



ASX Release

15 December 2022

Armughan Ahmad appointed CEO and President

Appen Limited (Appen) (ASX: APX) today announced the appointment of Armughan Ahmad as Chief Executive Officer (CEO) and President of the company, effective from no later than 30 January 2023. Armughan Ahmad will also serve as Managing Director. Appen's current CEO and Managing Director, Mark Brayan, will remain with the business until 28 February 2023 to ensure a smooth transition.

Armughan brings over 25 years of global experience in the technology industry having led product, sales, and services organisations at KPMG, Dell Technologies, and Hewlett Packard in the past. In his most recent role as President and Managing Partner of Digital at KPMG in Canada, Armughan oversaw the firm's innovative services to product shift by delivering exponential technology-based market offerings to accelerate industry sector focused digital transformation for customers.

Prior to KPMG, Armughan served as the Senior Vice President of Dell Technologies where he led Dell EMC's Cloud, High Performance Computing, Workload Solutions and Alliances businesses. Armughan previously held executive positions at Hewlett Packard, 3Com and other technology companies across US, Europe, and Asian markets.

Armughan will be based out of Appen's offices in North America.

Appen Chair, Richard Freudenstein, said that the Board of Appen was excited by Ahmad's appointment and was looking forward to working with him and the Appen executive team to drive the Appen strategy in 2023 and beyond.

"As we scale Appen to its next phase of growth, the board felt it was important to appoint a successor with deep technology expertise in international markets."

"Armughan is an outstanding candidate and is ideally suited to be the next CEO of Appen. He is one of the technology industry's most successful and respected executives having worked in both technology product companies in Dell Technologies, Hewlett Packard and also in the services industry transformation at KPMG. Armughan has an incredible track record of driving growth and operational excellence, he is passionate about customers and partners, strongly believes in company culture, and is focused on delivering best-in-class innovation."

"The board and I are excited to work with Armughan as we continue to grow our focus on large scale tech, enterprise customers and accelerating our products and services in the dynamic and fast-paced AI market," said Richard Freudenstein.

Armughan Ahmad commented on his appointment:

"Appen sits at the intersection of how the world is driving human progress forward by leveraging AI to gain further insights into their data and deliver new customer and employee experiences. The impact of AI on every part of our daily lives is changing at an exponential rate. The world needs an AI that is trusted and benefits people and society."



"In my due diligence with industry partners and customers, I've found that Appen has the best technology in its category and delivers AI products and services to many of the world's largest tech companies and Fortune 500 customers globally. Above all, Appen has built an incredible team that is committed to driving innovation while putting customers first. I am looking forward to leading this talented organisation to deliver continued innovation for our customers, value for our shareholders, and enhanced experience for our crowd contributors and employees."

Mr Freudenstein thanked Mark Brayan for his leadership of Appen over the past 7 years.

"On behalf of the Appen Board, I want to thank Mark for his considerable contributions to Appen over his more than 7 years as CEO. During Mark's leadership, he has driven the business from around \$60 million revenue in 2015 to more than \$440 million revenue in 2021."

"I want to acknowledge Mark's leadership of the company over that time. In particular, his commitment to the company during the Covid period was immense. Mark has built a strong executive team and we're grateful for everything the team and the company has achieved under his leadership."

Mr Brayan said he was very proud of his time at Appen. Mr Brayan said, "I'd like to thank Richard and Chris Vonwiller before him, the board and everyone at Appen for the opportunity to lead a great Australian company. It's been a privilege and a pleasure, and I wish the company every success."

Authorised by the Board of Appen Limited.

For more information, please contact:

Rosalie Duff
Head of Investor Relations
+61 421 611 932
rduff@appen.com

About Appen

Appen is a global market leader in data for the AI Lifecycle. With over 25 years of experience in data sourcing, data annotation, and model evaluation by humans, we enable organisations to launch the world's most innovative artificial intelligence systems.

Our expertise includes a global crowd of more than 1 million skilled contractors who speak over 235 languages, in over 70,000 locations and 170 countries, and the industry's most advanced AI-assisted data annotation platform. Our products and services give leaders in technology, automotive, financial services, retail, healthcare, and governments the confidence to launch world-class AI products.

Founded in 1996, Appen has customers and offices globally.



Summary of Mr Ahmad's contract terms

Appen Limited - summary of key terms of the President and Chief Executive Officer, Managing Director's employment agreement

Commencement Date	On or before 30 January 2023.
Term	Appointment on an ongoing basis, subject to termination by either party (see 'Termination and notice' below).
Base Salary	US\$600,000 per annum (inclusive of any compulsory Australian superannuation contributions payable and salary sacrifice arrangements).
Short Term Incentive (STI)	<p>Target STI of 100% of Base Salary, with a stretch opportunity of 150% of Base Salary in the 2023 financial year. The 2023 STI will be subject to the achievement of financial and non-financial performance measures, including revenue, earnings before interest, taxes, depreciation, and amortisation ("EBITDA"), customer net promoter score and employee engagement metrics.</p> <p>STI outcome is delivered 75% in cash and 25% in deferred equity, which vests over 12 months subject to continued service.</p>
Long Term Incentive (LTI)	<p>One-off LTI equity grant valued at US\$5,000,000, which vests over a three-year performance period subject to the Company's absolute total shareholder return ("Absolute TSR") performance.</p> <p>The 2023 LTI will commence vesting at threshold performance (50%) when the Company's Absolute TSR is equal to or greater than 190%, with full vesting at target performance when Absolute TSR is equal to or greater than 320% at the end of the performance period. The 2023 LTI will vest on a straight-line basis between threshold and target performance.</p> <p>Mr. Ahmad will not be eligible for further LTI grants until after 31 December 2025 (being the end of the three-year performance period for the 2023 LTI).</p>
Sign-on Bonus (in recognition of bonuses foregone)	<p>One-off equity grant valued at US\$2,000,000. The Sign-on Bonus is intended to replace a portion of the bonus payments that Mr. Ahmad would have received from his previous employer had he not ceased employment.</p> <p>The Sign-on Bonus will vest in equal monthly tranches, subject to continued service over a two-year period. In the event Mr. Ahmad resigns or terminated for cause, any unvested amount of the Sign-on Bonus will lapse. If the Company terminates Mr. Ahmad for convenience, vesting will continue until the date of termination.</p>
Customary health benefits	Annual health benefits (including health insurance and annual medical checks) which are typical of executive arrangements in North America.

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Termination and notice	Termination by either party with 12 months' notice (or payment in lieu), other than where employment is terminated for cause, in which Appen may terminate with no notice period.
Post-Employment Restrictions	The employment agreement contains a 12-month post-employment restraint period.