xero

MARKET RELEASE

Xero revises CEO pay to global peer benchmark

New package is aligned to globally comparable technology peers

WELLINGTON, 24 August 2026 — Xero Limited (ASX: XRO) has reviewed the remuneration package for CEO Sukhinder Singh Cassidy to align her target remuneration with globally relevant technology industry peers.

Xero Chair David Thodey said: "The Board has undertaken a considered, thorough and consultative process as part of its normal annual review of executive remuneration. Since starting as CEO in February 2023, Singh Cassidy has driven high growth, improved profitability, accelerated product delivery and executed strongly against Xero's FY25-27 strategy. The changes to the package are to provide alignment with relevant benchmarks. As part of the process, we consulted with a number of major shareholders, many of whom acknowledged the need to adjust her compensation package to align with relevant benchmarks given performance."

Key changes

The benchmarking process showed that CEO total target remuneration (TTR) sat at the 25th percentile prior to the review. The board has moved the CEO's TTR to the 50th percentile of the US peer group (refer Appendix 1 for details) resulting in:

- A US$640,000 base salary.
- A target Short Term Incentive (STI) for each financial year which remains at 100% of base salary
- A Long Term Incentive (LTI) target opportunity and Long Term Equity (LTE) opportunity for FY27 of US$17,220,000[1] in total provided with RSUs[2] to be granted in August 2026.

Due to the vesting profile of LTI & LTE, approximately 60% of FY27 TTR vests in three years time. Until then, the CEO's realisable pay is expected to be materially below TTR. FY27 realisable pay is currently projected at US$4.4m[3].

In making this change, the Board reaffirms that no changes will be made to the existing options grants and that no further options grants will be made to the CEO.

The Board has made the decision to introduce a minimum shareholding requirement. For KMP's this comprises a multiple of annual base salary (5x for CEO, 2x for CFO), to be achieved within three years, refer Appendix 2 for further details.

Chair of Xero's People and Remuneration Committee Susan Peterson said: "Sukhinder's remuneration has been benchmarked against packages paid to US-based CEOs of globally comparable companies in the technology sector. In light of recent share price movements, we re-confirmed the appropriateness of the market disclosed peer group. Consistent with our Xero-wide remuneration principle to pay local market rates, and due to her extensive experience as a career-long US domiciled executive, Sukhinder's compensation has been benchmarked to the market median of the disclosed peer group."

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[1] No changes in split between Xero's existing performance-based and service-based weighting (40% service and 60% performance base at maximum opportunity). No changes to Xero's existing LTI performance measures of Revenue CAGR, Average FCF margin and relative TSR over the three year LTI period

[2] Restricted Stock Units

[3] Calculated based on increased base salary combined with STI and LTI / LTE already vested in May at AUD$75.17 converted at an AU:US FX rate of 0.7169

Consistent with Xero's remuneration principles and benchmarking approach, the Board has also reviewed the remuneration of the Chief Financial Officer, Claire Bramley, resulting in TTR increasing to the market median[4]. This aims to ensure performance is fairly rewarded and key talent is retained to successfully execute Xero's strategy.

Guidance & aspiration statements re-affirmed, share count impact to be neutralised
Xero reiterates its existing FY27 Revenue and Adjusted-EBITDA guidance which is unchanged and fully incorporates the financial impact of these remuneration adjustments. These changes also do not impact Xero's FY28 aspirations and Melio breakeven guidance. For further details on these items refer to Xero's FY26 results announcement.

Associated share grants for employees are planned to be covered within Xero's existing up to AU$550 million program to offset dilution associated with staff share-based compensation in FY27. Xero's share-based compensation remains disciplined and materially below its US peer group benchmark.

Authorised for release to the ASX by the Board.

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About Xero

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[4]RSU grants associated with these updated remuneration arrangements for Xero executives for FY27 will be made in the week commencing 24 August 2026. In line with past practice grants will be made at maximum achievement of LTI target, with final vesting dependent on LTI outcomes assessed at the end of FY29. These grants are included in Xero's existing program to offset dilution associated with share based compensation in FY27.

Appendix 1 - Details of benchmarking used to inform new CEO remuneration package

The following table lists the companies that form part of the US peer group used as the primary comparator for benchmarking US-based executives, including the CEO. This is identical to the US peer group published in Xero's FY26 Remuneration Report.

US Peer Group			
Ticker	**Org name**	**Ticker**	**Org name**
APPF	AppFolio	PCTY	Paylocity Holding
BILL	BILL Holdings	QLYS	Qualys
DOCU	DocuSign	SNOW	Snowflake
DT	Dynatrace	TEAM	Atlassian
FRSH	Freshworks	TWLO	Twilio
GTLB	GitLab	VEEV	Veeva Systems
HUBS	HubSpot	WIX	Wix.com
MDB	MongoDB	WDAY	Workday
OKTA	Okta	ZM	Zoom Communications
PAYC	Paycom Software	ZS	Zscaler

The following table includes the CEO's previous and new remuneration package, compared against the median of the US peer group used for benchmarking the CEO's new remuneration package. The change in the CEO's package and market data for annual TTR will position the CEO's base and annual TTR at the median (i.e. 50th percentile) of the US peer group.

US CEO Annual Pay Benchmarking					
All figures US$'000	**Xero CEO**				**US Peer Group**
	Previous		**New**		**Quantum**
Element	**Quantum**	**Positioning**	**Quantum**	**Positioning**	**50th**
Base Salary	**540**	**30th**	**640**	**50th**	**638**
Target Bonus (% of Base)	100%	-	100%	-	100%
Target Total Cash[5]	1,080	40th	1,280	50th	1,276
Target LTI[6]	**14,120**	**25th**	**17,220**	**50th**	**16,898**
Total Target Rem	**15,200**	**25th**	**18,500**	**50th**	**18,500**

[5]Inclusive of STI 50% deferred RSU component
[6]Inclusive of LTE component

Appendix 2 - Details of Xero Minimum Shareholding Policy

Xero has decided to adopt a minimum shareholding policy requiring Covered Persons to acquire and maintain a minimum shareholding equivalent to a multiple of annual base salary (i.e 500% for the CEO and 200% for the CFO) within three years of the policy's commencement or their appointment as a Covered Person.

For the purpose of the minimum shareholding requirement, each share acquired is valued at its Current market value (the volume weighted average price over the 12-month period ending on the last day of the relevant financial year), or, where the purchase price exceeds that value by more than 15%, at the purchase price. The aggregate value is compared against the Covered Persons base salary, converted at the average AU$ exchange rate for that financial year against the currency in which their fixed remuneration is paid.

During the accumulation period, Covered Persons must retain at least 25% of the after-tax value of Xero shares received on vesting of equity incentives in the first two years, increasing to 50% in the third year until the requirement is met.

Xero shares held directly or by associated entities and closely related parties, through trusts or superannuation funds and vested RSUs count towards the requirement. Unvested equity awards and all options (whether unexercised or unvested) do not count.