



intelliHR Limited

Notice of Extraordinary General Meeting

An Extraordinary General Meeting of the Company will be held:

- at Level 28, 345 Queen Street, Brisbane QLD 4000; and
- on Thursday, 10 September 2020 at 8:00am (AEST).

This notice of Extraordinary General Meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor prior to voting. Please contact the Company Secretary on +61 439 310 818 or suzanne.yeates@intellihr.co if you wish to discuss any matter concerning the Meeting.

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, the Company will not be dispatching physical copies of the Notice. For shareholders that the Company has email addresses on records, the Company will send a copy of this Notice and material relating to the Meeting or provide a link to where the Notice and other material can be viewed or downloaded by email. To the other Shareholders, the Company will send a letter or postcard setting out a URL for viewing or downloading the Notice and other material. Shareholders can access a copy of the Notice at the following link: <https://intellihr.co/>.

IntelliHR Limited
ACN 600 548 516

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of IntelliHR Limited will be held at Level 28, 345 Queen Street, Brisbane QLD 4000 at 8:00am (AEST) on Thursday, 10 September 2020 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and Proxy Form form part of this Notice of Meeting.

Shareholders can vote by attending the Meeting by returning a completed Proxy Form or attending the Meeting in person. Instructions on how to complete a Proxy Form are set out in the Explanatory Statement.

Proxy Forms must be received by no later than 8:00am (AEST) on Tuesday, 8 September 2020.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in Schedule 1 of the Explanatory Statement.

The business of the Meeting affects your shareholding and your vote is important. This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEST) on Tuesday, 8 September 2020.

AGENDA

RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE OF SECURITIES UNDER TRANCHE 1

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

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the agreement to issue 2,731,956 Placement Shares to the Slattery Family Trust or its nominee at an issue price of \$0.075 per Placement Share under Tranche 1 of the Placement and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 2 - APPROVAL TO ISSUE SECURITIES UNDER TRANCHE 2

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

“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 30,601,377 Placement Shares to Slattery Family Trust or its

nominee at an issue price of \$0.075 per Placement Share under Tranche 2 of the Placement and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 3 - APPROVAL TO ISSUE SECURITIES TO A RELATED PARTY - ROBERT BROMAGE

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of 1,500,000 Shares to Mr Robert Bromage or his nominee on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE OF SECURITIES TO COLINTON CAPITAL PARTNERS UNDER LISTING RULE 7.1

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

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 23,331,330 Shares to Colinton Capital Partners at an issue price of \$0.075 per Share and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 5 - RATIFICATION OF PRIOR ISSUE OF SECURITIES TO COLINTON CAPITAL PARTNERS UNDER LISTING RULE 7.1A

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

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 13,168,670 Shares to Colinton Capital Partners at an issue price of \$0.075 per Share and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

VOTING PROHIBITION AND EXCLUSION STATEMENTS

Under Listing Rule 14.11, the Company will disregard any votes cast in favour of a resolution by or on behalf of:

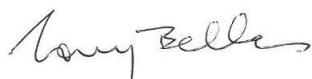
- (a) the below named person or class of persons excluded from voting; or
- (b) an associate of that person or those persons:

Resolution	Persons excluded from voting
Resolution 1 - Ratification of prior issue of securities under Tranche 1	Slattery Family Trust (its nominee) and its associates.
Resolution 2 - Approval to issue securities under Tranche 2	Slattery Family Trust (its nominee) and its associates.
Resolution 3 - Issue of securities to a related party - Robert Bromage	Robert Bromage and his associates.
Resolution 4 - Ratification of prior issue of securities to Colinton Capital Partners under Listing Rule 7.1	Colinton Capital Partners and its associates.
Resolution 5 - Ratification of prior issue of securities to Colinton Capital Partners under Listing Rule 7.1A	Colinton Capital Partners and its associates.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely as 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.

By order of the Board of Directors



Mr Tony Bellas
Non-executive Chairman
11 August 2020

Explanatory Statement

1 INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 28, 345 Queen Street, Brisbane QLD 4000 at 8:00am (AEST) on Thursday, 10 September 2020. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

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A Proxy Form is located at the end of this Explanatory Statement.

ASX takes no responsibility for the contents of the Notice or Explanatory Statement.

Please contact the Company Secretary on Secretary on +61 439 310 818 or suzanne.yeates@intellihr.com.au if you wish to discuss any matter concerning the Meeting.

2 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

2.1 Voting by Proxy

To vote by proxy, please complete and sign and return the Proxy Form (attached to the Notice) to the Company in accordance with the instructions on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has the right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and

- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on the Resolutions.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 8:00am (AEST) on Tuesday, 8 September 2020. Any Proxy Form received after that time will not be valid for the Meeting.

Shareholders can appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair of the Meeting must follow your instructions.

2.2 Voting in person

In light of the status of the evolving COVID-19 situation and the Commonwealth and State government restrictions on public gatherings in place at the date of this Notice of Meeting, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting. The Chairman will adjourn the Meeting where the number of attendees may lead to the breach local public health laws and regulations.

2.3 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorizing him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting.

2.4 Eligibility to vote

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEST) on Tuesday, 8 September 2020.

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

3 INTRODUCTION

3.1 Introduction

On 6 August 2020, the Company announced a capital raising (**Capital Raising**) consisting of a two-tranche placement (**Placement**) and a non-renounceable rights issue (**Rights Issue**) to raise up to approximately \$5.5 million before costs.

The Placement will be 33,333,333 fully paid ordinary shares (**Placement Shares**) to the Slattery Family Trust or its nominee at a price of \$0.075 per Share with 2,731,956 Shares (**Tranche 1**) to be issued immediately using the Company's 15% capacity under ASX Listing Rule 7.1, and the remaining 30,601,377 Shares (**Tranche 2**) to be issued subject to Shareholder approval.

The Rights Issue will be offered to existing Shareholders on a pro-rata basis of one new Share for every five existing Shares held on 11 August 2020, at a price of \$0.075 per new Share. Directors Tony Bellas, Greg Baynton and Jamie Duffield have committed to taking up their entitlements under the Rights Issue (collectively approximately \$200,000). The Rights issue is fully underwritten by the Slattery Family Trust and Colinton Capital Partners Fund I (A) for 45% and 55% respectively of the shortfall. The underwriters will not receive any underwriting fee.

Shares will be issued under Tranche 1 prior to the record date for the Rights Issue, and the Slattery Family Trust has committed to take up its entitlements under the Rights Issue.

Funds raised under the Capital Raising of approximately \$5.5 million together with existing funds on hand will be used as follows:

- (a) to accelerate global expansion beyond existing 24% of ARR accounted for by offshore activities;
- (b) general working capital to enable ongoing execution of global business strategy; and
- (c) ongoing R&D and product enhancement.

Settlement of Tranche 1 of the Placement is expected to be completed on 10 August 2020 (i.e. prior to the Meeting) and Tranche 2, subject to Shareholder approval, to be completed shortly after the Meeting.

Resolution 1 seeks Shareholder approval under Listing Rule 7.4 to ratify the agreement to issue Shares under Tranche 1. Resolution 2 seeks Shareholder approval under Listing Rule 7.1 to issue securities under Tranche 2.

The Company proposes to issue 1,500,000 Shares to Mr Robert Bromage as part of his remuneration package. Resolution 3 seeks Shareholder approval under Listing Rule 10.11 for the proposed issue to Mr Bromage.

Further, as announced on 20 December 2019, the Company undertook a placement of 36,500,000 Shares at a price of \$0.075 per Share to Colinton Capital Partners to raise \$2.74 million (**December 2019 Placement**).

The Company issued 23,331,330 Shares under the December 2019 Placement on 17 January 2020 with its 15% capacity under Listing Rule 7.1. Resolution 4 seeks Shareholder approval under Listing Rule 7.4 to ratify the issue.

The Company issued a further 13,168,670 Shares under December 2019 Placement on 8 January 2020 with its 10% capacity under Listing Rule 7.1A. Resolution 5 seeks Shareholder approval under Listing Rule 7.4 to ratify the issue.

The Directors (other than Mr Bromage with respect to Resolution 3, where he has a personal interest) recommend that Shareholders vote in favour of all Resolutions and intend to do so with respect to all Shares they control.

3.2 Effects of the various issues on the capital structure of the Company

The effect of the various issues on the capital structure of the Company is as follows (assuming no other Shares are issued):

Item	Number	Percentage (%)
Shares currently on issue (excluding Shares for which ratification is sought under Resolutions 1, 4 and 5)	156,927,826	57.30
Shares issued under Tranche 1 (Resolution 1)	2,731,956	1.00
Shares to be issued under Tranche 2 (Resolution 2)	30,601,377	11.17
Shares to be issued to Mr Robert Bromage (Resolution 3)	1,500,000	0.55
Shares issued under the December 2019 Placement (Resolutions 4 and 5)	36,500,000	13.33
Shares to be issued under the Rights Issue	40,064,334	14.63
Shares to be issued upon exercise of options by the Directors Tony Bellas and Greg Baynton (expected to occur before the record date of the Rights Issue)	4,161,888	1.52
Shares to be issued upon vesting of performance rights (expected to occur prior to the issue date under the Rights Issue and Tranche 2)	1,375,758	0.50
Total Shares	273,863,139	100

3.3 Listing Rules

Broadly speaking and subject to a number of exceptions, Listing Rule 7.1 limits the number of equity securities a company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid up ordinary securities it had on issue at the start of that period.

Listing Rule 7.4 allows shareholders to ratify 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.

Broadly speaking, Listing Rule 10.11 requires prior shareholder approval for the issue of equity securities to related parties (which includes directors, certain relatives and their controlled entities), except for certain issues.

Security issues that are approved by Shareholders under Listing Rule 7.4 and 10.11 are not included in calculating an entity's 15% capacity under Listing Rule 7.1.

4 RESOLUTIONS 1 AND 2 - PLACEMENT

4.1 Introduction

The Placement between the Company and Bevan Slattery was announced on 6 August 2020. The issue of 2,731,956 Shares under Tranche 1 of the Placement is expected to occur on 10 August 2020, before the date of the Meeting.

Resolution 1 seeks Shareholder approval under Listing Rule 7.4 to ratify the agreement to issue the Shares under Tranche 1 of the Placement. The effect of passing Resolution 1 is that the Shareholders ratify the agreement to issue the Shares under Tranche 1.

If Resolution 1 is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issue. If Resolution 1 is not passed, the issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issue.

Resolution 2 seeks shareholder approval under Listing Rule 7.1 to issue 30,601,377 Shares under Tranche 2.

If Resolution 2 is passed, the Company will be able to proceed with the issue. In addition, the issue 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 Resolution 2 is not passed, the Company will not be able to proceed with the issue and the Company will have to seek alternative financing arrangement, failing which, the Company may not be able to fully execute its business plan.

The effect of the issues on the capital structure of the Company is set out in section 3.2.

4.2 Resolution 1 - Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided for ratification of the issue of Shares under Tranche 1 of the Placement:

- (a) The securities will be issued to the Slattery Family Trust, an entity controlled by Bevan Slattery, who is not a related party to the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) The number of securities agreed to be issued by the Company under Tranche 1 is 2,731,956 Placement Shares.
- (c) The Placement Shares are fully paid ordinary shares that will rank equally with existing Shares on issue.
- (d) The agreement to issue the Placement Shares under Tranche 1 was made on 5 August 2020, the issue under the Tranche 1 is expected to be completed on 10 August 2020.
- (e) The Placement Shares have an issue price of \$0.075 per Share.
- (f) The purpose of the issue is to raise funds, a total of \$204,897 will be raised from the issue. Use of the funds raised under the issue is as set out in section 3.1.
- (g) Other than those set out in Section 3 and this Section 4, there are no other material terms in relation to the issue under Tranche 1 of the Placement.
- (h) A voting exclusion statement is included in the Notice.

4.3 Resolution 2 - Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided about the issue under Tranche 2:

- (a) The securities will be issued to the Slattery Family Trust, an entity controlled by Bevan Slattery, or his nominee who is not a related party to the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) The number of securities to be issued by the Company is 30,601,377 Placement Shares.
- (c) The Placement Shares are fully paid ordinary shares that will rank equally with existing Shares on issue.
- (d) The Placement Shares 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), it is intended that the issue will occur on the same date.
- (e) The Placement Shares will be issued at an issue price of \$0.075 per Share.

- (f) The purpose of the issue is to raise funds, a total of \$2,295,103 will be raised from the issue. The intended use of funds is as set out in section 3.1.
- (g) Other than those set out in Section 3 and this Section 4, there are no other material terms in relation to the issue under Tranche 2.
- (h) A voting exclusion statement is included in the Notice.

4.4 Directors recommendation

The Directors recommend that Shareholders approve Resolutions 1 and 2, and intend to vote Shares they control in favour of Resolutions 1 and 2. This will allow the Company to complete the Placement and raise funds needed. The Company's 15% capacity will also be refreshed, giving the Company flexibility in further funding if the opportunity arises.

5 RESOLUTION 3 - APPROVAL TO ISSUE SECURITIES TO A RELATED PARTY - ROBERT BROMAGE

5.1 Introduction

As announced on 6 August 2020, the Company proposes to issue 1,500,000 Shares to Mr Robert Bromage or his nominee as payment in lieu of cash for short term incentives (STI) awarded to Mr Bromage for remuneration for the financial year ended 30 June 2020.

Mr Robert Bromage is eligible to receive a cash bonus of up to 50% of his total fixed remuneration (TFR) at the end of the financial year, subject to him achieving the key performance indicators (KPIs) set for him by the Board during that period. If Mr Robert Bromage does not achieve each of the KPIs during the financial year, the Board may determine the appropriate pro rata STI to be received by Mr Robert Bromage.

KPIs were set for Mr Robert Bromage for the financial year ended 30 June 2020 which were based on the group objectives relating to operational outcomes and strategic initiative.

For the financial year ended on 30 June 2020, the Board has determined that Mr Robert Bromage's total entitlement under the STI award is \$150,000, of which \$112,500 (75% of the total STI award) will be taken in the form of 1,500,000 shares, at a deemed issue price of \$0.075 per Share (being equal to the issue price under the Capital Raising, and a 3% premium to the last closing price on ASX prior to the Capital Raising and issue to Mr Bromage being announced on 6 August 2020).

The closing price of the Shares of the Company on 7 August 2020, being the last trading day prior to the date of this Notice, is \$0.171 per Share, as such the market value of the 1,500,000 Shares to Mr Bromage is \$256,500.00 (based on the closing price of \$0.171 per Share on 7 August 2020).

5.2 Regulatory requirements

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act, and includes directors of a company. Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

The proposed issue of the Shares to Mr Robert Bromage constitutes giving a financial benefit and Mr Robert Bromage is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Robert Bromage who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue because the issue of the Shares constitute part of the remuneration package for Mr Robert Bromage, and is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to a related party unless it obtains the approval of its shareholders.

The proposed issue of securities to Mr Robert Bromage or his nominee does not fall within any of the exceptions under Listing Rule 10.12 and requires Shareholder approval under Listing Rule 10.11. Resolution 3 seek Shareholder approval under Listing Rule 10.11 for the issue of Shares to Mr Robert Bromage or his nominee, and will allow the Company remunerate Mr Robert Bromage whilst conserving cash.

If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Shareholder approval of the issue of the Shares to Mr Robert Bromage or his nominee means that the issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

The effect of the issue on the capital structure of the Company is set out in section 3.2.

5.3 Resolution 3 - Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the issue of Shares under Resolution 3:

- (a) The person participating in the issue is Mr Robert Bromage (or his nominee), a director of the Company.
- (b) Mr Robert Bromage is a Director of the Company and therefore a related party and subject to Listing Rule 10.11.1.
- (c) The maximum number of securities to be issued is 1,500,000 Shares.
- (d) The securities to be issued are fully paid ordinary shares in the capital of the Company, ranking equally with existing Shares on issue.
- (e) The 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 intended that issue will occur on the same date.
- (f) The securities will be issued in lieu of cash payment for Mr Bromage's STI payment.
- (g) The securities are issued in lieu of cash payment for Mr Bromage's STI payment, and no funds will be raised from the issue. The issue under the STI payment will allow the Company to remunerate Mr Bromage with Shares while preserving the Company's cash for its operations.
- (h) The Director's current total remuneration package for financial year ended on 30 June 2020 is as follows:
 - (i) cash salary of \$300,000;
 - (ii) superannuation of \$28,500; and
 - (iii) \$150,000 STI award (with \$37,500 cash payment and \$112,500 to be paid with 1,500,000 Shares (the subject of Resolution 3)).
- (i) Other than those set out in section 3 and this section 5, there are no other material terms in relation to the issue.
- (j) A voting exclusion statement is included in the Notice.

5.4 Directors recommendation

The Directors (other than Mr Robert Bromage who has a material interest in the matter) recommend that Shareholders approve Resolution 3. These will allow the Company to remunerate Mr Robert Bromage while preserving cash and further preserving the Company's 15% annual limit permitted by Listing Rule 7.1 and allow the Company to issue further securities as permitted by Listing Rule 7.1 without Shareholder approval.

6 RESOLUTIONS 4 AND 5 - RATIFICATION OF PRIOR ISSUE OF SECURITIES UNDER THE DECEMBER 2019 PLACEMENT

6.1 Introduction

Under the December 2019 Placement, the Company issued 36,500,000 Shares at an issue price of \$0.075 per Share to raise \$2.74 million.

Funds raised under the December 2019 Placement were used to:

- (a) augment sales and marketing resources to significantly boost sales in the existing Australian and New Zealand markets;
- (b) accelerate international expansion, with the establishment of a sales team in North America with the ability to service the Northern Hemisphere;
- (c) further invest in product development to maintain the Company's position as a market leader; and
- (d) fund operating and working capital requirements.

The Company issued 23,331,330 Shares under December 2019 Placement on 17 January 2020 with its 15% capacity under Listing Rule 7.1. Resolution 4 seeks Shareholder approval under Listing Rule 7.4 to ratify the issue.

If Resolution 4 is passed, the issue will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issue. If Resolution 4 is not passed, the issue will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue under Listing Rule 7.1 without Shareholder approval over the 12 months following the issue.

The Company issued 13,168,670 Shares under December 2019 Placement on 8 January 2020 with its 10% capacity under Listing Rule 7.1A. Resolution 5 seeks Shareholder approval under Listing Rule 7.4 to ratify the issue.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1A.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and

(b) are counted in variable “E”,

until their issues have been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issues.

If Resolution 5 is passed, the issue will be excluded in calculating the Company’s 10% limit under Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issue. If Resolution 5 is not passed, the issue will be included in calculating the Company’s 10% limit under Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval under Listing Rule 7.1A over the 12 months following the issue.

The effect of the issues on the capital structure of the Company is set out in section 3.2.

6.2 Resolutions 4 and 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 Resolutions 4 and 5:

- (a) the securities were issued to Colinton Capital Partners, who is not a related party of the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) 36,500,000 Shares were issued on the following basis:
 - (i) Resolution 4 - 23,331,330 Shares were issued with the Company’s Listing Rule 7.1 capacity; and
 - (ii) Resolution 5 - 13,168,670 Shares were issued with the Company’s Listing Rule 7.1A capacity.
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company that rank equally with existing Shares on issue.
- (d) the Shares were issued on 17 January 2020 (for 23,331,330 Shares - the subject of Resolution 4) and 8 January 2020 (for 13,168,670 Shares - the subject of Resolution 5).
- (e) the issue price was \$0.075 per Share.
- (f) the purpose of the issue was to raise \$2.74 million; the use of funds is set out in section 6.1.
- (g) other than those set out in section 3 and this section 6, there are no other material terms in relation to the issues.
- (h) a voting exclusion statement is included in the Notice.

6.3 Directors recommendation

The Directors recommend that Shareholders approve each of Resolutions 4 and 5. These will restore the Company's 15% annual limit permitted by Listing Rule 7.1 and allow the Company to issue further securities as permitted by Listing Rule 7.1 without Shareholder approval.

SCHEDULE 1 GLOSSARY

\$ or A\$ means Australian dollars.

AEST means Australian Eastern Standard Time.

ASX Listing Rules means the Listing Rules of ASX.

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.

Capital Raising has the meaning given in section 3.1.

Chair means the chair of the Meeting.

Colinton Capital Partners means Colinton Capital Partners Fund I (A) Trust.

Company means IntelliHR Limited (ACN 600 548 516).

Constitution means the Company's constitution.

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

December 2019 Placement has the meaning given in section 3.1.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Extraordinary General Meeting or Meeting means the meeting convened by the Notice.

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

Placement has the meaning given in section 3.1.

Placement Share has the meaning given in section 3.1.

Proxy Form means the proxy form accompanying the Notice.

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

Rights Issue has the meaning given in section 3.1.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Tranche 1 has the meaning given in section 3.1 .

Tranche 2 has the meaning given in section 3.1.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au


BY MAIL

intelliHR Holdings Limited
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; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of intelliHR Holdings Limited and entitled to attend and vote hereby appoint:

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 Extraordinary General Meeting of the Company to be held at **8:00am (AEST) on Thursday, 10 September 2020 at Level 28, 345 Queen Street, Brisbane QLD 4000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

- 1 Ratification of prior issue of securities under Tranche 1
- 2 Approval to issue securities under Tranche 2
- 3 Approval to issue securities to a related party – Robert Bromage
- 4 Ratification of prior issue of securities to Colinton Capital Partners under Listing Rule 7.1

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 5 Ratification of prior issue of securities to Colinton Capital Partners under Listing Rule 7.1A

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* 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.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder'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).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares 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 shareholder 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 shares 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 shares 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 share 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 shares 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 shareholder 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 share registry or online at www.linkmarketservices.com.au.

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 below by **8:00am (AEST) on Tuesday, 8 September 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

intelliHR Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

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