



Notice of General Meeting

**Wednesday, 02 August 2023
10.00am (AEST)**

**Appen Limited
ACN 138 878 298**

Participation in the General Meeting

A General Meeting (GM) of Appen Limited (Appen or Company) will be held on Wednesday, 02 August 2023 commencing at 10.00am (AEST) at the offices of KPMG, Tower Three, International Towers Sydney, Level 38, 300 Barangaroo Avenue, Sydney NSW 2000.

Shareholders can participate in the GM in the following ways:

Before the GM

GM Notice of Meeting	Vote or appoint proxy	Ask a question or make a comment
Access online at http://www.appen.com/gm Request a hard copy Notice of Meeting by phone +61 1300 554 474 or email registrars@linkmarketservices.com.au	Return the hard copy Voting/Proxy Form or vote online at vote.linkmarketservices.com/APX . To be valid, your vote or proxy appointment must be received by 10.00am (AEST) on Monday, 31 July 2023.	Submit questions and comments online at vote.linkmarketservices.com/APX by 5.00pm (AEST), Monday, 24 July 2023.

At the GM

Attend the GM in person
The GM will be held at the offices of KPMG, Tower Three, International Towers Sydney, Level 38, 300 Barangaroo Avenue, Sydney NSW 2000 We ask that you do not attend the GM 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.

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

28 June 2023

Dear Shareholder,

It is my pleasure to invite you to attend a General Meeting (**GM**) of Appen Limited (**Appen**). The GM will be held on Wednesday, 02 August 2023, commencing at 10.00am (AEST) at the offices of KPMG, Tower Three, International Towers Sydney, Level 38, 300 Barangaroo Avenue, Sydney NSW 2000.

Participating in the GM

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 GM. 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 GM, I encourage you to vote online no later than 10.00am (AEST) on Monday, 31 July 2023.

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

Purpose of the GM

As foreshadowed in prior ASX announcements, the purpose of the GM is to seek Shareholders approval to ratify, for the purposes of Listing Rule 7.4, the issue of shares that occurred as part of the institutional placement that was announced on 16 May 2023 and certain grants of performance rights to the Company's employees during the past 12 months. Ratification by Shareholders would serve to refresh the Company's placement capacity and give it greater flexibility to issue equity securities within its 15% limit in the next 12 months.

In particular, approval of Item 1 and Item 2 would enable the Company to manage its future capital requirements in the interest of shareholders and grant performance rights going forward and aligns with the Company's strategy refresh and return to profitability by facilitating the retention and incentivisation of management, along with the ability to attract new talent.

Welcome to the GM

Thank you for your continued support of Appen and commitment to our company. I look forward to welcoming you to the GM and to this opportunity to engage with Shareholders to hear your views.

Yours sincerely,



Richard Freudenstein
Chair

Notice of General Meeting (Notice)

Notice is hereby given that a General Meeting (**GM**) of Shareholders of Appen Limited (**Appen** or the **Company**) will be held at the offices of KPMG, Tower Three, International Towers Sydney, Level 38, 300 Barangaroo Avenue, Sydney NSW 2000 on Wednesday, 02 August 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/Proxy Form comprise part of this Notice.

Items of business

Item 1: Ratification of prior issue of Shares under the Placement

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue by the Company of 11,442,320 Shares at A\$1.85 per Share under the Placement, on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."

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

Item 2: Ratification of prior grant of Performance Rights to employees

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior grant by the Company of 4,781,557 Performance Rights under the Appen Limited Long Term Incentive Plan, on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."

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

Voting Procedures

All resolutions will be by poll

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

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 Monday, 31 July 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 GM

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 Monday, 31 July 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 (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 Item 2 (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.

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 of 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 Monday, 31 July 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. You will need your Securityholder Reference Number (**SRN**) or Holder 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 Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150.

Voting/Proxy Forms and any 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 GM 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> (after logging in to your holding, the Certificate can be found under "Forms" and "General").

How to vote – during the GM

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

For Item 2, 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 Item 2 the Shareholder is directing the Chair to vote in accordance with the Chair's voting intentions for these items of business, even though this Item is connected with the remuneration of Key Management Personnel (**Key Management Personnel** or **KMP**).

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

Submitting questions or comments

Before the GM

Shareholders can submit questions or make comments in advance of the GM via the Share Registry website at vote.linkmarketservices.com/APX.

Please submit any questions or comments by 5.00pm (AEST) Monday 24 July 2023.

Questions and comments will be collated and, during the GM, 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 GM

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
28 June 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 a GM to be held on Wednesday, 02 August 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 both Items of Business. The Chair of the Meeting intends to vote all available undirected proxies in favour of all Resolutions.

The Resolutions contained in the Notice of Meeting are ordinary resolutions, which require a simple majority of votes cast by Shareholders entitled to vote on them.

Item 1: Ratification of prior issue of Shares under the Placement

Background

As outlined in the announcement released to the market on 16 May 2023, the Company undertook an institutional placement (the **Placement**) which raised approximately A\$21.2 million (excluding costs) from the issue of 11,442,320 Shares at A\$1.85 per Share to new and existing institutional and wholesale investors.

The Shares under the Placement (the **New Shares**) were issued on 26 May 2023 utilising the Company's existing placement capacity under ASX Listing Rule 7.1 and therefore was not subject to Shareholder approval for the purpose of that ASX Listing Rule.

ASX Listing Rule 7.4

ASX Listing Rule 7.1 restricts the number of equity securities which a listed entity may issue or agree to issue in any 12 month period, without the approval of shareholders, to 15% of the number of securities on issue at the start of the period, subject to certain adjustments and permitted exceptions.

The issue of the New Shares under the Placement does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit under ASX Listing Rule 7.1 reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the date of issue of the New Shares.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

If Shareholders approve the prior issue of the New Shares under the Placement pursuant to the Resolution in Item 1, the Company will have the flexibility to issue further equity securities up to the 15% limit over the next 12 month period without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, the Resolution in Item 1 seeks shareholder ratification for the issue by the Company of the New Shares under the Placement, and for the purposes of ASX Listing Rule 7.4.

If the Resolution in Item 1 is approved, the issue of the New Shares will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the New Shares.

If the Resolution in Item 1 is not approved, the issue of the New Shares will continue to be included in calculating the Company's 15% limit in ASX Listing Rule 7.1 for a period of 12 months following their date of issue, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the New Shares.

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- (a) Allottees: The New Shares under the Placement were issued to over 30 institutional and wholesale investors who were identified through a bookbuild process, which involved Barrenjoey Markets Pty Limited seeking expressions of interest to participate in the Placement. No investor who was issued with more than 1% of the Company's issued

capital under the Placement is: (i) a related party of the Company; (ii) a member of the Company's KMP; (iii) a substantial holder in the Company; (iv) an adviser to the Company; or (v) an associate of any of the above.

- (b) The number and class of securities issued: 11,442,320 Shares.
- (c) Issue price: A\$1.85 per New Share, raising approximately A\$21.2 million (excluding costs).
- (d) Date of issue: 26 May 2023.
- (e) Terms of the Shares: New fully paid ordinary shares, ranking equally in all respects with the Company's existing Shares on issue as at 26 May 2023.
- (f) Purpose of issue and intended use of funds raised: As outlined in the ASX announcement released to the market on 16 May 2023, the funds raised from the Placement have and will be used by the Company for:
 - Balance sheet flexibility and general working capital requirements to support the Company's return to profitability; and
 - One-off costs associated with the Company's cost reduction program and transactions costs

Voting Exclusion

The Company will disregard any votes cast on the Resolution in Item 1 by or on behalf of any person who participated in the issue of the New Shares under the Placement and any associate of those person or persons.

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 the Resolution, in accordance with the directions given to the proxy or attorney to vote on this 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 this 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 the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Board recommendation

The Board recommends that Shareholders vote FOR the Resolution in Item 1.

Item 2: Ratification of prior grant of Performance Rights to employees

Background

The Company has established a Long Term Incentive Plan (**Incentive Plan**) which provides for the grant of securities to employees.

Over the past 12 months, to the date of this Notice of Meeting, the Company has granted under the Incentive Plan a total of 4,781,557 Performance Rights utilising the Company's placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.4

ASX Listing Rule 7.1 restricts the number of equity securities which a listed entity may issue or agree to issue in any 12 month period, without the approval of shareholders, to 15% of the number of securities on issue at the start of the period, subject to certain adjustments and permitted exceptions.

The issue of the Performance Rights to employees does not fit within any of these exceptions, unless in the last three years Shareholders have approved the issue of securities under the Incentive Plan (exception 13 in Listing Rule 7.2). As the grant of Performance Rights under the Incentive Plan has not been approved by the Company's Shareholders as an exception to

ASX Listing Rule 7.1, the grant of Performance Rights effectively uses up part of the 15% limit under ASX Listing Rule 7.1 reducing the Company's capacity to issue further equity securities without Shareholder approval for the 12 month period following the date of issue of the Performance Rights.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

If Shareholders approve the prior grant of Performance Rights pursuant to the Resolution in Item 2, the Company will have the flexibility to issue further equity securities up to the 15% limit over the next 12 month period without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, the Resolution in Item 2 seeks shareholder ratification for the issue by the Company of Performance Rights granted over the past 12 months (to the date of this Notice of Meeting) under and for the purposes of ASX Listing Rule 7.4.

If the Resolution in Item 2 is approved, the grant of Performance Rights over the past 12 months will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Performance Rights.

If the Resolution in Item 2 is not approved, the grant of the Performance Rights will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Performance Rights.

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- (a) Allottees: The Performance Rights were granted to employees as part of their remuneration packages, including the following person who is an existing Key Management Personnel of the Company:

Kevin Levine: 469,038
- (b) The number and class of securities issued: 4,781,557 Performance Rights.
- (c) Issue price: A\$nil.
- (d) Terms of the Performance Rights: A full copy of the Long Term Incentive Plan Terms and Conditions are available on the Company's website at <https://appen.com/investors/corporate-governance/>.
- (e) Dates of issue: The date of issue of the Performance Rights are as follows.

Date of issue	Number of Performance Rights
30-Sep-2022	183,513
31-Dec-2022	1,410,242
31-Mar-2023	3,187,802

- (f) Purpose of issue and intended use of funds raised: The purpose of the issue was to incentivise and retain staff, as well as to attract new talent. No funds were raised from the grant of Performance Rights.

Voting Exclusion

The Company will disregard any votes cast on the Resolution in Item 2 by or on behalf of a person who was granted Performance Rights for which approval is being sought, and/or any associate of those persons.

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 the Resolution, in accordance with the directions given to the proxy or attorney to vote on this 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 this 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 the resolution; and
- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition to the above voting exclusion, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution in Item 2 if:

- (a) the proxy is either:
 - i. a member of the Company's Key Management Personnel; or
 - ii. a closely related party of a member of the Company's Key Management Personnel; and
 - iii. the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting;
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

The 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.

Board recommendation

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

Glossary

A\$ means Australian Dollars.

AEST means Australian Eastern Standard Time as observed in Sydney, Australia.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules 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.

Board means the current board of directors of the Company.

Closely Related Party has the meaning as defined in section 9 of the Corporations Act.

Company or **APX** means Appen Limited (ACN 138 878 298) (APX).

Constitution means the Company's Constitution.

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

Directors means the current directors of the Company.

Entitlement Time means 7.00pm (AEST) Monday, 31 July 2023.

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice.

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

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

Key Management Personnel or **KMP** has the meaning as defined in section 9 of the Corporations Act.

Notice or **Notice of Meeting** or **Notice of General Meaning** means this notice of general meaning and the Explanatory Memorandum accompanying the Notice and the Voting/Proxy Form.

Plan means Appen Long Term Incentive Plan.

Proxy Deadline means 10.00am (AEST) Monday, 31 July 2023.

Related Body Corporate has the meaning set out in in section 50 of the Corporations Act.

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

Performance Rights means the right to acquire a Share.

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

Share Registry means Link Market Services Limited.

Shareholder means a holder of a Share.

Voting/Proxy Form means the voting/proxy form accompanying the Notice.

Voting Procedures means the procedures set out on page 5 of the Notice.