

3 April 2017

XERO LIMITED (XRO)

NOTIFICATION OF ALLOTMENT OF SECURITIES

For the purpose of Listing Rule 7.12.1 and 7.12.9 of the NZSX Listing Rules, Xero Limited advises the following securities have been issued:

Class of Securities	Ordinary shares in Xero Limited (Ordinary Shares)
ISIN	NZXROE0001S2
Number of securities issued	105,256 Ordinary Shares
Issue price	4,850 Ordinary Shares were issued upon vesting of 4,850 Restricted Stock Units (RSUs) granted under the Xero Limited Restricted Stock Unit and Option Plan (AU) (AU Plan) as part of the remuneration package of a key employee based in Australia. 842 Ordinary Shares were issued upon vesting of 842 RSUs granted under the Xero Limited Restricted Stock Unit and Option Plan (NZ) (NZ Plan) as part of the remuneration package of employees based in Singapore. 99,564 Ordinary Shares were issued upon vesting of 170,082 RSUs granted under the Xero Limited (USA) Equity Incentive Scheme (US Scheme) as part of the remuneration package of employees based in the United States. 70,518 RSUs granted under the US Scheme were cancelled in connection with income tax withholding for employees based in the United States upon vesting of those RSUs. No cash consideration was required to be paid for these RSUs to vest
Payment in cash	No cash consideration was required to be paid for these RSUs to vest
Any amount paid up (if not in full)	Fully paid
Percentage of total class issued (excluding treasury stock)	0.076% (as a percentage of Ordinary Shares on issue after this issue, to 3 d.p.)

Reasons for the issue	4,850 Ordinary Shares were issued upon vesting of 4,850 RSUs granted under the AU Plan as part of the remuneration package of a key employee based in Australia. 842 Ordinary Shares were issued upon vesting of 842 RSUs granted under the NZ Plan as part of the remuneration package of employees based in Singapore. 99,564 Ordinary Shares were issued upon vesting of 170,082 RSUs granted under the US Scheme as part of the remuneration package of employees based in the United States
Specific authority for the issue	Resolution of directors upon granting of RSUs
Terms or details of the issue	4,850 Ordinary Shares were issued upon vesting of 4,850 RSUs granted under the AU Plan as part of the remuneration package of a key employee based in Australia. The RSUs vested subject to the terms of the AU Plan, which require continued employment of the relevant employee with the Xero Limited Group on the relevant vesting date. 842 Ordinary Shares were issued upon vesting of 842 RSUs granted under the NZ Plan as part of the remuneration package of employees based in Singapore. The RSUs vested subject to the terms of the NZ Plan, which require continued employment of the relevant employee with the Xero Limited Group on the relevant vesting date. 99,564 Ordinary Shares were issued upon vesting of 170,082 RSUs granted under the US Scheme as part of the remuneration package of employees based in the United States. The RSUs vested subject to the terms of the US Scheme, which require continued employment of the relevant employee with the Xero Limited Group on the relevant vesting date

Total number of securities of the class in existence after the issue (excluding treasury stock)	137,761,136 Ordinary Shares on issue 345,338 “Restricted Stock Units” or RSUs (a conditional contractual right to be issued up to 345,338 Ordinary Shares) outstanding, taking into account all forfeited RSUs to date, and the 175,774 RSUs that have vested as set out in this notification of allotment Note that there are also 2,188,001 unlisted options (convertible into Ordinary Shares on a 1:1 basis, subject to the terms of the relevant option plan) outstanding, taking into account all forfeited options to date
Date of issue	31 March 2017
Number of Securities Converted	4,850 RSUs granted to a key employee based in Australia under the AU Plan; 842 RSUs granted to employees based in Singapore under the NZ Plan; and 170,082 RSUs granted to employees based in the United States under the US Scheme
Number and Class of Securities into which they have been Converted	105,256 Ordinary Shares (70,518 RSUs granted under the US Scheme were cancelled in connection with income tax withholding for employees based in the United States upon vesting of RSUs)
Details of any interest or dividend conditions attaching to Securities Converted, and allotted upon Conversion	None
Number of Securities of the same class that remain to be Converted	345,338 RSUs (taking into account all forfeited RSUs to date, and the RSUs that have vested as set out in this notification of allotment)

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