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# Nominations Committee Charter

## 1. PURPOSE/ROLE

The Nominations Committee's ("the Committee") role is to identify and recommend to the Board individuals for nomination as members of the Board and its Committees (taking into account such factors as it deems appropriate, including experience, qualifications, judgement and the ability to work with other Directors).

The Committee shall regularly review, and when appropriate, recommend changes to the composition of the Board to ensure that the Company has, and maintains, the right composition of Directors to effectively govern and provide guidance to the business.

## 2. COMMITTEE COMPOSITION

The Committee shall have a minimum of three members. A majority of members of the Committee must be independent in accordance with the independence criteria set out in the Board Charter.

The Board shall appoint the Chairperson of the Committee who shall be independent.

The appointment and removal of Committee members shall be the responsibility of the Board.

## 3. PROCEDURES

A quorum of the Committee shall be two members.

The Committee shall meet on such occasions as the Chairperson considers necessary.

The Committee may have in attendance such other members of management and persons as it may deem necessary to provide appropriate information and explanations.

All Directors may attend each meeting by standing invitation.

From time to time the Chair of the Committee shall be entitled to request that the Committee meet without the presence of a particular Director.

The agenda and Committee papers will be prepared and circulated to all Directors including members of the Committee prior to the meetings.

The Chairperson of the Committee will report back to the full Board the recommendations of the Committee at the Board meeting immediately following the Committee meeting.

#### **4. RESPONSIBILITIES AND DUTIES**

The Committee does not take actions or make decisions on behalf of the Board unless specifically mandated. The Board has delegated certain functions to the Committee which is responsible for:

- making recommendations to the Board as to its size;
- regularly reviewing the criteria for the selection of Directors and recommending to the Board any necessary alterations to ensure the most appropriate balance of skills, qualifications, experience and background to effectively govern the Company;
- recommending appropriate candidates to the Board based on the criteria;
- ensuring that potential candidates understand the role of the Board and the time commitment involved when acting as a member of the Board;
- establishing and implementing a programme to regularly assess Board performance and reviewing Board succession planning; and
- recommending to the Board, the removal of any director, subject to the provisions contained in the Constitution.

#### **5. POWERS AND AUTHORITY**

The Committee may delegate any of its responsibilities to the Chairperson of the Committee from time to time and on such conditions as the Committee considers appropriate.

The Committee is authorised by the Board to investigate any activity covered by its roles.

The Committee members may communicate with any Company employee to seek any information they require in order for the Committee to carry out its role.

The Committee and each member of the Committee shall have the authority of the Board to:

- retain, terminate and consult with outside or other independent external advisers and experts (including legal consultants) at the Company's expense; and
- secure the attendance at meetings of outsiders with relevant experience and expertise;

where the Committee or a Committee member deems it necessary to carry out the functions of the Committee.

Committee members are not full time employees of Xero. Committee members are entitled to rely on Xero executives, in relation to matters within their responsibility and on external professionals in relation to matters within their area of expertise and may assume the accuracy of information provided by such persons, so long as a Committee member is not aware of any reasonable grounds upon which such reliance or assumption may be inappropriate.

#### **6. ACCOUNTABILITY**

The Board shall annually review the Committee's performance against this Charter and the Board shall review the Charter from time to time as it considers appropriate.