

To NZX Limited; and

Name of listed issuer:

Ongoing Disclosure Notice

Disclosure of Directors and Senior Managers Relevant Interests

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

Date this disclosure made:	<u>1</u> November 2016
Date of last disclosure:	5 August 2016
Director or senior manager giving disclosure	[O. J. N.
Full name(s):	Sankar Narayan
Name of listed issuer:	Xero Limited (XRO)
Name of related body corporate (if applicable):	Not applicable
Position held in listed issuer:	Chief Financial Officer
Summary of acquisition or disposal of relevant interest (excluding s	specified derivatives)
Class of affected quoted financial products:	(a) Ordinary shares in Xero Limited (Ordinary Shares); (b) Unlisted conditional contractual right to be issued Ordinary Shares in Xero Limited (Restricted Stock Units or RSUs)
Nature of the affected relevant interest(s):	(a) Legal ownership of Ordinary Shares; (b) Holder of RSUs, subject to the terms of the Xero Limited Restricted Stock Unit and Option Plan (AU) (AU Plan)
For that relevant interest-	
Number held in class before acquisition or disposal:	(a) 1,694; (b) 111,869
Number held in class after acquisition or disposal:	(a) 34,694; (b) 78,869
Current registered holder(s):	(a) Sankar Narayan; (b) Sankar Narayan
Registered holder(s) once transfers are registered:	(a) Sankar Narayan; (b) Sankar Narayan
Summary of acquisition or disposal of specified derivatives relevan	nt interest (if applicable)
Type of affected derivative:	Not applicable
Class of underlying financial products:	Not applicable
Details of affected derivative-	

Xero Limited (XRO)

The notional value of the derivative (if any) or the notional amount of underlying financial Not applicable products (if any): A statement as to whether the derivative is cash settled or physically settled: Not applicable Maturity date of the derivative (if any): Not applicable Expiry date of the derivative(if any): Not applicable The price specified in the terms of the derivative (if any): Not applicable 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 Not applicable financial products: For that derivative.-Parties to the derivative: Not applicable If the director or senior manager is not a party to the derivative, the nature of the relevant Not applicable interest in the derivative: Details of transactions giving rise to acquisition or disposal Total number of transactions to which notice relates: Details of transactions requiring disclosure-Date of transaction: 26 October 2016 Issue of Ordinary Shares upon vesting of RSUs Nature of transaction: allocated under the AU Plan Name of any other party or parties to the transaction (if known): Not applicable 33,000 Ordinary Shares were issued upon vesting of 33,000 RSUs granted under the AU Plan as part The consideration, expressed in New Zealand dollars, paid or received for the acquisition of the remuneration or disposal. If the consideration was not in cash and cannot be readily by converted into a package of Sankar cash value, describe the consideration: Narayan (in his role as Chief Financial Officer). No cash consideration was required to be paid for the RSUs to vest Number of financial products to which the transaction related: 1 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 detailsDocuSign Envelope ID: 1B318AF5-1B39-4E76-B4E4-228EEE595618

Not applicable Whether relevant interests were acquired or disposed of during a closed period: Not applicable. Issue of Ordinary Shares upon Whether prior written clearance was provided to allow the acquisition or disposal to vesting of RSUs in proceed during the closed period: accordance with the rules of the AU Plan Date of the prior written clearance (if any): Not applicable Summary of other relevant interests after acquisition or disposal: Options to acquire Ordinary Class of quoted financial products: Shares (Options) Holder of Options, each Option entitling the holder Nature of relevant interest: to subscribe for one Ordinary Share subject to the terms of the AU Plan For that relevant interest,-Number held in class: 291.000 Current registered holder(s): Sankar Narayan For a derivative relevant interest,-Type of derivative: Not applicable Details of derivative,-The notional value of the derivative (if any) or the notional amount of underlying financial Not applicable products (if any): A statement as to whether the derivative is cash settled or physically settled: Not applicable Maturity date of the derivative (if any): Not applicable Expiry date of the derivative (if any): Not applicable The price's specified terms (if any): Not applicable 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 Not applicable financial products: For that derivative relevant interest,-Not applicable Parties to the derivative: Not applicable If the director or senior manager is not a party to the derivative, the nature of the relevant Not applicable interest in the derivative: 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. DocuSigned by: Signature of director or officer: FBF43015DE0243A.

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