



MARKET RELEASE

## Appendix 4G and FY26 Corporate Governance Statement

**WELLINGTON, 14 May 2026** — Xero Limited (ASX: XRO), in accordance with the ASX Listing Rules, attaches its Appendix 4G and FY26 Corporate Governance Statement.

*Authorised for release to the ASX by the Chair of the Board & Chair of the Audit and Risk Committee*

### Contacts

Simon Fitzgerald — Communications  
Mobile: +61 460 294 680  
[simon.fitzgerald@xero.com](mailto:simon.fitzgerald@xero.com)

Nicole Mehalski - Investor Relations  
Mobile: +61 400 947 145  
[nicole.mehalski@xero.com](mailto:nicole.mehalski@xero.com)

### About Xero

[Xero](https://xero.com) is a global small business platform that helps customers supercharge their business by bringing together the most important small business tools, including accounting, payroll and payments — on one platform. Xero's powerful platform helps customers automate routine tasks, get timely insights, and connects them with their data, their apps, and their accountant or bookkeeper so they can focus on what really matters. Trusted by millions of small businesses and accountants and bookkeepers globally, Xero makes life better for people in small business, their advisors, and communities around the world. For further information, please visit [xero.com](https://xero.com).

**Xero Limited (XRO)**  
NZ Company no. 1830488  
ARBN 160 661 183

**Registered Address**  
19-23 Taranaki St  
Te Aro  
Wellington 6011  
New Zealand

[www.xero.com](https://www.xero.com)

For personal use only

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Xero Limited

ABN/ARBN

81 160 661 183

Financial year ended:

31 March 2026

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <https://www.xero.com/au/investors/governance/>

The Corporate Governance Statement is accurate and up to date as at 31 March 2026 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 14 May 2026

Name of authorised officer authorising lodgement: Damien Coleman, Company Secretary

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> on page 4 and we have disclosed a copy of our board charter at: <a href="https://www.xero.com/au/about/investors/governance/">https://www.xero.com/au/about/investors/governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> on page 4.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> on pages 4 and 6.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/> on page 4.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "*insert location*" underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert "our corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate-governance/charters/").

<sup>5</sup> If you have followed all of the Council's recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> on page 10 and we have disclosed a copy of our diversity policy, titled Representation, Inclusion and Belonging Policy, on our website at: <a href="https://www.xero.com/about/investors/governance/">https://www.xero.com/about/investors/governance/</a></p> <p>We have disclosed the information referred to in paragraph (c) on page 10 of our Corporate Governance Statement.</p> <p>We were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period and our measurable objective for achieving gender diversity in the composition of the board is greater than 30% of directors of each gender within the specified period.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> on page 4.</p> <p>We have disclosed the evaluation process referred to in paragraph (a) and (b) on page 4 of our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> on page 6.</p> <p>We have disclosed the evaluation process referred to in paragraph (a) and whether a performance evaluation was undertaken for the reporting period in accordance with that process on page 6 of our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> on page 5 and we have disclosed a copy of the charter of the committee on our website at <a href="https://www.xero.com/about/investors/governance/">https://www.xero.com/about/investors/governance/</a> and the information referred to in paragraphs (4) and (5) on page 6 of our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> on page 5.</p> <p>We have disclosed our board skills matrix on page 5 of our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<input checked="" type="checkbox"/> We have disclosed the names of the directors considered by the board to be independent directors on pages 3 and 4. No director has an interest, affiliation or relationship referred to in paragraph (b). We have disclosed the length of service of each director on page 3 of our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/> on page 4.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/> on page 4.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> on page 4.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> on page 11 and we have disclosed our values on our website at <a href="https://www.xero.com/careers/values/">https://www.xero.com/careers/values/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> on page 11 and we have disclosed our code of conduct on our website at <a href="https://www.xero.com/about/investors/governance/">https://www.xero.com/about/investors/governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
3.3	A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a whistleblower policy; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</li> </ul>	<input checked="" type="checkbox"/> on page 11 and we have disclosed our whistleblower policy on our website at <a href="https://www.xero.com/about/investors/governance">https://www.xero.com/about/investors/governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose an anti-bribery and corruption policy; and</li> <li>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</li> </ul>	<input checked="" type="checkbox"/> on page 11 and we have disclosed our anti-bribery and corruption policy on our website at <a href="https://www.xero.com/about/investors/governance">https://www.xero.com/about/investors/governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have an audit committee which:               <ul style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board,</li> </ul>               and disclose:               <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> <li>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> <li>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</li> </ul>	<input checked="" type="checkbox"/> on page 5 and we have disclosed a copy of the Audit and Risk Committee Charter on our website at <a href="https://www.xero.com/about/investors/governance/">https://www.xero.com/about/investors/governance/</a>  and full director profiles, including the information referred to in paragraph (4), on our website at <a href="https://www.xero.com/about/investors/governance/">https://www.xero.com/about/investors/governance/</a>  and the information referred to in paragraph (5) on page 6 of our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<input checked="" type="checkbox"/> on page 9.	<input type="checkbox"/> set out in our Corporate Governance Statement
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	<input checked="" type="checkbox"/> on page 9.	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> on page 11 and we have disclosed our continuous disclosure compliance policy on our website at <a href="https://www.xero.com/about/investors/governance/">https://www.xero.com/about/investors/governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> on page 11.	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> on page 11.	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> We have disclosed information about us and our governance on our website at <a href="https://www.xero.com/about/investors/governance/">https://www.xero.com/about/investors/governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> on page 7.	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> on page 7.	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> on page 7.	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> on page 7	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<input checked="" type="checkbox"/> on page 5 and we have disclosed a copy of the Audit and Risk Committee Charter on our website at <a href="https://www.xero.com/about/investors/governance/">https://www.xero.com/about/investors/governance/</a> and the information referred to in paragraphs (4) and (5) on page 6 of our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<input checked="" type="checkbox"/> on page 8.	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	<input checked="" type="checkbox"/> We have disclosed how our internal audit function is structured and what role it performs on page 9 of our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> We have disclosed whether we have any material exposure to environmental and social risks and, if we do, how we manage or intend to manage those risks on pages 19-20 of our Annual Report and pages 5-6 and 15-17 of our Sustainability Report, both available on our website at <a href="https://www.xero.com/about/investors/">https://www.xero.com/about/investors/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	<input checked="" type="checkbox"/> on page 6 and we have disclosed a copy of the People and Remuneration Committee Charter on our website at <a href="https://www.xero.com/about/investors/governance/">https://www.xero.com/about/investors/governance/</a> and the information referred to in paragraphs (4) and (5) on page 6 of our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<input checked="" type="checkbox"/> on page 6 and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives on pages 92-121 of our Annual Report (Remuneration Report) available on our website at <a href="https://www.xero.com/about/investors/">https://www.xero.com/about/investors/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	<input checked="" type="checkbox"/> on page 11 and we have disclosed our Share Trading Policy, which governs this issue, on our website at <a href="https://www.xero.com/about/investors/governance/">https://www.xero.com/about/investors/governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input checked="" type="checkbox"/> on page 7.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input checked="" type="checkbox"/> on page 9.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the information referred to in paragraphs (a) and (b) at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

personal use only

Xero Limited

# Corporate Governance Statement 2026

For the year ended 31 March 2026

For personal use only

xero

The images in this statement were created using generative AI unless stated otherwise.



# Corporate Governance Statement

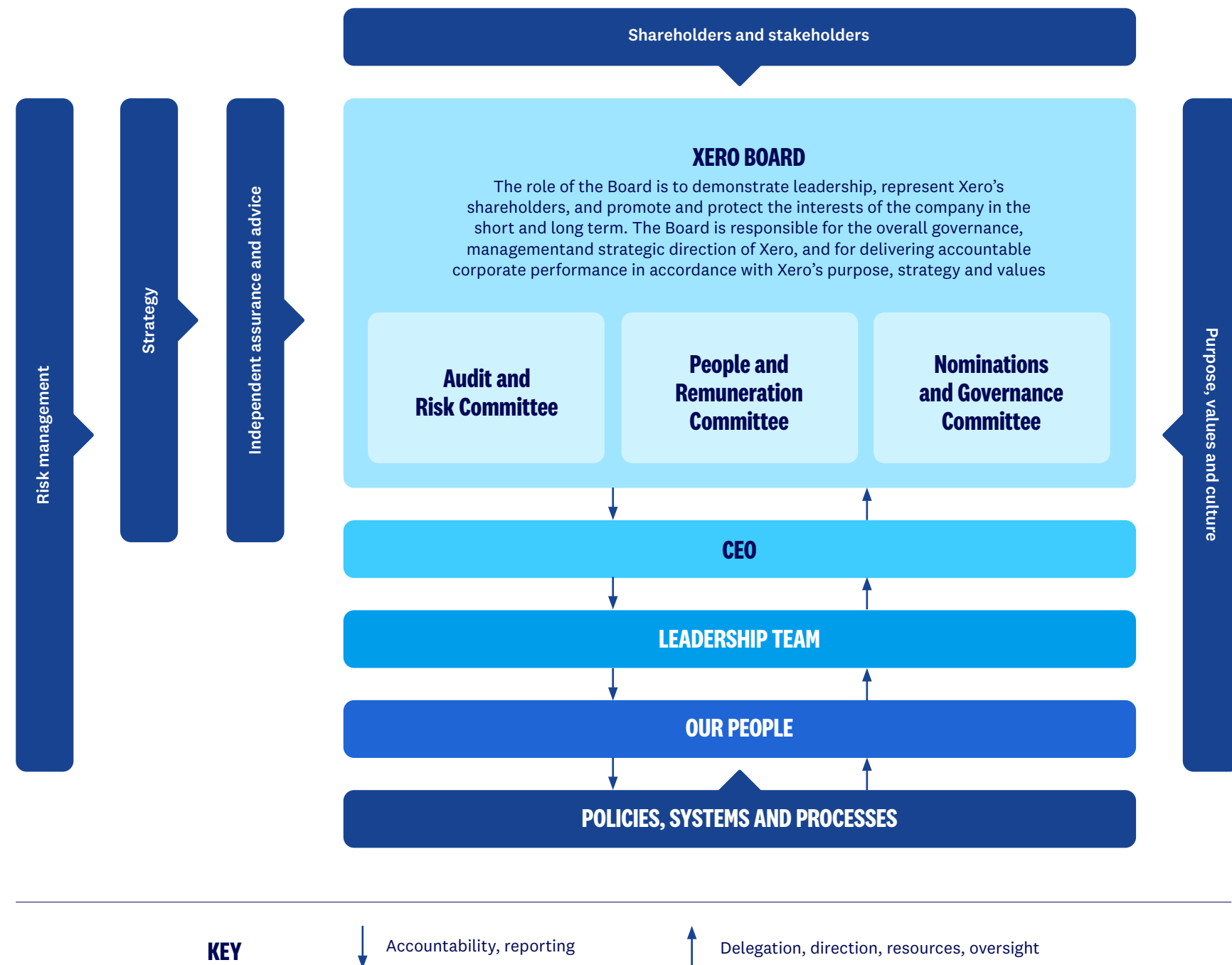
For the year ended 31 March 2026

Xero's purpose is to make life better for people in small business, their advisors, and communities around the world. Xero's corporate governance framework is designed to uphold high standards of corporate governance and deliver on Xero's purpose and strategy. It encompasses performance monitoring and risk management in a way that reflects Xero's values and the digital, global and high-growth nature of Xero's aspirations.

Xero Limited (Xero) is listed on the Australian Securities Exchange (ASX) and is a New Zealand incorporated and domiciled company. From a regulatory perspective, this means that while the ASX Listing Rules apply to Xero, certain provisions of the Australian Corporations Act 2001 (Cth) do not.<sup>1</sup>

Xero's corporate governance reporting framework has been developed with regard to the ASX Listing Rules and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th edition (ASX Principles and Recommendations). This Corporate Governance Statement (Statement) sets out how Xero has complied with each of the ASX Principles and Recommendations during the financial year ended 31 March 2026 (FY26). This Statement has been prepared in accordance with ASX Listing Rule 4.10.3, is current as at 31 March 2026 (unless otherwise indicated), and has been approved by the Board of Xero (Board).

This Statement should be read in conjunction with the information and documents on Xero's Investor Centre at: [www.xero.com/about/investors/governance](http://www.xero.com/about/investors/governance), including Xero's FY26 Annual Report, Constitution, corporate governance policies referred to in this Statement and Board and Committee Charters.



1. Xero is required to comply with the ASX Listing Rules. As Xero is not incorporated in Australia, it is not a disclosing entity for the purpose of Chapter 2M of the Australian Corporations Act 2001 (Cth) (Financial reports and audits) and certain provisions of that chapter do not apply (eg, section 295 regarding annual financial report, section 298 regarding directors' report, section 300A regarding remuneration reporting or sections 292A and 296A-296D regarding climate reporting). As a New Zealand company, Xero's annual reporting is primarily governed by the Companies Act 1993 (New Zealand)

# Xero's Board



**David Thodey, AO**  
Chair of the Board  
Australia

- Independent director since June 2019 and Chair since February 2020
- Nominations and Governance Committee (Chair)
- Audit and Risk Committee



**Steven Aldrich**  
Non-executive director  
United States

- Independent director since October 2020
- Audit and Risk Committee



**Mark Cross**  
Non-executive director  
New Zealand

- Independent director since April 2020
- Audit and Risk Committee (Chair)
- People and Remuneration Committee



**Anjali Joshi**  
Non-executive director  
United States

- Independent director since July 2023
- People and Remuneration Committee



**Brian McAndrews**  
Non-executive director  
United States

- Independent director since February 2022
- People and Remuneration Committee
- Nominations and Governance Committee



**Dale Murray, CBE**  
Non-executive director  
United Kingdom

- Independent director since April 2018
- Audit and Risk Committee



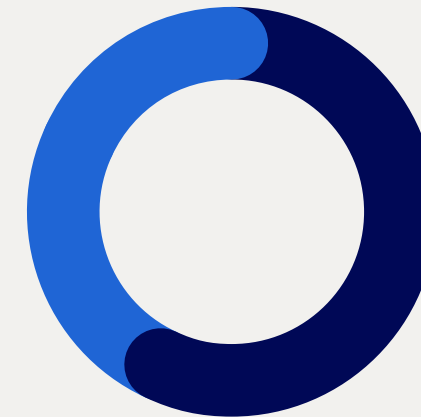
**Susan Peterson**  
Non-executive director  
New Zealand

- Independent director since February 2017
- People and Remuneration Committee (Chair)
- Nominations and Governance Committee

## BOARD COMPOSITION AND TENURE

As at 31 March 2026

### GENDER



● Male 57.1% (4 directors) ● Female 42.9% (3 directors)

### RACE AND ETHNICITY



● White and/or European heritage 85.7% (6 directors) ● Asian Heritage 14.3% (1 director)

### LOCATION



● NZ 28.6% (2 directors) ● AU 14.3% (1 director)  
● UK 14.3% (1 director) ● US 42.9% (3 directors)

### TENURE



● 0-3 years 14.3% (1 director) ● 3-6 years 42.9% (3 directors)  
● 6-9 years 28.6% (2 director) ● 9+ years 14.3% (1 director)

# The Board

The Board Charter sets out the roles and responsibilities of the Board and the manner in which the Board exercises and discharges its roles and responsibilities. It also sets out matters expressly reserved to the Board and those delegated to management. The Board is responsible for the overall governance, management and strategic direction of Xero, and for delivering accountable corporate performance in accordance with Xero's purpose, strategy and values. The Board regularly meets without management present, including when considering remuneration arrangements for the Chief Executive Officer (CEO).

## CEO

The CEO of Xero, Sukhinder Singh Cassidy, has responsibility for the day-to-day management of Xero's business within the limits determined by the Board, and is supported by the Xero Executive Leadership Team (XLT). The CEO is responsible for managing Xero in accordance with the strategic plan, annual budget and operating plan, and risk appetite approved by the Board. The CEO is not a director of Xero but attends all Board meetings to report to the Board and participate in discussion as appropriate.

## CHAIR

The Chair of Xero, David Thodey, is considered an independent non-executive director. The Chair's role is to lead the Board, facilitate constructive discussion at Board meetings, ensure that the Board functions effectively, and communicate the Board's position to shareholders and other stakeholders.



## COMPANY SECRETARY

The Company Secretary of Xero, Damien Coleman, is accountable to the Board, through the Chair, on all matters relating to the proper functioning of the Board. The formal reporting line of the Company Secretary is to the CEO. All directors have direct access to the Company Secretary. His qualifications and experience are set out on Xero's Investor Centre, available at: [www.xero.com/about/investors/governance](http://www.xero.com/about/investors/governance).

## DIRECTOR APPOINTMENT AND ELECTION

Before appointing a director, or putting forward a candidate for election as a director, Xero undertakes appropriate background checks, including director disqualification, character, experience, education, criminal record and bankruptcy history, to determine that candidate's suitability. Once appointed, directors receive formal letters setting out the key terms and conditions of their appointment.

Directors are generally appointed by the Board and must subsequently stand for election at Xero's next Annual Meeting of shareholders. Directors must stand for re-election by shareholders at least every three years. The Board determines whether to endorse those directors who will stand for re-election at the Annual Meeting, having regard to the skills, knowledge, capacity and experience needed to effectively steer Xero both now and in the future. Information relevant to the election or re-election of directors, including their relevant qualifications and professional experience, is included in the Notice of Meeting distributed to shareholders each year in advance of the Annual Meeting.

## ACCESS TO INDEPENDENT ADVICE

The Board or a Committee may seek external legal or other professional advice as the Board or Committee considers necessary and appropriate. A director may also seek external legal or professional advice with the consent of the Chair or, where applicable, the Chair of the ARC. The cost of the advice will be reimbursed by Xero.

## INDUCTION AND PROFESSIONAL DEVELOPMENT

All new directors are given appropriate induction to enable them to gain an understanding of Xero's purpose, values, people, customers, operations, financial position, strategy and risk management framework, and the rights, duties and responsibilities of the Board, its Committees, and management. In addition, new directors are provided with training in relation to Xero's regulatory environment, including the ASX Listing Rules. Each new director has the opportunity to meet with existing Board members, Xero's XLT and members of the senior management team. All directors are expected to maintain the skills required to discharge their respective roles, and are provided with access to training and professional development opportunities, which are overseen by the Nominations and Governance Committee (NGC). The Board also receives updates during the year on important governance developments, including in relation to topics such as artificial intelligence.



## EVALUATION OF THE BOARD

On an annual basis, the Board, with assistance from the NGC, reviews and evaluates its performance and the performance of the committees and individual directors, including the Chair. These performance reviews are conducted both internally and, on a periodic basis, externally with the assistance of a facilitator.

The Board conducted an externally facilitated performance review during FY26. The process included the use of confidential in-depth questionnaires, one-on-one interviews with directors and management, and a presentation and discussion with the Board on insights from the review, where initiatives to improve or enhance Board performance and effectiveness were recommended and considered.

## INDEPENDENCE

The Board Charter states that the Board will consist of a majority of independent non-executive directors. Xero considers a director to be independent when they are independent of management and free of any business or other relationship that could materially interfere with (or could reasonably be perceived to materially interfere with) the exercise of their unfettered and independent judgement. Director independence is also assessed having regard to the relevant factors listed in the ASX Principles and Recommendations. The Board assesses the independence of each director upon their appointment and annually thereafter.

Directors must notify the Board of any potential conflicts or factors that may impact their independence and are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interest with Xero. Directors must consult with the Chair before accepting any professional commitments that may conflict with their role. Directors' external professional commitments are recorded in an interests register.

The Board considers all directors independent.

**SKILLS MATRIX**

The Board comprises directors who bring a mix of skills, knowledge, experience, diversity and independence, together with a deep understanding of current and emerging issues, to guide the business. The table below sets out the skills the Board considers necessary to address existing and emerging business and governance issues relevant to Xero, with minor enhancements made during FY26 to better reflect these evolving needs, and the mix of skills that the Board currently has as a collective. These are presented for the Board as a whole, consistent with the nature of its role and collective responsibility.

The Board is satisfied that it has the appropriate mix of skills and experience necessary to fulfil the Board’s role. The Board is committed to including a diverse mix of skills, knowledge, experience and backgrounds to support effective decision-making.

Capability	Number of directors with the capability	
	High capability <sup>2</sup>	Moderate capability <sup>3</sup>
<b>Global markets</b> Experience in Xero’s current and emerging global markets, including scaling global businesses with large customer bases	4	3
<b>Software as a Service (SaaS) technology, data and AI</b> Experience in SaaS, cloud, digital platforms, data and implementation and governance of AI	3	4
<b>Digital product management</b> Experience in digital product management, technology trends and implications, and the software and technology product value chain	2	5
<b>Sales, marketing and customer experience</b> Experience in customer insight and advocacy, sales, marketing and business development	2	5
<b>Strategy</b> Experience in strategy and corporate development, including M&A and strategic partnerships	7	-
<b>Financial acumen</b> Qualifications or experience in corporate finance, financial accounting and capital markets	4	3
<b>Governance and risk management</b> Experience as a director on a listed company board, including expertise in investor engagement, governance, compliance, sustainability and risk management principles, policies and frameworks	7	-
<b>People and culture</b> Experience in setting remuneration frameworks, workforce planning, talent management, culture, and the promotion of diversity, inclusion and belonging	7	-
<b>Executive leadership</b> Experience as a senior executive in a large organisation or listed company	5	2
<b>Relevant industry experience</b> Knowledge and experience in SMB, financial services, fintech, payments and/or accounting sectors	4	3

2. High capability: High level of knowledge or experience in the relevant skill area. High level of proficiency and experience in applying the skill, including in complex situations, as a senior executive or board member

3. Moderate capability: Sound knowledge and understanding of the relevant skill through either experience, application in Board and committee activities, and/or through training and professional development activities

# Board Committees

The Board has established the following standing Committees:

1. Nominations and Governance Committee (NGC)
2. Audit and Risk Committee (ARC)
3. People and Remuneration Committee (PRC)



The Board may also delegate specific functions to ad hoc committees from time to time. The standing Committee charters are available at: [www.xero.com/about/investors/governance](http://www.xero.com/about/investors/governance). A summary of the responsibilities of each standing Committee and details of their membership are outlined below.

The Board and Committee Common Principles and Procedures state that each standing Committee will comprise at least three members, all of whom are non-executive directors and a majority of whom are independent. Each Committee must be chaired by an independent non-executive director. The Chair of the Board cannot be the Chair of the ARC. The composition of each standing Committee meets these requirements. Each standing Committee meets at least four times per year and all directors have a standing invitation to attend.

**NOMINATIONS AND GOVERNANCE COMMITTEE**

The NGC assists 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 CEO
- Non-executive director induction and continuing professional development
- Board performance evaluation
- Board succession planning
- Corporate governance practices
- Reporting in relation to Xero’s corporate governance practices
- Other matters referred by the Board from time to time

**AUDIT AND RISK COMMITTEE**

The ARC assists the Board to oversee the risk management, compliance, corporate reporting, tax and audit practices of Xero and its subsidiaries, including in relation to:

- Corporate and financial reporting processes (including climate-related reporting and the integrity of Xero’s financial statements)
- External audit
- Internal audit
- Internal control processes and effectiveness
- Financial and non-financial risk management, including risk appetite
- Monitoring the adequacy and effectiveness, and management’s implementation, of Xero’s risk management framework. This includes how Xero identifies, assesses, monitors and manages current and emerging financial and non-financial risks
- Insurance
- Xero’s climate strategy, governance and performance
- Compliance with applicable legal and regulatory requirements (other than those within another Committee’s area of responsibility)
- Other matters referred by the Board from time to time

All ARC members must be financially literate, and the ARC members between them must have the accounting and financial expertise and a sufficient understanding of the industry in which Xero operates to be able to discharge the ARC’s roles and responsibilities effectively. The ARC’s composition meets these requirements. The ARC was renamed from the Audit and Risk Management Committee during FY26 to better reflect the ARC’s role.

For personal use only

### PEOPLE AND REMUNERATION COMMITTEE

The PRC assists the Board to oversee strategies and policies relating to:

- People and culture
- Remuneration and benefits
- Performance and development for members of Xero’s XLT
- Appointment of, and succession planning for, members of Xero’s XLT (other than the CEO, which is overseen by the NGC)
- Representation, inclusion and belonging
- Other matters referred by the Board from time to time

More information about Xero’s approach to remuneration, including details of remuneration paid to directors, the CEO and the Chief Financial Officer (CFO), is set out in the Remuneration Report in Xero’s FY26 Annual Report, available on Xero’s Investor Centre at: [www.xero.com/investors](http://www.xero.com/investors).

### BOARD AND COMMITTEE MEMBERSHIP AND MEETING ATTENDANCE

Set out below are the members of Xero’s Board and standing Committees for FY26, the number of meetings scheduled in advance for the year, and attendance at those meetings. In FY26, in addition to the scheduled meetings, the Board held seven additional meetings and the NGC held one additional meeting.

Director	Board		Committees					
	Board		NGC		ARC		PRC	
	Scheduled meetings Held <sup>4</sup>	Attended	Scheduled meetings Held <sup>4</sup>	Attended <sup>5</sup>	Scheduled meetings Held <sup>4</sup>	Attended <sup>5</sup>	Scheduled meetings Held <sup>4</sup>	Attended <sup>5</sup>
David Thodey	6*	6	4*	4	5	(5)	5	(5)
Steven Aldrich	6	6	-	-	5	5	-	-
Mark Cross	6	6	-	-	5*	5	5	5
Anjali Joshi	6	6	-	-	-	-	5	5
Brian McAndrews	6	5	4	4	-	-	5	5
Dale Murray	6	6	-	-	5	5	-	-
Susan Peterson	6	6	4	4	5	(4)	5*	5

4. Held represents the number of meetings held while the relevant director was a member of the Board or the relevant standing Committee  
 5. Committee meetings are open to all directors to attend. Where the Chair of the Board or the Chair of a standing Committee has attended a meeting of a Committee of which he or she was not a member, this is indicated by (). The table does not otherwise report standing Committee attendance by directors who are not members of the relevant Committee. The Chair of the Board routinely attends all of the Committee meetings as indicated  
 \* Denotes Board/Committee Chair



# Executive Leadership Team

### APPOINTMENT

Before appointing a new member of Xero’s XLT, Xero undertakes appropriate background checks in relation to an appointee’s character, experience, education, criminal record and bankruptcy history to determine that candidate’s suitability. All members of Xero’s XLT are appointed pursuant to formal letters of appointment setting out the key terms and conditions of their appointment, including remuneration.

### EVALUATION OF THE EXECUTIVE LEADERSHIP TEAM

The Chair of the Board, with support from the PRC, reviews and evaluates the CEO’s performance and makes recommendations to the Board on the performance objectives for the CEO for the following year. The CEO, with oversight from the PRC, reviews the performance of the rest of Xero’s XLT.

The performance of Xero’s XLT is reviewed annually. Performance reviews are conducted by assessing each executive’s performance against specific quantitative and qualitative performance criteria. The assessment is then discussed with the PRC. The performance criteria against which the executives are assessed are aligned with Xero’s strategy and long-term value creation.

Performance reviews for Xero’s XLT took place for FY26 in accordance with this process. The remuneration for the CEO and CFO, including outcomes resulting from the performance reviews, is detailed in the Remuneration Report within Xero’s FY26 Annual Report, available on Xero’s Investor Centre at: [www.xero.com/investors](http://www.xero.com/investors).



# Shareholders

## SHAREHOLDER COMMUNICATION

### Investor Centre

Xero's website has a dedicated Investor Centre. This provides important information about Xero and its governance that is relevant to Xero's shareholders. Xero's Investor Centre includes:

- Xero's Board and Committee Charters, key governance policies, and Constitution
- Profiles of Xero's directors and XLT
- ASX Market Releases
- Full and half year financial results (the Annual Report and Interim Report) and investor presentations
- Links to live and archived webcasts or conference calls for financial results and other investor briefings
- Key upcoming dates in the financial calendar
- Historical financial reports and share price information
- Details of Xero's share registrar, MUFG Corporate Markets
- An online form to enable shareholders to send enquiries directly to the Xero investor relations team

For Xero's FY26 Databook, see [www.xero.com/sustainability](http://www.xero.com/sustainability) and for Xero's media releases, see [www.xero.com/media-releases](http://www.xero.com/media-releases).

### Annual Report and other shareholder communications

Alongside the publication of full and half year results on the ASX, Xero's Annual Report is made available to shareholders electronically (and by post on election) and includes relevant information about the operations of Xero, including Xero's financial results and other required disclosures. Each shareholder also receives a Notice of Meeting, inviting them to attend and participate in Xero's Annual Meeting. Shareholders may elect to communicate with Xero and its share registry electronically.

## INVESTOR RELATIONS PROGRAM

Xero has an investor relations team that operates a comprehensive and active investor relations program. The program supports Xero's commitment to ensure its shareholders receive important information in a timely and effective manner, and facilitates regular dialogue with shareholders. Activities undertaken as part of the investor relations program include:

- Post-results and ad hoc meetings with institutional shareholders and analysts
- Presentation and disclosure of Investor Day and other ad hoc market presentations, including the February 2026 investor briefing on global AI and US payments opportunities
- Attendance at a range of domestic, regional, and global investor conferences to meet with existing and potential shareholders in person or virtually
- Pre-Annual Meeting engagement with beneficial interest holders and the primary governance advisory bodies
- Engagement with the retail investor community through shareholder associations, including pre-Annual Meeting engagement

## ANNUAL MEETING

Xero encourages shareholders to participate in its Annual Meeting, including voting on the items listed in the Notice of Meeting and asking questions, as follows:

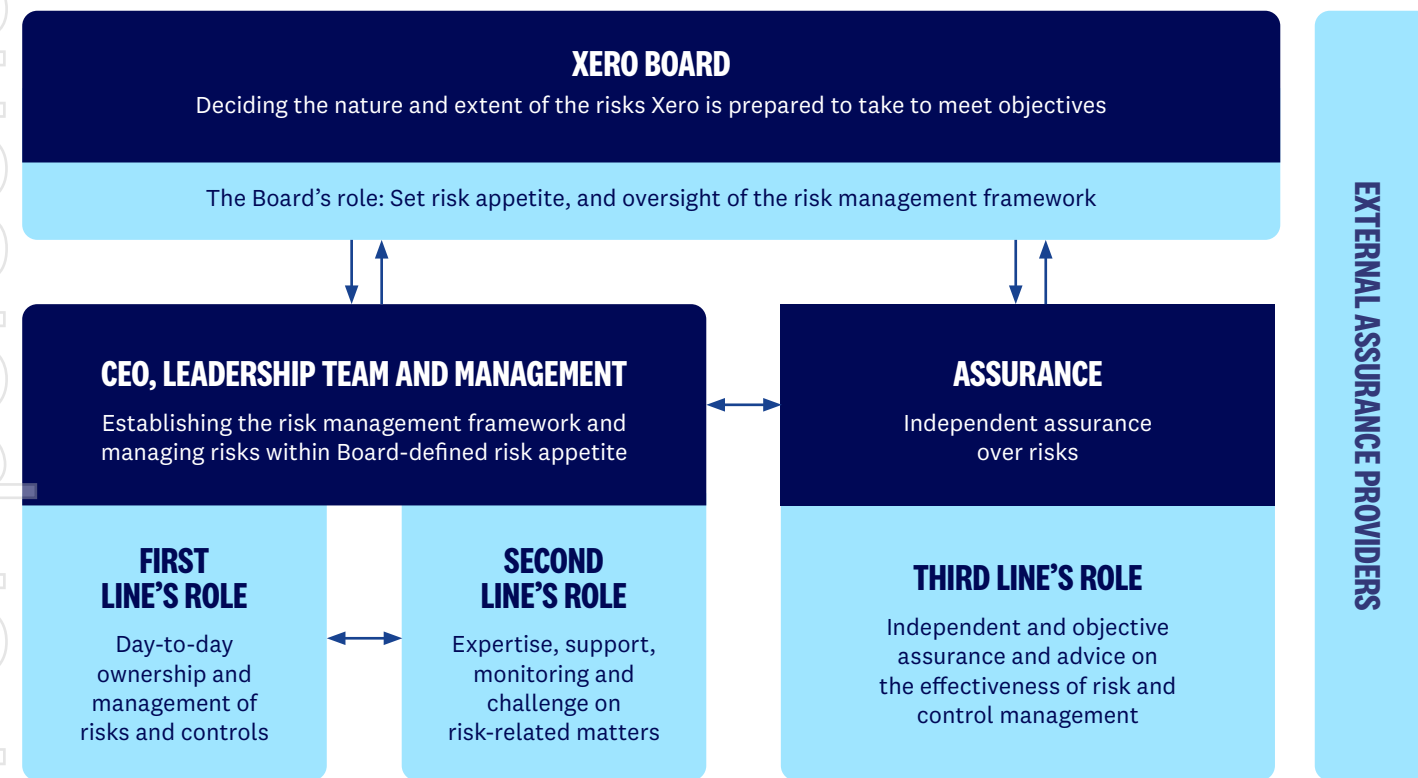
- Shareholders are notified of the Annual Meeting in advance of the meeting in accordance with regulatory requirements
- Shareholder voting is conducted via a poll, and shareholders may vote electronically during the meeting or in advance of the meeting by lodging a proxy
- Xero held a fully virtual Annual Meeting in 2025 via an online platform provided by Xero's share registrar, MUFG Corporate Markets. Shareholders were able to watch the meeting live, vote and ask questions online or by telephone. Recordings of past Annual Meetings and presentations are available on Xero's Investor Centre at: [www.xero.com/investors](http://www.xero.com/investors)
- Noting the geographical spread of its shareholders, Xero carefully plans the timing and format of its Annual Meeting to allow as many shareholders as possible to attend and participate

# Audit and risk management

## RISK MANAGEMENT

Risk management oversight and accountability is an integral part of Xero's governance. Xero has aligned accountability for managing risk to the globally recognised 'Three Lines Model'. Key roles are outlined in the diagram below.

### XERO'S RISK MANAGEMENT ACCOUNTABILITY - THREE LINES MODEL



**KEY** ↓ Accountability, reporting    ↑ Delegation, direction, resources, oversight    ↔ Alignment, communication, coordination, collaboration

The Board is ultimately responsible for overseeing Xero's risk management framework and setting the risk appetite within which the Board expects management to operate. The ARC assists the Board to oversee the risk management, compliance, corporate reporting, tax and audit practices of Xero and its subsidiaries.

The ARC Charter sets out its responsibilities for monitoring the adequacy and effectiveness, and management's implementation, of Xero's risk management framework. This includes how Xero identifies, assesses, monitors and manages current and emerging financial and non-financial risks.

The day-to-day implementation and monitoring of the risk management framework is the responsibility of Xero's XLT and management.

There are several components to Xero's overall approach to risk management, including:

- 'Risk Guardrails', which set out the risk appetite approved by the Board
- Policies and procedures covering key financial and non-financial risks
- Guidelines and limits for approval of all expenditure, including capital expenditure and investments, and non-financial commitments
- A structured hierarchy of governance forums providing rigorous oversight of our financial and non-financial risks, inclusive of financial services and payments risks

A key component of Xero's risk management framework is the regular review of key risks by Xero's XLT.

The enterprise risk profile is reviewed regularly by the XLT, ARC and Board. Reporting is provided on high-priority risks, including the status and progress of ongoing mitigation action plans. Forward-looking calendars for the Board and its Committees facilitate risk reporting that is both adequate and aligned with our highest-priority risks.

The Key Risks section of Xero's FY26 Annual Report and the Sustainability-related Risks section of Xero's FY26 Sustainability Report highlight a range of key risks including strategic, operational, environmental, and social sustainability-related risks and how Xero manages, or intends to manage, those risks.

For more information on Xero's approach to sustainability, see Xero's website at: [www.xero.com/sustainability](http://www.xero.com/sustainability).

### Review of risk appetite and risk framework

The ARC reviews the overall adequacy and effectiveness of Xero's risk management framework at least once a year. It also reviews management's implementation of the risk management framework in light of the risk appetite set by the Board.

The ARC conducted this review for FY26 and is satisfied that the current framework continues to be sound, and that Xero is operating with due regard to the risk appetite set by the Board. Xero will continue to invest in people, processes and technology to ensure that Xero's risk management framework continues to evolve with the business.

The ARC reviews the risk appetite principles and receives updates on key risk areas throughout the year.

### DECLARATION REGARDING FINANCIAL STATEMENTS

As a New Zealand-domiciled company, section 295A of the Australian Corporations Act 2001 (Cth) is not applicable to Xero. However, before the Board approves Xero's half or full year financial statements, the CEO and CFO provide a written declaration to the Board in accordance with the ASX Principles and Recommendations. This declaration confirms that, in their opinion:

- The financial records of Xero have been properly maintained
- The relevant financial statements and notes comply with the accepted accounting standards in New Zealand
- The financial statements give a true and fair view of the financial position and performance of Xero

The CEO and CFO also confirm to the Board that their opinion is formed on the basis of a sound system of risk management and internal control which is operating effectively.

### PROCESS FOR VERIFYING PERIODIC CORPORATE REPORTING

Xero is committed to providing shareholders and other external stakeholders with timely, consistent and transparent corporate reporting. The verification process for particular periodic corporate reports is tailored based on the nature of the relevant report and its subject matter.

Xero's annual financial statements are audited by the external auditor. Xero's interim financial statements are reviewed by the external auditor.

Xero has processes in place to verify the integrity of other periodic corporate reports, containing financial and non-financial information, prepared for the benefit of investors before they are released to the market. Any periodic report must be approved by the Board before it is released externally. The approval process generally includes review by the relevant business owner, subject-matter experts, investor relations, communications, assurance and legal to confirm that the material is factually accurate and fairly represents Xero's position, is consistent with other publicly released information, and complies with applicable legislation.



### EXTERNAL AUDIT

To ensure that the external auditor remains independent, all non-audit work or arrangements with the external audit firm must be approved by the ARC. The ARC reports to the Board annually on the provision of non-audit services by the external auditors.

Xero is committed to ensuring that the external auditor carries out its function independently and has adopted an Auditor Independence Policy. The policy requires that the senior audit

partner and review partner for Xero must be rotated at least every five years, with the senior audit partner responsible for the FY26 audit commencing as Xero's audit partner in FY26.

The independent audit review partner responsible for the FY26 audit commenced as Xero's review partner in FY25.

The policy also requires the external auditor to confirm annually that it has complied with all professional regulations relating to auditor competency and independence. In addition, the external auditor must report to the ARC twice per year that it has remained independent during the previous six months.

The external auditor attends and is available to answer shareholder questions at Xero's Annual Meetings.

### INTERNAL AUDIT

Xero has an assurance function which provides independent and objective assurance and advice on Xero's organisational governance, risk management and internal control processes. The assurance function assists the business in understanding and managing risk, and provides confidence that the key elements of the business that are relied on to manage risk are in place and working effectively.

The General Manager Assurance reports through the Executive General Manager Centre of Excellence and Transformation to the Chief Financial Officer and has a direct reporting line to the Chair of the ARC. The assurance function develops an assurance plan, which is approved by the ARC twice per year. The ARC receives and reviews reports regarding assurance activity undertaken and, through these reports, monitors the progress of management action plans.

# Building a representative and inclusive workforce

Xero serves customers in more than 180 countries around the world; our customers represent many different cultures, walks of life and personal circumstances. We consider building an open and inclusive workforce, which is representative of the customers and communities we serve, to be critical to delivering our purpose and strategy.

Cultivating an open and inclusive culture also allows Xero to attract and retain top talent, and to benefit from a diversity of perspectives as we seek to innovate and better serve all our stakeholders. We believe creating an organisation where all can thrive is key to fostering a high-performance culture.

The Board has ultimate responsibility for approving policies, practices and goals to cultivate a workforce where everyone feels valued and respected, and where different perspectives and backgrounds are well represented throughout Xero.

The PRC assists the Board in overseeing the work done by Xero's leadership team in relation to this, including making recommendations on, and monitoring Xero's progress towards, achieving these goals.

Xero's Representation, Inclusion and Belonging Policy sets out key elements of Xero's approach to attracting and retaining strong global talent and ensuring we create an open and inclusive environment for Xero employees.

Xero's Respect and Responsibility Policy supports a clear and consistent approach to equal opportunity, promotes a workplace free from discrimination, harassment, sexual harassment and bullying, and sets out the internal process to resolve concerns and complaints.

**Measurable objectives for Xero's gender balance and representation goals** and progress towards achieving those goals for FY26 are set out in the following table:<sup>6</sup>

	Gender representation goals	Female	Male	Non-binary/ Gender diverse	Total <sup>7</sup>
Directors	Xero maintains a gender balance on its Board with not less than 30% women and not less than 30% men. For the period to the end of FY27, the Board continues to aspire to have at least 40% women and 40% men as directors, with the remaining 20% unallocated to allow flexibility.	42.9% (3)	57.1% (4)	0% (0)	7
Senior leaders <sup>8</sup>		39.2% (29)	61.8% (45)	0% (0)	74
Employees <sup>9</sup>	45% representation of women among our senior leaders, and all employees by the end of FY27	43.2% (2226)	55.2% (2840)	0.6% (32)	5149
Technology Employees <sup>10</sup>		24.9% (416)	73.5% (1229)	1.1% (18)	1672

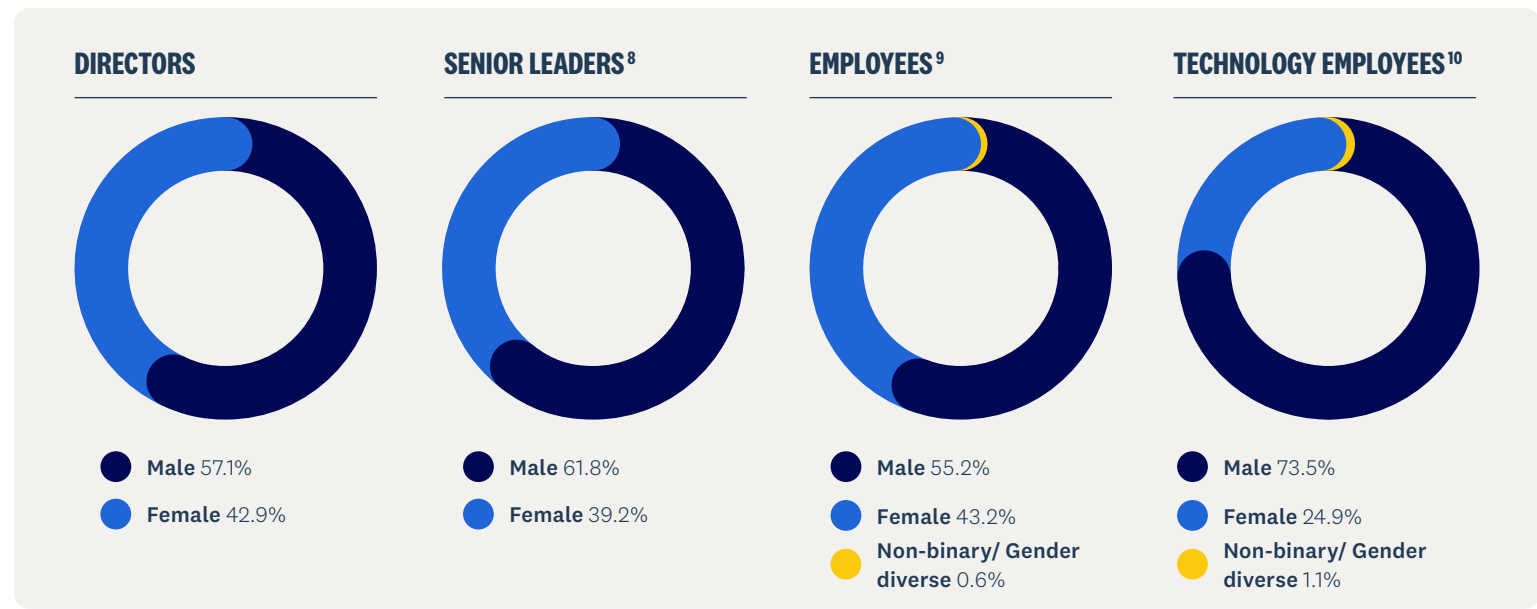
6. Gender data covers Xero's global workforce, excluding contingent workers. All data is self-reported, as at 31 March 2026

7. Xero has an optional gender identification question that allows employees to choose from the following options: female, male, gender diverse, non-binary, none of the options offered, and prefer not to say. Where employees have selected none of the options offered or prefer not to say, their responses are included in the total. 38 employees (0.7%) were excluded from the total because they have not responded to the gender identification question

8. In FY26, Xero updated its definition of senior leaders. Senior leaders now include roles meeting a minimum threshold as determined by a job evaluation methodology, and no longer include the CEO and senior executives with global roles reporting directly to the CEO. If this definition was applied for FY25, women represented 38.9% of senior leaders as at 31 March 2025

9. These figures include permanent full-time, permanent part-time, fixed-term, casual employees and interns, and do not include contingent workers

10. 'Technology Employees' are defined as employees within the Product Engineering, Data Science, and Security functions



**Measurable objectives for Xero's racial and ethnic representation goal for FY27** are set out in the following table:<sup>11</sup>

	Underrepresented Racial/Ethnic representation goal	Employees from Represented Racial/Ethnic Communities	Employees from Underrepresented Racial/Ethnic Communities <sup>12</sup>	Total <sup>13</sup>
All employees	By the end of FY27 we aim to have 10% of our workforce globally comprised of identified underrepresented racial groups	63.8% (2846)	7.2% (320)	4464

More information about Xero's progress towards achieving its goals for representation, and related programs and initiatives, is included in the People and Culture section of Xero's FY26 Sustainability Report, available on Xero's Investor Centre at [www.xero.com/investors](http://www.xero.com/investors), together with Xero's Representation, Inclusion and Belonging Policy.

11. Racial/ethnic data covers Xero's global workforce (full-time, permanent part-time, fixed-term, casual employees and interns), excluding contingent workers, contract workers, and workers in Denmark, Germany, Israel, Norway, Poland, South Africa, and Sweden, which have been removed due to no data currently being collected for race/ethnicity in the country. All data is self-reported, as at 31 March 2026

12. Underrepresented communities at Xero are identified as the following: Black, Hispanic or Latinx, Indigenous (US/Canada), Aboriginal, Oceanian, Torres Strait Islander (Australia), Māori and Pasifika (New Zealand), Black (UK)

13. Xero has an optional racial/ethnic identification question that allows employees to choose from options that are aligned to regional census options for racial/ethnic data. The percentages listed represent the proportion of the employee population in Xero's global workforce, excluding contingent workers, contract workers, and workers in the countries where Xero does not collect racial/ethnic data, as defined above

For personal use only

# Values

## WE MAKE IT XERO

Xero is, and always has been, a values-driven business. As a rapidly scaling global business, Xero's values are not only important internally but are integral to its brand and reputation. 'We make it Xero' is a set of behaviours that aligns with each of the Xero values and defines how the team should behave in interactions with one another and with external stakeholders. 'We make it Xero' is core to Xero's culture and identity.

Xero's key governance policies build on 'We make it Xero' and are important components in promoting good corporate governance. They include the Code of Conduct, Whistleblower Policy, Modern Slavery and Human Trafficking Statement, Continuous Disclosure Policy, and Share Trading Policy, which are available on Xero's Investor Centre at: [www.xero.com/investors/governance](http://www.xero.com/investors/governance).



## We make it beautiful

### Create experiences that customers love

We challenge ourselves to dream big, innovate, and inspire our customers, our communities, and each other with our best work.



## We make it happen

### Move fast on the right things to deliver value

We value progress over perfection, we drive clarity, decisiveness and accountability, and we continuously learn and refine.



## We make it human

### Care personally and challenge respectfully

We exchange ideas in a way that is specific, direct and kind, while demonstrating empathy, inclusivity and prioritising wellbeing.



## We make it together

### Collaborate to create a positive impact

We build trust through transparency, work as a coordinated team, seek diverse perspectives, and nurture positive relationships.

## Code of Conduct

Xero's Code of Conduct applies to all directors, officers, employees, contractors and consultants of Xero. The Code of Conduct details Xero's standards and values, and sets out expectations for behaviour and conducting business at Xero. The Code of Conduct is underpinned by Xero's policies, some of which are global and some of which are country-specific, and includes topics covering safety and wellbeing, respect and responsibility, and workplace behaviour. The Code of Conduct also sets out Xero's zero-tolerance approach to bribery, facilitation payments, and corruption in any form.

The PRC oversees ethical compliance, including material breaches of the Code of Conduct and the resulting actions taken by management. The Board is also informed of any material breaches of the Code of Conduct (including breaches of the anti-bribery and corruption requirements).

## Whistleblower Policy

Xero's Whistleblower Policy applies to Xero's current and former directors, officers, employees, contractors, consultants, associates of Xero, secondees, volunteers, interns, casual workers or agency workers, and to any current or former suppliers (whether paid or unpaid) and their employees. The policy also applies to the relatives, dependants, or spouses of any of those people.

The policy aims to encourage a culture of openness and accountability within Xero and to encourage its people to speak up about any concerns as soon as possible, and to provide confidentiality and protections and support for people who speak up under the policy. The PRC is informed of material incidents under the Whistleblower Policy and oversees the actions taken by management in response. The Board is also informed of any material incidents reported under the policy.

## Modern Slavery and Human Trafficking Statement

Each year Xero publishes a statement (on behalf of itself and Xero Australia Pty Limited under Australia's Modern Slavery Act 2018 (Cth) and on behalf of itself and Xero (UK) Limited under the United Kingdom's Modern Slavery Act 2015), setting out the actions that it has taken to understand and manage potential modern slavery and human trafficking risks in its operations and supply chains.

## Continuous Disclosure Policy

Xero's Continuous Disclosure Policy outlines the roles and responsibilities of all Xero directors and employees to ensure that Xero complies with its disclosure obligations under the ASX Listing Rules. The Continuous Disclosure Policy applies to all directors and employees of Xero, as well as any contractor, consultant, or other person who has agreed to comply with Xero's policies.

The Board is responsible for compliance with Xero's continuous disclosure obligations and has established a Disclosure Committee, comprising the CEO, CFO and Chief Legal Officer (CLO) & Company Secretary, to support this primary responsibility and provide assurance to the Board. Xero's CLO & Company Secretary is primarily responsible for overseeing and coordinating all communications with the ASX. Any briefing or presentation materials that contain price-sensitive information are released to the ASX before being communicated outside Xero. The Board is provided with copies of all material Market Releases as soon as possible after they have been released to the market.

Xero's representatives authorised to speak on behalf of Xero to investors and analysts are the Chair, CEO, CFO, Executive General Manager of Investor Relations, Senior Vice President Brand & Marketing Communications, General Manager, Global & Regional Communications, or their respective delegates, and any other person authorised by the CEO. The Chair of the PRC and the Chief People Officer (or their delegate) are authorised to speak to major investors, analysts and proxy advisors in relation to Xero's people and remuneration practices, including ahead of Xero's Annual Meeting.

## Share Trading Policy

Xero's Share Trading Policy governs dealings in Xero securities, and applies to all directors and employees of Xero, as well as any contractor, consultant or other person who has agreed to comply with Xero's policies, and their connected persons. The policy is designed to ensure acknowledgement of, and support compliance with, relevant insider trading laws, as part of Xero's commitment to good governance. Xero's Share Trading Policy prohibits transactions that are intended to hedge or otherwise limit the economic risk of invested or restricted Xero securities.

For personal use only

xero

**xero.com**