



# Notice of Annual Meeting of Shareholders 2021

Dear Shareholder

On behalf of the Board of Directors I am pleased to invite you to the 2021 Annual Meeting of Serko Limited (Serko or the Company). The meeting will be a hybrid meeting, whereby shareholders can choose to attend in person or online.



Where: In person at Link Market Services Limited, Level 30, PwC Tower, 15 Customs Street West, Auckland, New Zealand and online at [www.virtualmeeting.co.nz/sko21](http://www.virtualmeeting.co.nz/sko21)  
When: **Wednesday 18 August 2021 at 2.00pm (New Zealand time)**

Shareholders attending the meeting will be able to vote and ask questions at the meeting. Shareholders can also pre-submit questions either online at [vote.linkmarketservices.com/SKO](http://vote.linkmarketservices.com/SKO) or using the Proxy Form. Questions will need to be submitted by 2.00pm (New Zealand time) on Monday, 16 August 2021.

If you cannot attend the Annual Meeting either in person or virtually online, I encourage you to complete and lodge the proxy form in accordance with the instructions on that form so that it reaches Link Market Services by 2.00pm (New Zealand time) on Monday, 16 August 2021.

Serko is monitoring the situation in New Zealand with regard to Covid-19. In the event of any significant developments, the Company may, at its discretion, elect to hold the Annual Shareholders' Meeting as an online-only meeting if there are potential risks to the health of meeting attendees, or if an in-person meeting is prohibited by law. In such circumstances, the Company will provide shareholders with as much notice as is reasonably practicable by way of an announcement to the NZX and ASX and on our website at [www.serko.com](http://www.serko.com).

## Items of business

### A. Chair's Address and Chief Executive Officer's Address

Chair, Claudia Batten, and Co-Founder and CEO, Darrin Grafton, will provide an overview of the Company's performance for the year ended 31 March 2021 and the trading performance and strategy for the current financial year. There will be an opportunity for shareholders to ask questions after the addresses.

### B. Ordinary Resolutions

Shareholders will be asked to consider, and if thought fit, pass the following ordinary resolutions:

1. That Mr Robert Shaw be re-elected as an executive director of Serko Limited.
2. That the maximum aggregate amount of remuneration payable by Serko Limited to its non-executive directors (in their capacity as directors, as that term is defined in the NZX Listing Rules) be increased by NZD\$150,000 per annum (plus GST, where applicable) from a total pool of NZD\$450,000 per annum to NZD\$600,000 per annum (plus GST, where applicable), to be paid and allocated to the non-executive directors as the Board considers appropriate and that any remuneration payable to non-executive directors may, at the Board's discretion, be paid either in part or in whole by way of an issue of Equity Securities (as that term is defined in the NZX Listing Rules) in the Company.
3. That the directors are authorised to fix the fees and expenses of Deloitte as auditor for the 2022 financial year.

See explanatory notes on each of these resolutions below.

The Board recommends unanimously that you vote in favour of all resolutions.

### C. General Business and Shareholder Discussion

To consider any other matter that may be brought properly before the Annual Meeting.

By Order of the Serko Board

Claudia Batten - Chair  
28 July 2021

# Explanatory Notes

## Board Succession

At the 2019 Annual Meeting, the Serko Board signalled its intention to begin a process of refreshing the Board in accordance with best practice. The recruitment of a new director was delayed during 2020 to enable the Board to focus its attention on overseeing and guiding the business through the challenging operating environment caused by Covid-19. The Board has subsequently made good progress with its search and is in the final stages of appointing a new independent director. The new appointment will replace Simon Botherway, who has previously indicated an intention to retire from the Board in due course after serving on the Board since 2014. He will retire at the conclusion of the 2021 Annual Meeting. Consequently, he is not seeking re-election at this Annual Meeting. The Board thanks Simon for his leadership and commitment over the past 7.5 years.

The Board will confirm the new appointment as soon as possible and expects the appointment to take effect from the end of the 2021 Annual Meeting. The Board is also actively searching for an additional new independent director to join the Board as it continues to add additional skills to support Serko's international scaling efforts.

## Resolution 1: Re-election of Robert (Bob) Shaw as an Executive Director

Robert (Bob) Shaw is one of the co founders of Serko and is Serko's Chief Strategy Officer. He was appointed an executive director at the time of incorporation of Serko Limited on 5 April 2007 (and was last re-elected by shareholders in August 2018). In accordance with the applicable NZX Listing Rules, Bob retires by rotation and offers himself for re-election as a director of Serko at the meeting. The Board unanimously supports Bob's re-election.

**Robert (Bob) Shaw**  
**Co Founder, Chief Strategy Officer & Executive Director**  
**Non Independent**  
**Appointed 5 April 2007, re-elected August 2018.**

Since 1987, Bob has been involved in transforming the travel industry, collaborating with the World's leading airlines, travel agencies and global distribution systems. He has held a number of directorships and senior management positions in various high-profile ventures, including Gullivers Travel Group (listed on the Australian and New Zealand Stock Exchanges between 2004 and 2006) and Interactive Technologies. Bob has been a past finalist for the EY Entrepreneur of the Year Award. He is also a member of the Institute of IT Professionals NZ and the Institute of Directors NZ.

## Resolution 2: Non-Executive Director Fees

The Board is seeking, with shareholders' approval, to increase the aggregate amount available to pay non-executive directors<sup>1</sup> by NZD\$150,000 (plus GST, where applicable) (being an increase of 33% from the current fee cap of NZD\$450,000 per annum) to

- enable the Board to attract and recruit an additional (fourth) suitably qualified international non-executive director as part of the Board's succession plans to support the business as it scales; and
- to provide headroom to pay ad hoc special fees to directors for services outside of their usual duties for Serko, as required. For example, in the event a capital raising or transaction was undertaken that required significant additional governance oversight.

In recommending this proposed increase to the fee cap, the Board has considered the recommendations of independent remuneration consultants, Strategic Pay Limited (detailed below), the global nature and complexity of Serko's business, and the time commitment and level of governance required by the Serko Board.

### Independent Benchmarking

The Board periodically reviews director fees to ensure Serko's non-executive directors are fairly remunerated, taking into account the level of skill and experience required to fulfil the role of a director of Serko and the significant workload associated with Serko's growth and international ambitions.

In doing so, the Board is committed to ensuring that directors' fees are set in a manner that is fair, flexible and transparent. To support this process the Board engaged Strategic Pay Limited to conduct a fee benchmarking exercise. Strategic Pay maintains a significant data base of directors' fees. Using this data base, Serko's directors' fees were benchmarked against customised industry peer groups made up of New Zealand and Australian listed companies that predominantly operate in the technology sector, have a global focus, with the majority of their revenue earned outside of New Zealand, and/or have a similar level of complexity in their business to Serko.

From this data, Strategic Pay made an assessment about the recommended level of fees to be paid to Serko directors. These are set out in the table below and are benchmarked against the current fee structure used to remunerate Serko's non-executive directors. As Serko currently derives the majority of its revenue from Australia and is listed as an ASX Foreign Exempt Listed Issuer, it pays its directors in Australian dollars (AUD).

A summary of Strategic Pay's report can be viewed on Serko's website at [www.serko.com/investors](http://www.serko.com/investors).

The Board believes that current fees paid to non-executive directors are reflective of the market (per Strategic Pay's recommendation below), in light of the global nature and complexity of Serko's business, and the time commitment and level of governance required by the Board. The Board is, however, conscious that it may need to pay higher fees to an international director than those currently paid to existing non-executive directors to attract the calibre sought to support the business through its next phase of growth. Accordingly, the Board is seeking an approval to increase the fee cap rather than relying on NZX Listing Rule 2.11.3, which enables the Board to automatically increase the fee pool by the average amount paid to non-executive directors (excluding the chairperson) without seeking further shareholder approval.

<sup>1</sup> Executive directors, Darrin Grafton and Bob Shaw, do not receive director fees but are remunerated as employees.

ROLE	CURRENT SERKO DIRECTORS' FEES PER ANNUM	STRATEGIC PAY RECOMMENDATION
<b>BASE FEES</b>		
Chair	AUD\$140,000 (NZD\$150,000)	AUD\$140,000 to \$163,500 (NZD\$150,000 to \$174,000)
Non-Executive Director	AUD\$95,000 (NZD\$101,000)	AUD\$70,000 to \$96,000 (NZD\$75,000 to \$102,000)
<b>AUDIT AND RISK COMMITTEE / REMUNERATION AND NOMINATIONS COMMITTEE FEES</b>		
Chair	AUD\$20,000 (NZD\$21,000)	AUD\$20,000 (NZD\$21,000)
Member	AUD\$9,000 (NZD\$10,000)	AUD\$9,000 (NZD\$10,000)

#### Voting restrictions

Pursuant to NZX Listing Rule 6.3.1, Serko will disregard any votes on resolution 2 by:

1. any non-executive director of Serko; and
2. any associated person of any non-executive director of Serko,

except where any such vote is cast by the director or one of their associates as proxy for a person who is qualified to vote and only in accordance with that person's express instructions.

#### Resolution 3: Fixing the Fees and Expenses of the Auditor

Deloitte are currently Serko's auditors and will be automatically reappointed under the Companies Act 1993 to act as auditor for the 2022 financial year. Under the Companies Act, auditor fees and expenses must be fixed in the manner determined at the Annual Meeting. Shareholder approval is, therefore, sought to authorise the Board to fix the fees and expenses of Deloitte as auditor.

# Important Information

## Hybrid Annual Meeting

Shareholders will be able to attend and participate in this year's Annual Meeting either in person or virtually via an online platform provided by our share registrar, Link Market Services at [www.virtualmeeting.co.nz/sko21](http://www.virtualmeeting.co.nz/sko21).

Shareholders attending and participating in the virtual Annual Meeting will be able to vote and ask questions during the meeting.

More information regarding virtual attendance at the Annual Meeting (including how to vote and ask questions virtually during the meeting) is available in the 'Virtual Annual Meeting Online Portal Guide' available at <https://bcast.linkinvestorservices.co.nz/generic/docs/OnlinePortalGuide.pdf>.

## Proxies

Any shareholder who is entitled to attend and vote at the Annual Meeting may appoint a proxy, who need not be a shareholder, to attend and vote instead of him/her by completing and returning the enclosed proxy form or lodging their proxy online as detailed below. If you appoint a proxy you may either direct your proxy how to vote for you or you may give your proxy discretion to vote as he/ she sees fit. If you wish to give your proxy discretion then you must mark the appropriate boxes on the form to grant your proxy that discretion. If you do not tick any box for a particular resolution, your proxy may vote as they choose.

Shareholders can elect to vote their proxies online by visiting [vote.linkmarketservices.com/SKO](http://vote.linkmarketservices.com/SKO) or by scanning the QR code on the Proxy Form with your smartphone.

If you do not name a person as your proxy, but otherwise complete the proxy form in full, or your named proxy does not attend the meeting, the Chair: (a) will be appointed your proxy and may only vote in accordance with your express direction; and (b) will not vote on resolution 2 if granted a discretion on how to vote on that resolution.

The Chair of the meeting or any director is willing to act as proxy for any shareholder who appoints him/her for that purpose. If you tick the 'Proxy Discretion' box, you acknowledge that they may exercise your proxy even if they have an interest in the outcome of that resolution (subject to any restrictions contained in the NZX Listing Rules). The Chair and directors intend to vote all discretionary proxies in favour of resolutions 1 and 3 (refer below in respect of resolution 2) even if they have an interest in any of the resolutions.

The completed proxy form must be received by the share registry no later than **2.00pm on Monday 16 August 2021**.

### NZX Register holders:

You will need to enter your CSN/Holder Number and Authorisation Code (FIN) to securely complete your proxy appointment online.

### ASX Register holders:

You will need to enter your Holder Number and postcode to securely complete your proxy appointment online.

If you wish to mail the proxy form then please send it to our share registry, Link Market Services Limited, using the freepost envelope incorporated into the form.

Alternatively, you can scan and email the completed proxy form to [meetings@linkmarketservices.co.nz](mailto:meetings@linkmarketservices.co.nz) (please put the words Serko Proxy Form in the subject line for easy identification).

## Ordinary Resolution

An ordinary resolution is one passed by a simple majority of votes from shareholders entitled to vote and voting on the resolution.

## Voting

Voting entitlements for the Annual Meeting will be determined as at **5.00pm on Monday 16 August 2021**. Registered shareholders at that time will be the only persons entitled to vote at the Annual Meeting and only the shares registered in those shareholders' names at that time may be voted at the Annual Meeting.

The Chair will require voting at the Annual Meeting to be conducted by poll, as required by the NZX Listing Rules.

Serko will disregard any votes on resolution 2 by any non-executive director of Serko and any associated person of any non-executive director of Serko, except where any such vote is cast by the director or one of their associates as proxy for a person who is entitled to vote and the director or that associate votes in accordance with express instructions to vote for or against a particular resolution on the Proxy/Voting form. No voting restrictions apply to the other resolutions being considered at the meeting.

## More information and Asking Questions

If you have any questions, or for more information, please contact Serko's Company Secretary at [company.secretary@serko.com](mailto:company.secretary@serko.com).

Shareholders can also pre-submit questions by sending them to either online at [vote.linkmarketservices.com/SKO](http://vote.linkmarketservices.com/SKO) or using the Proxy Form, prior to the meeting. Questions will need to be submitted by **2.00pm on Monday 16 August 2021**.

## Company Details

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