

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	19 November 2015

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 (c) 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) National Financial Services LLC (on behalf of Bean Brook Farm 2013 Annuity Trust (Trust)) is the holder of 26,000 Ordinary Shares in Xero Limited (Ordinary Shares). Bill Veghte is the trustee of the Trust and beneficiaries of the Trust are immediate family members. These Ordinary Shares were recently transferred from FNZ Custodians Limited (on behalf of the Trust) to National Financial Services LLC (on behalf of the Trust) (c) National Financial Services LLC (on behalf of the Trust) is the holder of 15,321 Ordinary Shares in the form of securities purchased in the US through OTC Markets as "XROLF" (OTC Securities). Bill Veghte is the trustee of the Trust and beneficiaries of the Trust are immediate family members
Date of change	12 February 2016

+ See chapter 19 for defined terms.

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No. of securities held prior to change	(a) 88,515 Options (b) 26,000 Ordinary Shares (c) 15,321 OTC Securities
Class	(a) Unlisted Options (b) Ordinary Shares (c) OTC Securities
Number acquired	(a) 29,530 Options (b) N/A (c) N/A
Number disposed	N/A
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\$16.00 per Option, being the 20 day volume weighted average market price of Xero Limited's Ordinary Shares on the NZX Main Board through to 11 February 2016 (b) N/A (c) N/A
No. of securities held after change	(a) 118,045 Options (b) 26,000 Ordinary Shares (c) 15,321 OTC Securities
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>	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). Additional details relating to the Options are set out in the Appendix 3B released by Xero Limited to ASX on 15 February 2016

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>	

+ See chapter 19 for defined terms.

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?	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.