



Level 1, Old Bank Chambers  
98 Customhouse Quay  
PO Box 24 537  
Wellington  
www.xero.com

## Minutes of the 2008 Annual Meeting of Shareholders of Xero Limited (the “Company”)

**Date:** 24 July 2008

**Time:** 4.00pm

**Venue:** Level 2, NZX Centre, Cable Street, Wellington

**Apologies:** Mr Guy Haddleton, Mr Sam Morgan

**Preliminary:**

The Chairman:

- Welcomed shareholders to the meeting and declared the meeting open;
- Introduced the Directors, Chief Executive and Company Secretary. It was noted that Mr Hamish Edwards was attending by audio link from London;
- Announced the apologies of Directors Mr Guy Haddleton and Mr Sam Morgan who were both overseas;
- Noted that the notice of meeting had been duly given to shareholders and to all other persons entitled to the notice of meeting;
- Noted that the Company’s constitution prescribes a quorum requirement of three shareholders and that a quorum was present;
- Announced that proxies had been appointed in respect of approximately 8million shares and that as Chairman he would vote all undirected proxies in favour of the resolutions. The Chairman also noted that voting would take place by way of show of hands;
- Noted that the financial statements for the 12 month period to 31 March 2008 together with the Auditors’ Report were set out in the Company’s Annual Report which was mailed to shareholders on 12 June 2008.

The Chairman addressed the meeting. An address from the Chief Executive followed.

The Chairman moved to address each of the resolutions in the order set out in the notice of meeting and said that a vote by way of show of hands on each resolution would be conducted following the presentation on each resolution.

**Resolution 1: That the directors are authorised to fix the Auditors' remuneration**

The Chairman noted the Company's announcement that morning that its Auditors' BDO Spicers were being replaced by PricewaterhouseCoopers. The Chairman thanked BDO Spicers for their work in undertaking the audit work in the past year and especially their assistance throughout the IPO.

The resolution that the directors be authorised to fix the auditors resolution was put to the meeting. The vote by way of show of hands was carried in favour of the resolution.

**Resolution 2: That Mr Phil Norman be re-elected as a director of the Company.**

Mr Graham Shaw took the Chair for this part of the meeting.

The resolution that Mr Norman be re-elected as a director was put to the meeting. There were no questions.

The vote by way of show of hands was carried in favour of the resolution.

**Resolution 3: That Mr Hamish Edwards be re-elected as a director of the Company.**

The resolution that Mr Edwards be re-elected as a director was put to the meeting. There were no questions.

The vote by way of show of hands was carried in favour of the resolution.

The Chairman invited questions from the floor. One shareholder asked a question about the reason for the replacement of BDO Spicers and the Chairman responded.

The Chairman thanked shareholders for attending the meeting and for their support of the Company.

Confirmed as a correct record.

A handwritten signature in black ink, appearing to read 'Phil Norman', written in a cursive style.

**Phil Norman – Chairman**

Dated: 21 August 2008