

# 2023

## Notice of Annual General Meeting

Friday 26 May 2023  
10.00am (AEST)

# Participation in the AGM

The Annual General Meeting (**AGM**) of Appen Limited (**Appen** or **Company**) will be held on Friday, 26 May 2023 commencing at 10.00am (AEST) at the Amora Hotel, 11 Jamison Street, Sydney NSW 2000.

**Shareholders can participate in the AGM in the following ways:**

## Before the AGM

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### AGM Notice of Meeting

Access online at <https://appen.com/annual-general-meeting/>

Request a hard copy Notice of Meeting by phone +61 1300 554 474 or email [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

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### Vote or appoint proxy

Return the hard copy Voting/Proxy Form or vote online at [vote.linkmarketservices.com/APX](https://vote.linkmarketservices.com/APX)

To be valid, your vote or proxy appointment must be received by 10.00am (AEST) on Wednesday 24 May 2023.


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### Ask a question or make a comment

Submit questions and comments online at [vote.linkmarketservices.com/APX](https://vote.linkmarketservices.com/APX) by 5.00pm, Monday 22 May 2023.

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This is an interactive PDF. The best way to view this document is with Adobe Acrobat. Click on the links on the contents page or use the  home button in the header to navigate this document.



## At the AGM

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### Attend the AGM in person

The AGM will be held at the Amora Hotel, 11 Jamison Street, Sydney NSW 2000.

We ask that you do not attend the AGM if you feel unwell or have been in contact with someone who may have been affected by COVID-19.

Shareholders, proxyholders, body corporate representatives or attorneys attending the meeting in person will be able to ask questions or make a comment and vote at the meeting.

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If you would like to receive a printed copy of this Notice or any future Notices, please contact the Share Registry on +61 1300 554 474.

# Chair's message

21 April 2023

**Dear Shareholder,**

It is my pleasure to invite you to attend the Annual General Meeting (AGM) of Appen Limited (Appen). The AGM will be held on Friday, 26 May 2023, commencing at 10.00am (AEST) at the Amora Hotel, 11 Jamison Street, Sydney NSW 2000.

## Participating in the AGM

With in-person meetings back, we are excited to hold a live meeting. I am looking forward to seeing many of you at the meeting.

Please read the Notice of Meeting (including the Explanatory Memorandum) and the Voting/Proxy Form and consider how to vote on each resolution related to the items of business of the AGM. Subject to the abstentions noted in the Explanatory Memorandum, the Directors of Appen recommend that Shareholders vote in favour of all resolutions.

If you are unable to attend the AGM, I encourage you to vote online no later than 10.00 AEST on Wednesday, 24 May 2023.

Shareholders will have the opportunity to submit questions or make comments prior to the AGM or during the AGM, and details of how to do this are outlined in the attached Notice of Meeting.

I encourage you to read our 2022 Annual Report, which also provides a detailed overview of Appen's performance last year (<https://appen.com/annual-reports/>)

## Board renewal

Further board renewal has occurred during 2022 with the appointments of Ms Lynn Mickleburgh and Ms Mini Peiris, both of whom are standing for election at this AGM.

Further, Mr Steve Hasker is standing for re-election as a non-executive director.

## CEO appointment

The board appointed Mr Armughan Ahmad as Chief Executive Officer (CEO) and President on 09 January 2023. Mr Ahmad has over 25 years of experience scaling multi-billion dollar technology businesses and building strong global teams and the board is excited at his appointment.

## Welcome to the AGM

Thank you for your continued support of Appen and commitment to our company. I look forward to welcoming you to the AGM and to this opportunity to engage with Shareholders to hear your views. My address and that of the CEO will be lodged with the ASX and made available on Appen's website on the morning of the meeting.

Yours sincerely,



**Richard Freudenstein**  
Chair



# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (**AGM**) of Shareholders of Appen Limited (**Appen** or the **Company**) will be held at the Amora Hotel, 11 Jamison Street, Sydney NSW 2000 on Friday, 26 May 2023 at 10.00am (AEST) (**Meeting**).

The Explanatory Memorandum accompanying this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum, Voting Procedures and the Voting Form comprise part of this Notice.

## Items of business

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### Item 1: Financial statements and reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report of the Company for the financial year ended 31 December 2022.

All Shareholders can view the Annual Report, which contains the Financial Report for the year ended 31 December 2022 at <https://appen.com/annual-reports/>.

### Item 2: Remuneration Report

To consider and, if thought fit, pass the following as an advisory resolution of the Company:

*"To adopt the Remuneration Report for the year ended 31 December 2022."*

#### Notes:

- (i) In accordance with section 250R of the *Corporations Act 2001* (Cth), the vote on this resolution will be advisory only and will not bind the directors or the Company.
- (ii) A voting exclusion applies to this resolution (see Explanatory Memorandum for details).

### Item 3: Election of director – Ms Lynn Mickleburgh

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

*"That Ms Lynn Mickleburgh, being a director who was appointed by the Board on 29 July 2022 and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company in accordance with clause 67.2 of the Company's Constitution and being eligible, offers herself for election, be elected as a director of the Company."*

### Item 4: Election of director – Ms Sithumini (Mini) Peiris

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

*"That Ms Sithumini (Mini) Peiris, being a director who was appointed by the Board on 04 November 2022 and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company in accordance with clause 67.2 of the Company's Constitution and being eligible, offers herself for election, be elected as a director of the Company."*

### Item 5: Re-election of director – Mr Stephen Hasker

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

*"That Mr Stephen Hasker, being a director who is retiring in accordance with clause 68 of the Company's Constitution and ASX Listing Rule 14.4, and being eligible, offers himself for re-election, be re-elected as a director of the Company."*

### Item 6: Grant of long term incentive performance rights to Mr Armughan Ahmad, Chief Executive Officer, President and Managing Director (CEO and President)

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

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant and issue of 2,770,387 Rights to Mr Armughan Ahmad, the Chief Executive Officer, President and Managing Director of the Company, and the subsequent allocation of Shares on the vesting of such Rights, in respect of the FY23 Long Term Incentive made in accordance with the terms of the Appen Long Term Incentive Plan Rules, and as set out in the Explanatory Memorandum to this Notice of Meeting."*

**Note:** A voting exclusion applies to this resolution (see Explanatory Memorandum for details).

### Item 7: Sign-on bonus to Mr Armughan Ahmad, CEO and President

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

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant and issue of 1,108,155 Rights to Mr Armughan Ahmad, the Chief Executive Officer, President and Managing Director of the Company, and the subsequent allocation of Shares on the vesting of such Rights, in respect of the Sign-On Bonus made in accordance with the terms of the Appen Long Term Incentive Plan Rules, and as set out in the Explanatory Memorandum to this Notice of Meeting."*

**Note:** A voting exclusion applies to this resolution (see Explanatory Memorandum for details).

# Voting Procedures

## All resolutions will be by poll

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In accordance with clause 62.3 of the Company's Constitution (**Constitution**), the Chair intends to demand a poll on each of the resolutions proposed at the Meeting. Each resolution considered at the Meeting will therefore be conducted by a poll. The Chair considers voting by poll to be in the interests of Shareholders as a whole and is a way to ensure the views of as many Shareholders as possible are represented at the Meeting.

## Entitlement to vote

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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 of the Company as at 7.00pm (AEST) on Wednesday 24 May 2023 (**Entitlement Time**).

This means that if you are not the registered holder of a Share in the Company at the Entitlement Time, you will not be entitled to vote at the Meeting.

## How to vote – before the AGM

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### Direct vote – using the Voting/Proxy Form

In accordance with clause 64.1 of the Constitution, Shareholders are able to vote directly on resolutions considered at the Meeting **at any time between the date of this Notice of Meeting and 10.00am (AEST) on Wednesday 24 May 2023** by returning the hard copy Voting/Proxy Form or by voting online (further details below).

If you lodge a direct vote you are voting directly and are not appointing a third party, such as a proxy, to act on your behalf.

The Appen Direct Voting Regulations governing direct voting are available on the Appen website at [www.appen.com](http://www.appen.com) (under Investors). By submitting a direct vote, you agree to be bound by the Appen Direct Voting Regulations.

### Appointment of proxy

A Shareholder who is entitled to vote at this Meeting is entitled to appoint not more than two proxies to vote in place of the Shareholder.

If the Shareholder appoints two proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Shareholder's votes. If the specified proportion or number of votes exceeds that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Shareholder of the Company. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Subject to the specific proxy provisions applying to Items 2, 6 and 7 (see the Explanatory Memorandum below):

- If a Shareholder has not directed their proxy how to vote, the proxy may vote as the proxy determines; and
- If a Shareholder appoints the Chair of the Meeting as proxy and does not direct the Chair how to vote on an item of business, the Chair will vote in accordance with his voting intention as stated in this Notice of Meeting.



# Voting Procedures

## Submitting your Voting/Proxy Form

To be valid, a Voting/Proxy Form must be received by the Company in the manner set out in this Notice.

The Chair's decision on the validity of a direct vote, vote cast by a proxy or vote cast in person, is conclusive and the Company reserves the right to declare invalid any Voting/Proxy Form not received in this manner.

To be effective, Voting/Proxy Forms must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's share registry, as an original or by facsimile, **no later than 10.00am (AEST) on Wednesday 24 May 2023 (Proxy Deadline)**. After this time, you will still be able to vote by attending the Meeting.

Voting/Proxy Forms may be submitted in one of the following ways:

- Online:** Via the Company's Share Registry Investor Centre at [vote.linkmarketservices.com/APX](https://vote.linkmarketservices.com/APX). You will need your Securityholder Reference Number (**SRN**) or Holding Identification Number (**HIN**) and postcode for your shareholding.
- Mobile device:** Using a mobile device by scanning the QR code on the back of the Voting/Proxy Form. You will also need your SRN or HIN and postcode for your shareholding.
- By post:** Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235. Please allow sufficient time so that it reaches Link Market Services Limited by the Proxy Deadline.
- By fax:** (02) 9287 0309 (within Australia), +61 2 9287 0309 (from outside Australia).
- By hand delivery:** Link Market Services Limited at Level 12, 680 George Street, Sydney NSW 2000.

Voting/Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

## Power of Attorney

A proxy appointment and the original power of attorney (if any) under which the proxy appointment is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than the Proxy Deadline.

## Corporate Representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative must bring to the AGM a properly executed letter or other document confirming its authority to act as the body corporate's representative. A 'Certificate of Appointment of a Corporate Representative' form can be obtained from Appen's share registry or online at <https://investorcentre.linkgroup.com> (under Resources then Forms).

# Voting Procedures

## How to vote – during the AGM

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### Attending in person

Shareholders, proxyholders, body corporate representatives or attorneys attending the meeting in person are able to vote and ask questions or make comments, at the Meeting.

### Proxy voting by the Chair

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For Item 2 (Remuneration Report), Item 6 (Grant of performance rights to the CEO and President), and Item 7 (Sign-on bonus to the CEO and President) where the Chair is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chair is to vote on Items 2, 6 and 7 the Shareholder is directing the Chair to vote in accordance with the Chair's voting intentions for these items of business, even though Items 2, 6 and 7 are connected with the remuneration of Key Management Personnel (**Key Management Personnel** or **KMP**).

The Chair intends to vote all undirected proxies in favour of resolutions in Items 2 to 7 in the Notice of Meeting.

## Submitting questions or comments

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### Before the AGM

Shareholders can submit questions or make comments in advance of the AGM via the share registry website at [vote.linkmarketservices.com/APX](https://vote.linkmarketservices.com/APX).

Please submit any questions or comments by 5.00pm (AEST) Monday 22 May 2023.

Questions and comments will be collated and, during the AGM, the Chair and/or CEO will seek to address as many of the frequently raised topics as possible. Please note that individual responses will not be sent to Shareholders.

### During the AGM

Shareholders, proxyholders, body corporate representatives or attorneys attending the meeting in person will be able to ask questions or make comments during the Meeting.

BY ORDER OF THE BOARD



**Carl Middlehurst**  
Company Secretary

21 April 2023





# Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in relation to the business to be conducted at the Company's AGM to be held on Friday, 26 May 2023.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote on the resolutions.

Subject to the abstentions noted below in respect of each resolution, the Board recommends that Shareholders vote in favour of the resolutions in Items 2 to 7. The Chair of the Meeting intends to vote all available undirected proxies in favour of the resolutions in Items 2 to 7.

The resolutions in Items 3, 4, 5, 6 and 7 are ordinary resolutions, which require a simple majority of votes cast by Shareholders entitled to vote on the resolution. The resolution in Item 2, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

## Item 1: Financial statements and reports

As required by section 317 of the *Corporations Act 2001* (Cth) (**Corporations Act**) the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented to the meeting. The Financial Report contains the financial statements of Appen Limited and its subsidiaries.

There is no requirement for a formal resolution on this item.

The Chair of the Meeting will allow a reasonable opportunity at the Meeting for Shareholders to ask questions about or make comments on the management of the Company, and to ask questions about, or make comments on, the Remuneration Report. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor, KPMG, questions about the Auditor's Report, the conduct of its audit of the Company's Financial Report for the financial year ended 31 December 2022, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of KPMG in relation to the conduct of the audit.

Shareholders may submit written questions or comments to the Company in relation to the above matters and the way to do this is outlined earlier in this Notice.

## Item 2: Remuneration Report

The Company has prepared a Remuneration Report for consideration and adoption by Shareholders. The Remuneration Report, which forms part of the Directors Report on pages 70–93 of the Company's Annual Report for the year ended 31 December 2022 sets out the remuneration policies of the Company and reports on the remuneration arrangements and outcomes for KMP, including the directors and executives of the Company. The 2022 Annual Report is available at: <https://appen.com/annual-reports/>.

As provided by section 250R(3) of the Corporations Act, the resolution on this item of business is advisory and non-binding. The Board will consider the outcome of the vote and comments from Shareholders when considering the Company's remuneration policies. During discussion of the items of business, there will be an opportunity for Shareholders to ask questions about, or comment on, the 2022 Remuneration Report.

### Board recommendation

The Board recommends that Shareholders vote **FOR** the Resolution in Item 2.

# Explanatory Memorandum

## Voting exclusion

The Company will disregard any votes cast on Item 2 by, or on behalf of:

- (a) any member or a former member of the KMP whose remuneration details are disclosed in the Company's 2022 Remuneration Report, or
- (b) a Closely Related Party of such a KMP,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the Voting/Proxy Form.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Item 2 because the Company's proxy appointment expressly authorised the Chair of the Meeting to exercise undirected proxies even though the Item is connected with the remuneration of a member of the Company's KMP.

**What this means for Shareholders:** If you intend to appoint a member of the KMP (such as one of the directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chair of the Meeting as your proxy, you can direct him how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

## Item 3: Election of director – Ms Lynn Mickleburgh

The Board appointed Lynn Mickleburgh as an independent non-executive Director on 29 July 2022. Her presence on the Board brings extensive relevant technology sector experience.

Clause 67.2 of the Constitution and ASX Listing Rule 14.4 states that a Director appointed to fill a casual vacancy holds office until the conclusion of the next annual general meeting but is eligible for election at that annual general meeting. In accordance with this requirement, Ms Mickleburgh now retires from the Board and offers herself for election.

Lynn has experience as an ASX non-executive director, a board advisor and transformational leader of both Fortune 500 companies and high growth SaaS companies. She is currently a non-executive director at Altium Limited (ASX: ALU), where she is Chair of the HR committee and also serves as a member of the Audit and Risk Committee.

Previously, she was Head of Business Optimisation at Atlassian Inc, VP Finance at Citrix Systems and held various global and operational roles at Adobe Systems and Apple Computer.

Lynn is a member of the People and Culture Committee.

The Company confirms that appropriate checks into Lynn's background and experience were carried out prior to her appointment with no information of concern raised during the recruitment process. In addition, Lynn has no known interest, position or relationship that will influence or reasonable perceived to influence her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.

Having had regard to the ASX Corporate Governance Principles and Recommendations (4th edition) (**ASX Principles**), the Board (with Ms Mickleburgh abstaining) considers Ms Mickleburgh to be an independent director.

## Board recommendation

The Board (with Ms Mickleburgh abstaining) supports the election of Ms Mickleburgh and recommends that Shareholders vote **FOR** Ms Mickleburgh' election as a Director of the Company for the reasons of her extensive relevant skills, qualifications and experience, as outlined above.



# Explanatory Memorandum

## Item 4: Election of director – Ms Sithumini (Mini) Peiris

The Board appointed Ms Sithumini (Mini) Peiris as an independent non-executive Director on 04 November 2022.

Pursuant to Clause 67.2 of the Constitution and ASX Listing Rule 14.4 Ms Peiris holds office until the conclusion of this annual general meeting and being eligible, offers herself for election.

Mini is a go-to-market advisor for high growth SaaS companies within the portfolio of Scale Venture Partners and is Chief Marketing Officer (CMO) of Doma (NYSE: DOMA), a real estate technology company. Prior to that, she was the CMO at Elementum (a Lightspeed company) and Ambra Health (acquired by Hg's Intelrad). Mini spent 12+ years at cloud-pioneer company NetSuite (NYSE: N), from its early stages through to its IPO and beyond. She helped drive product growth as VP of Product Management, then went on to lead a global team as VP Worldwide Marketing that delivered go-to-market scale from US\$100 million to US\$750 million.

Mini has key capabilities in acquiring, restructuring and growing businesses, which has been achieved in a variety of socioeconomic, regulatory and cultural contexts. She also has experience in leading and integrating businesses and people in both developed and emerging markets.

Mini is a member of the People and Culture Committee.

The Company confirms that appropriate checks into Mini's background and experience were carried out prior to her appointment with no information of concern raised during the recruitment process. In addition, Mini has no known interest, position or relationship that will influence or reasonable perceived to influence her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.

Having had regard to the ASX Principles, the Board (with Ms Peiris abstaining) considers Ms Peiris to be an independent director.

### Board recommendation

The Board (with Ms Peiris abstaining) supports the election of Ms Peiris and recommends that Shareholders vote **FOR** Ms Peiris' election as a Director of the Company for the reasons of her extensive relevant skills, qualifications and experience, as outlined above.

## Item 5: Re-election of director – Mr Stephen Hasker

Clause 68.1 of the Constitution and ASX Listing Rule 14.4 states that a Director must not hold office without re-election past the third AGM following the Director's appointment or last election date, or for more than three years whichever is the longer. Mr Stephen Hasker was last re-elected by Shareholders at the annual general meeting held on 28 May 2021 and therefore has offered himself for re-election at this Meeting.

Steve has been a Director of the Company since 7 April 2015 and during that time has been a valuable member of the Board. Steve has spent the past 26 years based in the US, and has extensive experience working with the leading Silicon Valley technology companies. He has deep expertise in business information services, AI and machine learning.

Steve is currently President and Chief Executive Officer of Thomson Reuters, a global company with US\$6 billion in annual revenues, providing its customers in professional services with critical news, AI-driven information and technology.

Previously, Steve served as senior advisor to TPG Capital, a private equity firm and Chief Executive Officer of Creative Artists Agency Global, based in Los Angeles. He was also Global President and Chief Operating Office of Nielsen, based in New York, an information, data and measurement firm. In this role he was responsible for Nielsen's commercial and product activities across all of its media and consumer businesses. Prior to joining Nielsen in 2009, he spent more than a decade with McKinsey as a partner in the Global Media, Entertainment, Information and Technology practice in New York.

Before joining McKinsey, Steve worked in several financial roles in the United States, Russia and Australia. He started his career with PricewaterhouseCoopers in Melbourne, where he qualified as a chartered accountant.

Steve is a member of the Australian and New Zealand Institute of Chartered Accountants. He received an MBA and master's degree in international affairs from Columbia University.

Steve is chair of the People and Culture Committee.

Having had regard to the ASX Principles, the Board (with Mr Hasker abstaining) considers Mr Hasker to be an independent director.

# Explanatory Memorandum

## Board recommendation

The Board (with Mr Hasker abstaining) supports the re-election of Mr Hasker and recommends that Shareholders vote **FOR** Mr Hasker's re-election as a Director of the Company for his extensive relevant skills, qualifications and experience, as outlined above.

## Item 6: Grant of long term incentive performance rights to Mr Armughan Ahmad, CEO, President and Managing Director

ASX Listing Rule 10.14 provides that the Company must not permit any directors to acquire securities under an employee incentive scheme without the approval of Shareholders.

Accordingly, Item 6 seeks the approval by Shareholders pursuant to ASX Listing Rule 10.14 to grant Rights to Mr Ahmad, Chief Executive Officer, President and Managing Director (**CEO and President**) of the Company, in respect of the long term incentive (**LTI**) component of his remuneration for the year ended 31 December 2023 (**FY23 LTI**) in accordance with the terms and conditions of the Appen Long Term Incentive Plan (**Plan**), and to allocate Shares on the vesting of the Rights.

### Shareholder approval – ASX Listing Rules

ASX Listing Rule 10.14 requires Shareholder approval for the issue of securities to a director under an employee incentive scheme. The Company wishes to have flexibility to satisfy Rights by way of issuing new Shares or acquiring Shares on-market. Accordingly, approval from Shareholders is being sought to grant Rights to Mr Ahmad under the Appen Long Term Incentive Plan in respect of the FY23 LTI on the terms and conditions set out in this Item 6. Approval of this resolution will also result in the Rights granted to Mr Ahmad being included as an exception to the approval requirements of ASX Listing Rule 7.1. This means the Rights granted to Mr Ahmad, and any other Shares issued pursuant to this approval, will not use up part of the 15% limit available under ASX Listing Rule 7.1.

### If Shareholder approval is not obtained

If Shareholders do not approve the proposed grant of Rights to Mr Ahmad in respect of the FY23 LTI, the Board will consider whether to make the grant on different terms, including potentially a cash payment, or acquire Shares on-market to satisfy the Rights.

### Information required by ASX Listing Rule 10.15

ASX Listing Rule 10.15 requires the following information to be disclosed in relation to the Rights to be granted to Mr Ahmad, CEO and President, under the FY23 LTI.

#### i. Mr Ahmad's current remuneration

For 2023, Mr Ahmad's proposed remuneration quantum comprises the following:

- Fixed remuneration of US\$600,000 (per annum), inclusive of compulsory Australian superannuation contributions and salary sacrifice arrangement.
- At-target short term incentive (**STI**) of US\$600,000 (per annum) with a maximum opportunity of 150% of fixed remuneration. The STI will be delivered 75% in cash and 25% in deferred equity, which vests over 12 months subject to continued service.
- An LTI grant of 2,770,387 Rights valued at US\$5,000,000, subject to approval by shareholders at this Meeting (this Item 6). Note, it is the Board's intention that Mr Ahmad will not be eligible for another LTI grant until after 31 December 2025.
- A one-off grant of 1,108,155 Rights valued at US\$2,000,000 in respect of a sign-on bonus, subject to approval by shareholders at this Meeting (Item 7 of this Notice).

#### ii. Number of Rights previously issued to Mr Ahmad under the Plan

Mr Ahmad has not previously received any Rights under the Plan.

#### iii. Material Terms of the Plan

In determining the terms of the FY23 LTI to be granted to the CEO and President, the Board's objectives were to ensure that the level and composition of Mr Ahmad's remuneration is designed to incentivise and challenge Mr Ahmad to deliver long-term sustainable growth in earnings and shareholder value.



# Explanatory Memorandum

An overview of the key terms of the proposed grant of Rights to Mr Ahmad in respect of the FY23 LTI is set out below. The Rights are granted under the terms and conditions of the Plan, a copy of which can be found on the Company website [www.appen.com](http://www.appen.com) (under Investors).

Term	Details										
<b>Number of Rights</b>	Subject to shareholder approval, Mr Ahmad will be granted 2,770,387 Rights under the Plan. The number of Rights to be granted has been calculated by dividing the offer value of US\$5,000,000 by \$2.67, being the volume-weighted average price ( <b>VWAP</b> ) of a Share calculated over the seven business days immediately prior to the public announcement of Mr Ahmad's appointment on 15 December 2022.										
<b>Date of grant</b>	If shareholder approval is obtained, the Rights will be granted to Mr Ahmad as soon as practicable after the AGM, but in any event, within 12 months of the AGM.										
<b>Rights</b>	Each Right is an entitlement to receive one Share (or a cash payment of equivalent value), subject to satisfaction of the applicable performance and service-related conditions. Rights do not carry any dividend or voting Rights, or in general, a Right to participate in other corporate actions such as bonus issues. Rights are not transferable (except in limited circumstances or with the consent of the Board).										
<b>Performance measures and weightings</b>	Vesting of Rights is subject to the extent to which the Absolute Total Shareholder Return performance condition ( <b>Absolute TSR Condition</b> ) is satisfied, as described below. In addition, vesting is subject to Mr Ahmad's continued employment with the Company. TSR measures the growth in the price of shares (modified to account for capital adjustments where appropriate) together with the value of the dividends of the performance period, assuming that all those dividends are re-invested into new shares. For the purpose of calculating TSR, the starting share price will be the greater of (a) AU\$2.55 and (b) the volume weighted average price of a Share over the 20 business days immediately prior to 31 December 2022, being \$2.63. Vesting (if any) of Rights will be determined with reference to the Company's TSR performance over the performance period as follows: <table border="1" data-bbox="443 1249 1430 1456"> <thead> <tr> <th><b>Absolute TSR over the performance period</b></th> <th><b>% of Rights that vest</b></th> </tr> </thead> <tbody> <tr> <td>TSR is below 190%</td> <td>0%</td> </tr> <tr> <td>TSR is 190%</td> <td>50%</td> </tr> <tr> <td>TSR is between 190% and 320%</td> <td>Pro-rata straight line vesting between 50% and 100%</td> </tr> <tr> <td>TSR is greater than or equal to 320%</td> <td>100%</td> </tr> </tbody> </table> The Board retains discretion to alter the Absolute TSR Condition in exceptional circumstances, including matters outside of management's influence, to ensure there is no material advantage or disadvantage that would materially affect achievement of the Absolute TSR Condition.	<b>Absolute TSR over the performance period</b>	<b>% of Rights that vest</b>	TSR is below 190%	0%	TSR is 190%	50%	TSR is between 190% and 320%	Pro-rata straight line vesting between 50% and 100%	TSR is greater than or equal to 320%	100%
<b>Absolute TSR over the performance period</b>	<b>% of Rights that vest</b>										
TSR is below 190%	0%										
TSR is 190%	50%										
TSR is between 190% and 320%	Pro-rata straight line vesting between 50% and 100%										
TSR is greater than or equal to 320%	100%										
<b>Performance Period</b>	The Absolute TSR Condition will be tested over a three-year performance period from 1 January 2023 to 31 December 2025. As the Company's full-year results are not typically announced to the market until February each year following the results announcement, the final number of Rights that vest will not be determined until after this time. Any Rights that do not vest following testing will lapse.										
<b>Allocation of Shares upon vesting</b>	Following determination of the extent to which the Absolute TSR Condition has been satisfied, the relevant number of Rights will vest and be automatically exercised. One Share will be allocated for each vested Right that is exercised. The Company's obligation to allocate Shares on vesting and exercise may be satisfied by issuing new Shares, acquiring Shares on-market or by transferring from an employee share trust.										
<b>Price payable for securities</b>	No amount is payable in respect of Rights, nor in respect of any Shares allocated on exercise of vested Rights.										

# Explanatory Memorandum

Term	Details
<b>Cessation of employment</b>	<p>Where Mr Ahmad ceases to be employed by the Company due to termination for cause, mutual separation or resignation, unless the Board determines otherwise, unvested Rights will automatically lapse.</p> <p>Where employment ceases for any other reason (including termination without just cause, ill health or disability), unless the Board determines otherwise, a pro-rated number of unvested Rights (based on the proportion of Performance Period elapsed at the time of cessation) will remain on-foot to be tested against the Absolute TSR Condition at the end of the Performance Period, and any service-related condition will be deemed to have been satisfied.</p>
<b>Malus/Clawback</b>	<p>The Plan provides the Board with the ability to apply malus/clawback and declare that all, or some, of Mr Ahmad's unvested Rights lapse and Shares allocated on exercise of vested Rights held under the Plan are forfeited. The Board may apply malus/clawback where the Board is of the opinion that Mr Ahmad has acted fraudulently or dishonestly or is in breach of his obligations to the Company.</p>

#### iv. Terms of any loan made to Mr Ahmad in relation to the acquisition of the Rights

There is no loan provided in relation to the acquisition of Rights under the Plan by Mr Ahmad.

#### v. Disclosure

Details of any securities issued under the Plan will be published in Appen's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

#### vi. Persons who are entitled to participate in the Plan

The eligible participants under the Plan are employees of the Company or others who are determined by the Board to be eligible participants for the purposes of the Plan.

Mr Ahmad is the only person referred to in ASX Listing Rule 10.14 who is currently entitled to participate in the Plan.

In any case, any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the Resolution in Item 6 is approved and who were not named in this Notice will not participate until approval is obtained under this rule.

#### Voting exclusion

The Company will disregard any votes cast in favour of the Resolution in Item 6 by Mr Ahmad and any associate of Mr Ahmad.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on Item 6 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 Item 6 in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 Item 6; and
  - the holder votes on Item 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on Item 6 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Item 6.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Item 6 because the Company's proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even though the resolutions are connected directly or indirectly with the remuneration of KMP of the Company.



# Explanatory Memorandum

## Board recommendation

The Board, with Mr Ahmad abstaining, recommends that Shareholders vote **FOR** the Resolution in Item 6.

## Item 7: Sign-on bonus equity grant to Mr Armughan Ahmad, CEO, President and Managing Director

ASX Listing Rule 10.14 provides that the Company must not permit any directors to acquire securities under an employee incentive scheme without the approval of Shareholders.

Accordingly, Item 7 seeks the approval by Shareholders pursuant to ASX Listing Rule 10.14 to grant Rights to Mr Ahmad, CEO and President of the Company, in respect of a one-off sign-on bonus (**Sign-On Equity Grant**), in accordance with the terms and conditions of the Appen Long Term Incentive Plan (**Plan**), and to allocate Shares on the vesting of the Rights.

The purpose of the Sign-on Equity Grant is to replace a portion of Mr Ahmad's incentives foregone, which he would have otherwise received with his previous employer. The Sign-on Equity Grant will vest in equal monthly tranches, subject to continued service over a two-year period. This approach to vesting is designed to strike a balance between the entitlements Mr Ahmad would have received had he not ceased employment, reward for delivery of shareholder value immediately and align US practices in technology companies where equity often vests monthly.

### Shareholder approval – ASX Listing Rules

ASX Listing Rule 10.14 requires Shareholder approval for the issue of securities to a director under an employee incentive scheme. The Company wishes to have flexibility to satisfy Rights by way of issuing new Shares or acquiring Shares on-market. Accordingly, approval from Shareholders is being sought to grant Rights to Mr Ahmad under the Appen Long Term Incentive Plan in respect of the Sign-On Equity Grant on the terms and conditions set out in this Item 7. Approval of this resolution will also result in the Rights granted to Mr Ahmad being included as an exception to the approval requirements of ASX Listing Rule 7.1. This means the Rights granted to Mr Ahmad, and any other Shares issued pursuant to this approval, will not use up part of the 15% limit available under ASX Listing Rule 7.1.

### If Shareholder approval is not obtained

If Shareholders do not approve the proposed Sign-on Equity Grant to Mr Ahmad, the Board will consider whether to make the grant on different terms, including potentially a cash payment, or acquire Shares on-market to satisfy the Rights.

### Information required by ASX Listing Rule 10.15

ASX Listing Rule 10.15 requires the following information to be disclosed in relation to the Rights to be granted to Mr Ahmad, under the Sign-on Equity Grant.

#### i. Mr Ahmad's current remuneration

Mr Ahmad's proposed remuneration package for FY23 is disclosed earlier in Item 6 of this memorandum.

#### ii. Number of Rights previously issued to Mr Ahmad under the Plan

Mr Ahmad has not previously received any Rights under the Plan.

# Explanatory Memorandum

## iii. Material Terms of the Plan

An overview of the key terms of the proposed grant of Rights to Mr Ahmad in respect of the Sign-on Equity Grant is set out below. The Rights are granted under the terms and conditions of the Plan, a copy of which can be found on the Company website [www.appen.com](http://www.appen.com) (under Investors).

Term	Details
<b>Number of Rights</b>	Subject to shareholder approval, Mr Ahmad will be granted 1,108,155 Rights under the Plan. The number of Rights to be granted has been calculated by dividing the offer value of US\$2,000,000 by \$2.67, being the volume-weighted average price ( <b>VWAP</b> ) of a Share calculated over the seven business days immediately prior to the public announcement of Mr Ahmad's appointment on 15 December 2022.
<b>Date of grant</b>	If shareholder approval is obtained, the Rights will be granted to Mr Ahmad as soon as practicable after the AGM, but in any event, within 12 months of the AGM.
<b>Rights</b>	Each Right is an entitlement to receive one Share (or a cash payment of equivalent value), subject to satisfaction of the applicable service condition. Rights do not carry any dividend or voting Rights, or in general, a Right to participate in other corporate actions such as bonus issues. Rights are not transferable (except in limited circumstances or with the consent of the Board).
<b>Vesting Dates and condition</b>	The Rights will vest monthly in equal tranches over the 24 months from Mr Ahmad's commencement date with the Company (being 09 January 2023), subject to Mr Ahmad's continued employment with the Company (each a <b>Vesting Date</b> ). For any Vesting Date that has passed for a monthly tranche at the time of grant, assuming shareholder approval is obtained, the relevant number of Rights in that tranche will be granted fully vested. The remaining tranches will continue to vest monthly until January 2025, subject to Mr Ahmad's continued employment.
<b>Allocation of Shares upon vesting</b>	Following each monthly Vesting Date, the relevant number of Rights will vest as soon as practicable and be automatically exercised. One Share will be allocated for each vested Right that is exercised. The Company's obligation to allocate Shares on vesting and exercise may be satisfied by issuing new Shares, acquiring Shares on-market or by transferring from an employee share trust.
<b>Price payable for securities</b>	No amount is payable in respect of Rights, nor in respect of any Shares allocated on exercise of vested Rights.
<b>Cessation of employment</b>	Where Mr Ahmad ceases to be employed by the Company due to termination for cause, unless the Board determines otherwise, unvested Rights will automatically lapse. Where Mr Ahmad ceases employment due to resignation, unless the Board determines otherwise, unvested Rights will continue to vest during any period of active service provided to the Company. If, following resignation, Mr Ahmad ceases active service or receives payment in lieu of the full notice period, all unvested Rights will lapse on the date following resignation. Where employment ceases for any other reason (including termination without just cause, ill health or disability), the Board retains discretion to determine the treatment of unvested Rights.
<b>Malus/Clawback</b>	The Plan provides the Board with the ability to apply malus/clawback and declare that all, or some, of Mr Ahmad's unvested Rights lapse (i.e., malus) and Shares allocated on exercise of vested Rights held under the Plan are forfeited (i.e., clawback). The Board may apply malus/clawback where the Board is of the opinion that Mr Ahmad has acted fraudulently or dishonestly or is in breach of his obligations to the Company.





# Explanatory Memorandum

## iv. Terms of any loan made to Mr Ahmad in relation to the acquisition of the Rights

There is no loan provided in relation to the acquisition of Rights under the Plan by Mr Ahmad.

## v. Disclosure

Details of any securities issued under the Plan will be published in Appen's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

## vi. Persons who are entitled to participate in the Plan

The eligible participants under the Plan are employees of the Company or others who are determined by the Board to be eligible participants for the purposes of the Plan.

Mr Ahmad is the only person referred to in ASX Listing Rule 10.14 who is currently entitled to participate in the Plan.

In any case, any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the Resolution in Item 7 is approved and who were not named in this Notice will not participate until approval is obtained under this rule.

### Voting exclusion

The Company will disregard any votes cast in favour of the Resolution in Item 7 by Mr Ahmad and any associate of Mr Ahmad.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on Item 7 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 Item 7 in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 Item 7; and
  - the holder votes on Item 7 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on Item 7 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Item 7.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Item 7 because the Company's proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even though the resolutions are connected directly or indirectly with the remuneration of KMP of the Company.

### Board recommendation

The Board, with Mr Ahmad abstaining, recommends that Shareholders vote **FOR** the Resolution in Item 7.

## Glossary of key terms

<b>\$</b>	means US Dollars.
<b>AEST</b>	means Australian Eastern Standard Time as observed in Sydney, Australia.
<b>Annual General Meeting or Meeting</b>	means the meeting convened by the Notice.
<b>APX</b>	means Appen Limited.
<b>ASX</b>	means ASX Limited ACN 008 624 691.
<b>ASX Listing Rules</b>	means the Listing Rules of the ASX, as amended or replaced from time to time except to the extent of any express written waiver by ASX.
<b>ASX Principles</b>	means the ASX Corporate Governance Principles and Recommendations (4th edition).
<b>Board</b>	means the current board of directors of the Company.
<b>Closely Related Party</b>	has the meaning as defined in section 9 of the Corporations Act.
<b>Company</b>	means Appen Limited (ACN 138 878 298) (APX).
<b>Constitution</b>	means the Company's Constitution.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the current directors of the Company.
<b>Entitlement Time</b>	means 7.00pm (AEST) Wednesday 24 May 2023.
<b>Explanatory Memorandum</b>	means the Explanatory Memorandum accompanying the Notice.
<b>Items</b>	means the resolutions set out in the Notice, or any one of them, as the context requires.
<b>Key Management Personnel</b>	has the meaning as defined in section 9 of the Corporations Act.
<b>Notice or Notice of Meeting or Notice of Annual General Meaning</b>	means this notice of annual general meaning and the Explanatory Memorandum accompanying the Notice and the Voting/Proxy Form.
<b>Plan</b>	means Appen Long Term Incentive Plan.
<b>Proxy Deadline</b>	means 10.00am (AEST) Wednesday 24 May 2023.
<b>Related Body Corporate</b>	has the meaning set out in section 50 of the Corporations Act.
<b>Remuneration Report</b>	means the remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 31 December 2022.
<b>Resolutions</b>	means the resolutions set out in the Notice, or any one of them, as the context requires.
<b>Right</b>	means the right to acquire a Share.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Share Registry</b>	means Link Market Services Limited.
<b>Shareholder</b>	means a holder of a Share.
<b>Voting/Proxy Form</b>	means the voting/proxy form accompanying the Notice.



# Corporate directory

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## 2022 Annual Report

<https://appen.com/annual-reports/>



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