Xero Limited
Nominations Committee Charter

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 of, appointment of, and succession planning for the Chief Executive Officer (CEO)
- non-executive 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)

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 non-executive directors, the majority of whom will be independent.

3. Committee meetings
The Committee will meet at least four times per year. All directors have a standing invitation to attend Committee meetings. A quorum may be formed by two Committee members, at least one of whom is independent.

Committee members shall not participate in a review of their own individual performance or re-election. The Committee may ask any person to withdraw from any part of any meeting where there is a potential conflict of interest.

Committee papers and minutes of Committee meetings are distributed to all directors. A report on matters addressed by the Committee is provided at the next Board meeting.
4. Duties and responsibilities

The primary responsibility of the Committee is to report to the Board and provide appropriate advice and recommendations on matters relevant to this Charter, in order to facilitate decision-making by the Board.

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
  - the purpose and strategic direction adopted by the Board
  - 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
  - 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, and regularly review the effectiveness of this program
- ensure that all directors have access to a professional development program and periodically review the needs of existing directors with respect to professional development
- develop, implement, and regularly review a process to review and evaluate the performance of the Board, its committees, and its directors
oversee the regular assessment of, and make recommendations to the Board as to, the independence of each director and associated disclosures

- 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 has signed it, and will be effective the date the last member constituting the majority signs.

The Board will periodically review the membership of the Committee and the Charter to determine its adequacy for current circumstances and the Committee may make recommendations to the Board about the Committee’s membership, responsibilities, functions or otherwise.

Last reviewed: February 2020