

Announcement Summary

Entity name

XERO LIMITED

Date of this announcement

Wednesday February 01, 2023

The +securities the subject of this notification are:

☒ +Securities issued under an +employee incentive scheme that are subject to a restriction on transfer and are not being quoted on ASX until the restriction ends

Total number of +securities to be issued/transferred

ASX +security code	Security description	Total number of +securities to be issued/transferred	Issue date
XROAK	RESTRICTED STOCK UNIT	60,688	30/01/2023
XROAI	OPTION EXPIRING VARIOUS DATES EX VARIOUS PRICES	450,423	30/01/2023

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of entity

XERO LIMITED

We (the entity named above) give notice of the issue, conversion or payment up of the following unquoted +securities.

1.2 Registered number type

ARBN

Registration number

160661183

1.3 ASX issuer code

XRO

1.4 The announcement is

☒ New announcement

1.5 Date of this announcement

1/2/2023



Part 2 - Issue details

2.1 The +securities the subject of this notification are:

☒ +Securities issued under an +employee incentive scheme that are subject to a restriction on transfer and are not being quoted on ASX until the restriction ends

2.2a This notification is given in relation to an issue of +securities in a class which is not quoted on ASX and which:

☒ has an existing ASX security code ("existing class")



Part 3B - number and type of +securities the subject of this notification (existing class) where issue has not previously been notified to ASX in an Appendix 3B

Additional +securities in an existing class issued under an +employee incentive scheme**ASX +security code and description**

XROAI : OPTION EXPIRING VARIOUS DATES EX VARIOUS PRICES

Date the +securities the subject of this notification were issued

30/1/2023

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class

☒ Yes

Were any of the +securities issued to +key management personnel (KMP) or an +associate?

☒ Yes

Provide details of the KMP or +associates being issued +securities.

Name of KMP	Name of registered holder	Number of +securities
Sukhinder Singh Cassidy	Sukhinder Singh Cassidy	445,697

Please provide a URL link for a document lodged with ASX detailing the terms of the +employee incentive scheme or a summary of the terms

Xero CEO succession, Sukhinder Singh Cassidy appointed - see Material terms of Sukhinder Singh Cassidy's employment agreement as CEO of Xero Group. https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02596256-3A606843?access_token=83ff96335c2d45a094df02a206a39ff4

Xero's 2022 Annual Report and Appendix 4E - see Xero's FY22 Remuneration Report. https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02520826-3A593456?access_token=83ff96335c2d45a094df02a206a39ff4

Any other information the entity wishes to provide about the +securities the subject of this notification

445,697 Options were issued to Sukhinder Singh Cassidy in accordance with her contract of employment entered into on 10 November 2022 (CEO Initial Equity Grant). Details of the CEO Initial Equity Grant are included in the Material terms of Sukhinder Singh Cassidy's employment agreement document, annexed to Xero's ASX announcement regarding Ms Singh Cassidy's appointment on 10 November 2022 (Material Terms of Employment Document). The terms align with those set out in the table in section 5.5 of Xero's FY22 Remuneration Report, rows headed "Vesting conditions" through to "Dividends and vesting", except that the CEO Initial Equity Grant options will:

- vest in three equal tranches in November 2023, November 2024 and November 2025;
- lapse ten years from the date of grant; and
- be treated on cessation of employment as set out in the Material Terms of Employment.



Issue details

Number of +securities

450,423

Additional +securities in an existing class issued under an +employee incentive scheme

ASX +security code and description

XROAK : RESTRICTED STOCK UNIT

Date the +securities the subject of this notification were issued

30/1/2023

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class

☒ Yes

Were any of the +securities issued to +key management personnel (KMP) or an +associate?

☒ Yes

Provide details of the KMP or +associates being issued +securities.

Name of KMP	Name of registered holder	Number of +securities
Sukhinder Singh Cassidy	Sukhinder Singh Cassidy	46,752

Please provide a URL link for a document lodged with ASX detailing the terms of the +employee incentive scheme or a summary of the terms

Xero CEO succession, Sukhinder Singh Cassidy appointed - see Material terms of Sukhinder Singh Cassidy's employment agreement as CEO of Xero Group. https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02596256-3A606843?access_token=83ff96335c2d45a094df02a206a39ff4

Xero's 2022 Annual Report and Appendix 4E - see Xero's FY22 Remuneration Report. https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02520826-3A593456?access_token=83ff96335c2d45a094df02a206a39ff4

Any other information the entity wishes to provide about the +securities the subject of this notification

46,752 RSUs were issued to Sukhinder Singh Cassidy as a Long Term Incentive (LTI) for FY23. The details of the LTI are included in the Material Terms of Employment Document. 40% of these RSUs are granted with a service condition (up until the vesting date in May 2025) and 60% are granted with performance conditions assessed over a 3 year performance period (1 April 2022 to 31 March 2025). The performance measures are Compound Annual Revenue Growth (75% weight) and Relative Total Shareholder Return (25% weight).



Issue details

Number of +securities
60,688

Part 4 - +Securities on issue

Following the issue, conversion or payment up of the +securities the subject of this application, the +securities of the entity will comprise:
(A discrepancy in these figures compared to your own may be due to a matter of timing if there is more than one application for quotation/issuance currently with ASX for processing.)

4.1 Quoted +Securities (Total number of each +class of +securities quoted)

ASX +security code and description	Total number of +securities on issue
XRO : ORDINARY FULLY PAID	150,195,375

4.2 Unquoted +Securities (Total number of each +class of +securities issued but not quoted on ASX)

ASX +security code and description	Total number of +securities on issue
XROAK : RESTRICTED STOCK UNIT	1,489,543
XROAI : OPTION EXPIRING VARIOUS DATES EX VARIOUS PRICES	1,519,534



Part 5 - Other Listing Rule requirements

5.1 Were the +securities issued under an exception in Listing Rule 7.2 and therefore the issue did not need any security holder approval under Listing Rule 7.1?

☒ No

5.2 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?

☒ No

5.2b Are any of the +securities being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

☒ Yes

5.2b.1 How many +securities are being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

511111

5.2c Are any of the +securities being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

☒ No