1. Role

The Nominations Committee (Committee) is a committee of the Board of Directors of Xero Limited (Xero). The Committee's role is to assist the Board in relation to:

- Board and committee size and composition;
- director selection, appointment, election and re-election;
- selection and appointment of the Chief Executive Officer (CEO);
- director induction and continuing professional development;
- evaluating the performance of the Board, its committees and individual directors;
- succession planning for the Board (in particular the Chair) and the CEO.

2. Committee membership

The Board will appoint and remove the members of the Committee and the Committee’s Chair, who will be an independent non-executive director. The Committee will comprise at least three directors, the majority of which will be independent.

3. Committee meetings

The Committee is to meet at least three times per year. All directors have a standing invitation to attend Committee meetings. A quorum may be formed by two Committee members.

Committee members shall not participate in a review of their own individual performance or re-election.

Committee papers and minutes of Committee meetings are distributed to all Board members. A report on matters addressed by the Committee is provided at the next Board meeting.
4. Duties and responsibilities
The Committee will undertake the following duties and responsibilities:

- make recommendations to the Board regarding the CEO’s appointment, initial terms, and if necessary, termination;
- on a regular basis, review and make recommendations to the Board as to the size and composition of the Board and its committees, taking into account the appropriate mix of skills, knowledge, experience, diversity and independence that the Board and committees are seeking to achieve, and the time commitment required from non-executive directors;
- oversee the search for and selection of new directors for nomination for appointment by the Board, including:
  - reviewing the description of the role and expertise required;
  - identifying and assessing proposed directors with the skills, knowledge, experience, diversity, independence and time commitment being sought; and
  - ensuring character and background checks of proposed directors have been undertaken.
- recommend to the Board the nomination of directors for election or re-election by shareholders, and the removal of any director (subject to Xero’s Constitution and any applicable laws);
- oversee an appropriate induction program to enable new directors to gain an understanding of Xero, its operations and values, its financial, strategic and risk management position, and the rights, duties and responsibilities of the Board, its committees and management;
- ensure that all directors have access to professional development;
- develop and implement a process to review and evaluate the performance of the Board, its committees, and its directors;
- develop succession plans for the Board, to maintain an appropriate mix of skills, knowledge, experience, independence and diversity, and oversee the ongoing process of succession planning for the role of Chair and the CEO.

5. Authority
The Committee will not take actions or make decisions on behalf of the Board unless specifically mandated. However, the Committee has the delegated authority of the Board to fulfil the duties and responsibilities in this Charter, subject always to the Committee keeping the Board informed of its activities, and subject to any legal or regulatory obligation on the Board.
The Committee has access to Xero’s resources and senior management as it reasonably requires to meet its duties and responsibilities.

The Committee is authorised by the Board to obtain external legal or other professional advice as it considers necessary and appropriate.

The Committee may deal with matters requiring a decision by way of written resolution. A written resolution will be deemed to have been passed once a majority of members eligible to vote have signed it, and will be effective the date the last member constituting the majority signs.

The Committee’s Charter will be reviewed at least every two years.

Last reviewed: March 2018