

APPEN LIMITED
ACN 138 878 298

NOTICE OF ANNUAL GENERAL MEETING
(Notice)

Notice is hereby given that the Annual General Meeting of Shareholders of Appen Limited (the **Company**) will be held at the offices of KPMG, Level 38, Tower 3, 300 Barangaroo Avenue, Sydney NSW 2000 on 31 May 2019 at 10.00am (AEST) (**Meeting**).

The Explanatory Notes to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Notes and the Proxy Form are part of this Notice.

BUSINESS OF THE MEETING

Item 1: Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 31 December 2018.

Item 2: Remuneration Report

To consider and, if thought fit, to pass the following resolution:

"To adopt the Remuneration Report for the year ended 31 December 2018."

Notes:

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

Item 3: Re-election of Directors

Item 3.1: Re-election of Mr William Pulver

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

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

Item 3.2: Re-election of Ms Robin Low

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

"That Ms Robin Low, 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."

Item 3.3: Re-election of Ms Deena Shiff

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

“That Ms Deena Shiff, 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.”

Item 4: Ratification of the issue of Shares

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 13,255,814 fully paid ordinary shares on the terms and conditions set out in the Explanatory Notes.”

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

Item 5: Grant of Performance Rights to Mr Mark Brayan, Managing Director and Chief Executive Officer

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant and issue of 260,000 Performance Rights to Mr Mark Brayan, the Chief Executive Officer and Managing Director of the Company, and the subsequent issue of Shares on the vesting of such Performance Rights, on the basis set out in the Explanatory Notes to this Notice of Meeting.”

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

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 Wednesday 29 May 2019 (**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.

ANNUAL REPORT

Copies of the Company's full Annual Report may be accessed at our website www.appen.com and clicking on the Investors tab.

VOTING OPTIONS AND PROXIES

If you do not plan to attend the Meeting in person, you are encouraged to complete and return the Proxy Form that accompanies this Notice of Annual General Meeting.

Voting by Proxy

A Shareholder who is entitled to attend and vote at this Meeting is entitled to appoint not more than two proxies to attend and 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 5 (see the Explanatory Notes 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.

Proxy Voting by the Chair

For Item 2 (Remuneration Report) and Item 5 (Grant of Performance Rights to the 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 5 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 5 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 the resolutions in the Notice of Meeting, including Items 2 and 5.

Proxy Forms

To be effective, the Proxy Form 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 29 May 2019 (Proxy Deadline)**.

Proxy forms may be submitted in one of the following ways:

- (i) **By mail** to Link Market Services Limited using the reply paid envelope or Locked Bag A14, Sydney South NSW 1235. Please allow sufficient time so that it reaches Link Market Services Limited by the Proxy Deadline;
- (ii) **By fax** to Link Market Services Limited on +61 2 9287 0309;
- (iii) **Online** via the Company's Share Registry website at www.linkmarketservices.com.au. Please refer to the Proxy Form for more information; or
- (iv) **By hand delivery** to Link Market Services Limited at Level 12, 680 George Street, Sydney NSW 2000.

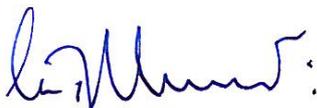
Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

CORPORATE REPRESENTATIVES

Where a shareholding is registered in the name of a corporation, the corporate shareholder may appoint a person to act as its representative to attend the meeting by providing that person with:

- (i) a letter or certificate authorising him or her as the corporation's representative, executed in accordance with the corporation's constitution; or
- (ii) a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

BY ORDER OF THE BOARD



Carl Middlehurst
Company Secretary
17 April 2019

Explanatory Notes

Notes on Business

ITEM 1 – Financial Statements

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.

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. 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 2018, 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 to the Company in relation to the above matters. Written questions must be received no later than 5.00pm (AEST) on 17 May 2019. A form to facilitate the submission of questions is attached to this Notice and it includes details on the return of this form to the Share Registry.

ITEM 2 – Adoption of Remuneration Report

Reasons for Resolution

In accordance with section 300A of the Corporations Act the Company has proposed a Remuneration Report for the consideration of Shareholders.

As provided by section 250R(3) of the Corporations Act, the resolution on this item of business is advisory only and does not bind the Board or the Company.

The Company's objective is to provide the maximum benefit to shareholders. The Board believes that the Company will achieve this objective by retaining a high quality Board and executive team remunerated fairly and appropriately. The Company's remuneration philosophy is to ensure that the level and composition of remuneration is both competitive and reasonable. Remuneration should be linked to performance and appropriate for the results delivered. The Company's policies are designed to attract and maintain talented and motivated Directors and employees, thereby raising the level of performance of the Company and enhancing shareholder value.

Director's Recommendation

The Board unanimously recommends that Shareholders vote in favour of the Resolution in Item 2.

Voting Exclusion Statement

As required by the Corporations Act, the Company will disregard any votes cast on Item 2 by any member or a former member of the Company's Key Management Personnel whose remuneration details are disclosed in the Remuneration Report, or a Closely Related Party of any such member unless the person unless the person:

- (i) votes as a proxy appointed by writing (on behalf of a person who is entitled to vote on this Item 2) that specifies how the person is to vote on the resolution; or
- (ii) is the Chair of the Meeting and votes as a proxy appointed by writing (by a person who is entitled to vote on this Item 2) that authorises the Chair to vote on the resolutions even though that resolution is connected with the remuneration of a member of the Company's KMP.

A closely related party includes close family members and companies the KMP controls.

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 – Re-election of Directors

In accordance with the Company's Constitution and the ASX Listing Rules an election of Directors must be held at each annual general meeting.

Clause 68.1 and ASX Listing Rule 14.4 state that a director must not hold office without re-election for a period in excess of three years. Mr William Pulver, Ms Robin Low and Ms Deena Shiff were last re-elected by shareholders at the annual general meeting held in May 2016 and therefore have offered themselves for re-election at this Meeting.

The re-election of each of the directors must be considered and voted on as separate resolutions. Details of each director are outlined below.

Item 3.1: Re-election of Mr William Pulver

William (Bill) Pulver has been a non-executive director of Appen since 31 January 2013. Bill was the CEO of the Australian Rugby Union from 2013-2018 having formerly served as Appen CEO from 2010-2013. Previously he was the President and CEO of NetRatings, Inc., a NASDAQ-listed company (NTRT), specialising in Internet media and market research. Prior to this Bill held leadership roles at ACNielsen with eRatings.com, Pacific region and Australia. Bill is currently a director of Smartpay Holdings Limited (ASX:SMP)

Bill holds a Bachelor of Commerce degree, with a major in marketing, from the University of New South Wales, Australia.

Bill is Chairman of Nomination and Remuneration Committee.

Having had regard to the ASX Corporate Governance Principles and Recommendations (3rd edition) (**ASX Principles**), the Board (with Mr Pulver abstaining) considers Mr Pulver to be an independent director.

Director's Recommendation

The Board (with Mr Pulver abstaining) unanimously supports the re-election of Mr Pulver and recommends that Shareholders vote in favour of Mr Pulver's re-election as a Director of the Company.

Item 3.2: Re-election of Ms Robin Low

Robin Low has been a non-executive director of Appen since 30 October 2014. Her other directorships include AUB Group Limited (ASX:AUB), CSG Limited (ASX:CSV), IPH Limited (ASX:IPH), Australian Reinsurance Pool Corporation and she is the deputy chairman of the Auditing and Assurance Standards Board. Previously Robin had a 28 year career at PricewaterhouseCoopers where she was a partner specialising in assurance and risk, mainly in financial services. Robin is also involved with not-for-profit organizations and serves on the boards of Public Education Foundation and Primary Ethics.

Robin has a Bachelor of Commerce from the University of New South Wales and is a Fellow of the Institute of Chartered Accountants.

Robin is Chair of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee.

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

Director's Recommendation

The Board (with Ms Low abstaining) unanimously supports the re-election of Ms Low and recommends that Shareholders vote in favour of Ms Low's re-election as a Director of the Company.

Item 3.2: Re-election of Ms Deena Shiff

Deena Shiff has been a Non-Executive Director since May 2015. Deena has enjoyed a distinguished business career covering senior roles in the legal profession and in corporate positions. She was a partner in the leading law firm Mallesons Stephen Jaques before re-joining Telstra Corporation where she rose to Group Managing Director. She holds several other non-executive director roles, including Chairman of the Supervisory Board of Marley Spoon (ASX:MMM), and director of Infrastructure Australia and Opera Australia. She was previously a director of the Citadel Group Limited (ASX:CGL).

Deena holds a degree in law from Cambridge University and a degree in economics from the London School of Economics, both with honours. She is a Fellow of the Australian Institute of Company Directors.

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

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

Director's Recommendation

The Board (with Ms Shiff abstaining) unanimously supports the re-election of Ms Shiff and recommends that Shareholders vote in favour of Ms Shiff's re-election as a director of the Company.

ITEM 4: Approval and Ratification of the Issue of Shares

Background

On the 11 March 2019 Appen announced it had entered into a binding agreement to acquire Figure Eight Technologies, Inc (**Figure Eight**) for an upfront consideration of US\$175 million plus earn-out consideration payable in March 2020, expected to be US\$60-80 million and capped at US\$125 million. The upfront consideration was funded by the issue of 13,255,814 ordinary shares to institutional investors via a placement (**Placement Shares**). In addition, 697,761 shares were issued pursuant to a share purchase plan (**SPP**) to retail investors on 10 April 2019 (**SPP Shares**).

Reasons for resolution

Listing Rule 7.1 restricts the number of Equity Securities which a listed entity may 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. Listing Rule 7.4 provides that an issue of securities is deemed to have been made with Shareholder approval if Listing Rule 7.1 is not breached at the time the securities were issued and Shareholders subsequently approve the issue.

Therefore, if Shareholders ratify the issue of the Shares pursuant to Item 4, the Company will have the flexibility to issue further Equity Securities up to the 15% limit over the next 12 month period because the Shares will not be counted for the purposes of the 15% limit set out in Listing Rule 7.1.

The issue of shares under an SPP are excluded from ASX Listing Rule 7.1 and 7.1A (exclusion 15 of ASX Listing Rule 7.2), and therefore the Company is not seeking shareholder approval for the issue of the SPP Shares.

The following information is provided to Shareholders to allow them to assess Item 4, including for the purposes of Listing Rule 7.5:

- (a) The number of securities allotted and issued: 13,255,814 on 18 March 2019.
- (b) Issue price: \$21.50 per share.
- (c) Terms of the Shares: The Placement Shares allotted and issued rank equally with the existing shares on issue.
- (d) Allottees: The Placement Shares issued on the 18 March 2019 were allotted and issued to new and existing institutional investors.
- (e) Intended use of funds raised: Funds raised from the issue of the Placement Shares were used to acquire Figure Eight.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution in Item 4 by or on behalf of any person who participated in the issue of the Shares under this Item and any associate of those persons. However the Company will not disregard a vote on Item 4 if it is cast by a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

ASX has granted a waiver allowing the Company to limit the application of listing rule 14.11 so that votes of a shareholder who participated in the issue of Placement Shares may be counted, to the extent that the shareholder is acting solely in a fiduciary, nominee, trustee or custodial capacity on behalf of beneficiaries who did not participate in the issue of the Placement Shares (the Nominee Holder), on the following conditions:

- a. the beneficiaries provide written confirmation to the Nominee Holder that they did not participate in the issue of the Placement Shares, nor are they an associate of a person who participates in the issue of the Placement Shares;

- b. the beneficiaries direct the Nominee Holder to vote for or against Item 4; and
- c. the Nominee Holder does not exercise discretion in casting a vote on behalf of the beneficiaries.

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of the Resolution in Item 4.

ITEM 5 – Grant of Performance Rights for Mr Mark Brayan

Background

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 5 seeks the approval by Shareholders pursuant to ASX Listing Rule 10.14 to grant Performance Rights (**Rights**) to Mr Brayan, Executive Director of the Company, as part of his remuneration for the year ended 31 December 2019 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. The terms and conditions of the Plan were approved by Shareholders at the 2018 annual general meeting.

Details of Rights grant to Mr Brayan, Managing Director and Chief Executive Officer

The terms of Mr Brayan's employment contract with Appen allows him to participate in the Plan. The Board has proposed that for the year ending 31 December 2019, Mr Brayan be eligible for Rights as outlined below.

The intention of the Plan is to align Shareholder returns of Appen with the 'at-risk' compensation potentially payable to executive level employees and to reward executives who remain in employment and perform at the required levels of performance.

For the year ending 31 December 2019, Mr Brayan's remuneration comprises the following components:

- fixed remuneration, including statutory superannuation of \$500,000 per annum;
- an at-risk short term incentive of \$500k per annum, with payout capped at 150% for overperformance, payable in cash; and
- an at-risk long term incentive of 160,000 Rights.

The board has further proposed that Mr Brayan be issued an additional 100,000 Rights as a one-off grant in respect of the Leapforce acquisition as follows:

- 50,000 Rights for exceeding the 2018 Content Relevance EBITDA \$ and % margin targets; and
- 50,000 Rights subject to exceeding the 2019 Content Relevance EBITDA \$ and % margin targets .

The total number of Rights that Shareholder approval is being sought is 260,000.

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 5 is approved by Shareholders, the Company will issue the Rights shortly after the Meeting.

In determining the number of Rights to be issued to Mr Brayan the Board considered the:

- (i) Company's remuneration strategy;
- (ii) Company's performance;
- (iii) Role and contribution of Mr Brayan to the achievement of the Company's objectives; and
- (iv) Current market practice for remuneration of executive and non-executive officers in positions of similar responsibility.

Vesting of Rights

These Rights will vest at the Vesting Date (which is approximately 3 years from the grant date) to the extent that Performance Measures and Vesting Conditions are satisfied at each of the Performance Target Measurement Date as illustrated in the table below.

The performance rights will only vest subject to:

- achievement of an underlying basic Earnings Per Share (**EPS**) performance condition for the three consecutive years applicable to the grant, tested annually and measured on the performance for that period. If a performance condition is missed in a particular year it can be caught up in subsequent years, provided the cumulative 20% hurdle rate is achieved (ie, 20% times 20% equals 144% over a two year period or 173% over three years); and
- continuation of employment until the beginning of the calendar year in which the performance rights are subject to vesting.

Shareholder alignment is achieved through senior management being incentivised to grow the share price through the three year vesting period, to maximise the value of any award. If a recipient leaves before the performance rights vest (and despite one or multiple EPS conditions being met), the rights lapse. The plan also acts as a retention tool.

The Board has adopted an EPS performance condition for the Plan, using a 20% net profit per share growth hurdle that applies each year. Under this calculation method, an annual EPS growth target is set at the beginning of each performance period. A key factor in the Board's considerations is that the Plan should be both simple to understand and provide both a performance and retention element for participants. The Board considers that a consistent EPS growth method is best aligned to these principles and best provides a long term EPS growth element that is predicated on the maximisation of shareholder value.

The Rights (and associated conditions) to be granted to Mr Brayan as part of his remuneration for the year ended 31 December 2019 are tabled below:

Plan	Number of Rights	Performance Measure	Performance Target	Performance Target Measurement Date	Vesting Condition	Vesting Date
2019 One Off	50,000	Content Relevance EBITDA \$ and % margin targets		End 2018	Not applicable	31 May 2019
2019 One Off	50,000	Content Relevance EBITDA \$ and % margin targets		End 2019	Not applicable	Upon release of 2020 results
2019	53,334	Underlying EPS	20%	End 2019	Employed at 1 January 2022	1 January 2022
2019	53,333	Underlying EPS	20%	End 2020	Employed at 1 January 2022	1 January 2022
2019	53,333	Underlying EPS	20%	End 2021	Employed at 1 January 2022	Upon release of 2021 results

EPS vesting levels are as follows:

EPS Target	% Vesting of Rights
100% or more of EPS Target	100%
90-99% of EPS Target*	50-80%
Less than 90%	Nil

* at the board's discretion

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.

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 FY19 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 under the Plan:

i. Maximum number of Rights and Shares

The maximum number of Rights that may be granted to Mr Brayan within 12 months of this Meeting is 260,000.

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

No payment for the Rights or upon vesting of the Rights is required by Mr Brayan.

iii. Shares under the Rights Plan received since the last approval

At the Annual General Meeting on the 26 May 2018, shareholders approved the granting of on the 223,153 Rights, to Mr Brayan.

The following shares have been issued to Mr Brayan as a result of the vesting of Rights:

- 06 July 2018: 50,000; and
- 11 March 2019: 95,535.

iv. Persons who are entitled to participate in the Rights Plan

The eligible participants under the Plan are employees of the Company (including Directors) 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.

v. Terms of any related loan

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

vi. 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 Notes.

Voting exclusion

The Company will disregard any votes cast in favour of the Resolution in Item 5 by any Director of the Company (except one who is ineligible to participate in the Rights Plan), including Mr Brayan and any associate of any such persons. However, the Company need not disregard a vote on Item 5 if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy does.

In addition, no KMP of the Company or a Closely Related Party or Associate of such a KMP may vote as a proxy on the proposed Item 5 unless:

- a) the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed Item 5; or
- b) the person is the Chairman and votes as a proxy appointed by writing that authorises the Chairman to vote on Item 5 even though the resolution is connected directly or indirectly with the remuneration of KMP of the Company.

Directors' Recommendation

The Board unanimously (other than Mr Brayan) recommends that Shareholders vote in favour of the resolution in Item 5.

CHAIRMAN'S VOTING INTENTION

The Chairman of the Meeting intends to vote all available proxies in favour of all resolutions.

GLOSSARY

\$ means Australian Dollars.

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

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

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.

ASX Principles means the ASX Corporate Governance Principles and Recommendations (3rd edition).

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 means Appen Limited (ACN 138 878 298)

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 Wednesday 29 May 2019.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Notes means the Explanatory Notes accompanying the Notice.

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

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

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting and the explanatory notes accompanying the Notice and the Proxy Form.

Option means an option to acquire a Share under the Plan or other employee incentive plan, as the context requires.

Plan means Appen Long Term Incentive Plan.

Proxy Deadline means 10.00am AEST Wednesday 29 May 2019.

Proxy Form means the proxy form accompanying the Notice.

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

Remuneration Report means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 31 December 2018.

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

Rights mean long term incentive rights to acquire a Share issued under the Plan.

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.

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
Level 12, 680 George Street, Sydney NSW 2000
-  **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474



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PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (AEST) on Friday, 31 May 2019 at the Offices of KPMG, Level 38, Tower 3, 300 Barangaroo Avenue, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 2 and 5: 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 Resolutions 2 and 5, even though the Resolutions 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 each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Items	For			Against			Abstain*		
	<input type="checkbox"/>								
2 Remuneration Report	<input type="checkbox"/>								
3.1 Re-election of Mr William Pulver	<input type="checkbox"/>								
3.2 Re-election of Ms Robin Low	<input type="checkbox"/>								
3.3 Re-election of Ms Deena Shiff	<input type="checkbox"/>								
4 Ratification of the issue of Shares	<input type="checkbox"/>								
5 Grant of Performance Rights to Mr Mark Brayan, Managing Director and Chief Executive Officer	<input type="checkbox"/>								



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions 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 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 Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10.00am (AEST) on Wednesday, 29 May 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY 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 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

Apnen 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*
Level 12
680 George Street
Sydney NSW 2000

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

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

