

Notice of 2021 Annual Meeting

12 AUGUST 2021



Xero's 2021 Annual Report

Xero's Annual Report for the financial year ended 31 March 2021 is available on our website (www.xero.com/about/investors/financial-info). Annual Reports for all future accounting periods will also be publicly available on our website. We hope you will access our Annual Reports online. Shareholders may request an electronic or printed copy of this and all future Annual Reports, free of charge, at any time, by emailing Xero's share registrar at registrars@linkmarketservices.com.au or by updating your communication preferences at the Link Market Services Investor Centre (www.investorcentre.linkmarketservices.com.au). Xero has not prepared a Concise Report for the year ended 31 March 2021.

Dear shareholder

I'm pleased to invite you to Xero Limited's (**Xero**) 2021 Annual Meeting (**Meeting**) on Thursday 12 August 2021 at 11.00am NZT (9.00am AEST).

Due to the health and safety impacts of COVID-19 and the continuing uncertainty around government-mandated restrictions, the Xero Board has decided to hold the Meeting virtually at agmlive.link/xero2021. Information regarding virtual attendance at the Meeting, including how to register, join the Meeting, vote and ask questions online, is available in the Virtual Meeting Online Guide on Xero's Investor Centre www.xero.com/about/investors. The Meeting will also be recorded and the recording made available on Xero's website for shareholders to view at a later time.

The Notice of Meeting and Explanatory Memorandum explaining the formal business of the Meeting and the Proxy Form are enclosed.

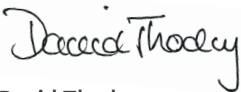
After 12 years of service, Mr Craig Winkler will retire from Xero's Board of directors with effect from the end of the Meeting and will not be seeking re-election. As one of Xero's early Board directors and significant long-term investors, Craig has been instrumental in helping to build Xero's success. We thank Craig for his thoughtful insights and significant contribution to Xero and wish him the very best for the future.

If you cannot attend the Meeting, you may appoint a proxy by following the steps on your enclosed personalised Proxy Form and lodging it by 11.00am NZT (9.00am AEST) on Tuesday 10 August 2021.

Shareholders may submit questions in advance of the Meeting at investorcentre.linkmarketservices.com.au by no later than 11.00am NZT (9.00am AEST) on Tuesday 10 August 2021. Shareholders will also have the opportunity to ask directors and Xero's auditor questions online during the Meeting.

I look forward to your attendance at the Meeting and thank you for your ongoing support.

Sincerely,



David Thodey
Chair

Notice of 2021 Annual Meeting

Xero (New Zealand company number 1830488) will hold its 2021 Meeting via an online platform provided by Xero's share registrar, Link Market Services Limited (**Link**).

DATE Thursday 12 August 2021
TIME 11.00am NZT (9.00am AEST)
VENUE Online at agmlive.link/xero2021

Items of business

- A. Chair's introduction and address
- B. Presentation from Xero's Chief Executive Officer
- C. Resolutions
- D. Shareholder questions

Resolutions

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

Resolution 1 - Fixing the fees and expenses of the auditor

That the Board is authorised to fix the fees and expenses of Ernst & Young as auditor for the ensuing year.

Resolution 2 - Re-election of Dale Murray, CBE

That Dale Murray, retiring from office as a director of Xero at the Meeting, and being eligible, be re-elected as a director of Xero.

Resolution 3 - Election of Steven Aldrich

That Steven Aldrich, appointed as a director of Xero on 1 October 2020, who will retire at the Meeting, and being eligible, be elected as a director of Xero.

Resolution 4 - Increase the non-executive directors' fee pool cap

That, for the purposes of ASX Listing Rule 10.17, the maximum annual fees able to be paid to all of the non-executive directors of Xero taken together be increased by NZ\$500,000, from NZ\$2,200,000 to NZ\$2,700,000 per annum.

Note: A voting exclusion applies to this resolution. See the Explanatory Notes for resolution 4.

Further information about these resolutions is set out in the Explanatory Notes which form part of this Notice of Meeting.

By order of the Board.



Chaman Sidhu

Company Secretary

9 July 2021

Explanatory Notes

Resolution 1

Fixing the fees and expenses of the auditor

Under section 207T of the New Zealand Companies Act 1993 (**Companies Act**), Ernst & Young is automatically reappointed at the Meeting as auditor of Xero. Section 207S of the Companies Act provides that the auditor's fees and expenses must be fixed by the company, or in the manner that the company determines at this Meeting. Resolution 1 authorises the Board, consistent with commercial practice, to fix the fees and expenses of Ernst & Young as Xero's auditor.

Board recommendation

The Board recommends that shareholders vote in favour of this resolution.



Resolution 2

Re-election of Dale Murray CBE, as a director

Independent non-executive director

Appointed by the Board as a director on 13 April 2018, last elected as a director by shareholders on 16 August 2018.

Dale Murray retires from office at this Meeting as required by ASX Listing Rule 14.4 and clause 21.1 of Xero's constitution and, being eligible, offers herself for re-election as a director.

Dale is a former technology entrepreneur who co-founded mobile pioneer Omega Logic in 1999, which co-launched prepay top-ups in the UK. Dale led the growth of top-up transactions to £450m within five years then turned to investing and advising start-ups and won the British Angel Investor of the Year award in 2011. Dale is currently a non-executive director at The Cranemere Group and LendInvest, and a board advisor to Accelerate:Her. She was formerly a non-executive director and Trustee for the Peter Jones Foundation, a non-executive director at Sussex Place Ventures and the Department for Business, Innovation & Skills. She holds an MBA from the London Business School and served on the Business Taskforce on EU Redtape for the British Prime Minister in 2013. Dale was made Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty the Queen in 2013, for services to business.

The Board considers Dale to be an independent director.

Board recommendation

The Board reviewed the performance of Dale Murray and considers her skills, expertise and the contribution she makes to the Board and its Committees valuable. The Board (other than Dale because of her interest in this resolution) unanimously recommends that shareholders vote in favour of Dale's re-election.



Resolution 3

Election of Steven Aldrich as a director

Independent non-executive director

Appointed by the Board as a director on 1 October 2020

The Board appointed Steven Aldrich as a director with effect from 1 October 2020. Steven retires at this Meeting as required by ASX Listing Rule 14.4 and clause 20.4 of Xero's constitution and, being eligible, offers himself for election as a director. Appropriate checks into Steven's background and experience were completed before he was appointed to the Board.

Steven is an entrepreneur and professional director with more than 25 years' experience in creating and delivering products within the technology and accounting software industries. Steven is currently a non-executive director of Blucora, a provider of technology-enabled financial solutions, and Ruby Receptionists, a virtual customer engagement solution provider.

Steven has held a range of senior executive roles, including at GoDaddy, the world's largest services platform for entrepreneurs, where most recently he was chief product officer. Prior to this, Steven was CEO of Outright, an online bookkeeping service, which was acquired by GoDaddy. Steven has also held various senior management roles at Intuit, including vice president of strategy and innovation for the small business division. Steven holds a Bachelor of Arts in Physics from the University of North Carolina and an MBA from Stanford University.

The Board considers Steven to be an independent director.

Board recommendation

The Board reviewed the performance of Steven Aldrich and considers his skills, expertise and the contribution he makes to the Board and its Committees valuable. The Board (other than Steven because of his interest in this resolution) unanimously recommends that shareholders vote in favour of Steven's election.

Resolution 4

Increase the non-executive directors' fee pool cap

Under clause 25.1 of Xero's constitution and ASX Listing Rule 10.17, the maximum aggregate annual fees that can be paid to all non-executive directors (the **Fee Cap**) must be approved by shareholders by ordinary resolution.

The current Fee Cap of NZ\$2,200,000 was approved by shareholders at Xero's Annual Meeting in August 2019. Resolution 4 proposes to increase the Fee Cap by NZ\$500,000 to NZ\$2,700,000.

Xero's policy is to review non-executive director fees every two years to ensure that the Fee Cap is sufficient to continue to enable Xero to attract and retain high calibre directors. Xero engaged Guerdon Associates, an independent remuneration and governance consultant, who conducted a review in 2020 of non-executive director fees (**Guerdon Report**). The Guerdon Report included a benchmarking process for director fees based on market data about comparator groups in three key geographies (Australia, the UK and the US). Companies in the comparator groups were identified based on market capitalisation, total assets, net assets, revenue, EBITDA and operational scope. Reflecting our ASX listing, Xero benchmarks non-executive director fees against the Australian market, taking a trans-tasman approach to New Zealand director fees. US and UK director fees are also benchmarked against the Australian market, except where directors would receive higher fees in their local markets, in which case local benchmarks are used. The benchmarking process reflects the global composition of the Board and is aligned with the remuneration principles set out in Xero's Remuneration Report contained in the FY21 Annual Report.

Xero's review which included the results of the Guerdon Report concluded that:

- The growth in size, value, complexity and operations of Xero's business and the associated increase in non-executive director workloads and responsibilities, since the current Fee Cap was approved in 2019, meant that the current non-executive directors fees were considerably lower than the median of the comparator groups
- Xero's approach regarding fees for Committee membership was not consistent with the comparator groups or general market practice. Xero has now introduced Committee membership fees and increased Committee chair fees (other than for the Nominations Committee for which no separate fee is payable to the members or chair)
- Xero's base non-executive director and chair fees were not considered competitive when assessed against the comparator groups, in particular the US benchmark depicted the most material gap to be closed and showed support for director target fees of NZ\$360,000 per annum compared to NZ\$190,000 for a director based in Australia or New Zealand

Xero's aggregate current director fees are NZ\$1,651,000. Assuming a Board composed of three Australian directors, three New Zealand directors, one director in the United Kingdom and one director in the United States, Xero's aggregate target non-executive director fees are \$2,121,000.

The relevant fees are set out in the following tables:

Target annual fees

| Country of residence | Chair (\$000s) | Director (\$000s) | Committee Fees* | |
|-----------------------|-------------------|----------------------|-------------------|--------------------|
| | | | Chair (\$000s) | Member (\$000s) |
| New Zealand | 450,000 | 190,000 | 38,000 | 19,000 |
| Australia | 450,000 | 190,000 | 38,000 | 19,000 |
| United States | 500,000 | 360,000 | 38,000 | 19,000 |
| United Kingdom | 650,000 | 190,000 | 38,000 | 19,000 |

Current annual fees

| Country of residence | Chair (\$000s) | Director (\$000s) | Committee Fees* | |
|-----------------------|-------------------|----------------------|-------------------|--------------------|
| | | | Chair (\$000s) | Member (\$000s) |
| New Zealand | 358,000 | 145,000 | 38,000 | 19,000 |
| Australia | 358,000 | 145,000 | 38,000 | 19,000 |
| United States | 358,000 | 252,000 | 38,000 | 19,000 |
| United Kingdom | 373,000 | 145,000 | 38,000 | 19,000 |

*Committee fees apply to the Audit and Risk Management Committee and the People and Remuneration Committee. No additional fees are currently paid for the chair and membership of the Nominations Committee.

After consideration of the results of the Guerdon Report and the findings set out above, the Xero Board decided that the Fee Cap should be lifted from NZ\$2,200,000 to NZ\$2,700,000. Increasing the Fee Cap will not necessarily mean that directors will receive a fee increase or that the whole of the new maximum amount will be used.

The proposed new Fee Cap would:

- Allow the Xero Board, after reviewing market conditions and other factors, to consider whether to incrementally increase director fees from the current fees to the target fees
- Enable Xero to continue to attract high calibre directors in a competitive market for talent across the global technology sector
- Allow for flexibility to adjust the geographic composition of the Board to increase the number of directors based in the US
- Provide flexibility for Board succession and transition planning by allowing an outgoing director to remain on the Board for a period of time while a new director is onboarded
- Allow the Xero Board to implement potential changes to the Committee structure in the future
- Enable the Xero Board to fairly remunerate directors where, from time to time, there are significant additional non-routine workloads for some or all directors resulting in increased time commitments and responsibilities (such as one-off major projects or transactions).

If shareholder approval is not obtained for this resolution any potential future fee increases or appointment of an additional director would be carried out only if possible under the existing fee cap of NZ\$2,200,000.

Board recommendation

Given the interest in this matter of each non-executive director, the Board does not consider it appropriate to make a recommendation on this resolution.

Voting exclusions

Xero will disregard any votes cast in favour of resolution 4 by or on behalf of a director of Xero or any of their associates (as defined in the ASX Listing Rules). However, Xero need not disregard a vote if it is cast in favour of resolution 4:

- By a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way
- By the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair of the Meeting to vote on the resolution as the Chair of the Meeting decides
- 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 the resolution
 - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Specific information for resolution 4

As required by ASX Listing Rule 10.17, Xero confirms that in the three years before the date of this Notice of Meeting with the approval of shareholders, the securities shown in the table below were issued to directors under ASX Listing Rule 10.11. These securities were issued to non-executive directors in lieu of cash remuneration. The value of that remuneration was included within the Fee Cap at the issue date.

No securities have been issued to any non-executive directors under ASX Listing Rule 10.14 within the last three years before the date of this Notice of Meeting.

| Issue date | Shares issued | Issue price (per share) |
|---------------------|---------------|----------------------------|
| Lee Hatton | | |
| 14 November 2018 | 1,152 | A\$41.04 |
| 22 May 2019 | 780 | A\$56.20 |
| 13 November 2019 | 746 | A\$70.52 |
| Bill Veghte* | | |
| 14 November 2018 | 2,588 | A\$41.04 |
| 22 May 2019 | 2,164 | A\$56.20 |

**Resigned as a director of Xero effective 15 August 2019*

Important information

Attendance

The Meeting will be held via an online platform provided by Link, Xero's share registrar, at agmlive.link/xero2021, which will provide a reasonable opportunity for shareholders to participate. Shareholders attending the Meeting via the online platform will be able to hear any discussion, submit written questions and vote. We will endeavour to address appropriate questions at the Meeting.

We strongly recommend that shareholders who wish to participate log in to the online platform at least 15 minutes prior to the scheduled start time.

Technical difficulties may arise during the course of a virtual meeting. For this reason, shareholders are encouraged to lodge a directed proxy even if they plan to attend the Meeting online.

The Chair of the Meeting has discretion as to whether and how the Meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chair will consider the number of shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the Meeting and transact business,

including conducting a poll and voting in accordance with valid instructions.

More information regarding virtual attendance at the Meeting, including how to vote and ask questions, is available in the Virtual Meeting Online Guide on Xero's Investor Centre www.xero.com/about/investors.

All resolutions will be by poll

Each resolution considered at the Meeting will be conducted by a poll, rather than on a show of hands.

Voting

Shareholders can vote at the Meeting:

- Through the online platform
- By appointing a proxy (see below).

The Board approves the use of the online platform as a means of participating and voting electronically in this Meeting under clause 15.16 of Xero's constitution and clause 14 of Schedule 1 of the Companies Act.

Voting entitlements

Voting entitlements for the Meeting will be determined as at 9.00pm NZT (7.00pm AEST) on Tuesday 10 August 2021. Shareholders registered at that time will be the only persons entitled to vote at the Meeting and only the shares registered in those shareholders' names at that time may be voted at the Meeting.

Proxies

If you are entitled to attend and vote at the Meeting, you may appoint a proxy to attend and vote for you by completing and following the instructions on the accompanying Proxy Form.

In order to complete the validation process to appoint a proxy online, you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode or country of residence. If you need to obtain these

details, please contact Link well in advance via the contact details in the Proxy Form.

The person you appoint as proxy is not required to be a Xero shareholder and can be an individual or a body corporate. If you are entitled to cast two or more votes at the Meeting, you may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the appointment does not specify the proportion or number of votes, each proxy may exercise half of the votes (any fractional votes will be disregarded).

If you appoint a proxy, you may either:

- Direct your proxy how to vote for you (directed proxy)
- Give your proxy discretion to vote as they see fit (undirected proxy). If you wish to give your proxy discretion, then do not tick any box for a resolution.

If you have directed your proxy to vote, and they fail to attend the Meeting or they choose to not vote, then, on a poll, the Chair of the Meeting will become your proxy and vote your proxies as directed by you.

If you submit a proxy, you are encouraged to direct your proxy whether to vote for or against or to abstain from voting on each resolution.

If you tick more than one box for a resolution, without specifying the portion of voting rights to be voted for or against, your vote on that resolution will be invalid.

If you return a completed and signed Proxy Form, but do not nominate a proxy, the Chair of the Meeting will become your proxy.

The Chair of the Meeting and any director appointed as proxy for a person who is entitled to vote (including where the Chair of the Meeting is appointed as proxy by default) intend to vote all available undirected proxies in favour of the relevant resolution.

Your completed Proxy Form must be received by Link no later than 11.00am NZT (9.00am AEST) on Tuesday 10 August 2021. Any Proxy Form received after that time will not be valid for the Meeting.

Powers of attorney

If you have appointed an attorney to attend and vote at the Meeting, or if your Proxy Form is signed by an attorney, you must provide the power of attorney (or a certified copy of the power of attorney) to Link by 11.00am NZT (9.00am AEST) on Tuesday 10 August 2021, unless the document has previously been lodged with Link.

Corporate representatives

A corporate shareholder may appoint a person to act as its representative. A Certificate of Appointment of Corporate Representative must be received by Link no later than 11.00am NZT (9.00am AEST) on Tuesday 10 August 2021. Any Certificate received after that time will not be valid for the Meeting. A Certificate of Appointment of Corporate Representative may be obtained from Link.

Requisite majority

All the proposed resolutions for the Meeting are ordinary resolutions requiring the approval of a simple majority of the votes of those shareholders entitled to vote and voting, in order for the resolutions to be passed.

Submission of written questions to the company or auditor

In addition to asking directors and Xero's auditor questions online during the Meeting, any shareholder who is entitled to vote at the Meeting may submit a written question to the company or auditor in advance of the Meeting:

- About the business of the company
- If the question is directed to the auditor, provided it relates to:
 - The content of the auditor's Report
 - The conduct of the auditor or the auditor's independence.

All questions must be sent to and received by the company no later than 11.00am NZT (9.00am AEST) on Tuesday, 10 August 2021. Please submit questions in advance of the Meeting at investorcentre.linkmarketservices.com.au.

The Chair will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to shareholders. The auditor is not obliged to provide written answers.

More information

If you have any questions about this Notice of Annual Meeting, please contact Xero's Company Secretary, Chaman Sidhu, at companysecretary@xero.com.





Beautiful business

Xero Limited

NZ Company No. 1830488
ARBN 160 661 183

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Xero 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
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

STEP 1

the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chair 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 Meeting of Xero to be held at **11.00am NZT (9.00am AEST) on Thursday, 12 August 2021 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/xero2021> (refer to details in the Virtual Annual Meeting Online Guide).

Important for Resolution 4: If the Chair 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 Chair of the Meeting to exercise the proxy in respect of Resolution 4, even though the Resolution is connected directly or indirectly with the remuneration of one or more directors, which includes the Chair.

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business (including resolution 4).

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by Xero 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 .

Resolutions

For Against Abstain*

- 1 Fixing the fees and expenses of the auditor
- 2 Re-election of Dale Murray, CBE
- 3 Election of Steven Aldrich
- 4 Increase the non-executive directors' fee pool cap

| | For | Against | Abstain* |
|---|--------------------------|--------------------------|--------------------------|
| 1 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



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

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED TO ENABLE YOUR DIRECTIONS TO BE IMPLEMENTED

Shareholder 1

Shareholder 2

Shareholder 3

or duly authorised officer or attorney

or duly authorised officer or attorney

or duly authorised officer or attorney

Please provide your name and daytime telephone number in case we need to contact you regarding this proxy form.

Contact Name: _____

Daytime Telephone: _____ Date: _____

XRO PRX2101N



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on Xero'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 Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of Xero.

DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted in favour of the relevant resolution including where the resolution is connected directly or indirectly with the remuneration of one or more directors, which includes the Chair.

VOTES ON RESOLUTIONS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each resolution. 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 a box opposite each resolution, your proxy may vote as he or she chooses on that resolution. If you mark more than one box on a resolution without specifying the portion of voting rights to be voted for or against, your vote on that resolution will be invalid.

APPOINTMENT OF A SECOND PROXY

If you are entitled to cast two or more votes at the Meeting, 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 Xero's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) 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
- (b) 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 (or a certified copy of the Power of Attorney) with the registry. If you have not previously lodged this document for notation, please attach the Power of Attorney (or a certified copy 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 (Cth)) 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 received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual Meeting. A form of the certificate may be obtained from Xero'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 **11.00am NZT (9.00am AEST) on Tuesday, 10 August 2021**, 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" - Shareholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

Xero 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*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

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