delivery and performance by it of this agreement in accordance with its terms and the execution, delivery and performance by it does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or encumbrance, by which it is bound and that would prevent it from entering into and performing its obligations under this agreement;
- (d) **(Binding obligations)**: this agreement constitutes its legal, valid and binding obligations and is enforceable in accordance with its terms;
- (e) **(Issue of Subscription Shares)**: it has full power and authority and has obtained all third-party consents necessary to allot and issue the Subscription Shares to the Investor in accordance with Applicable Law;
- (f) **(Shareholder approval)**: shareholder approval is not required to issue the Subscription Shares;
- (g) **(Ranking)**: the Subscription Shares will be credited as fully paid and rank pari passu in all respects with all other Shares on issue;

- (h) **(Title to Subscription Shares)**: upon issue of the Subscription Shares, the Investor will acquire full legal and beneficial title to the Subscription Shares, free and clear of any Encumbrance;
- (i) **(Accounts)**: the statutory financial statements of the Company and the Group for the financial year ended 30 June 2019 and lodged with the ASX on 30 August 2019:
 - (i) present fairly and accurately in all material respects the financial position of the Company and the Group at the dates indicated and the statements of operations of the Company and the Group for the periods specified;
 - (ii) have been prepared in conformity with A-IFRS or generally accepted accounting principles in Australia that were in effect at the date of, or period covered by, each such statement, as applicable;
- (j) **(Position since Accounts Date)**: since the Accounts Date:
 - (i) the Company and each Group member has conducted its business in a normal and proper manner;
 - (ii) there has been no material deterioration in the values of any of the fixed assets held by the Company and each Group member such that the market value of any fixed asset is less than the value attributed to it in the statutory financial statements;
 - (iii) neither the Company nor any Group member has entered into any unusual contract or commitment or otherwise departed from its ordinary course of business;
 - (iv) there has been no deterioration in the annual recurring revenue, financial or trading position or the prospects of any of the Company and each Group member;
- (k) **(No Event of Insolvency)**: no Event of Insolvency has occurred in relation to the Company or a member of the Group, nor is there any act which has occurred or is anticipated to occur which is likely to result in an Event of Insolvency in relation to the Company or a member of the Group;
- (l) **(No litigation)**: the Company and any member of the Group is not a party to any investigation, prosecution, litigation, legal proceeding, arbitration, mediation or any other form of dispute resolution, and to the best of its knowledge no such proceedings are pending or threatened and there is no circumstance or fact that is likely to give rise to any such proceedings;
- (m) **(Compliance with Applicable Law)**: the Company and each member of the Group has complied with and is in compliance in all material respects with the Applicable Laws;
- (n) **(Continuous disclosure)**: the Company has:
 - (i) complied with all material disclosure requirements under Applicable Law, including without limitation Listing Rule 3.1 and is not withholding any information under the exemption in Listing Rule 3.1A; or

- (ii) no Excluded Information which would be required to be disclosed under section 708A(6)(e); and
- (o) **(Group companies)**: the Company has full legal and beneficial ownership in the shares of each Group company.

6.2 Representations and warranties by Investor

The Investor represents and warrants to the Company that, as at the date of this agreement and separately as at the date on which the Subscription Shares are issued to the Investor, except as otherwise fairly disclosed by the Investor to the Company in writing prior to the date of this agreement:

- (a) **(Authority)**: it has full power and authority to enter into this agreement and to perform its obligations under it;
- (b) **(Binding obligations)**: this agreement constitutes its legal, valid and binding obligations and is enforceable in accordance with its terms; and
- (c) **(No breach)**: this agreement and the Subscription does not conflict with or result in a breach of any of the Investor's legal obligations (including any statutory, contractual or fiduciary obligation) or constitute or result in any default under any provision of its constitution or any material provision of any agreement, deed, writ, order, injunction, judgment, law, rule or regulation to which it is a party or is subject or by which it is bound.

6.3 Indemnity by Company

- (a) The Company indemnifies the Investor against all Indemnified Losses incurred by the Investor as a consequence of any matter or thing being found to be in breach of or inconsistent with the Company Warranties.
- (b) The maximum amount which the Investor may claim against the Company for a breach of the Company Warranties is 100% of the Subscription Price. A claim for breach of the Company Warranties shall not be made unless the amount of the Indemnified Losses reasonably claimed exceeds \$100,000 (in which event, for the avoidance of doubt, the Company shall be liable for the whole of that amount and not merely the excess).
- (c) The Company shall not be liable in respect of a claim in connection with a breach of Company Warranties unless the Investor has given written notice to the Company setting out reasonable details of the specific matter in respect of which the claim is made within 12 months after the Subscription Date.

6.4 Indemnity by Investor

- (a) The Investor indemnifies the Company against all Indemnified Losses incurred by the Company as a consequence of any matter or thing being found to be in breach of or inconsistent with the Investor Warranties.
- (b) The maximum amount which the Company may claim against the Investor for a breach of the Investor Warranties is 100% of the Subscription Price. A claim for breach of the Investor Warranties shall not be made unless the amount of the Indemnified Losses reasonably claimed exceeds \$100,000 (in which event, for the avoidance of doubt, the Investor shall be liable for the whole of that amount and not merely the excess).

- (c) The Investor shall not be liable in respect of a claim in connection with a breach of Investor Warranties unless the Company has given written notice to the Investor setting out reasonable details of the specific matter in respect of which the claim is made within 12 months after the Subscription Date.

7. CONFIDENTIALITY

7.1 Disclosure of Confidential Information

All Confidential Information exchanged between the Parties under this agreement or during negotiations preceding this agreement is confidential to them and may not be disclosed to any person except:

- (a) employees, directors, officers, legal advisers, auditors and other consultants of the Party or any of its Related Bodies Corporate requiring the information for the purposes of this agreement;
- (b) with the consent of the Party who supplied the information which consent may be given or withheld in its absolute discretion;
- (c) if a Party is required to do so by law or a stock exchange; or
- (d) if a Party is required to do so in connection with legal proceedings relating to this agreement.

8. ANNOUNCEMENTS

8.1 Public announcements

Subject to clause 8.2, no Party may, before or after the Subscription Date, make or send a public announcement, communication or circular concerning the transactions referred to in this agreement unless it has first obtained the other Party's written consent. That consent is not to be unreasonably withheld or delayed and should be completed within 48 hours of signing this agreement.

8.2 Public announcements required by law

Clause 8.1 does not apply to a public announcement, communication or circular required by law or a regulation of a stock exchange, if the Party (including its Group) required to make or send it has, if practicable, first consulted and taken into account the reasonable requirements of the other Party.

9. COSTS AND DUTY

9.1 Costs and expenses

The Company and the Investor agree to pay their own legal fees and other costs and expenses incurred in connection with the preparation, negotiation and completion of this agreement and of other related documentation.

9.2 Duty

The Company must pay all Duty chargeable, payable or assessed in relation to this agreement and the issue of the Subscription Shares to the Investor.

10. NOTICES

10.1 Notices in writing

Each notice authorised or required to be given to a Party shall be in legible writing and in English addressed to the Party's address set out in clause 10.2 (or such other address nominated in accordance with clause 10.3).

10.2 Initial address of Parties

The initial address of the Parties shall be as follows:

Party	Address	Attention	E-mail
intelliHR Limited			
Colinton Capital Partners I (A) Pty Ltd			

10.3 Change of address

Each Party may from time to time change its address by giving notice pursuant to clause 10.1 to the other Parties.

10.4 Receipt of notice

Any notice given pursuant to clause 10.1 will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery;
- (b) if sent by mail, two (2) Business Days from and including the day of posting; or
- (c) if sent by e-mail, when a delivery confirmation report is received by the sender which records the time that the e-mail was delivered to the addressee's e-mail address (unless the sender receives a delivery failure notification indicating that the e-mail has not been delivered to the addressee),

but if the delivery or receipt is on a day that is not a Business Day or is after 5:00 pm (addressee's time) it is regarded as received at 9:00 am on the following Business Day.

11. VARIATION

No modification or alteration of the terms of this agreement shall be binding unless made in writing dated subsequent to the date of this agreement and duly executed by the Parties.

12. WAIVER

- (a) Waiver of any right, power, authority discretion or remedy arising upon default under this agreement must be in writing and signed by the Party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of a right, power, authority, discretion or remedy created or arising upon default under this agreement, does not result in a waiver of that right.
- (c) A Party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this agreement or on a default under this agreement as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A Party may not rely on any conduct of another Party as a defence to exercise of a right, power, authority, discretion or remedy by that other Party.

13. FURTHER ASSURANCE

Each Party shall sign, execute and do all deeds, acts, documents and things as may reasonably be required by the other Party to effectively carry out and give effect to the terms and intentions of this agreement.

14. GOVERNING LAW AND JURISDICTION

This agreement shall be governed by and construed in accordance with the law from time to time in the State of Queensland and the Parties agree to submit to the non-exclusive jurisdiction of the courts of Queensland and the courts which hear appeals therefrom.

15. TIME OF ESSENCE

Time is of the essence of this agreement in respect of any date or period determined under this agreement.

16. NON-MERGER

No provision of this agreement merges on execution, Completion or termination.

17. CUSTODIAN ACKNOWLEDGEMENT

The legal ownership of the Subscription Shares under this agreement must be registered in the name of the custodian for the Colinton Capital Partners Fund 1 (A) Trust, being Sargon CT Pty Limited (ACN 106 424 088) as custodian for Colinton Partners Fund 1 (A) Trust.

Sargon CT Pty Limited (ACN 106 424 088) is not a party to this agreement and it does not give any undertakings or agree to be bound by any obligations under this agreement.

18. ENTIRE AGREEMENT

This agreement shall constitute the sole understanding of the Parties with respect to the subject matter and replaces all other agreements with respect thereto.

19. COUNTERPARTS


This agreement may be executed in any number of counterparts (including by way of facsimile) each of which shall be deemed for all purposes to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.

EXECUTED by the Parties as an agreement.

EXECUTED BY intelliHR LIMITED


ACN 600 548 516

in accordance with section 127 of the
Corporations Act 2001 (Cth):



Signature of director

Signature of director/company
secretary*

Name of director

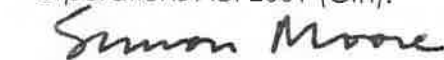
Name of director/company secretary*

*please delete as applicable

EXECUTED BY COLINTON CAPITAL
PARTNERS I (A) PTY LTD AS TRUSTEE FOR THE
COLINTON CAPITAL PARTNERS FUND I (A)
TRUST

ACN 620 748 718

in accordance with section 127 of the
Corporations Act 2001 (Cth):



Signature of director

Signature of director/company
secretary*



Name of director

Name of director/company secretary*

*please delete as applicable

SCHEDULE 1 – APPLICATION FORM

APPLICATION FORM

intelliHR Limited
ACN 600 548 516
(Company)

COLINTON CAPITAL PARTNERS I (A) PTY LTD AS TRUSTEE FOR THE COLINTON CAPITAL PARTNERS FUND I (A) TRUST (Investor) hereby applies to the Company for 36,500,000 fully paid ordinary shares in the capital of the Company (**Shares**).

The Investor will transfer to the Company an amount of \$2,737,500 in Australian dollars and in immediately available funds to the account nominated by the Company.

Details of the Investor:

Name: COLINTON CAPITAL PARTNERS I (A) PTY LTD AS TRUSTEE FOR THE COLINTON CAPITAL PARTNERS FUND I (A) TRUST, ACN 620 748 718

Address:

Contact Person:

Contact Investor:

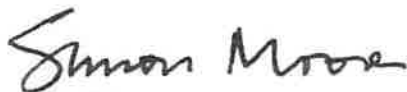
By signing and lodging this Application Form with the Company, the Investor:

1. declares that the agreements, statements, declarations and acknowledgments contained in the following paragraphs are given for the benefit of the Company;
2. declares that all details and statements made by the Investor in this Application Form are complete and accurate;
3. agrees to be bound by the Constitution of the Company;
4. represents, warrants and undertakes to the Company that the Investor has/have full right and authority to sign and lodge this Application Form, to subscribe for the Shares and to perform the other obligations set out in this Application Form, and has taken all action and obtained all regulatory and other consents, approvals and authorisations necessary in that respect;
5. acknowledges that the Investor have/has made its/their own enquiries concerning the Company and its business and affairs and that the Company makes no representation or warranties to the Investor other than set out in the Subscription Agreement dated the same date as this Application Form;
6. requests the Company to, upon receipt of this Application Form signed by the Investor, issue the Subscription Shares to the Investor pursuant to the agreement;
7. declares that the Investor comes within the definition of a sophisticated investor or a professional investor for the purposes of Section 708(8) or 708(11) of the Corporations Act 2001 respectively;
8. acknowledges that this Application form is irrevocable, subject to the agreement; and

9. acknowledges that returning this Application Form with the application monies will constitute the Investor's offer to subscribe for Subscription Shares subject to the agreement, and that no notice of acceptance of this Application Form will be provided.

NOTE: Return of the Application Form with your payment of the application monies will constitute your offer to subscribe for the Shares. This Application Form is for the Subscriber and must not be passed onto any person without written permission from the Company.

EXECUTED by COLINTON CAPITAL)
PARTNERS I (A) PTY LTD AS TRUSTEE FOR)
THE COLINTON CAPITAL PARTNERS FUND)
I (A) TRUST)
ACN 620 748 718)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)



Signature of director

Signature of director/company
secretary*



Name of director

Name of director/company secretary*

*please delete as applicable

