

Notice of Annual Meeting of Shareholders 2019



Dear Shareholder

Notice is hereby given that the Annual Meeting of shareholders of Serko Limited (Serko or the Company) will be held at Link Market Services, Level 11, Deloitte Centre, 80 Queen Street, Auckland, on Wednesday 21 August 2019 commencing at 2.00pm (New Zealand time).

Items of business

A. Chairman's Address and Chief Executive Officer's Address

Our Chair, Simon Botherway, and our Co-Founder and Chief Executive Officer, Darrin Grafton, will provide an overview of the Company's performance for the year ended 31 March 2019 and trading performance and strategy for the current financial year. There will also be an opportunity for shareholders to ask questions after the addresses.

B. Resolutions

Shareholders will be asked to consider, and if thought fit, pass the following special resolution:

1. That the existing constitution of Serko Limited be revoked and the constitution tabled at the Annual Meeting and signed by the Chairman for the purposes of identification be adopted with effect from the close of that meeting.

Resolution 1 is a special resolution and must be approved by a majority of 75% of the votes of those shareholders entitled to vote and voting on the resolution.

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

2. That Mr Clyde McConaghy be re-elected as a non executive director of Serko Limited.
3. That Mr Darrin Grafton be re-elected as an executive director of Serko Limited.
4. That the maximum aggregate amount of remuneration payable by Serko Limited to its non-executive directors (in their capacity as directors) be increased by NZD\$100,000 per annum (plus GST, where applicable) from a total pool of NZD\$350,000 per annum to NZD\$450,000 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.

5. That the directors are authorised to fix the fees and expenses of the auditor of Serko Limited.

Resolutions 2, 3, 4 and 5 are ordinary resolutions and must be approved by a simple majority of the votes of those shareholders entitled to vote and voting on the resolutions.

See explanatory notes on each of these resolutions below.

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

C. General Business

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

By Order of the Serko Limited Board

A handwritten signature in black ink that reads 'S Botherway'.

Simon Botherway

Chairman

24 July 2019

Explanatory Notes

Resolution 1: Amendment of Constitution

On 1 January 2019, the former NZX Limited Main Board/Debt Market Listing Rules (dated 1 October 2017) (the Old Listing Rules) were replaced by new NZX Listing Rules (dated 1 January 2019) (the New Listing Rules). Serko proposes, with the approval of its shareholders, to update its constitution to reflect the New Listing Rules (the New Constitution). Serko is also taking this opportunity to propose other amendments to its existing constitution (the Existing Constitution), which, in broad terms, reflect both certain amendments to legislation and/or market practice that have occurred since the Existing Constitution was adopted, and Serko's ASX Foreign Exempt Listing status.

A copy of the constitution, marked to show each change to the Existing Constitution proposed by the New Constitution, is available for viewing at Serko's website: www.serko.com/investor-centre. The New Constitution does not impose or remove a restriction on the activities of Serko, and accordingly, no shareholder buy-out rights arise under section 110 of the Companies Act 1993. Flacks & Wong, Serko's external legal adviser, has provided an opinion to NZX that it considers that the New Constitution complies with the New Listing Rules.

A summary of the material changes proposed to be made to the Existing Constitution is set out in the table appended to this Notice.

Resolution 2: Re-election of Clyde McConaghy as a Director

Clyde McConaghy was appointed as a director by the shareholders of Serko on 30 April 2014 and was last re-elected on 23 August 2017. In accordance with the applicable NZX Listing Rules, Clyde retires by rotation and offers himself for re-election as a director of Serko Limited at the meeting. The Board unanimously supports Clyde's re-election and considers that he qualifies as an independent director under the applicable NZX Listing Rules.

Clyde McConaghy **Independent Non-Executive Director**

Clyde is based in Australia. He holds a BBus, and a MBA from Cranfield University United Kingdom (UK). Clyde is a Fellow of the Australian Institute of Company Directors and a Fellow of the Institute of Directors UK. He is the founder of Optima Boards, providing independent director and advisory services to public, private, family office and charitable entities around the world. Clyde has worked in publishing, media, online and technology sectors, living in the UK, Germany, China and Australia. He is a Director of ASX-listed technology company, Infomedia Limited and Chairman of the Board of Chapman Eastway Pty Limited.

Resolution 3: Re-election of Darrin Grafton as a Director

Darrin Grafton is the Co-Founder of Serko and was appointed an executive director at the time of incorporation and the founding of Serko Limited on 5 April 2007. In accordance with the applicable NZX Listing Rules, Darrin retires by rotation and offers himself for re-election as a director of Serko at the meeting. The Board unanimously supports Darrin's re-election and considers Darrin to be a non-independent director as he is an executive officer and majority shareholder of Serko.

Darrin Grafton **Executive Director, Chief Executive Officer & Co-Founder**

Darrin has more than 25 years' experience in travel technology and is highly experienced in technology commercialisation. Darrin co-founded Serko in 2007 with Bob Shaw. Before founding Serko, Darrin held senior management positions with Gullivers Travel Group (listed on the Australian and New Zealand Stock Exchanges 2004-2006) and Interactive Technologies.

Resolution 4: Directors' Fees

The Board is seeking, with shareholder's support, to increase the aggregate amount available to pay non-executive directors by NZD\$100,000 (plus GST, where applicable) to enable the Board to recruit an additional director in the future as part of Serko's Board succession plans, as the Company continues to scale internationally, particularly in North America.

The total quantum currently available to pay non-executive director fees is NZD\$350,000 per annum which, at the Board's discretion, may be paid either in part or in whole by way of an issue of Equity Securities in the Company. This amount and method of remuneration was approved by shareholders prior to Serko's initial public offering in 2014 and has not been increased since this time.

Executive directors, Darrin Grafton and Bob Shaw, do not receive director fees but are remunerated as employees.

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. Serko needs to both attract and retain talented and experienced non-executive directors in an internationally competitive market. The latest fee review was conducted in October 2018. The process involved benchmarking Serko's director fees against a group of Australian and New Zealand peer companies. This review resulted in an increase to enable Serko to bring its non-executive director remuneration more closely into

line with current market rates, particularly in Australia, where 90% of Serko's revenue is derived and Serko is listed as an ASX Foreign Exempt Listed Issuer. There is no current intention to further increase non-executive director fees, however, the Board is seeking to increase the overall cap in order to provide it with the flexibility to accommodate an additional non-executive director if required.

The fees currently paid to Serko's non-executive directors are set out below:

Position	Fees per annum (AUD)
Chair	\$120,000
Non-executive directors	\$75,000
Audit & Risk Committee Chair	\$15,000
Remuneration & Nominations Committee Chair	\$15,000

No fees are payable to members of Committees who are not the Chair

Serko will disregard any votes on resolution 4 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 5: 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 2019 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

Attending the Meeting

If you wish to vote in person you should attend the Annual Meeting where you will be issued with a voting card. Please bring your proxy form with you to the meeting to assist with your registration.

Voting

Voting entitlements for the Annual Meeting will be determined as at 5.00 p.m. (New Zealand time) on Monday 19 August 2019. 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 Chairman will require voting at the Annual Meeting to be conducted by poll, as required by the latest NZX Listing Rules.

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 or her by completing and returning the enclosed proxy form. 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 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 Chairman: (a) will be appointed your proxy and may only vote in accordance with your express direction; and (b) will not vote on resolution 4 if granted a discretion on how to vote on that resolution.

The Chairman 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 Chairman and directors intend to vote all discretionary proxies in favour of resolutions 1, 2, 3 and 5 (refer below in respect of resolution 4), even if they have an interest in any of the resolutions.

Voting Restrictions

Serko will disregard any votes on resolution 4 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.

Shareholders can elect to vote their proxies on-line by visiting vote.linkmarketservices.com/SKO or by scanning the QR code on the Proxy Form with your smartphone.

NZX Register holders:

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

ASX Register holders:

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

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 (please put the words Serko Proxy Form in the subject line for easy identification).

The completed proxy form must be received by the share registry no later than 2.00 p.m. (New Zealand time) on Monday 19 August 2019. Any proxy form received after that time will not be valid for the scheduled meeting.

Webcast

The Annual Meeting will be webcast live. To view and listen to the webcast, please visit <https://vimeo.com/348948801/ee7861848c>

Note that shareholders joining by webcast will not be able to vote at the meeting or ask questions. In order to vote you will need to appoint a proxy before 2.00pm (New Zealand Time) on Monday 19 August 2019. If you have any questions you would like considered at the meeting, please send them to company.secretary@serko.com in advance of the meeting.

More Information

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



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Appendix – Summary of Proposed Changes to the Constitution

Clause	Subject matter	Proposed change
1.1	Definition of “Financial Product”	This term “Security” has been replaced by “Financial Product” in the Existing Constitution to align with a corresponding change in terminology in the New Listing Rules.
2.6	ASX Listing Rules	To reflect Serko’s ASX Foreign Exempt Listing status, the Existing Constitution has been amended to include obligations on Serko to comply with the ASX Listing Rules for so long as it is listed on the ASX.
2.7	Effect of failure to comply	This clause originates from (and tracks language in) the Old Listing Rules. Most of the proposed changes to this clause reflect corresponding changes that have been made to the relevant rule in the New Listing Rules. References to the ASX Listing Rules have also been included to reflect Serko’s ASX Foreign Exempt Listing status.
9.7	Sale of less than Minimum Holding	The changes allow for share parcels of less than a minimum holding to be sold on market (including through a broker on behalf of Serko), rather than through NZX/ASX or in some other manner approved by NZX/ASX.
11.1	Method of holding meetings of shareholders	The changes reflect the requirements for shareholder meetings set out in Schedule 1 to the Companies Act 1993, which expressly cater for physical and/or electronic shareholder meetings.
12.3(a)	Contents of notice of meetings of shareholders	This clause has been amended to provide that any notice of meeting must comply with the requirements for such notices under the New Listing Rules. There is no change to a shareholder’s right to receive a notice of meeting.
12.3(b)	Contents of notice of meetings of shareholders	This clause originates from (and tracks language in) the Old Listing Rules. The proposed changes to this clause reflect corresponding changes that have been made to the relevant rule in the New Listing Rules.
15	Voting at meetings of shareholders	The New Listing Rules provide that voting at meetings of shareholders must be conducted by way of poll. A provision has accordingly been added to the New Constitution that requires the chairperson to demand a poll on each resolution at a meeting of shareholders. Also, references to voting by other means (i.e., by voice or show of hands) have been removed from clause 15.
15.2	Scrutineers	This clause has been amended to remove the requirement for the auditor to act as scrutineer of votes taken by poll, which reflects current market practice. As amended, the chairperson has the discretion to appoint a scrutineer on a case-by-case basis.
15.3	Declaration of result	With the removal of the requirement for the auditor to act as scrutineer of votes taken by poll, consequential changes are proposed to this clause. Also, the chairperson is to determine any dispute as to the admission or rejection of a vote.
16.2	Form of proxy	The changes reflect the form of proxy provisions in the New Listing Rules, including that the proxy form must clearly state who is subject to voting restrictions on each resolution to be voted on by the shareholders.
20.1	Number of Directors	Consistent with the New Listing Rules, this clause has been amended to provide that at least two Directors must be Independent Directors.
20.3	Appointment of Directors at meeting of Equity Security holders	The New Listing Rules set out specific rules for the nomination and appointment of Directors by Equity Security holders. The New Constitution requires the nomination and appointment of Directors to comply with those rules.
20.5	Director rotation	This clause has been amended to reflect the new requirements for Director rotation as set out in the New Listing Rules. The New Listing Rules provide that a Director must not hold office (without re-election), past the third annual meeting after the Director’s appointment or three years, whichever is longer. The Old Listing Rules required one third of Directors (or the number nearest to one third) to retire from office.
20.5 and 22.1	Managing Director	The New Listing Rules no longer permit executive Directors to be exempt from the requirements for Director rotation. Changes have been proposed to clauses 20.5 and 22.1 to reflect the removal of that exemption from the New Listing Rules.
20.7	Appointment of Directors to be voted on individually	Consistent with the New Listing Rules, the changes to this clause provide that any appointment or election of a Director must be voted on individually, without exception.
26	Interested Directors	This new clause sets out the general prohibition on voting where a Director is interested in a matter to be considered by the Board, and also provides for limited exceptions to that general prohibition. This voting prohibition is set out in the New Listing Rules and is required to be incorporated by reference in Serko’s constitution.