

## Xero 2014 Annual Meeting Proxy Form/Admission Card

The Annual Meeting of Xero Limited will be held on Wednesday 23 July 2014 at 4.00pm (New Zealand time) at Shed 6, Queens Wharf, Jervois Quay, Wellington, New Zealand (the **Meeting**). If you attend the Meeting, please bring this Proxy Form / Admission Card to the Meeting, as the barcode is required for registration.

### Proxy Form – for use if you are unable to attend the Meeting

If you do not propose to attend the Meeting but wish to be represented by proxy, please complete and sign this Proxy Form, including the Voting Instructions section by ticking one box for each resolution, and deliver it to Xero Limited's share registry, Link Market Services Limited, to be received no later than 4.00pm (New Zealand time) on Monday 21 July 2014, by following the instructions on the reverse of this Proxy Form.

### Vote Online

You can appoint your proxy and vote on the resolutions below online. To vote online, please follow the instructions on the reverse of this Proxy Form under the heading "Vote Online".

### Proxy

The Chairman of the Meeting or any Director is willing to act as proxy for any shareholder who wishes to appoint him/her. To appoint the Chairman of the Meeting as your proxy simply tick the box allocated next to "The Chairman of the Meeting", or to appoint a Director or another person as your proxy write the full name of the Director or other person (as applicable) in the space allocated next to "or failing that person" below. See "Notes" on the reverse of this Proxy Form for more information.

I/We being a shareholder(s) of Xero Limited

Hereby appoint

The Chairman of the Meeting

☐ (tick)

Or failing that person

(full name of proxy)

(full address)

Or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law and the Listing Rules of the NZX and ASX, as the proxy sees fit) at the Annual Meeting of Xero Limited to be held at Shed 6, Queens Wharf, Jervois Quay, Wellington, New Zealand on Wednesday 23 July 2014 at 4.00pm (New Zealand time) and at any adjournment of the Meeting.

### Voting instructions for proxy – resolutions

Complete this part if you have appointed a proxy above and you want to direct the proxy as to how the proxy should vote. For each resolution you must tick one box. If no box is ticked in relation to the resolution, that resolution will be treated as abstained.

To consider and, if thought fit, to pass the following ordinary resolutions (being resolutions 1-8 below, and resolutions 9 and 10 on the reverse of this Proxy Form):

Tick (v) in box to vote

	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 Chris Liddell, appointed by the Board as an additional Director on 12 February 2014, be elected as a Director of Xero Limited.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. That Bill Veghte, appointed by the Board as an additional Director on 12 February 2014, be elected as a Director of Xero Limited.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. That Lee Hatton, appointed by the Board as an additional Director on 10 April 2014, be elected as a Director of Xero Limited.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. That Graham Shaw, 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"/>
6. That Sam Morgan, 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"/>
7. (a) That the maximum aggregate annual remuneration able to be paid to the Non-Executive Directors be increased by NZ\$350,000 from NZ\$500,000 to NZ\$850,000, with immediate effect.*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) That any 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) as detailed in the Explanatory Notes to the Notice of Meeting.*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. That the grant of 13,481 and 10,785 options to subscribe for ordinary shares in Xero Limited on 12 February 2014 to Chris Liddell and Bill Veghte, respectively, as remuneration for their roles as Directors of Xero Limited (equating to an annual value of NZ\$220,000 and NZ\$176,000 respectively), on the terms set out in the Explanatory Notes to the Notice of Meeting, be approved and ratified, and that the issue of ordinary shares in Xero Limited to Chris Liddell and Bill Veghte upon any exercise of those options, be approved.*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain	Discretion
9. That the grant of options to subscribe for ordinary shares in Xero Limited to Chris Liddell and Bill Veghte, as remuneration for their roles as Directors of Xero Limited (equating to an annual value of NZ\$220,000 and NZ\$176,000 respectively), in or around February 2015, on the terms set out in the Explanatory Notes to the Notice of Meeting, be approved, and that the issue of ordinary shares in Xero Limited to Chris Liddell and Bill Veghte upon any exercise of those options, be approved.*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. That the issue of ordinary shares in Xero Limited to Lee Hatton in lieu of cash, as remuneration for her role as Director of Xero Limited to a value of NZ\$70,000 per annum on the terms set out in the Explanatory Notes to the Notice of Meeting, be approved.*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* In relation to resolutions 7-10 (inclusive):

- Xero will disregard any votes cast on a resolution by any Director of Xero Limited (**Director**) and any associate (as defined in the ASX Listing Rules) or associated person (as defined in the NZX Listing Rules) of a Director.
- However, Xero need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the express directions (i.e. instructions to vote for or against the resolution) on the Proxy Form. Under NZX Listing Rules, a Director (and any associate (as defined in the ASX Listing Rules) or associated person (as defined in the NZX Listing Rules) of a Director) that is proxy for a person who is entitled to vote, is not entitled to vote if the direction on the proxy form allows the proxy discretion as to how to vote (i.e. discretion to exercise that vote as the proxy sees fit).

See "Notes" below for more information on the treatment of votes cast by the Chairman of the Meeting or a Director (or any associate (as defined in the ASX Listing Rules) or associated person (as defined in the NZX Listing Rules) of the Chairman of the Meeting or a Director) as proxy.

Signature/(s) of Shareholder(s): \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014 Daytime contact telephone: (\_\_\_\_\_) \_\_\_\_\_

## Notes

- For this Proxy Form to be valid, you must produce it to Xero Limited by voting online, or by delivering it by hand, posting, faxing or emailing it intact to be received by Link Market Services Limited no later than 4.00pm (New Zealand time), Monday 21 July 2014, as per the instructions below.
- If this Proxy Form has been signed under a power of attorney, a copy of the power of attorney and a signed certificate of non-revocation of the power of attorney must be produced with this Proxy Form.
- A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy or, in the case of a corporate shareholder, a representative to attend and vote instead of such shareholder and that proxy or representative need not also be a shareholder.
- In the case of joint shareholders, this Proxy Form must be signed by all of the joint shareholders.
- In the case of a corporate shareholder, this Proxy Form must be signed by a director or a duly authorised officer of the corporate shareholder, acting under the express or implied authority of the corporate shareholder, or be executed under the common seal of the corporate shareholder (if it has one).
- If you return this Proxy Form without directing the proxy how to vote (whether for, against, or at the proxy's discretion) on any particular matter, then your instruction will be to abstain and your vote will not be counted when calculating a majority for that matter. If you return this Proxy Form without appointing a proxy your Proxy Form will be invalid.
- If you wish, you may appoint the Chairman of the Meeting or any Director as your proxy. Please tick the box next to "Chairman of the Meeting" when you appoint your proxy or write the full name of the Director or another person (as applicable) in the space allocated next to "or failing that person" on the Proxy Form. The Chairman of the Meeting or any Director appointed as proxy will vote according to your instructions, except that as proxy:
  - the Chairman of the Meeting, Mr Liddell, or any Director intends to vote any discretionary proxies in favour of resolutions 1-6 (inclusive); and
  - the Chairman of the Meeting or any Director (or any associate (as defined in the ASX Listing Rules) or associated person (as defined in the NZX Listing Rules) of the Chairman of the Meeting or a Director) will not be able to vote any discretionary proxies either for or against resolutions 7-10 (inclusive).
- If you intend to attend the Meeting and vote please bring this form intact to the Meeting as your admission card. You will receive your voting paper on registration at the Meeting.

If you have any questions regarding your voting please contact Link Market Services by email at [meetings@linkmarketservices.co.nz](mailto:meetings@linkmarketservices.co.nz), or call the Investor Helpline on +64 9 375 5998 between 8.30am and 5.00pm, New Zealand Standard Time, on any New Zealand business day.

**Please return your completed Proxy Form to Link Market Services Limited, in one of the following ways:**

<b>Vote Online</b>	To appoint your proxy and vote online please go the Link Market Services website: Holders on the New Zealand register: <a href="https://investorcentre.linkmarketservices.co.nz/voting/XRO">https://investorcentre.linkmarketservices.co.nz/voting/XRO</a> , and follow the prompts. You will require your CSN/Holder Number and FIN to vote. Holders on the Australian register: <a href="https://investorcentre.linkmarketservices.com.au/voting/XRO">https://investorcentre.linkmarketservices.com.au/voting/XRO</a> , and follow the prompts. You will require your Holder Number and postcode to vote.
<b>Scan &amp; email</b>	<a href="mailto:meetings@linkmarketservices.co.nz">meetings@linkmarketservices.co.nz</a> Please put the words "Xero Proxy Form" in the subject line for easy identification.
<b>Mail</b>	<i>New Zealand</i> If you are mailing the Proxy Form from within New Zealand, please use the reply-paid envelope provided. <i>Outside New Zealand</i> Place the Proxy Form in an envelope and affix the postage from the country of mailing and address to: Link Market Services Limited, PO Box 91976, Victoria Street West, Auckland, 1142, New Zealand
<b>Deliver by hand</b>	You can deliver the Proxy Form by hand to Link Market Services Limited, Level 7, Zurich House, 21 Queen Street, Auckland 1010, New Zealand
<b>Fax</b>	+ 64 9 375 5990