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**ASX ANNOUNCEMENT**

22 April 2022

**2022 ANNUAL GENERAL MEETING – NOTICE OF MEETING**

Attached is the Notice of Meeting and Voting/Proxy Form in respect of the 2022 Annual General Meeting (**AGM**) for Appen Limited (**Appen**) (ASX:APX) which is being held as a hybrid event on Friday 27 May 2022 at 10.00am AEST.

Details on how to participate in the AGM are outlined in the Notice of Meeting and in the Online Meeting Guide. These documents are available at [www.appen.com/agm](http://www.appen.com/agm)

The Annual Report for the year ended 31 December 2021 is available at [www.appen.com/2021annualreport](http://www.appen.com/2021annualreport)

**Authorised for release by the Board of Appen Limited.**

**Please contact for more information:**

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# 2022

## Notice of Annual General Meeting

Friday 27 May 2022  
10.00am (AEST)

# Participation in the AGM

The Annual General Meeting (**AGM**) of Appen Limited (**Appen**) will be held on Friday, 27 May 2022 commencing at 10.00am (AEST) at the Hilton Hotel, 488 George Street, Sydney NSW 2000.

To make the meeting as accessible as possible for all shareholders, a wide range of participation options are available. The health of the Company's shareholders, employees and other meeting attendees is of paramount importance. Therefore we encourage you to attend the AGM online if possible. Further, 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.

In the lead up to the AGM we will be closely monitoring the evolving COVID-19 situation in Australia. If it becomes necessary or appropriate to make alternative arrangements for the holding of the meeting, we will ensure that shareholders are given as much notice as possible.

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

### Before the AGM

#### AGM Notice of Meeting

Access online at [www.appen.com/agm](http://www.appen.com/agm)

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

#### Vote or appoint proxy

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

To be valid, your vote or proxy appointment must be received by 10.00am (AEST) on Wednesday 25 May 2022.

#### Ask a question

Submit questions and comments online at [vote.linkmarketservices.com/APX](http://vote.linkmarketservices.com/APX) by 5.00pm Monday 23 May 2022.

## At the AGM



### Join online

- Enter [meetings.linkgroup.com/APX22](https://meetings.linkgroup.com/APX22) into a web browser
- Enter your name, phone number, email and company name (if applicable) and select 'Continue' to register
- If you are a shareholder, enter your SRN/HIN (located at the top of your Voting/Proxy Form or Dividend Statement) and postcode
- If you are a proxy, enter the code that Link will email to you 24 hours before the AGM



### Vote online

- Only shareholders, proxyholders, body corporate representatives or attorneys can vote.
- Once you have registered via the portal, your voting card will appear on your screen
  - Voting will open at the start of the AGM
  - Select 'Get a Voting Card' to vote



### Ask a question online

Only shareholders, proxyholders, body corporate representatives or attorneys can ask questions or make comments.

- Click on the 'Ask a Question' box at the top or the bottom of the webpage
- Select the Resolution to which your question or comment relates from the 'Regarding' menu and type your question or comment
- Questions or comments will be read aloud to the AGM



### Attending in person

The meeting will be held in Hilton Hotel, 488 George 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.

The Company will comply with any Government health directives in place at the time of the meeting.

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.



### Attend and ask questions or make comments by telephone

If you wish to ask a question or make a comment orally rather than via the online platform, you can participate in the AGM via telephone. Only shareholders, proxyholders, body corporate representatives or attorneys can listen to the AGM and ask questions or make a comment. Further, it will not be possible to vote by telephone. To utilise the telephone option please call Link on +61 1800 990 363 by 10.00am (AEST) on Wednesday 25 May 2022 to register your participation and obtain the required access code.

Once registered, you will then be able to ask a question or make a comment at the Meeting by:

- Pressing \*1 on your keypad
- When it is time to ask your question or make a comment, the moderator will introduce you to the Meeting, your line will be unmuted and you can then start speaking
- Your line will be muted once your question is answered or your comment made

Please refer to the Online Meeting Guide at [www.appen.com/agm](https://www.appen.com/agm) for further details about attending via the online portal. If you need assistance, please call +61 1800 990 363.

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

22 April 2022

**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 as a hybrid event on Friday 27 May 2022 commencing at 10.00am (AEST).

## **Participating in the AGM**

Shareholders can view and participate in the AGM in real time in a variety of ways. While Shareholders can attend in person we encourage Shareholders to participate through the online platform or by telephone in support of a COVID-19 safe event.

Shareholders can participate in the AGM in real time through the online platform at [meetings.linkgroup.com/APX22](https://meetings.linkgroup.com/APX22). Details on how to join online are set out in the attached Notice of Meeting and in the Online Meeting Guide which have been lodged with the Australian Securities Exchange (ASX) and are available on our website at [www.appen.com/agm](https://www.appen.com/agm).

Shareholders participating in the AGM through the online platform or by telephone will have the opportunity to submit questions or make comments to the Board, management and Appen's external auditors during the meeting. If you would like to ask a question or make a comment prior to the AGM, please do so through our share registry at [vote.linkmarketservices.com/APX](https://vote.linkmarketservices.com/APX). Questions or comments submitted to our Share Registry must be received by no later than 5.00pm (AEST) on Monday 23 May 2022.

## **Board renewal**

I joined the Board as non-executive director on 12 August 2021 and succeeded Chris Vonwiller as Chair when Chris retired on 28 October 2021. He served as Chair of Appen for 12 years and was CEO from 1999 to 2010. William Pulver also retired from the Board on 25 August 2021 after serving as non-executive director for eight years and CEO from 2010 to 2013.

Following the retirement of Chris and Bill, the board's renewal plan is focused on recruiting two new independent directors. This will ensure we have the right mix of skills, experience, and Board tenure to govern and guide the company.

As announced to the ASX on 30 March 2022, Ms Deena Shiff has decided to retire from the Board and will not stand for re-election at this AGM.

Also as announced to the ASX on 30 March 2022, Mr Stuart Davis was appointed as a non-executive director. Mr Davis and I will stand for election at this AGM. Ms Vanessa Liu will stand for re-election as a non-executive director. We will be seeking to continue our work with the board and leadership team to maximise Appen's ability to grow and deliver long-term value for Shareholders.

## **Appen's response to the strike**

A key focus for the Board was our response to the first strike against the remuneration report received at the AGM held on 28 May 2021. The Board took this 'first strike' very seriously and has invested in many hours to understand shareholder concerns in detail. The Board has also conducted a detailed review on executive pay following consultation with proxy advisors, Shareholders, and other stakeholders to understand their concerns.

As a result, changes and adjustments were made to the executive remuneration framework and approach, effective from 1 January 2022, to address the concerns of Shareholders that led the first strike.

This year, we have also worked to improve the transparency of our remuneration report disclosures contained in our 2021 Annual Report. I encourage you to read our 2021 Annual Report which also provides a detailed overview of Appen's performance last year ([www.appen.com/2021annualreport](https://www.appen.com/2021annualreport)).

## **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 Managing Director & 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 Hilton Hotel, 488 George Street, Sydney NSW 2000 on Friday 27 May 2022 at 10.00am (AEST) (**Meeting**). Shareholders can also participate in the Meeting via the online platform at [www.meetings.linkgroup.com/APX22](http://www.meetings.linkgroup.com/APX22), or via telephone.

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

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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 2021.

All Shareholders can view the Annual Report which contains the Financial Report for the year ended 31 December 2021 at [www.appen.com/2021annualreport](http://www.appen.com/2021annualreport)

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### Item 2: Remuneration Report

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

*"To adopt the Remuneration Report for the year ended 31 December 2021."*

**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).

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### Item 3: Election of director – Mr Richard Freudenstein

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

*"That Mr Richard Freudenstein, being a director who was appointed by the Board on 12 August 2021 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 himself for election, be elected as a director of the Company."*

### Item 4: Election of director – Mr Stuart Davis

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

*"That Mr Stuart Davis, being a director who was appointed by the Board on 29 March 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 himself for election, be elected as a director of the Company."*

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### Item 5: Re-election of director – Ms Vanessa Liu

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

*"That Ms Vanessa Liu, 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 herself for re-election, be re-elected as a director of the Company."*

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### Item 6: Grant of performance rights to the Managing Director and Chief Executive Officer, Mr Mark Brayan

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 187,500 Performance Rights to Mr Mark Brayan, the Managing Director and Chief Executive Officer of the Company, and the subsequent issue of Shares on the vesting of such Performance Rights, on the basis set out in the Explanatory Memorandum to this Notice of Meeting."*

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

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# Notice of Annual General Meeting

## Item 7: Amendments to Constitution

To consider and if thought fit, pass the following as a special resolution of the Company:

*“That, the Constitution of the Company be amended as set out in the Explanatory Memorandum with effect from the close of the Meeting.”*

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## Item 8: Renewal of proportional takeover provision

To consider, and if thought fit, pass the following as a special resolution of the Company:

*“That the proportional takeover provision in Clause 36 of the Company’s amended Constitution be renewed for a period of three years commencing from the date of the Meeting.”*

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## Item 9: Spill Resolution

Note: this Resolution will only be considered and voted on if the outcome of Item 2 of this Notice of Meeting is such that at least 25% of the votes cast are against the adoption of the Remuneration Report. See Item 9 of the Explanatory Memorandum for further details.

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

*“That, subject to and conditional on at least 25% of the votes cast on the resolution proposed in Item 2 (Remuneration Report) being cast against the adoption of the Remuneration Report:*

- a) *an extraordinary general meeting of the Company (**Spill Meeting**) be held within 90 days after the passing of this resolution;*
- b) *all of the Directors of the Company in office at the time when the Board resolution to make the Directors’ Report for the financial year ended 31 December 2021 was passed (other than the Managing Director), and who remain Directors at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- c) *resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of Shareholders at the Spill Meeting.”*

*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 25 May 2022 (**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 25 May 2022 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 and 6 (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.

For your proxy or direct vote prior to the AGM to be effective, your completed Voting/Proxy Form must be received by the Company's share registry, Link Market Services, no later than 10.00am (AEST) on Wednesday 25 May 2022. After this time, you will still be able to lodge your direct vote during the AGM by submitting your direct vote using the online platform.

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 25 May 2022 (Proxy Deadline)**.

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 Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150, or 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.

## How to vote – during the AGM

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### Direct vote – using the Online Platform

Shareholders can vote using the online platform ([meetings.linkgroup.com/APX22](https://meetings.linkgroup.com/APX22)) at any time between the commencement of the AGM (10.00am AEST on Friday 27 May 2022) and the close of voting as announced by the Chair during the AGM.

Shareholders will be able to cast their vote using the electronic voting card received after clicking the 'Get a voting card' button. If you have more than one shareholding, continue to click on 'Get a Voting Card' to receive cards for each of your holdings. Shareholders can then choose to vote at any time during the meeting. A change can be made to your vote at any time while voting remains open. Once you submit your voting card, you will be unable to change it. Any cards not submitted by the close of voting will be automatically submitted.

More information about how to use the online platform, including how to vote and ask questions or makes comments online during the AGM, is available in the Online Meeting Guide, which has been lodged with the ASX and is available at our website at [www.appen.com/agm](https://www.appen.com/agm). If you intend to use the online platform, we recommend that you check to ensure the online platform works on your device before the AGM.

### Attending in person

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

# Voting Procedures

## Proxy voting by the Chair

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For Item 2 (Remuneration Report) and Item 6 (Grant of Performance Rights to the Managing Director and CEO), 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 and 6 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 and 6 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 8 in the Notice of Meeting. The Chair intends to vote all undirected proxies against the resolution in Item 9, if it is put to the Meeting.

## Submitting questions

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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 23 May 2022.

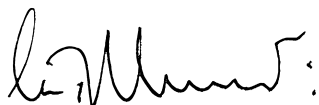
Questions and comments will be collated and, during the AGM, the Chair and/or CEO will seek to address as many of the frequently raised topics as possible. Please note that individual responses will not be sent to Shareholders.

### During the AGM

Shareholders will be able to submit questions or comments at any time during the meeting:

- if attending the Meeting in person: by raising your hand and waiting for the Chair to call on you.
- if attending online: by using the 'Ask a Question' tab on the screen. We encourage you to ask your questions or make your comments as early as possible in the meeting. The questions and comments will be read out to the meeting verbatim on your behalf.
- if attending by telephone (once registered via the process described earlier in this Notice and in the Online Meeting Guide): by pressing \*1 on your handset. When it is time to ask your question or make your comment, the moderator will introduce you to the Meeting, your line will be unmuted and you can then start speaking. Your line will be muted once your question is answered or your comment made.

BY ORDER OF THE BOARD



**Carl Middlehurst**  
Company Secretary

22 April 2022

# 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, 27 May 2022.

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 8 and against the contingent resolution in Item 9. The Chair of the Meeting intends to vote all available undirected proxies in favour of the resolutions in Items 2 to 8, and against the resolution in Item 9 (if this item is put to the Meeting).

The resolutions in Items 3, 4, 5 and 6 are ordinary resolutions, which require a simple majority of votes cast by Shareholders entitled to vote on the resolution. The resolutions in Items 7 and 8 are special resolutions. The resolution in Item 2 relating to the Remuneration Report, is advisory and does not bind the Directors or the Company. The contingent resolution in Item 9 is also an ordinary resolution.

## 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 2021, 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 54-79 of the Company's Annual Report for the year ended 31 December 2021 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 2021 Annual Report is available at: [www.appen.com/2021annualreport](http://www.appen.com/2021annualreport).

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 2021 Remuneration Report.

At last year's AGM, 47.57% of the votes cast on the resolution to adopt the 2020 Remuneration Report was against the resolution (known as a 'first strike'). Since the first strike on the 2020 Remuneration Report, Appen has consulted with proxy advisors, Shareholders, and other stakeholders to understand their concerns.

In response to this feedback, we have made changes to the executive remuneration structure for 2022. These changes seek to balance shareholder expectations against Australian and US market practice where we compete for talent in the highly competitive global technology market. The 2021 Remuneration Report sets out the Board's response to the comments made on the 2020 Remuneration Report on pages 56-58 of the Annual Report.

Shareholders should note that while the vote on this Item of Business is advisory only, if more than 25% of votes cast on this Item of Business are against adopting the Remuneration Report, the Contingent Spill Resolution in Item 9 will be put to the meeting. The operation and consequences of the spill resolution are set out under Item 9 below.

Appen is committed to remuneration practices that consider stakeholder expectations and align with good practice in Australia and the US. The board has taken the feedback on the 2020 Remuneration Report seriously and believes it has addressed the concerns that led to last year's strike.

# Explanatory Memorandum

## Board recommendation

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

## 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 2021 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 – Mr Richard Freudenstein

The Board appointed Richard Freudenstein as an independent non-executive Director on 12 August 2021. He was elected Chair of the Board on the retirement of Mr Chris Vonwiller on 28 October 2021. His presence on the Board brings extensive governance expertise and deepens and extends the board's ASX-listed 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, Mr Freudenstein now retires from the Board and offers himself for election.

Richard is a director of Coles Group Limited, REA Group Ltd and Cricket Australia. Previously, he was Chair of REA Group Ltd and a director of Ten Network Holdings Ltd, Foxtel and Astro Malaysia Holdings Berhad.

He is currently Deputy Chancellor and Fellow of the Senate at the University of Sydney.

Richard is also a member of the People and Culture Committee.

Mr Richard Freudenstein was previously a media executive with extensive experience in Australian and international markets. He has held the roles of Chief Executive Officer at Foxtel, News Digital Media and The Australian, and was Chief Operating Officer at British Sky Broadcasting.

The Company confirms that appropriate checks into Richard's background and experience were carried out prior to his appointment with no information of concern raised during the recruitment process. In addition, Richard has no known interest, position or relationship that will influence or reasonably be perceived to influence his 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 (4<sup>th</sup> edition) (**ASX Principles**), the Board (with Mr Freudenstein abstaining) considers Mr Freudenstein to be an independent director.

## Board recommendation

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

# Explanatory Memorandum

## Item 4: Election of director – Mr Stuart Davis

The Board appointed Stuart Davis as an independent non-executive Director on 29 March 2022.

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

Mr Davis is a professional Company Director, who is currently a Non-Executive Director and Chair of the Remuneration Committee and member of Audit and Risk Committee of NEXTDC Limited, Non-Executive Director and Chair of the Risk Committee of PayPal Australia Ltd, and Non- Executive Director and Member of the Audit and Risk Committees of BSP Financial Group Limited.

He is a seasoned senior banking executive with over 30 years banking experience with HSBC in a number of locations around the world. Recent roles include CEO HSBC India (2009–2012) and member of the Asset and Liability Committee (**ALCO**) and Executive Committee (**EXCO**) for Asia Pacific; CEO HSBC Australia (2002–2009) and member of Australia Bankers Association Management Committee from 2002 and Deputy Chair 2006–2009; CEO HSBC Taiwan (1999–2002) and Chair of the British Taiwan Chamber of Commerce.

Stuart has key capabilities in acquiring, restructuring and growing businesses, which has been achieved in a variety of socioeconomic, regulatory and cultural contexts. He also has experience in leading and integrating businesses and people in both developed and emerging markets. He is an experienced non-executive Director of both listed and non-listed companies.

The Company confirms that appropriate checks into Stuart's background and experience were carried out prior to his appointment with no information of concern raised during the recruitment process. In addition, Stuart has no known interest, position or relationship that will influence or reasonable perceived to influence his 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 Mr Davis abstaining) considers Mr Davis to be an independent director.

### Board recommendation

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

## Item 5: Re-election of director – Ms Vanessa Liu

Clause 68.2 of the Constitution states that one-third of directors must retire at each annual general meeting. As announced to the market on 30 March 2022, Ms Deena Shiff is not standing for re-election at this Meeting, therefore, to meet the Constitutional requirement Ms Vanessa Liu has agreed to offer herself for re-election at this Meeting. Vanessa was appointed as an independent non-executive Director on 27 March 2019 and was last re-elected by Shareholders at the annual general meeting held on 29 May 2020.

Vanessa's presence on the Board deepens and extends the Board's understanding of emerging technology trends and enterprise uptake of artificial intelligence, especially in the US market.

Vanessa is the founder and CEO of Sugarwork, a SaaS technology platform helping enterprise companies retain their experienced workforce with flexible arrangements and knowledge transfer. She was most recently the Vice President of SAP.iO, the early stage venture arm of SAP which invests in and accelerates startups in enterprise technology. In that role, she oversaw SAP.iO's North American Foundries in New York and San Francisco and accelerated a portfolio of 87 enterprise tech startups.

Before SAP, Vanessa was the Chief Operating Officer at Trigger Media Group, a \$22 million digital media incubator. In her role, she co-founded, incubated and oversaw business operations and strategic initiatives of Trigger's portfolio companies: InsideHook (the essential digital lifestyle guide for adventurous and discerning men) and Fevo (SaaS technology bringing friends and networks together for group experiences at live events).

Previously, Vanessa was an Associate Partner at McKinsey & Company's Media and Entertainment Practice, based in Amsterdam, London and New York. In this role, Vanessa was responsible for serving clients in a variety of media and high tech sectors including online advertising, magazine and newspaper publishing, television, video content production, and information services, particularly on issues of digital media strategy, emerging market strategy, growth and innovation.

Vanessa graduated magna cum laude with an AB in psychology from Harvard University and cum laude with a JD from Harvard Law School. She was a Fulbright Scholar at Universiteit Utrecht in the Netherlands where she conducted independent research on the International War Crimes Tribunal for the Former Yugoslavia and the International Court of Justice. She serves as President of the Harvard Alumni Association.

# Explanatory Memorandum

Vanessa is a member of the Audit and Risk Management Committee.

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

## Board recommendation

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

## Item 6: Grant of performance rights to the Managing Director and CEO, Mr Mark Brayan

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 performance rights (**Rights**) to Mr Brayan, Managing Director and Chief Executive Officer (**CEO**) of the Company, as part of his remuneration for the year ended 31 December 2022 in accordance with the terms and conditions of the Appen Long Term Incentive Plan (**Plan**), and to the issue of Shares on the vesting of the Rights.

As the Rights are to be issued under the Plan, the terms and conditions of the Plan govern the Rights to be issued to Mr Brayan. A copy of the Plan rules can be found on the Company website [www.appen.com/investors](http://www.appen.com/investors) (under Corporate Governance).

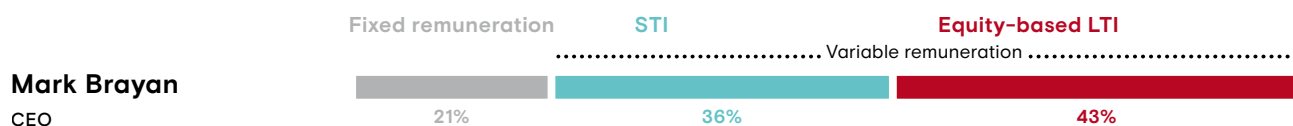
### Details of the proposed grant of Rights for FY22

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

For 2022, there is no change to Mr Brayan's proposed remuneration quantum which comprises of the following:

- Fixed remuneration of A\$750,000 (per annum).
- At-target STI of A\$1,250,000 (per annum). Twenty-five percent of Mr Brayan's STI will be deferred for one year to promote long-term thinking and shareholder alignment.
- An LTI grant of 187,500 Rights equating to \$1.5 million. The \$1.5 million value of the LTI at grant equates to A\$8.00 per share based on the 30-day volume weighted average price (**VWAP**) up to and including the day of release of the annual results on 24 February 2022.
- Total target remuneration of A\$3.5 million.

Mr Brayan's proposed at target remuneration remains heavily weighted towards performance-based pay, including equity awards, in line with the Company's remuneration principles.



Commencing in 2022, a formal minimum shareholding requirement (**MSR**) will be implemented over a five-year period for 100% of fixed remuneration for the Managing Director and CEO. A formal MSR is intended to promote strong ongoing executive and shareholder alignment.

The Rights are granted under the Plan and subject to the terms and conditions of that Plan, in addition to the rules outlined below.

If Item 6 is approved by Shareholders, the Company will issue the Rights shortly after the Meeting.

# Explanatory Memorandum

## Performance conditions

Appen has two LTI schemes: one for Australian KMP who are subject to Australian requirements and one for all other executives and staff for whom the company requires a US-style scheme to attract and retain key talent. The Rights to be granted to Mr Brayan are subject to the Australian LTI Scheme.

The Australian LTI scheme is 100% hurdle-based with all LTI vesting at year three, subject to hurdle achievement and tenure, with no re-testing. The vesting requirement will be 50% weighted to growth in group revenue and 50% weighted to growth in underlying basic EPS (**UBEPS**) as LTI hurdles.

Revenue growth is a key metric aligned with our business strategy and is a key metric for technology companies. UBEPS remains a relevant long-term measure as it aligns executives to shareholder experience.

The Rights granted in 2022 will vest in 2025, subject to the Managing Director and CEO achieving 3-year compound annual growth rates (**CAGR**) for revenue and UBEPS.

The key components of the performance rights to be granted to Mr Brayan are as follows:

- achievement of compound annual growth in UBEPS (FY24 versus FY21)
- achievement of compound annual growth in revenue (FY24 versus FY21); and
- continuation of employment until 1 January 2025, being the beginning of the calendar year in which the performance rights are subject to vesting.

The number of Rights which may vest in respect of a Performance Period will be determined by reference only to achievement of the Performance Conditions set out in the table below:

Target	Weighting	Threshold		Maximum	
		Target	Vesting	Target	Vesting
Group Revenue (CAGR)	50%	15% (FY24 vs FY21)	50%	20% (FY24 vs FY21)	100%
Underlying Basic EPS (CAGR)	50%	7.5% (FY24 vs FY21)	50%	10% (FY24 vs FY21)	100%

Vesting levels for the achievement of targets are set out in table below:

Achievement Criteria	% Performance Rights Allocated
100% or more of Maximum	100%
Between Threshold and Maximum	50-100% (linear)
Below Threshold	Nil

No amount is payable in return for the grant of the Rights.

The following terms and conditions apply to Mr Brayan's Rights:

- From the vesting date and once confirmed by Mr Brayan, Appen will cause the relevant number of APX Shares to be issued or transferred to Mr Brayan.
- No amount is payable in return for the issue or transfer of APX Shares.
- No dividends are paid or accrue between the grant and vesting dates of the Rights.

## If Shareholder approval is not obtained

If Shareholders do not approve the proposed grant of Rights to Mr Brayan the proposed grant of Rights and issue of shares will not proceed. This may impact the Company's ability to incentivise Mr Brayan and to align his interests with those of Shareholders and the Board may need to consider alternative remuneration arrangements, including potentially a cash payment, to appropriately remunerate and incentivise Mr Brayan. Any alternative remuneration arrangements would be subject to the same performance and employment conditions.

# Explanatory Memorandum

## Shareholder approval – Corporations Act

Under Part 2D.2 of the Corporations Act, subject to a number of exemptions, Shareholder approval must be obtained before the Company (or a Related Body Corporate or prescribed superannuation fund in relation to the Company) can give a person a 'benefit' in connection with the person's retirement from a managerial or executive office.

Under the Appen Long Term Incentive Plan, where a participant in that plan ceases to be an employee of Appen (other than in prescribed circumstances) all unvested Rights held by that participant will lapse. In circumstances where the reason for that participant ceasing employment is because of death, total and permanent disability or any other reason with the approval of the Board, the Board has discretion as to how unvested Rights are to be treated. In the context of exercising this discretion, providing Shares to the person may constitute a termination benefit regulated by Part 2D.2 of the Corporations Act.

## Shareholder approval – ASX Listing Rules

ASX Listing Rule 10.14 requires Shareholder approval before a director can acquire shares or rights to shares under an employee incentive scheme. Approval from Shareholders is being sought to grant rights to Mr Brayan under the Appen Long Term Incentive Plan in respect of FY22 with any Rights issued within 12 months after the date of this Meeting.

## 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 Brayan, Managing Director and CEO, under the Plan. Other disclosure requirements of this listing rule have been disclosed earlier in this commentary:

### i. Maximum number and class of securities proposed to be issued

The maximum number of Rights (defined earlier in this memorandum) for which approval is being sought to grant to Mr Brayan within 12 months of this Meeting, is 187,500.

After the grant of Rights, the number of Shares that Mr Brayan may receive at the end of the vesting period on the vesting date will be determined having regard to the satisfaction of the relevant performance condition.

### ii. Mr Brayan's current remuneration

Mr Brayan's current remuneration package is disclosed earlier in this memorandum.

### iii. Number of Rights previously issued to Mr Brayan

Plan under which Rights were granted	Number of Rights granted	Average acquisition price paid by Mr Brayan
FY16 LTI Plan	95,535	\$nil
FY17 LTI Plan	59,430	\$nil
FY18 LTI Plan	23,153	\$nil
FY18 Special	150,000	\$nil
FY18 STI	150,000	\$nil
FY19 LTI Plan	160,000	\$nil
FY20 LTI Plan	78,125	\$nil
FY21 LTI Plan	55,908	\$nil

### iv. Details of the Rights

Details of the Rights are disclosed earlier in this memorandum and these are subject to 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).

### v. Issue date of Rights

The Rights will be granted to Mr Brayan no earlier than immediately following this Meeting and no later than 12 months after this Meeting, on the conditions described in the Explanatory Memorandum.



# Explanatory Memorandum

## vi. Price for each Right (and the price for each APX Security that vests)

There is no payment for the grant of Rights or upon vesting of the Rights required by Mr Brayan.

## vii. Material Terms of the Plan

The Rights are subject to specific terms outlined earlier in this memorandum and 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).

## viii. Terms of any loan made to Mr Brayan in relation to the acquisition of the Rights

There is no loan provided in relation to the acquisition of the Rights by Mr Brayan.

## ix. 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.

## x. Persons who are entitled to participate in the Rights 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 Brayan 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 Brayan and any associate of Mr Brayan.

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 5 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.

### Board recommendation

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

# Explanatory Memorandum

## Item 7: Amendment to Constitution

The Company is proposing a number of changes to its Constitution in preparation for the changes to the ASX CHESS System. In addition to the definitional changes, a new clause 12.5 will allow the limits on Joint Holders of securities to be raised to four people.

The Company has prepared an updated Constitution (**New Constitution**) inclusive of the abovementioned changes. A copy of the New Constitution is available at [www.appen.com/agm](http://www.appen.com/agm). A copy of the New Constitution can also be requested at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au).

### Board recommendation

The Board recommends that Shareholders vote **FOR** the Resolution in Item 7.

## Item 8: Renewal of proportional takeover provision

Clause 36 of the amended Company's Constitution contains proportional takeover approval provisions that prohibit Appen from registering a transfer of Shares under a proportional takeover bid unless the bid is approved by resolution passed by Shareholders in a general meeting.

Under the Corporations Act, the proportional takeover approval provisions in a company's constitution must be renewed every three years or they will cease to have effect.

As the proportional takeover provisions in the Constitution have lapsed, the Company is seeking Shareholder approval, by special resolution, to refresh such provisions in accordance with the Corporations Act.

If Item 8 is approved by Shareholders, the proportional takeover provisions will be renewed and have effect on the terms set out in the amended Constitution until 27 May 2025.

### Statement under the Corporations Act

The Corporations Act requires that the following information be provided to Shareholders when they are considering the renewal or refresh of proportional takeover provisions in a constitution.

### What is a proportional takeover bid?

A proportional takeover bid is a takeover bid where an offer is made to each shareholder of a company to acquire a specified proportion only of that shareholder's shares (that is, less than 100%). The specified proportion must be the same in the case of all Shareholders.

The Corporations Act allows a company to provide in its constitution that if a proportional takeover bid is made, Shareholders must vote on whether to accept or reject the proportional takeover bid and that decision will be binding on all Shareholders. This provision allows Shareholders to decide collectively whether a proportional takeover bid is acceptable in principle.

### The effect of the proportional takeover provisions

The effect of the proportional takeover provisions in clause 36 of the amended Constitution is that if a proportional takeover bid is made for the Company, Appen must refuse to register a transfer of Shares giving effect to any acceptance of any such bid unless the takeover bid is approved by Shareholders in general meeting.

In the event that a proportional takeover bid is made, the Directors must convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover bid. For the resolution to be approved, it must be passed by a simple majority of votes at the meeting, excluding votes of the bidder and its associates.

If no such resolution is voted on at least 14 days before the last day of the takeover bid period or such later date as approved by ASIC, the resolution will be deemed to have been approved. This effectively means that Shareholders may only prohibit a proportional takeover bid by passing a resolution rejecting the proportional takeover bid.

If the resolution is approved or deemed to have been approved, a transfer of Shares under the proportional takeover bid may be registered provided it complies with the other provisions of the Corporations Act and the Constitution.

If the resolution is rejected, the registration of any transfer of Shares resulting from the proportional takeover bid is prohibited and the proportional takeover bid is deemed by the Corporations Act to have been withdrawn.

The Directors will breach the Corporations Act if they fail to ensure the resolution is voted on.

# Explanatory Memorandum

The proportional takeover provisions do not apply to full takeover bids and, if refreshed, will only apply until 27 May 2025, unless again renewed by Shareholders by passing a special resolution.

## Reasons for proposing the resolution

Without the proportional takeover approval provisions, a proportional takeover bid may result in control of the Company passing without Shareholders having the opportunity to dispose of all of their Shares to the bidder. This could result in control of Appen passing to the bidder without the payment of an adequate control premium and with Shareholders left as a minority interest in the Company.

The proportional takeover provisions lessen this risk because they allow Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed. The Directors consider that it is appropriate for Shareholders to have this right.

## No knowledge of any acquisition proposals

At the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

## Review of proportional takeover provisions

The Corporations Act requires Shareholders to be given a statement which examines the advantages and disadvantages, for Directors and Shareholders, of the proportional takeover provisions proposed to be renewed or refreshed. A statement of advantages and disadvantages is set out below.

## Potential advantages and disadvantages

The refresh of the proportional takeover provisions will allow Directors to formally ascertain Shareholders' views on a proportional takeover bid. Otherwise, the Directors consider that the proposed refresh of the proportional takeover provisions has no potential advantages or potential disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved or rejected.

The potential advantages of the refresh of the proportional takeover provisions for Shareholders are:

- (a) they give Shareholders a say in determining whether a proportional takeover bid should proceed;
- (b) they may discourage the making of a proportional takeover bid which may be considered to be opportunistic and may prevent control of the Company passing without the payment of an appropriate control premium;
- (c) they may assist Shareholders in not being locked in as a minority interest;
- (d) they increase Shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is adequately priced; and
- (e) knowing the view of the majority of Shareholders may assist each individual Shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that bid.

However, the Directors note that refreshing the proportional takeover provisions may have the following disadvantages for Shareholders:

- (a) discourage the making of proportional takeover bids in respect of the Company and may reduce any speculative element in the market price of Shares arising from the possibility of a takeover bid being made;
- (b) depress the Share price or deny Shareholders an opportunity of selling some of their Shares at a premium;
- (c) reduce the likelihood of a proportional takeover bid being successful; and
- (d) be considered to constitute an unwarranted restriction on the ability of Shareholders to deal freely with their Shares.

However, the Directors do not perceive these or any other possible disadvantages as a justification for not refreshing the proportional takeover provisions so that they apply for the next 3 years, and consider that the potential advantages of the proportional takeover provisions for Shareholders outweigh these possible disadvantages.

## Board recommendation

The Board recommends that Shareholders vote **FOR** the Resolution in Item 8.

# Explanatory Memorandum

## Item 9: Spill Resolution (conditional item)

The Corporations Act now includes a ‘two strikes’ rule in relation to remuneration reports. The two strikes rule provides that, if at least 25% of the votes cast on the resolution to adopt the remuneration report at two consecutive annual general meetings are against adopting the remuneration report, Shareholders will have the opportunity to vote on a Spill Resolution (described below) at the second annual general meeting.

At last year’s annual general meeting, 47.57% of the votes cast on the resolution to adopt the Remuneration Report were against adopting the report (the ‘first strike’).

Accordingly, Item 9 (**Spill Resolution**) is required to be included in this Notice of Meeting by Division 9 of Part 2G.2 of the Corporations Act because the adoption of the Remuneration Report contained in the Company’s 2020 Annual Report was passed by a majority of less than 75% at the Annual General Meeting held on 28 May 2021.

*Item 9 is a ‘conditional’ resolution. It will only be put to the Meeting if 25% or more of the votes cast on Item 2 are cast against the adoption of the Remuneration Report, which will constitute a ‘second strike’.*

If Item 2 passes on a majority of more than 75%, the Spill Resolution will be deemed withdrawn and any votes cast on the Spill Resolution prior to the withdrawal of the Spill Resolution will be treated as invalid.

## Majority required for Spill Resolution

If the Spill Resolution is put to the meeting the Spill Resolution will be carried if it is passed by an ordinary majority of votes cast (more than 50%). If the Spill Resolution is valid and carried, a spill meeting must be held within 90 days of the passing of the Spill Resolution (**Spill Meeting**). If a Spill Meeting is required, the date of the meeting will be notified to Shareholders in due course.

## The Spill Meeting

If a Spill Meeting is held, pursuant to section 250V(1)(b)(i) of the Corporations Act, the Directors listed below, being the non-executive Directors who were in office when the Board approved the Directors’ Report for the year ended 31 December 2021, will cease to hold office immediately before the end of the Spill Meeting (unless they resign before the Spill Meeting):

- |  |                                    |
|--|------------------------------------|
| (i) Mr Richard Freudenstein <sup>1</sup> ; | (iii) Ms Robin Low; and            |
| (ii) Mr Steve Hasker;                      | (iv) Ms Vanessa Liu <sup>1</sup> . |

1 This assumes these directors are elected/re-elected at this Meeting pursuant to Items 3 and 5 respectively.

Each of these Directors is eligible to stand for re-election at the Spill Meeting.

The Spill Meeting, if required, will be subject to a separate notice in accordance with the Constitution of the Company and the Corporations Act. Nominations for director appointments at the Spill Meeting may be made in accordance with the Constitution of the Company and may include the Directors listed above.

A voting exclusion applies to Item 9 (see below). This voting exclusion will not apply to the Spill Meeting and all Shareholders will be entitled to vote on the director appointments at the Spill Meeting.

### Board recommendation

The Board unanimously recommends that Shareholders vote **AGAINST** this resolution.

## Voting Exclusion

The Company will disregard any votes cast on Item 9 by a KMP of the Company or a Closely Related Party of such a KMP unless:

- (a) the person votes as a proxy appointed by writing that specifies how the person is to vote on Item 9; or
- (b) the person is the Chair and votes as a proxy appointed by writing that authorises the Chair to vote on Item 9 even though the resolution is connected directly or indirectly with the remuneration of the KMP of the Company.

### Chair’s Voting Intention

The Chair of the Meeting intends to vote all available undirected proxies **in favour of the resolutions in Items 2 to 8, and against the resolution in Item 9 (if this item is put to the Meeting).**

## Glossary of key terms

<b>\$</b>	US Dollars
<b>AEST</b>	Australian Eastern Standard Time as observed in Sydney, Australia
<b>Annual General Meeting or Meeting</b>	the meeting convened by the Notice
<b>APX</b>	Appen Limited
<b>ASX</b>	ASX Limited ACN 008 624 691
<b>ASX Listing Rules</b>	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>	ASX Corporate Governance Principles and Recommendations (4 <sup>th</sup> edition)
<b>Board</b>	the current board of directors of the Company
<b>Closely Related Party</b>	as defined in section 9 of the Corporations Act
<b>Company</b>	Appen Limited ACN 138 878 298 (APX)
<b>Constitution</b>	the Company's Constitution
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Directors</b>	the current directors of the Company
<b>Entitlement Time</b>	7.00pm (AEST) Wednesday 25 May 2022
<b>Explanatory Memorandum</b>	the Explanatory Memorandum accompanying the Notice
<b>Items</b>	the resolutions set out in the Notice, or any one of them, as the context requires
<b>Key Management Personnel</b>	as defined in section 9 of the Corporations Act
<b>Notice or Notice of Meeting or Notice of Annual General Meeting</b>	this notice of annual general meeting and the Explanatory Memorandum accompanying the Notice and the Voting/Proxy Form
<b>Plan</b>	Appen Long Term Incentive Plan
<b>Proxy Deadline</b>	10.00am (AEST) Wednesday 25 May 2022
<b>Related Body Corporate</b>	has the meaning set out in section 50 of the Corporations Act
<b>Remuneration Report</b>	the remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 31 December 2021
<b>Resolutions</b>	the resolutions set out in the Notice, or any one of them, as the context requires
<b>Rights</b>	long term incentive rights to acquire a Share issued under the Plan
<b>Share</b>	a fully paid ordinary share in the capital of the Company
<b>Share Registry</b>	Link Market Services Limited
<b>Shareholder</b>	a holder of a Share
<b>Voting/Proxy Form</b>	the voting/proxy form accompanying the Notice

# Corporate directory

## Registered office

Level 6, 9 Help Street  
Chatswood NSW 2067  
+61 2 9468 6300  
[www.appen.com](http://www.appen.com)

## Shareholder enquiries

**Link Market Services**  
Locked Bag A14  
Sydney South NSW 1235  
+61 1300 554 474  
[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## Investor relations

+61 2 9468 6300  
[investorrelations@appen.com](mailto:investorrelations@appen.com)  
[www.appen.com/investors](http://www.appen.com/investors)

## 2021 Annual Report

[www.appen.com/2021annualreport](http://www.appen.com/2021annualreport)



[appen.com](https://www.appen.com)

**LODGE YOUR VOTE**

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

**BY MAIL**  
Appen 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  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150; or  
Level 12, 680 George Street, Sydney NSW 2000

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



**X999999999999**

**VOTING/PROXY FORM**

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

**STEP 1** Please mark either A or B

**A VOTE DIRECTLY**

elect to lodge my/our vote(s) directly (mark box)

**i** in relation to the Annual General Meeting of the Company to be held at **10:00am (AEST) on Friday, 27 May 2022**, and at any adjournment or postponement of the Meeting.

You should mark either “for” or “against” for each item. Do not mark the “abstain” box.

**OR**

**B 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 and email of the person or body corporate you are appointing as your proxy

Name

Email

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 **10:00am (AEST) on Friday, 27 May 2022 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a hybrid event. You can participate online at [meetings.linkgroup.com/APX22](http://meetings.linkgroup.com/APX22), or in person at the **Hilton Sydney, 488 George St, Sydney 2000**, Sydney. For detailed information on how to participate, please refer to the Notice of Meeting and the Online Meeting Guide at [www.appen.com/aggm](http://www.appen.com/aggm).

**Important for Items 2 & 6:** 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 Items 2 & 6, even though the Items are 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 Items 2 - 8 and against for Item 9.

**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

**STEP 2**

Items	For	Against	Abstain*	For	Against	Abstain*
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of director – Mr Richard Freudenstein	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of director – Mr Stuart Davis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Re-election of director – Ms Vanessa Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Grant of performance rights to the Managing Director and CEO, Mr Mark Brayan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Renewal of proportional takeover provision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Spill Resolution (Conditional item)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

**STEP 3**

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).





# HOW TO COMPLETE THIS SHAREHOLDER VOTING/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.**

## VOTING UNDER BOX A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either "for" or "against" for each item. Do not mark the "abstain" box. If you mark the "abstain" box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

Custodians and nominees may, with the Share Registrar's consent, identify on the Voting/Proxy Form the total number of votes in each of the categories "for" and "against" and their votes will be valid.

If you have lodged a direct vote, and then you attend the Meeting, your attendance will cancel your direct vote.

The Chairman's decision as to whether a direct vote is valid is conclusive.

## VOTING UNDER BOX B – 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 and email 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 Voting/Proxy Form, including where the Items are 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 Voting/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:

- on each of the first Voting/Proxy Form and the second Voting/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
- 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 virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au) prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://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 **10:00am on Wednesday, 25 May 2022**, 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](http://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).



### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



### BY MAIL

Appen 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\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150  
or  
Level 12  
680 George Street  
Sydney NSW 2000

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