

6 January 2017

XERO LIMITED (XRO)

NOTIFICATION OF ALLOTMENT OF SECURITIES

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

Class of Securities	Ordinary Shares
ISIN	NZXROE0001S2
Number of securities issued	74,815 Ordinary Shares
Issue price	74,815 Ordinary Shares were issued upon vesting of 100,567 Restricted Stock Units (RSUs) granted under the Xero Limited Restricted Stock Unit and Option Plan (AU) (AU Plan) and the Xero Limited (USA) Equity Incentive Scheme (US Scheme) as part of the remuneration package of two key employees based in Australia and the United States, respectively. 25,752 RSUs granted under the US Scheme were cancelled in connection with income tax withholding for the key employee 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)	0.054% (as a percentage of Ordinary Shares on issue after this issue, to 3 d.p.)
Reasons for the issue	74,815 Ordinary Shares were issued upon vesting of 100,567 RSUs granted under the AU Plan and US Scheme as part of the remuneration package of two key employees based in Australia and the United States, respectively
Specific authority for the issue	Resolution of directors upon granting of RSUs

Terms or details of the issue	74,815 Ordinary Shares were issued upon vesting of 100,567 RSUs granted under the AU Plan and the US Scheme as part of the remuneration package of two key employees based in Australia and the United States, respectively. The RSUs vested subject to the terms of the AU Plan and the US Scheme, as applicable
Total number of securities of the class in existence after the issue (excluding treasury stock)	137,619,980 Ordinary Shares on issue 552,509 RSUs (a conditional contractual right to be issued up to 552,509 Ordinary Shares) outstanding, taking into account all forfeited RSUs to date, and the 100,567 RSUs that have vested as set out in this notification of allotment Note that there are also 2,330,348 unlisted options (convertible into Ordinary Shares on a 1:1 basis) outstanding, taking into account all forfeited options to date
Date of issue	6 January 2017
Number of Securities Converted	100,567 RSUs granted to two key employees based in Australia and the United States under the AU Plan and the US Scheme, respectively
Number and Class of Securities into which they have been Converted	74,815 Ordinary Shares (25,752 RSUs granted under the US Scheme were cancelled in connection with income tax withholding for the key employee 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	552,509 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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