

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity	Xero Limited
ARBN	160 661 183

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Bill Veghte
Date of last notice	17 February 2014

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	(a) Indirect (b) Direct
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	(a) Trustee of trust as registered holder of 5,000 Ordinary Shares – beneficiaries of the trust are immediate family members (b) N/A
Date of change	24 July 2014
No. of securities held prior to change	(a) None (b) 62,785 Options to subscribe for Ordinary Shares in Xero Limited (each option entitling the holder to subscribe for one Ordinary Share in Xero Limited). The material terms of these Options are set out in the Appendix 3B released by Xero Limited to ASX on 12 February 2014.
Class	(a) Ordinary Shares (b) Unlisted Options to subscribe for Ordinary Shares
Number acquired	(a) 5,000 Ordinary Shares (b) N/A
Number disposed	N/A

+ See chapter 19 for defined terms.

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Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	(a) NZ\$121,856.76 for 5,000 Ordinary Shares at NZ\$24.371352 per share (b) N/A
No. of securities held after change	(a) 5,000 Ordinary Shares (b) 62,785 Options to subscribe for Ordinary Shares
Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	On-market purchase of shares

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	
Interest acquired	
Interest disposed	
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
Interest after change	

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	Prior trading clearance required for directors at all times.
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⁺ See chapter 19 for defined terms.

If so, was prior written clearance provided to allow the trade to proceed during this period?	
If prior written clearance was provided, on what date was this provided?	Prior trading clearance provided on 23 July 2014

+ See chapter 19 for defined terms.