



intelliHR Limited Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at:

- Level 28, 345 Queen Street, Brisbane QLD 4000; and
- 8:00am (AEST) on Thursday, 29 October 2020.

This notice of Annual 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 Annual General Meeting

Notice is hereby given that the Annual 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, 29 October 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, 27 October 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 (AEDT) on Tuesday, 27 October 2020.

Agenda

ANNUAL REPORT

To receive and consider the financial statements of the Company and the reports of the Directors (**Directors' Report**) and Auditors for the financial year ended on 30 June 2020 (**Annual Report**).

RESOLUTION 1 - REMUNERATION REPORT (NON-BINDING)

To consider, and if thought fit, to pass the following as a non-binding resolution:

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as set out in the Directors' Report for the financial year ended on 30 June 2020."

A voting exclusion statement is set out below.

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

RESOLUTION 2 - RE-ELECTION OF DIRECTOR - GREG BAYNTON

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

"That Greg Baynton, who retires by rotation in accordance with ASX Listing Rule 14.4 and rule 19.3 of the Company's Constitution and offers himself for re-election, be re-elected as a Director."

RESOLUTION 3 - RE-ELECTION OF DIRECTOR - TONY BELLAS

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

"That Tony Bellas, who retires by rotation in accordance with ASX Listing Rule 14.4 and rule 19.3 of the Company's Constitution and offers himself for re-election, be re-elected as a Director."

RESOLUTION 4 - RE-ELECTION OF DIRECTOR - JAMIE DUFFIELD

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

"That Jamie Duffield, who retires by rotation in accordance with ASX Listing Rule 14.4 and rule 19.3 of the Company's Constitution and offers himself for re-election, be re-elected as a Director."

RESOLUTION 5 - RE-ELECTION OF DIRECTOR - NICOLE COOK

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

"That Nicole Cook, who was appointed as a Director by the Board in accordance with rule 19.2(a) of the Company's Constitution, retires upon the conclusion of the Meeting in accordance with rule 19.2(b) of the Company's Constitution and offers herself for re-election, be re-elected as a Director."

RESOLUTION 6 - RE-ELECTION OF DIRECTOR - DAVID SLOCOMB

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

"That David Slocomb, who was appointed as a Director by the Board in accordance with rule 19.2(a) of the Company's Constitution, retires upon the conclusion of the Meeting in accordance with rule 19.2(b) of the Company's Constitution and offers himself for re-election, be re-elected as a Director."

RESOLUTION 7 - APPROVAL OF 10% PLACEMENT FACILITY

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company"

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(at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

RESOLUTION 8 - 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 2,727,273 Performance Rights to Mr Robert Bromage or his nominee on the terms set out in the Explanatory Statement."

A voting exclusion statement is set out below.

VOTING PROHIBITION AND EXCLUSION STATEMENTS

Corporations Act

The Corporations Act prohibits votes being cast (in any capacity) on the following resolutions by any of the following persons:

Resolution	Persons Excluded from Voting
Resolution 1 - Remuneration Report (Non-Binding)	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of the following persons:</p> <ul style="list-style-type: none">(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or(b) a Closely Related Party of such a member. <p>However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none">(c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or(d) the voter is the Chair of the Meeting and the appointment of the chair as proxy:<ul style="list-style-type: none">(i) does not specify the way the proxy is to vote on this Resolution; and(ii) expressly authorises the Chair to exercise the proxy even if this

Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

ASX Listing Rules

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 8 - Approval to issue securities to a Related Party - Robert Bromage	Robert Bromage and his 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
29 September 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, 29 October 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, 27 October 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 of 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 (AEDT) on Tuesday, 27 October 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.

2.5 Voting by poll

All Resolutions under this Notice will be determined by poll.

3 ANNUAL REPORT

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report for the financial year ended on 30 June 2020 which is available on the ASX platform at www.asx.com.au; and
- (b) ask questions about or make comment on the management of the Company.

The chair of the Meeting will allow reasonable opportunity for the Shareholders as a whole at the Meeting to ask the auditor or the auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor about:

- (a) the content of the auditor's report to be considered at the Meeting; and
- (b) the conduct of the audit of the annual financial report to be considered at the Meeting,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4 RESOLUTION 1 - REMUNERATION REPORT

4.1 Introduction

The Remuneration Report is in the Directors' Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended on 30 June 2020.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

The Chair will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

4.2 Voting consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors who were directors when the resolution to make the directors report considered at the later annual general meeting was passed (other than the Managing Director) must go up for re-election (**Spill Resolution**).

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were directors of the company when the resolution to make the directors' report considered at the second annual general meeting was passed, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Shareholders approved the Company's Remuneration Report for financial year ended on 30 June 2019, and as a result there is no requirement to vote on a Spill Resolution if 25% or more of the votes cast vote against Resolution 1.

Voting on Resolution 1 will be determined by a poll at the Meeting.

5 RESOLUTIONS 2 TO 6 - RE-ELECTION OF DIRECTORS

5.1 Introduction

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer, and that a director appointed to fill a casual vacancy must also not hold office (without re-election) past the company's next annual general meeting.

Rule 19.3 of the Company's Constitution provides that no Director who is not a managing director may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-

elected. Rule 19.2 of the Company's Constitution provides that the Board may appoint a Director to fill casual vacancies, who hold office until the conclusion of the next annual general meeting following the appointment. Rule 19.3 of the Company's Constitution provides that the Company may by resolution at an annual general meeting fill an office vacated by a director under rules 19.2 or 19.3 by electing or re-electing an eligible person to that office.

5.2 Greg Baynton, Tony Bellas and Jamie Duffield

Each of Greg Baynton, Tony Bellas and Jamie Duffield was appointed as a director of the Company at/prior its listing on ASX on 23 January 2018. In accordance with ASX Listing Rule 14.4 and rule 19.3 of the Company's Constitution, each of Greg Baynton, Tony Bellas and Jamie Duffield retires from office at this Meeting and offers himself for re-election.

Details of the qualifications and experience for each of Greg Baynton, Tony Bellas and Jamie Duffield are set out in the Company's 2020 Annual Report.

5.3 Nicole Cook and David Slocomb

Ms Nicole Cook was appointed a Director of the Company by the Board on 17 January 2020 and in accordance with ASX Listing Rule 14.4 and rule 19.2 of the Company's Constitution, retires with effect from the conclusion of the Meeting. Ms Cook offers herself for re-election.

Mr David Slocomb was appointed a Director of the Company on 8 January 2020 and in accordance with ASX Listing Rule 14.4 and rule 19.2 of the Company's Constitution, retires with effect from the conclusion of the Meeting. Mr Slocomb offers himself for re-election.

Details of the qualifications and experience for each of Nicole Cook and David Slocomb are set out in the Company's 2020 Annual Report.

5.4 Directors' recommendations

The Board (excluding Greg Baynton) recommends that Shareholders vote in favour of Resolution 2.

The Board (excluding Tony Bellas) recommends that Shareholders vote in favour of Resolution 3.

The Board (excluding Jamie Duffield) recommends that Shareholders vote in favour of Resolution 4.

The Board (excluding Nicole Cook) recommends that Shareholders vote in favour of Resolution 5.

The Board (excluding David Slocomb) recommends that Shareholders vote in favour of Resolution 6.

6 RESOLUTION 7 - APPROVAL OF 10% PLACEMENT FACILITY

6.1 General

The Company seeks Shareholder approval to issue Equity Securities up to 10% of its issued share capital through placements over a Relevant Period following shareholder approval (10% Placement Facility).

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 6.2(a) below).

Any funds raised will be used to accelerate the Company's global expansion, for ongoing R&D, product enhancement and towards general working capital.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

6.2 Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue quoted Equity Securities up to 10% of its issued share capital through placements over a Relevant Period following shareholder approval by way of a special resolution. The 10% Placement Facility is subject to conditions and is addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalization of \$300 million or less. The Company is an eligible entity.

(a) Maximum number of Equity Securities which may be issued

The number of Equity Securities which may be issued, or agreed to be issued, under the 10% Placement Facility is prescribed in Listing Rule 7.1A.2 and is calculated as follows:

$\text{Number of Equity Securities} = (A \times D) - E$

"A" the number of fully paid ordinary shares on issue at the commencement of the Relevant Period:

(A) plus the number of fully paid shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9,16 or 17;

(B) plus the number of fully paid ordinary shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

- the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of fully paid ordinary shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
- the agreement was entered into before the commencement of the Relevant Period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of any other fully paid ordinary shares issued in the Relevant Period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- (E) plus the number of partly paid shares that became fully paid in the Relevant Period;
- (F) less the number of fully paid ordinary shares cancelled in the Relevant Period.

“D” is 10%.

“E” is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

The actual number of Equity Securities that may be issued under Listing Rule 7.1A is calculated at the date of issue of the Equity Securities in accordance with the above formula.

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

As the date of this Notice, the Company has:

- (i) the following securities on issue:
- (A) 277,126,180 fully paid ordinary shares;
 - (B) 10,995,996 unlisted options; and
 - (C) 617,347 unlisted performance rights.

- (ii) the capacity to issue:
 - (A) 41,568,927 Equity Securities under Listing Rule 7.1; and
 - (B) 27,712,618 Equity Securities under Listing Rule 7.1A.

(b) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

6.3 Specific information required by Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided about the proposed issue:

- (a) The approval will be valid for the period commencing on the date of the Meeting and expires on the first to occur of the following:
 - (i) the date that is 12 months after the date of the Meeting;
 - (ii) the time and date of the Company's next annual general meeting; and
 - (iii) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.
- (b) The Equity Securities will be issued for a cash consideration per security which is not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The issue under Listing Rule 7.1A can only be made for cash consideration. The Company intends to use any funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), the Company's global expansion, ongoing R&D, product enhancement and general working capital.

- (d) There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than when Shareholders approve the 10% Placement Facility; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, or issued for non-cash consideration for the acquisition of a new asset.

Following is a table that sets out the potential dilution of existing Shareholders if Equity Securities are issued under the 10% Placement Facility:

Variable "A" in Listing Rule 7.1A.2		10% Voting Dilution		
		\$0.10 50% decrease in Issue Price	\$0.20 Issue Price	\$0.30 50% increase in Issue Price
Current Variable A (277,126,180 Shares)	Shares issued	27,712,618	27,712,618	27,712,618
	Funds Raised	\$2,771,262	\$5,542,524	\$8,313,785
50% increase in current Variable A (415,689,270 Shares)	Shares issued	41,568,927	41,568,927	41,568,927
	Funds Raised	\$4,156,892.70	\$8,313,785.40	\$12,470,678.10
100% increase in current Variable A (554,252,360 Shares)	Shares issued	55,425,236.0	55,425,236.0	55,425,236.0
	Funds Raised	\$5,542,523.60	\$11,085,047.20	\$16,627,570.80

The table has been prepared on the following assumptions:

- (i) The Company issues, or agrees to issue, the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options have been exercised before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted options, it is assumed that those quoted options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- (v) The issue price is \$0.20 being the closing price of the Shares on ASX on 23 September 2020.

The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 upon issue of any Equity Securities.

- (e) The Company is yet to identify the persons to whom Equity Securities will be issued to under the 10% Placement Facility. The Company's policy for allocating Equity Securities issued under the 10% Placement Facility will be determined on a case-by-case basis depending upon the purpose, and prevailing market conditions at the time, of any issue and having regard to factors including but not limited to the following:
- (i) The fundraising methods available to the Company, including but not limited to, rights issue or other issue which may minimise dilution to Shareholders.
 - (ii) The effect of the issue of the Equity Securities on the control of the Company.
 - (iii) The financial situation and solvency of the Company.
 - (iv) Advice from corporate, financial and broking advisers (if applicable).

The subscribers may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) 13,168,670 Shares, representing 7.5% of the total number of equity securities on issue at the commencement of the 12 month period before the Meeting, (175,614,428 Shares) have been issued under Listing Rule 7.1A.2 in the 12 months preceding the date of the Meeting. Details of the issues as required by Listing Rule 7.3A.6(b). is set out in SCHEDULE 2. There is no circumstance that the Company has agreed before the 12 month period to issue Equity securities under Listing Rule 7.1A.2 but as at the date of the Meeting not yet issued those Equity Securities.
- (g) At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, no voting exclusion statement is required for the Notice.

6.4 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 7. This will allow the Company to issue securities and raise funds whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

7 RESOLUTION 8 - APPROVAL TO ISSUE SECURITIES TO A RELATED PARTY - ROBERT BROMAGE

7.1 Introduction

The Company proposes to grant 2,727,273 performance rights (**Performance Rights**) to Mr Robert Bromage (or his nominee). The grant is to remunerate the Director, Mr Bromage, while preserving the Company's cash, and further to align the Director's interest with the interest of the Shareholders.

The 2,727,273 Performances Rights will vest subject to achieving the following performance hurdles (with vesting to occur after 30 June 2021):

- (a) \$3 million contracted annual recurring revenue; and
- (b) key performance indicators set by the Board which consist of four components as follows:
 - (i) strategic and business development (40% weighted):
 - (A) execute a land and expand business model while maintaining focus on the SME full digital transformation marketplace - (10% weighted);
 - (B) build America region customer base for continued global expansion - (10% weighted);
 - (C) gravitate offering towards a market-based ecosystem around people with intelliHR at the core- (10% weighted);
 - (D) reaching an agreed additional contracted freemium subscribers headcount - (10% weighted);
 - (ii) financial performance (40% weighted):
 - (A) delivering Board approved cash budget for FY 2021 - (20% weighted);
 - (B) reaching an agreed additional contracted paying subscribers headcount in total - (10% weighted);
 - (C) reaching an agreed fee invoiced for professional services (budgeted cash flow) - (10% weighted);
 - (iii) customer and brand advocacy (10% weighted):

- (A) reaching an agreed net promoter score (average for FY 2021) - (5% weighted);
- (B) reaching an agreed customer account retention - (5% weighted);
- (iv) people (10% weighted): business wide happiness rating at or above the FY 2020 average of 8 of 10.

The 2,727,273 Performances Rights will automatically lapse if the above performance hurdles are not achieved by 30 June 2023.

Resolution 8 seeks Shareholder approval under Listing Rule 10.11 for the above proposed issue to Mr Bromage.

7.2 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 grant of Performance Rights 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 grant of the Performance Rights because the grant of the Performance Rights forms 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.

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. The proposed issue of Performance Rights to Mr Robert Bromage (or his nominees) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12, therefore it requires Shareholder approval under Listing Rule 10.11. Resolution 8 seeks Shareholder approval under Listing Rule 10.11 for the proposed issue.

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 securities to Mr Robert Bromage under Listing Rule 10.11 means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

The effect of passing Resolution 8 will be to allow the Company to issue securities to remunerate Mr Robert Bromage without those securities being included in the 15% limit under Listing Rules 7.1. If Resolution 8 is not passed, the Company will not be able to proceed with the issue, and will have to negotiate alternative arrangement to remunerate Mr Robert Bromage.

7.3 Information required by Listing Rule 10.13

The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the related party is Mr Robert Bromage (or his nominee), a Director of the Company.
- (b) by virtue of being a Director of the Company, Listing Rule 10.11.1 applies.
- (c) the number and class of securities proposed to be issued to Mr Robert Bromage (or his nominee) for which approval is being sought is 2,727,273 Performance Rights.
- (d) the securities are not fully paid ordinary securities but Performance Rights, the terms and conditions of the Performance Rights are set out in SCHEDULE 3.
- (e) the Performance Rights will be granted to Mr Robert Bromage (or his nominee) no later than one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be granted on the same date.
- (f) the issue will be made for nil cash consideration to remunerate Mr Robert Bromage.
- (g) the issue is made to remunerate Mr Robert Bromage for nil cash consideration, no fund is raised from the issue, no use of funds is included in this Notice.
- (h) the current annual remuneration package of Mr Robert Bromage is as follows:
 - (i) cash salary of \$300,000;
 - (ii) superannuation of \$28,500; and
 - (iii) \$150,000 short term incentive opportunity, to be satisfied through the issue of 2,727,273 Performance Rights (the subject of Resolution 8).

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- (i) other than those set out in this section 7 and SCHEDULE 3, there are no other material terms in relation to the proposed issue.
 - (j) a voting exclusion statement is included in the Notice.

7.4 Directors Recommendations

The Board (other than Mr Robert Bromage who refrains from making a recommendation in respect of the grant of the Performance Rights as he has a material personal interest in the outcome of Resolution 8) recommends that Shareholders vote in favour of Resolution 8 for the reasons set out in section 7.1.

SCHEDULE 1 GLOSSARY

AEDT	means Australian Eastern Daylight Time.
AEST	means Australia East Standard Time.
Annual General Meeting or Meeting	means the meeting convened by this Notice (as adjourned from time to time).
ASX	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
Board	means the board of Directors.
Chair or Chairperson	means the chair of the Company.
Closely Related Party of a member of the Key Management Personnel	means a spouse or child of the member; or a child of the member's spouse; or a dependent of the member or the member's spouse; or anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or a company the member controls; or a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
Company or IHR	means IntelliHR Limited ACN 600 548 516.
Constitution	means the constitution of the Company as amended.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended.
Director	means a director of the Company.
Equity Securities	has the same meaning given in the Listing Rules.
Explanatory Statement	means this Explanatory Statement.
Key Management Personnel	has the same meaning given in the Listing Rules.
Listing Rule	means the listing rules of the ASX.
Notice	means this notice of meeting.
Performance Rights	has the meaning given in section 7.1 of the Explanatory Statement.

Proxy Form	means the proxy form attached to this Notice.
Relevant Period	has the meaning given in Listing Rule 7.1, being <ul style="list-style-type: none"> (a) if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or (b) if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.
Remuneration Report	means the remuneration report of the Company included in the Directors' Report section of the Company's Annual Report.
Resolution	means a resolution set out in the Notice.
Securities	has the meaning given in the Listing Rules.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.
Spill Meeting	has the meaning given in section 4.2 of the Explanatory Statement.
Spill Resolution	has the meaning given in section 4.2 of the Explanatory Statement.
Trading Days	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
VWAP	means volume weighted average price as defined in the Listing Rules.

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SCHEDULE 2 INFORMATION REQUIRED BY LISTING RULE 7.3A.6(B)

Issue 1	
Date of issue:	08/01/2020
Class/Type of equity security:	Fully paid ordinary shares
Names of persons who received securities or basis on which those persons was determined:	Colinton Capital Partners, a strategic institutional investor.
Price:	\$0.075 per share (actual).
Discount to market price (if any):	122.95% of the closing price of \$0.061 per share on 19 December 2019, which is the day prior to the announcement of the issue on 20 December 2019.
Cash received	As announced on 20 December 2019, the Company raised a total of \$2.74 million (before costs) from the issue of 36.5 million Shares with 23,331,330 shares under the Company's 15% capacity under Listing Rule 7.1 and 13,168,670 shares under the Company's 10% capacity under Listing Rule 7.1A.
Use of proceed	<p>The funds were used to:</p> <ul style="list-style-type: none">(a) augment sales and marketing resources to significantly boost sales in the existing Australian and New Zealand markets;(b) accelerate international expansion, initially 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 our position as a market leader- fund operating and working capital requirements. <p>As of the date of this Notice, all the funds raised have been used for the purposes set out above.</p>

SCHEDULE 3 TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The Performance Rights entitle the holder to subscribe for Shares on the terms and conditions set out below.

1. Entitlement

Each Performance Right entitles the holder of the Performance Right to be issued one fully paid ordinary share in the Company, for no cash consideration, on these terms of issue including the performance condition(s) set out below.

2. Vesting

The 2,727,273 Performances Rights will vest subject to achieving the following performance hurdles (with vesting to occur after 30 June 2021):

- (a) \$3 million contracted annual recurring revenue; and
- (b) key performance indicators set by the Board which consist of four components as follows:
 - (i) strategic and business development (40% weighted):
 - (A) execute a land and expand business model while maintaining focus on the SME full digital transformation marketplace - (10% weighted);
 - (B) build America region customer base for continued global expansion - (10% weighted);
 - (C) gravitate offering towards a market-based ecosystem around people with intelliHR at the core- (10% weighted);
 - (D) reaching an agreed additional contracted freemium subscribers headcount - (10% weighted);
 - (ii) financial performance (40% weighted):
 - (E) delivering Board approved cash budget for FY 2021 - (20% weighted);
 - (F) reaching an agreed additional contracted paying subscribers headcount in total - (10% weighted);
 - (G) reaching an agreed fee invoiced for professional services (budgeted cash flow) - (10% weighted);
 - (iii) customer and brand advocacy (10% weighted):
 - (H) reaching an agreed net promoter score (average for FY 2021) - (5% weighted);
 - (I) reaching an agreed customer account retention - (5% weighted);

- (iv) people (10% weighted): business wide happiness rating at or above the FY 2020 average of 8 of 10.

The 2,727,273 Performances Rights will automatically lapse if the above performance hurdles are not achieved by 30 June 2023.

3. Lapse/Forfeiture

If the performance condition is not satisfied by 30 June 2023, then the relevant class of Performance Rights will automatically lapse. The Performance Rights will be forfeited if the holder ceases to be an employee or Director of the Company before the Performance Rights have vested.

4. Vesting

Subject to clauses 2 and 3, Performance Rights will vest upon the relevant performance condition being met.

5. Shares issued on vesting

Shares issued upon vesting will rank equally in all respects with the Company's ordinary shares on issue. The Company will apply to the ASX for official quotation of the Shares after they are issued.

6. A Performance Right does not entitle the holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company.

7. A Performance Right does not entitle the holder to any dividends.

8. The holder is not entitled to participate in the surplus profits or assets of the Company upon the winding up of the Company.

9. Shareholder and regulatory approvals

Notwithstanding any other provision of these terms and conditions, if vesting of Performance Rights would result in any person being in contravention of section 606(1) of the Corporations Act then the vesting of each Performance Right that would cause the contravention will be deferred until such time or times that the vesting would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the vesting of the Performance Rights may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the vesting of the Performance Rights will not result in any person being in contravention of section 606(1) of the Corporations Act.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

11. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares which must be issued on the vesting of an Performance Right will be increased by the number of Shares which the holder would have received if the Performance Right had vested before the record date for the bonus issue.

12. Adjustment for rights issue

If the Company makes a rights issue of Shares pro rata to existing Shareholders, there will be no adjustment to these terms and conditions.

13. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

14. Quotation

The Company will not apply for quotation of the Performance Rights on ASX.

15. Non-Transferable

Subject to the ASX Listing Rules, the Performance Rights are only transferable, assignable or able to be otherwise disposed or encumbered:

- (a) in Special Circumstances with the consent of the Board (which may be withheld in its absolute discretion); or
- (b) by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.

Special Circumstances means:

- (a) death or total or permanent disability of the holder; or
- (b) retirement or redundancy the holder;
- (c) the holder suffering severe financial hardship;
- (d) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant offer made to and accepted by the holder; or
- (e) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant holder which circumstances may relate to the holder, a class of holder, including the holder or particular circumstances or class of circumstances applying to the holder.

16. Compliance with laws

If the Corporations Act, the Listing Rules or the Constitution conflicts with these terms and conditions, or these terms and conditions do not comply with the Corporations Act, the Listing Rules or the Constitution, the holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.


17. No other rights

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

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LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
intelliHR 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

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



X99999999999

PROXY FORM

I/We being a member(s) of intelliHR 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 Annual General Meeting of the Company to be held at **8:00am (AEST) on Thursday, 29 October 2020 at Level 28, 345 Queen Street, Brisbane QLD 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

Resolutions	For	Against	Abstain*	For	Against	Abstain*
1 Remuneration report (non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2 Re-election of director – Greg Baynton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
3 Re-election of director – Tony Bellas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
4 Re-election of director – Jamie Duffield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
5 Re-election of director – Nicole Cook				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Re-election of director – David Slocomb				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of 10% placement facility				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval to issue securities to a related party – Robert Bromage				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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).

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STEP 1

STEP 2

STEP 3



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, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

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, 27 October 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 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

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

**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.**