

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	1 December 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) Direct (options to subscribe for Ordinary Shares in Xero Limited (Options)) (b) Indirect
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	(a) N/A (b) FNZ Custodians Limited (on behalf of Bean Brook Farm 2013 Annuity Trust (Trust)) is the registered holder of 26,000 Ordinary Shares. Bill Veghte is the trustee of the Trust and beneficiaries of the Trust are immediate family members
Date of change	12 February 2015
No. of securities held prior to change	(a) 62,785 Options (b) 26,000 Ordinary Shares
Class	(a) Unlisted Options (b) Ordinary Shares
Number acquired	(a) 25,730 Options (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) The Options have been granted pursuant to the Xero Limited (USA) Equity Incentive Scheme as remuneration and incentive for Bill Veghte, in his role as director. The Options have an exercise price of NZ\$16.14 per Option, being the 5 day volume weighted average price of Xero Limited's Ordinary Shares on the NZX Main Board for the five trading days prior to the date of grant (b) N/A
No. of securities held after change	(a) 88,515 Options (b) 26,000 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>	25,730 Options have been granted pursuant to the Xero Limited (USA) Equity Incentive Scheme as remuneration and incentive for Bill Veghte, in his role as director. The material terms of the Options are more fully set out in the Appendix 3B released by Xero Limited to ASX, dated 12 February 2015

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

⁺ See chapter 19 for defined terms.

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Were the interests in the securities or contracts detailed above traded during a ⁺ closed period where prior written clearance was required?	N/A
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

⁺ See chapter 19 for defined terms.