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MARKET RELEASE

Xero announces CEO succession, Sukhinder Singh Cassidy appointed

WELLINGTON, 10 November 2022 - Xero Limited (ASX: XRO) attaches for release to the market in accordance with the ASX Listing Rules:

- Market Release announcing the transition from Steve Vamos to Sukhinder Singh Cassidy as CEO of Xero Group, on 1 February 2023; and
- in accordance with ASX Listing Rule 3.16.4, a summary of the material terms of Sukhinder Singh Cassidy's employment agreement.

Authorised for release to the ASX by Xero's Board of Directors

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About Xero

[Xero](#) is a global small business platform with 3.5 million subscribers which includes a core accounting solution, payroll, workforce management, expenses and projects. Xero also has an extensive ecosystem of connected apps and connections to banks and other financial institutions helping small businesses access a range of solutions from within Xero's open platform to help them run their business and manage their finances. For three consecutive years (2020-2022) Xero was included in the Bloomberg Gender-Equality Index. In 2021, Xero was included in the Dow Jones Sustainability Index (DJSI), powered by the S&P Global Corporate Sustainability Assessment. Xero is a [FIFA Women's Football partner](#) under FIFA's new commercial structure.

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Xero announces CEO succession, Sukhinder Singh Cassidy appointed

Transition from Steve Vamos to new CEO to occur on 1 February 2023

WELLINGTON, 10 November 2022 (ASX:XRO) - The Board of Xero Limited (ASX: XRO) announces the appointment of Sukhinder Singh Cassidy as Xero's new CEO, from 1 February 2023. Sukhinder will succeed Steve Vamos who, after serving almost five years as CEO, is retiring from the role and plans to return to his previous portfolio in business coaching and leadership development as an advisor, director and investor.

Sukhinder is an experienced Silicon Valley executive, with more than 25 years' global leadership experience, including as President, Asia Pacific & Latin America at Google; President at StubHub; founder of theBoardlist; founder of Joyus, where she was CEO; and co-founder of Yodlee. She has significant public and private board experience with multiple companies.

Xero Chair David Thodey commented: "As Xero continues to focus on achieving our global ambitions, we're delighted to appoint someone of Sukhinder's calibre as CEO to lead Xero through our next phase of growth. Sukhinder's appointment follows a rigorous global recruitment process where we considered a number of exceptional candidates."

Sukhinder will start at Xero on 28 November 2022. She will work closely with Steve to manage the CEO transition, with Steve remaining available to advise through to the end of May 2023.

Mr Thodey continued: "Sukhinder is a purpose-driven and human-centred leader who is passionate about supporting our customers and is committed to growing and nurturing Xero's unique and vibrant culture."

"Founded in New Zealand and ASX-listed, Xero has enormous opportunities to accelerate the adoption of cloud and digital technologies by accountants, bookkeepers and small businesses around the world. Sukhinder is based in Northern California and expects to spend considerable time in New Zealand, Australia and Xero's other international markets."

"We also want to acknowledge Steve's significant contribution to Xero's growth and development as a global business. Steve has led Xero from 1.4 million to 3.5 million subscribers; from \$484.4 million to \$1.5 billion annualised monthly recurring revenue; and total subscriber lifetime value (LTV) from \$3.2 billion to \$13 billion."

"Steve has overseen significant expansion of Xero including completing several acquisitions in Canada, the US, Sweden, Singapore, Denmark, Australia and the UK; completing two capital raises; operationalising our global sales team and go-to-market channels; and introducing sustainability and climate targets for Xero."

"Steve is a highly respected leader. He led our people, customers and partners through COVID as many of our small business customers, bookkeepers, accountants, and ecosystem partners had to adapt the way they operated and find pathways for business survival."

Steve Vamos commented: "I'm excited about Sukhinder's appointment and believe she is very well placed to lead Xero through its next phase of development. I'm looking forward to working with Sukhinder to

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achieve a smooth leadership transition. Sukhinder has the opportunity to take Xero to the next level and continue to deliver world-class products and services that are critical for our customers and partners.”

“It has been a privilege to build on the legacy of our founder Rod Drury to position Xero for continued growth around the world. Our partners, customers and other key stakeholders increasingly recognise the benefits of cloud applications and services which support small business success.”

Sukhinder Singh Cassidy commented: “I’m thrilled to be appointed as CEO, and appreciate the Xero Board’s confidence in me. What excites me about Xero is the people and culture of the company and the passion Xero’s partners and customers have for our product as well as the large Total Addressable Market opportunity.”

“I believe Xero is a critical business tool for small businesses and their advisors. There are huge opportunities in front of us and I’m committed to building on the business’ great momentum, in line with Xero’s values. I’m looking forward to meeting Xero’s people, partners, customers and shareholders around the world, and leading the business through its next stage.”

Steve Vamos is entitled to his remuneration for the period of employment and his statutory benefits. His short term and long term incentives will be treated in accordance with their terms, with the Board exercising its discretion to allow his deferred short term incentive and his long term incentives to remain on foot, pro rating his long term incentives for the period of employment, and any vested options to be exercised within two years of the applicable vesting date.

About Sukhinder Singh Cassidy

Sukhinder Singh Cassidy is an experienced CEO, digital leader and board member with more than 25 years’ experience building and scaling global companies including Google, Amazon, Yodlee, Joyus and StubHub.

From 2018-2020, as the President of StubHub Inc (a subsidiary of eBay) - a leading global ticketing marketplace for live entertainment with US\$5 billion in GMV, and over US\$1 billion in global revenues - Sukhinder was responsible for the platform’s operations across its US and international sites. She also served as a member of eBay’s global executive leadership team.

Sukhinder has deep international and fintech experience. She was founder, Chair and CEO of Joyus from 2011-2017. From 2003-2009, Sukhinder was President, Asia Pacific & Latin America at Google, where she successfully built its operations from less than US\$100 million in revenue into a multi-billion dollar business, spanning 103 countries. Prior to Google, Sukhinder co-founded fintech pioneer Yodlee in 1999 and served as SVP of Sales and Business Development.

A Canadian national, Sukhinder is strongly associated with technology companies in Silicon Valley. She started her career in investment banking with Merrill Lynch in New York and London. She currently serves on the board of publicly traded fintech, Upstart. She also has previous experience serving on the boards of Ericsson, Trip Advisor, Urban Outfitters, Stitchfix and J.Crew.

Sukhinder is an advocate for advancing diversity and inclusion; in 2015 she founded theBoardList, an online talent marketplace connecting CEOs with qualified diverse board candidates who are peer endorsed. She is also the author of the Wall Street Journal best-seller, “Choose Possibility” which offers advice on how to manage and optimise risk-taking for professional growth.

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Material terms of Sukhinder Singh Cassidy’s employment agreement as CEO of Xero Group

Key terms	Details
Commencement date	1 February 2023 – commence role as Chief Executive Officer (CEO). 28 November 2022 - commence employment (transition into role of CEO).
Role	Chief Executive Officer. Ms Singh Cassidy may be appointed to the Board of directors of Xero Limited at a later date.
Term	No fixed term. Ongoing until terminated by either party in accordance with the employment contract.
Total Fixed Remuneration	Base salary of USD\$700,000 per annum (base salary), excluding superannuation.
Short Term Incentive (STI)	STI target opportunity each financial year of 100% of base salary. FY23 pro rata opportunity is USD\$233,333 (maximum opportunity of USD\$350,000 is based on 130% of base salary), based on employment commencement date. FY23 Award will be subject to satisfaction of performance targets set by the Board and delivered 50% in cash and 50% as deferred equity.
Long Term Incentive(LTI)	LTI maximum opportunity for FY23 of USD\$2.5m, and for FY24 of USD\$5m provided as Restricted Stock Units (RSUs) under the Xero Limited USA Incentive Scheme. The maximum opportunity is based on USD\$5,000,000 per annum, pro rated based on employment commencement date. The target opportunity is based on USD\$4,000,000 per annum). For the FY23 grant 40% of RSUs to be granted with a service condition (up until the vesting date, which is expected to be May 2025). 60% of RSUs to be granted with performance conditions assessed over a 3 year performance period (1 April 2022 to 31 March 2025). Performance measures are Compound Annual Revenue Growth (75% weight) and Relative Total Shareholder Return (25% weight).

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	LTI opportunity in future years to be determined by the Board.
Initial equity grant	Options to be granted in January 2023 under the Xero Limited USA Incentive Scheme: Three equal tranches, each valued at USD\$3,333,333 at grant, and vesting in November 2023, November 2024 and in November 2025.
Cessation of employment	<p>Either party may terminate the employment by giving twelve months' notice. Xero may require Ms Singh Cassidy to serve out the notice period or may elect to pay Ms Singh Cassidy in lieu of notice.</p> <p>Xero may summarily terminate the employment without notice in certain circumstances (including serious misconduct).</p> <p>Ms Singh Cassidy may terminate the employment without notice for good reason if their role is changed without consent, there is a substantial diminution in their duties, responsibilities or authority, there is a material diminution of base salary or total annual compensation, or a significant relocation of primary place of employment. In this case, Ms Singh Cassidy is entitled to be treated as if Xero had given 12 months' notice.</p> <p>If Xero gives 12 months' notice or the CEO terminates the employment for good reason, and Xero elects to pay Ms Singh Cassidy in lieu of notice, a payment equivalent to 12 months' total package to be paid/equity entitlement to remain on foot and any incentives will be treated in accordance with the terms of the relevant incentive arrangements. All of the initial equity grant will remain on foot in accordance with the terms of grant. In addition, if the CEO terminates the employment for good reason and Xero elects to pay Ms Singh Cassidy in lieu of notice, 12 months' worth of health insurance will be provided.</p>
Other terms	Ms Singh Cassidy's employment will be primarily based in the United States of America and the employment agreement is governed by the law in force in the State of California. The agreement contains general provisions relating to compliance with Xero's policies, reimbursement of expenses (including an annual allowance of USD\$25,000 for certain legal, tax and coaching services), travel and leave entitlements, confidentiality and intellectual property. Xero's standard US employee benefits apply, including medical and insurance benefits.