



Beautiful accounting software

LODGE YOUR PROXY

Online: vote.linkmarketservices.com/XRO

Scan & email: meetings@linkmarketservices.co.nz

Fax: +64 9 375 5990

Deliver: Link Market Services, Level 11, Deloitte Centre, 80 Queen Street, Auckland 1010, New Zealand

Mail: Reply paid envelope or address to Link Market Services Limited, PO Box 91976, Auckland 1142, New Zealand

Scan this QR code with your smartphone and vote online

General Enquiries

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PROXY FORM/ADMISSION CARD FOR XERO LIMITED'S 2017 ANNUAL MEETING

The Annual Meeting of Xero Limited (Xero) will be held on Wednesday 12 July 2017, at 9am AEST (11am NZT) (the **Meeting**), at Level 3, Establishment, 252 George Street, Sydney, NSW, Australia. If you attend the Meeting in person, please bring this form to assist with your registration.

Shareholders are also able to attend and vote at the Meeting virtually via an online platform. More information regarding virtual attendance at the Meeting and voting online via the online platform is available in the Virtual Annual Meeting Online Portal Guide, which is available on the Investors section of Xero's website (www.xero.com/about/investors).

If you do not propose to attend the Meeting, whether in person or via the online platform, but wish to be represented by proxy, please lodge your proxy, in accordance with the lodgment instructions above, by no later than 9am AEST (11am NZT) on Monday 10 July 2017. You can complete and return this form to Xero's share registrar, Link Market Services (**Registrar**) at the address above. You can also appoint your proxy or vote on the resolutions online by going to vote.linkmarketservices.com/XRO, or by scanning the QR code above with your smartphone.

If you wish to vote in person, you should attend the Meeting.

A corporation may appoint a person to attend and vote at the Meeting as its representative in the same manner as it would to appoint a proxy. That person need not also be a shareholder.

Appointment of proxy

The Chair of the Meeting and any other Director is willing to act as proxy for any shareholder who wishes to appoint him/her. To appoint the Chair of the Meeting as your proxy simply tick the box next to "The Chair of the Meeting", or to appoint a Director or another person as your proxy write the full name of that Director or the full name and email of such other person in the space allocated next to "or failing him/her", on the reverse of this form.

If you do not appoint a proxy, your Proxy Form will be invalid. Your proxy need not also be a shareholder.

Voting of your holding Direct your proxy how to vote by making the appropriate election, either online or on this Proxy Form, for each item of business (resolutions 1 to 4). If you do not make an election for a resolution, your instruction for your proxy will be to abstain. If you make more than one election for a resolution, your vote on that resolution will be invalid.

Appointing the Chair of the Meeting or a Director as your proxy If you appoint the Chair of the Meeting or any other Director as your proxy and elect to give them discretion on how to vote on a resolution, you acknowledge that they will exercise your vote in favour of resolutions 1 to 4, except that the Chair of the Meeting and the Non-Executive Directors, or any Associated Person (as defined in the NZX Main Board Listing Rules) of the Chair of the Meeting and the Non-Executive Directors, will not be able to vote any discretionary proxies regarding resolution 4.

Signing instructions for proxy forms

Individual Where the holding is in one name, the shareholder must sign this Proxy Form.

Joint holding Where the holding is in more than one name, all of the joint shareholders must sign this Proxy Form.

Power of Attorney If this Proxy Form has been signed under a power of attorney, a copy of the power of attorney under which it was signed (if not previously provided to the Registrar), and a signed certificate of non-revocation of the power of attorney, must accompany this Proxy Form.

Corporate Shareholder In the case of a corporate shareholder, a duly authorised officer or director must sign this Proxy Form. Persons who sign on behalf of a corporate shareholder must be acting with that corporate shareholder's express or implied authority, or execute this Proxy Form under the common seal of the corporate shareholder (if it has one).

PROXY/CORPORATE REPRESENTATIVE FORM

STEP 1: APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being a shareholder/s of Xero Limited hereby appoint:

The Chair of the Meeting (tick)

or failing him/her _____ (name), _____ (email)

as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions at the Annual Meeting of Xero Limited to be held on Wednesday 12 July 2017, at 9am AEST (11am NZT), at Level 3, Establishment, 252 George Street, Sydney, NSW, Australia and, simultaneously, to be held virtually via the online platform provided by Xero's share registrar, Link Market Services, and at any adjournment of that Meeting. If no direction has been given in respect of any resolution, then my/our instruction to the proxy will be to abstain.

STEP 2: ITEMS OF BUSINESS – PROXY VOTING INSTRUCTIONS

Please note: For each resolution you must tick one box. If you mark the abstain box for an item, you are directing your proxy not to vote on your behalf and your votes will not be counted in computing the required majority for that item. If no box is ticked for an item, your instruction for your proxy will be to abstain. If you tick more than one box for an item, your vote on that item will be invalid.

Ordinary Business

To consider and, if thought fit, pass the following ordinary resolutions:

| | For | Against | Abstain | Discretion |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| 1. That the Board is authorised to fix the remuneration of the auditor. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. That Susan Peterson, appointed by the Board as a Director on 22 February 2017, be elected as a Director of Xero Limited. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. That Lee Hatton, retiring from office as a Director of Xero Limited by rotation, be re-elected as a Director of Xero Limited. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. (a) That the maximum annual remuneration able to be paid to all of the Non-Executive Directors taken together be increased from NZ\$850,000 to NZ\$1,400,000 (i.e., a NZ\$550,000 increase), with immediate effect; and (b) that such remuneration payable to Non-Executive Directors may be payable either in part or in whole by way of an issue of Equity Securities (as defined in the NZX Listing Rules).* | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

*Xero will disregard any votes cast on resolution 4 by the Chair of the Meeting or a Non-Executive Director and any Associated Person (as defined in the NZX Listing Rules) of the Chair of the Meeting or a Non-Executive Director. Xero will not disregard any votes cast on resolution 4 by the Chair of the Meeting or a Non-Executive Director as proxy for a person who is entitled to vote, in accordance with their express directions on this Proxy Form (i.e., instructions to vote for or against the resolution). However, Xero will disregard any votes cast on resolution 4 by the Chair of the Meeting or a Non-Executive Director as proxy for a person who is entitled to vote, if the direction on this Proxy Form allows them discretion as to how to vote or if there is no direction given.

STEP 3: SIGNATURE OF SECURITY HOLDER(S) This section must be completed.

Security holder 1

or duly authorised officer or attorney

Security holder 2

or duly authorised officer or attorney

Security holder 3

or duly authorised officer or attorney

Contact Name _____

Contact Daytime Telephone _____ Date _____