



## 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:   | Xero Limited (XRO)   |
| Date this disclosure made:   | 5 April 2017   |
| Date of last disclosure:   | 5 August 2016  |
| <b>Director or senior manager giving disclosure</b>  |  |
| Full name(s):  | Tony Stewart   |
| Name of listed issuer:   | Xero Limited (XRO)   |
| Name of related body corporate (if applicable):  | Not applicable   |
| Position held in listed issuer:  | Chief Data Officer   |
| <b>Summary of acquisition or disposal of relevant interest (excluding specified derivatives)</b>   |  |
| Class of affected quoted financial products:   | Ordinary Shares in Xero Limited<br><b>(Ordinary Shares)</b>  |
| Nature of the affected relevant interest(s):   | (a) Legal ownership of Ordinary Shares; (b) Beneficial ownership of Ordinary Shares through the Xero Limited Employee Restricted Share Plan (the Plan)   |
| <b>For that relevant interest-</b>   |  |
| Number held in class before acquisition or disposal:   | (a) 465; (b) 46,032  |
| Number held in class after acquisition or disposal:  | (a) 15,963; (b) 30,534   |
| Current registered holder(s):  | (a) Tony Stewart; (b) Xero Trustee Limited   |
| Registered holder(s) once transfers are registered:  | (a) Tony Stewart; (b) Xero Trustee Limited   |
| <b>Summary of acquisition or disposal of specified derivatives relevant interest (if applicable)</b>   |  |
| Type of affected derivative:   | Not applicable   |
| Class of underlying financial products:  | Not applicable   |
| <b>Details of affected derivative-</b>   |  |
| 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 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 financial products:                      | Not applicable   |
| <i>For that derivative,-</i>   |  |
| 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   |
| <b>Details of transactions giving rise to acquisition or disposal</b>  |  |
| Total number of transactions to which notice relates:  | 1  |
| <b>Details of transactions requiring disclosure-</b>   |  |
| Date of transaction (s):   | 31 March 2017  |
| Nature of transaction (s):   | Vesting of Ordinary Shares under the Plan  |
| Name of any other party or parties to the transaction (if known):  | Transfer of legal ownership of Ordinary Shares from Xero Trustee Limited to Tony Stewart   |
| 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: | 15,498 Ordinary Shares were granted in accordance with the Plan (as part of the remuneration package of Tony Stewart). The legal ownership for such Ordinary Shares has now been transferred to Tony Stewart |
| 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—

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|--|
| Whether relevant interests were acquired or disposed of during a closed period:  |
| Whether prior written clearance was provided to allow the acquisition or disposal to proceed during the closed period: |
| Date of the prior written clearance (if any):  |

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| Yes   |
| Not applicable. Transfer in accordance with the rules of the Plan |
| Not applicable  |

**Summary of other relevant interests after acquisition or disposal:**

|                                     |
|-------------------------------------|
| Class of quoted financial products: |
| Nature of relevant interest:        |

|   |
|---|
| Options to acquire Ordinary Shares (Options)  |
| Holder of Options, each Option entitling the holder to subscribe for one Ordinary Share subject to the terms of the Xero Limited Restricted Stock Unit and Option Plan (NZ) |

For that relevant interest,-

|                               |
|-------------------------------|
| Number held in class:         |
| Current registered holder(s): |

|              |
|--------------|
| 70,000       |
| Tony Stewart |

For a derivative relevant interest,-

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|---------------------|
| Type of derivative: |
|---------------------|

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| Not applicable |
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**Details of derivative,-**

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| 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's specified terms (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: |
| For that derivative relevant interest,-   |
| 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 |
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |
| Not applicable |

**Certification**

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| 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:   |
| Date of signature:  |

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| DocuSigned by:<br><i>Tony Stewart</i><br>1A3727E40BFE42B... |
| 04 April 2017   04:34:43 PDT                                |