

2 February 2018

XERO LIMITED (XRO)

NOTIFICATION OF ALLOTMENT OF SECURITIES

For the purpose of Listing Rule 7.12.1 and 7.12.9 of the NZX Listing Rules, Xero Limited advises the following securities have been issued:

Class of Securities	Ordinary Shares
ISIN	NZXROE0001S2
Number of securities issued	1,851 Ordinary Shares
Issue price	1,851 Ordinary Shares were issued upon vesting of 2,954 Restricted Stock Units (RSUs) granted under the Xero Limited (USA) Equity Incentive Scheme (US Scheme) as part of the remuneration package of certain employees based in the United States. 1,103 RSUs granted under the US Scheme were cancelled in connection with income tax withholding upon vesting of those RSUs. No cash consideration was required to be paid for these RSUs to vest
Payment in cash	No cash consideration was required to be paid for these RSUs to vest
Any amount paid up (if not in full)	Fully paid
Percentage of total class issued (excluding treasury stock)	0.001% (as a percentage of Ordinary Shares on issue after this issue, to 3 d.p.)
Reasons for the issue	1,851 Ordinary Shares were issued upon vesting of 2,954 RSUs granted under the US Scheme as part of the remuneration package of certain employees based in the Unites States
Specific authority for the issue	Resolution of directors upon granting of RSUs

Terms or details of the issue	1,851 Ordinary Shares were issued upon vesting of 2,954 RSUs granted under the US Scheme as part of the remuneration package of certain employees based in the United States. The RSUs vested subject to the terms of the US Scheme
Total number of securities of the class in existence after the issue (excluding treasury stock)	138,449,071 Ordinary Shares on issue 417,130 RSUs (a conditional contractual right to be issued up to 417,130 Ordinary Shares) outstanding, taking into account all forfeited RSUs to date, and the 2,954 RSUs that have vested as set out in this notification of allotment Note that there are also 2,225,133 unlisted options (convertible into Ordinary Shares on a 1:1 basis) outstanding, taking into account all forfeited options to date
Date of issue	1 February 2018
Number of Securities Converted	2,954 RSUs granted to certain employees based in the United States under the US Scheme
Number and Class of Securities into which they have been Converted	1,851 Ordinary Shares (1,103 RSUs granted under the US Scheme were cancelled in connection with income tax withholding upon vesting of RSUs)
Details of any interest or dividend conditions attaching to Securities Converted, and allotted upon Conversion	None
Number of Securities of the same class that remain to be Converted	417,130 RSUs (taking into account all forfeited RSUs to date, and the RSUs that have vested as set out in this notification of allotment)

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