



Xero Limited

Continuous Disclosure Policy

1. Purpose

Xero Limited (**Xero** or **we**) is committed to providing the market with timely, clear, accurate and balanced disclosure consistent with our continuous disclosure obligations, so that trading in our securities can take place in an informed market. This policy outlines how we comply with our continuous disclosure obligations.

Separate Continuous Disclosure Procedures (**Procedures**) provide more detailed guidance on the effective implementation of this policy.

2. Scope and Application

This policy applies to:

- all directors and employees of Xero or its subsidiaries; and
- contractors, consultants or other personnel who have agreed to comply with Xero's policies.

References to “**you**” in this policy are references to everyone to whom the policy applies, unless the context requires otherwise.

3. Xero's continuous disclosure obligation

Xero must **immediately** notify the ASX of any **price sensitive information** (defined below) about itself of which it becomes aware, unless an exception applies. This requirement is known as the **continuous disclosure obligation**.

We must not release price sensitive information to any person (e.g. the media or an analyst) until we have first given the information to the ASX, and have received an acknowledgement that the ASX has released the information to the market.

Price sensitive information

This is information about Xero which a reasonable person would expect to have a material effect on the price or value of Xero securities. This means information that would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy, or sell Xero securities.

This not only includes financial and other 'quantifiable' matters but could also include strategic or reputational 'qualitative' matters that are potentially significant issues for Xero.

Immediately

Immediate means 'promptly and without delay'. Although the length of time will depend on the circumstances, information must be disclosed to the ASX as quickly as possible and must not be deferred, postponed or put off to a later time.

Exceptions to the continuous disclosure obligation

Disclosure to the market is not required where **all** of the following three requirements are satisfied:

1. One or more of the following five situations apply:
 - it would breach the law to disclose the information;
 - the information concerns an incomplete proposal or negotiation;
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - the information is generated for the internal management purposes of Xero; or
 - the information is a trade secret; **and**
2. The information is confidential (and the ASX has not formed the view that it has ceased to be confidential); **and**
3. A reasonable person would not expect the information to be disclosed.

As soon as any one of these three requirements is no longer satisfied (e.g. if the information is reported in the media so is no longer confidential), we must immediately comply with our continuous disclosure obligation, including potentially making an announcement earlier than we would otherwise have wanted to.

False market

A **false market** refers to a situation where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery. For example, this could arise where there is false or misleading information, including a false rumour, circulating in the market.

If the ASX considers that there is, or is likely to be, a false market in Xero's securities, it may require us to disclose price sensitive or other information to correct or prevent the false market even if the exception to the continuous disclosure obligation would otherwise apply.

Consequences of breach

If we breach our continuous disclosure obligations under the ASX Listing Rules, the ASX may suspend trading in Xero's securities or, in extreme cases, may delist Xero from the ASX. Breach of the continuous disclosure obligations could also result in regulatory action against Xero, damage claims, and reputational consequences.

4. Issuing Market Releases

Xero discloses price sensitive information by way of a written announcement released to the ASX, and any other exchange on which Xero securities are listed (**Market Release**), in accordance with this policy and the Procedures.

Xero ensures publication of any Market Releases on the ASX Market Announcements Platform before that release is provided to investors, the media or other stakeholders, or is published on Xero's website.

Rapid approval process

If the Disclosure Committee believes that a Board meeting to consider a proposed Market Release about a **significant** or **reserved matter** (both defined below) cannot be convened within a timeframe that would allow Xero to comply with its continuous disclosure obligations:

1. the Disclosure Committee will seek approval of the proposed Market Release from the Chair or, where the Chair cannot be contacted, the Chair of the Audit and Risk Management Committee **or**

2. if both the Chair and the Chair of the Audit and Risk Management Committee cannot be contacted within the required timeframe, the Disclosure Committee will approve the release for disclosure to the market, and immediately provide it to each member of the Board. The Market Release must then be considered by the Board at the first possible opportunity following its release to determine what, if any, further steps need to be taken by Xero.

5. Roles in relation to Xero's continuous disclosure obligation

Your role

As soon as you become aware of information that could potentially be price sensitive information, you must escalate it to a Responsible Officer (see below), or if they are not available, a member of the Disclosure Committee.

Role of Responsible Officers

The Chief Executive Officer (**CEO**) and each member of the executive leadership team is a **Responsible Officer**. Responsible Officers must report all information which may require disclosure to a member of the Disclosure Committee, and take any necessary steps to maintain the confidentiality of the information.

Responsible Officers must also implement appropriate procedures in their area of responsibility to ensure that all information that could be price sensitive is reported to them immediately and the confidentiality of that information is maintained.

Role of the Disclosure Committee

The Board has established the Disclosure Committee to support, and provide assurance to, the Board in relation to the discharge of Xero's continuous disclosure obligations. The members of the Disclosure Committee are the CEO, the Chief Financial Officer (**CFO**), the Chief Legal Officer (**CLO**) and the Company Secretary. The role and operation of the Disclosure Committee is set out in the Disclosure Committee Charter.

Role of Company Secretary

Xero's Company Secretary is primarily responsible for overseeing and coordinating all communications with the ASX and any other exchange on which Xero is listed, and for educating directors and staff on Xero's disclosure policies and procedures.

Role of the Board

The Board has overall responsibility for Xero's continuous disclosure framework to ensure that our continuous disclosure obligations are met. The usual procedure for making disclosures is through the Disclosure Committee as outlined in the Disclosure Committee Charter.

Board approval and input will only be required for matters that are clearly within the reserved powers of the Board (and responsibility has not been delegated to management) (**reserved matters**) or where a Market Release relates to **significant matters**, including:

- material market updates, including earnings guidance or other releases regarding forecasts, or the future prospects of Xero
- interim and full year results
- dividend policy and dividend determinations
- share buybacks and capital reductions
- equity capital raisings or issuing material debt
- company transforming events
- takeovers, mergers, de-mergers, restructures, schemes of arrangement and all other transactions involving a transfer of control
- any matter about which directors make a recommendation to shareholders
- any other matter that the Board or Disclosure Committee determines to be a significant matter

The Board is provided with copies of all material Market Releases as soon as possible after they have been released to the market.

6. Trading halts and suspensions from trading

Xero may request a trading halt to prevent trading in Xero's securities taking place on an uninformed basis, to correct or prevent a false market, or to otherwise manage its continuous disclosure obligations.

Decisions about trading halts will be made by the Disclosure Committee (to the extent possible, in consultation with the Chair or the Chair of the Audit and Risk Management Committee). If the Disclosure Committee is unable to convene promptly, the Company Secretary (to the extent possible, in consultation with the Chair or the Chair of the Audit and Risk Management Committee) is authorised to make a decision to request a trading halt.

If a decision is made to request a trading halt, the Company Secretary is responsible for coordinating and lodging the request with the ASX.

It is intended that Xero would only request a trading halt in limited cases, where immediate disclosure to the ASX would not be sufficient and / or possible. As a matter of general guidance, a trading halt may be necessary in circumstances where a Market Release is clearly required and will be made, but cannot be released immediately (for example, because the Board will shortly consider the matter).

A request for voluntary suspension following a trading halt requires Board approval.

7. Authorised representatives

The only people authorised to speak on behalf of Xero to major investors and analysts are the Chair, the CEO, the CFO, the EGM Investor Relations, the EGM Communications, the GM Corporate Communications, or their respective delegates, and any other person authorised by the CEO. Xero's Investor Communications Policy applies to these authorised representatives and their communications.

Any questions or enquiries from analysts, the investment community or shareholders should be referred to the EGM Investor Relations or the CFO.

Any questions or enquiries from the media should be referred to the EGM Communications or the GM Corporate Communications, unless you have appropriate prior authorisation to deal with the media.

8. Communications

Communications with the investment community and shareholders

We will only refer to or provide publicly available information or information that is not price sensitive when communicating with the investment community and shareholders. All briefing or presentation materials for market analysts or shareholders must be approved by the CEO, CFO, CLO or the Company Secretary. Any briefing or presentation materials that contains price sensitive information will be released to the ASX before being communicated outside Xero.

If a Xero representative inadvertently discloses information in a briefing that may be price sensitive but has not been previously disclosed to the market, it must be immediately referred to the Disclosure Committee.

Further information on how we communicate with analysts, the investment community and shareholders, including who at Xero is authorised to do so, is set out in the Investor Communications Policy.

Pre-results blackout period

To prevent inadvertent disclosure of price sensitive information, during the period between the end of a relevant financial reporting period and the actual results release, you must not discuss financial performance, forecasts or estimates with investors, analysts, or the media unless the information discussed has previously been disclosed to the ASX.

Rumours and speculation

Xero has procedures to monitor what commentators, analysts and investors are writing about Xero both in print and digital media.

Xero will not generally comment on rumours or market speculation, unless we are required to do so to comply with our continuous disclosure obligations, required to do so by ASX or ASIC, or if it is in our best interests.

9. Confidential information

You must take measures to protect Xero's confidential information and must not comment publicly or to third parties on any confidential information or use it for any purpose other than for which it is intended.

In particular, you must not disclose confidential information to any person outside Xero unless required by Xero policy or to comply with a law (e.g. disclosure to a regulator). Failure to maintain the confidentiality of price sensitive information may mean that Xero can no longer rely on the exception to the continuous disclosure obligation and that the information must be disclosed to the market.

10. Consequences of breaching this policy

Xero regards its continuous disclosure obligation as very important and breach of this policy may lead to disciplinary action against the person committing the breach, including dismissal.

11. Questions

Questions about continuous disclosure and this policy should be sent to the Company Secretary (companysecretary@xero.com).

12. Review of policy

This Board will review this policy periodically to check that it is operating effectively and update it when required.

Last reviewed: November 2021