

Increase in intelliHR Scheme Consideration

intelliHR Limited (ASX: IHR) (“**IHR**”) and Humanforce Holdings Pty Ltd (“**Humanforce**”) have agreed to amend the scheme implementation deed dated 30 January 2023 (“**SID**”) by increasing the Scheme Consideration payable from \$0.11 to \$0.165 cash per share and in addition, have agreed to delete the IHR material adverse change condition.

Background

As announced on 3 March 2023, the IHR Board received a non-binding indicative offer from The Access Group (“**TAG**”) to acquire all of the fully paid ordinary shares of IHR at a cash offer price of \$0.14 per share (“**TAG NBIO**”).

IHR gave notice of the TAG NBIO to Humanforce under the terms of the SID. In response to the TAG NBIO, Humanforce has agreed to increase the Scheme Consideration payable under the SID to \$0.165 cash per share, which is a 17.86% premium to the offer by TAG, and has also agreed to delete the IHR material adverse change condition from the SID.

IHR also understand that Humanforce has acquired an interest in 19.9% of IHR from two substantial holders of IHR.

Overview of the Revised SID

IHR has entered into a deed of amendment with Humanforce pursuant to which the parties have agreed to amend the terms of the SID (“**Revised SID**”) to reflect the increased consideration payable by Humanforce, being \$0.165 cash per IHR share (“**Revised Scheme Consideration**”). Under the terms of the Revised SID, the parties have also agreed to delete one of the conditions to implementation of the Scheme, being the IHR material adverse change condition (“**Deleted Scheme Condition**”).

Other than minor amendments to reflect the Revised Scheme Consideration and the Deleted Scheme Condition, the Revised SID is on substantially the same terms as the SID released to ASX on 31 January 2023. A copy of the deed of amendment to the SID is attached as Annexure A to this ASX announcement.

Board recommendation

The Directors of IHR continue to unanimously recommend that IHR shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of IHR shareholders. Subject to those same qualifications, each Director of IHR also intends to vote all of the IHR shares held or controlled by them in favour of the Scheme.

Authorised for release by the Company Secretary

Further Information

intelliHR Investor Relations

investor.relations@intellihr.com

About ASX:IHR

intelliHR is the intelligent people platform that empowers global HR leaders to create an inclusive, engaging, performing, and aligned working culture. The intelliHR platform is the cloud-based way to drive employee engagement, performance and retention, in today's hybrid working world. Easily implemented, employing best-of-breed integrations, with powerful data at its core, intelliHR is the HR software choice for 300+ progressive organisations and over 70,000 users across 20 countries. For more information, visit www.intellihr.com

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IntelliHR Limited

Humanforce Holdings Pty Ltd

**Deed of Amendment of
Scheme Implementation Deed**

Contents

| | | |
|----------|---------------------------------------|----------|
| 1 | Definitions and interpretation | 1 |
| 1.1 | Definitions | 1 |
| 1.2 | Interpretation | 1 |
| 2 | Amendment | 1 |
| 3 | Status of the SID | 2 |
| 3.1 | Confirmation | 2 |
| 3.2 | Accrued rights and obligations | 2 |
| 4 | General | 2 |
| | Execution | 3 |

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Deed of Amendment of Scheme Implementation Deed

Date

Parties

1 IntelliHR Limited (ACN 600 548 516) (**Company**)
 Address: Level 28, 345 Queen Street, Brisbane QLD 4000
 Email: tony@tonybellas.com
 Contact: Tony Bellas

2 Humanforce Holdings Pty Ltd (ACN 618 020 401) (**Bidder**)
 Address: Level 14, 90 Arthur Street, North Sydney NSW 2060
 Email: DavidJP@humanforce.com; Jporten@accel-kkr.com
 Contact: David Pullini and Joe Porten

Recitals

- A** The Company and the Bidder are party to a Scheme Implementation Deed dated 30 January 2023 (**SID**).
- B** The Company and the Bidder have agreed to amend the terms of the SID on the terms of this deed.

Operative part

1 Definitions and interpretation

1.1 Definitions

Unless otherwise defined in this deed, capitalised terms have the meaning given to them in the SID.

1.2 Interpretation

Clause 1.2 of the SID applies to this deed as if repeated in full in this deed with all necessary changes.

2 Amendment

2.1 Scheme Consideration

The parties agree that, in accordance with clause 17.1 of the SID (Amendment) and with immediate effect, in the definition of "Scheme Consideration" in clause 1.1 (Definitions) of the SID, the dollar figure '\$0.11' is deleted and replaced with '\$0.165'.

2.2 Company Material Adverse Change

The parties agree that, in accordance with clause 17.1 of the SID (Amendment) and with immediate effect:

- (a) the definition of "Company Material Adverse Change" in clause 1.1 (Definitions) of the SID is deleted;

- (b) paragraph (f) of the definition of "Specified Indebtedness" in clauses 1.1 (Definitions) of the SID is deleted;
- (c) clause 3.1(j) (No Company Material Adverse Change) of the SID is deleted;
- (d) in clause 3.2(c) (Benefit and waiver of Conditions) of the SID, the reference to "3.1(j)" is deleted and replaced with "3.1(i)"
- (e) in clause 3.3(a)(iii) (Reasonable endeavours and notification) of the SID, the reference to ", 3.1(i) and 3.1(j)" is deleted and replaced with "and 3.1(i)";
- (f) clause 6.1(c)(iv) (Conduct of Company's business) of the SID is deleted;
- (g) clause 6.3(a) (Business updates) of the SID is deleted;
- (h) in clause 10.1 (Reverse Break Fee) of the SID, the reference to ", 3.1(i) or 3.1(j)" is deleted and replaced with "or 3.1(i)"; and
- (i) clause 14.2(b)(ii) (Termination by Bidder) of the SID is deleted.

2.3 Net Debt

The parties agree that, in accordance with clause 17.1 of the SID (Amendment) and with immediate effect, in clause 6.1(b)(xii) (Conduct of the Company's business) of the SID, the reference to "the maximum amount permitted under this deed" is deleted and replaced with "\$950,000 without the prior written consent of the Bidder (which will not be unreasonably withheld, refused or delayed)".

3 Status of the SID

3.1 Confirmation

Except as amended by this deed, the SID is confirmed and remains in full force and effect.

3.2 Accrued rights and obligations

Unless otherwise expressly stated in this deed (including in respect of the coming into effect of the amendments in clause 2), nothing in this deed prejudices or adversely affects any right, power, authority, discretion or remedy arising under the SID before the date of this deed (including in relation to the original wording of any of the provisions of the SID to be amended by this deed) or discharges, releases or otherwise affects any liability or obligation arising under the SID before the date of this deed.

4 General

Clauses 16 and 17 of the SID apply to this deed as if repeated in full in this deed with all necessary changes.

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Execution

EXECUTED as a deed


Executed by IntelliHR Limited in accordance with section 127 of the *Corporations Act 2001* (Cth) by:



Director signature

ANTHONY BELLAS

Director full name
(BLOCK LETTERS)

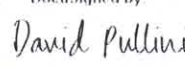


Director/Secretary signature

MATTHEW DONOVAN

Director/Secretary full name
(BLOCK LETTERS)

Executed by Humanforce Holdings Pty Ltd in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

DocuSigned by


Director signature

David Pullini

Director full name
(BLOCK LETTERS)

DocuSigned by


Director signature

Clayton Pyne

Director full name
(BLOCK LETTERS)

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