



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)
12 August 2016
12 February 2016

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:

Lee Hatton
Xero Limited (XRO)
Not applicable
Director

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:

Ordinary shares in Xero Limited (Ordinary Shares)
Legal ownership of Ordinary Shares
6,266
8,069
Lee Hatton
Lee Hatton

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

Type of affected derivative:
Class of underlying financial products:

Not applicable
Not applicable

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:

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

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

Details of transactions giving rise to acquisition or disposal

Total number of transactions to which notice relates:

1

Details of transactions requiring disclosure-

Date of transaction:
Nature of transaction:
Name of any other party or parties to the transaction (if known):

10 August 2016
Issue of Ordinary Shares
Not applicable

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:

NZ\$19.4084 per Ordinary Share, being the 20 day volume weighted average price of Xero Limited's Ordinary Shares on the NZX Main Board through to 9 August 2016. The Ordinary Shares were issued to Lee Hatton, in lieu of cash, as remuneration for her role as a director of Xero Limited for the preceding six-month period, to a value of NZ\$34,993.35 (Lee Hatton's current total annual remuneration for her role as director of Xero Limited is NZ\$70,000). The issue of Ordinary Shares to Lee Hatton was approved by shareholders at Xero Limited's Annual Meeting held in July 2016

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 details—

Whether relevant interests were acquired or disposed of during a closed period:

Not applicable

Whether prior written clearance was provided to allow the acquisition or disposal to proceed during the closed period:

Not applicable

Date of the prior written clearance (if any):

Not applicable

Summary of other relevant interests after acquisition or disposal:

Class of quoted financial products:

Ordinary Shares

Nature of relevant interest:

Ordinary Shares held by spouse

For that relevant interest,-

Number held in class:

200

Current registered holder(s):

Christopher Hatton

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 products (if any):

Not applicable

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 financial products:

Not applicable

For that derivative relevant interest,-

Parties to the derivative:

Not applicable

If the director or senior manager is not a party to the derivative, the nature of the relevant interest in the derivative:

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:

Lee Hatton

Date of signature:

12 August 2016