

## MARKET RELEASE

### **XERO LIMITED ANNUAL MEETING RESULTS 2015**

22 July 2015

The following resolutions were put to shareholders of Xero Limited (XRO) at its Annual Meeting held earlier today:

1. That the Board is authorised to fix the remuneration of the auditor.
2. That Graham Smith, appointed by the Board as an additional Director on 25 February 2015, be elected as a Director of Xero Limited.
3. That Craig Elliott, retiring from office as a Director of Xero Limited by rotation, be re-elected as a Director of Xero Limited.
4. That Craig Winkler, retiring from office as a Director of Xero Limited by rotation, be re-elected as a Director of Xero Limited.
5. 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 2016, on the terms set out in the Explanatory Notes to the Notice of Meeting (i.e., on substantively the same terms as the grant of options to Chris and Bill in February 2015, which was approved at Xero's 2014 Annual Meeting), be approved, and that the issue of ordinary shares in Xero Limited to Chris and Bill upon any exercise of those options, be approved.
6. That the issue of ordinary shares in Xero Limited to Lee Hatton in lieu of cash, as remuneration for her role as a 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.
7. That the Xero Limited (USA) Equity Incentive Scheme be amended to allow for a total of 4.4m equity securities (whether options to subscribe for ordinary shares or restricted stock units or a combination of both) to be allocated pursuant to the U.S. Scheme (the U.S. Equity Scheme Cap), subject to the following resolution and any adjustments made in accordance with the U.S. Scheme's provisions for certain changes in Xero Limited's capitalisation.
8. That, in calculating the number of equity securities allocated for the purpose of the U.S. Equity Scheme Cap (as defined in resolution 7), any equity securities that: (a) are allocated pursuant to the U.S. Scheme after the date of this resolution, and (b) up to 1,505,440 equity securities that were allocated pursuant to the U.S. Scheme prior to the date of this resolution; but that have, in each case, prior to exercise or vesting, as applicable, been forfeited or cancelled (including if forfeited or cancelled in connection with any tax withholding upon vesting of restricted stock units), are not to be counted in such calculation.

All of the above resolutions were passed on a show of hands.

Matt Vaughan  
Company Secretary

ENDS