



## Ongoing Disclosure Notice

### Disclosure of Directors and Senior Managers Relevant Interests

Sections 297(2) and 298(2), Financial Markets Conduct Act 2013

To NZX Limited; and
Name of listed issuer:
Date this disclosure made:
Date of last disclosure:

Xero Limited (XRO)
13 February 2015
Not applicable

#### Director or senior manager giving disclosure

Full name(s):
Name of listed issuer:
Name of related body corporate (if applicable):
Position held in listed issuer:

Doug Jeffries
Xero Limited (XRO)
Not applicable
Chief Financial Officer

#### Summary of acquisition or disposal of relevant interest (excluding specified derivatives)

Class of affected quoted financial products:
Nature of the affected relevant interest(s):
For that relevant interest-
Number held in class before acquisition or disposal:
Number held in class after acquisition or disposal:
Current registered holder(s):
Registered holder(s) once transfers are registered:

(a) Ordinary Shares in Xero Limited ( <b>Ordinary Shares</b> ); (b) Unlisted conditional contractual right to be issued Ordinary Shares in Xero Limited ( <b>Restricted Stock Units or RSUs</b> ); (c) Unlisted options to acquire Ordinary Shares in Xero Limited ( <b>Options</b> )
(a) Legal ownership of Ordinary Shares; (b) Conditional right pursuant to an Agreement with Xero Limited to be issued Ordinary Shares in Xero Limited, subject to the terms of the Agreement and the terms of the Xero Limited (USA) Equity Incentive Scheme. The material terms relating to this right are set out more fully in the Notification of Allotment of Securities released by Xero Limited to NZX, and Appendix 3B released to ASX, each dated 11 February 2015 (such Notification of Allotment and Appendix 3B, the " <b>Notices</b> "); (c) Holder of Options to subscribe for Ordinary Shares in Xero Limited (each Option entitling the holder to subscribe for one Ordinary Share in Xero Limited subject to the terms of the Xero Limited (USA) Equity Incentive Scheme). The material terms of the Options are set out more fully in the Notices.
(a) None; (b) None; (c) None
(a) 5,000 (upon vesting of 5,000 RSUs as described more fully in the Notices); (b) 83,475 (taking into account vesting of 5,000 RSUs as described more fully in the Notices); (c) 200,000
Not applicable
Doug Jeffries

#### Summary of acquisition or disposal of specified derivatives relevant interest (if applicable)

Type of affected derivative:
Class of underlying financial products:
Details of affected derivative-
The notional value of the derivative (if any) or the notional amount of underlying financial products (if any):
A statement as to whether the derivative is cash settled or physically settled:
Maturity date of the derivative (if any):
Expiry date of the derivative (if any):
The price specified in the terms of the derivative (if any):
Any other details needed to understand how the amount of the consideration payable under the derivative or the value of the derivative is affected by the value of the underlying financial products:
For that derivative,-
Parties to the derivative:
If the director or senior manager is not a party to the derivative, the nature of the relevant interest in the derivative:

Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable

#### Details of transactions giving rise to acquisition or disposal

Total number of transactions to which notice relates:
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3
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**Details of transactions requiring disclosure-**

Date of transaction(s):
Nature of transaction(s):
Name of any other party or parties to the transaction (if known):
The consideration, expressed in New Zealand dollars, paid or received for the acquisition or disposal. If the consideration was not in cash and cannot be readily converted into a cash value, describe the consideration:
Number of financial products to which the transaction related:
<i>If the issuer has a financial products trading policy that prohibits directors or senior managers from trading during any period without written clearance (a closed period) include the following details—</i>
Whether relevant interests were acquired or disposed of during a closed period:
Whether prior written clearance was provided to allow the acquisition or disposal to proceed during the closed period:
Date of the prior written clearance (if any):

10 February 2015
(a) Issue of shares upon vesting of RSUs allocated under the Xero Limited (USA) Equity Incentive Scheme; (b) allocation of RSUs under the Xero Limited (USA) Equity Incentive Scheme; (c) grant of Options under the Xero Limited (USA) Equity Incentive Scheme, in each case as more fully described in the Notices.
Not applicable
(a) 5,000 Ordinary Shares were issued upon vesting of 5,000 RSUs granted pursuant to the Xero Limited (USA) Equity Incentive Scheme as remuneration and incentive for Doug Jeffries (in his role as CFO); (b) RSUs were granted pursuant to the Xero Limited (USA) Equity Incentive Scheme as remuneration and incentive for Doug Jeffries (in his role as CFO). No cash consideration is required to be paid for the RSUs to vest; (c) Options were granted pursuant to the Xero Limited (USA) Equity Incentive Scheme as remuneration and incentive for Doug Jeffries (in his role as CFO). The exercise price is NZ\$16.05 per Option (being the volume weighted average price of an Ordinary Share in Xero Limited on the NZX Main Board for the 20 trading days prior to the date of the grant).
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**Summary of other relevant interests after acquisition or disposal:**

Class of quoted financial products:
Nature of relevant interest:
<i>For that relevant interest, -</i>
Number held in class:
Current registered holder(s):
<i>For a derivative relevant interest, -</i>
Type of derivative:
<b>Details of derivative, -</b>
The notional value of the derivative (if any) or the notional amount of underlying financial products (if any):
A statement as to whether the derivative is cash settled or physically settled:
Maturity date of the derivative (if any):
Expiry date of the derivative (if any):
The price's specified terms (if any):
Any other details needed to understand how the amount of the consideration payable under the derivative or the value of the derivative is affected by the value of the underlying financial products:
<i>For that derivative relevant interest, -</i>
Parties to the derivative:
If the director or senior manager is not a party to the derivative, the nature of the relevant interest in the derivative:

Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable
Not applicable

**Certification**

I certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.
Signature of director or officer:
Date of signature: 12/2/2015

12 February 2015