Rule 3.19A.2

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity: Xero Limited (XRO)
ABN: 160 661 183

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	William Lewis Veghte (Bill Veghte)
Date of last notice	3 October 2017 (Ongoing Disclosure Notice under NZ Financial Markets Conduct Act 2013 lodged on ASX)

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	(a) Direct (b) Direct (c) Indirect
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	(a) Ordinary shares in Xero Limited (**Ordinary Shares**) held by Bill Veghte (b) Holder of unlisted options to subscribe for Ordinary Shares (**Options**) (c) Ordinary Shares held by National Financial Services LLC on behalf of Bean Brook Farm 2013 Annuity Trust. Bill Veghte is the trustee of the trust and beneficiaries of the trust are immediate family members
Date of change	24 May 2018
No. of securities held prior to change	(a) 18,695 Ordinary Shares (b) 55,260 Options (c) 27,117 Ordinary Shares

+ See chapter 19 for defined terms.

Class	(a) Ordinary Shares (b) Options (c) Ordinary Shares
Number acquired	4,333 Ordinary Shares
Number disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	Ordinary Shares were issued to Bill Veghte at an issue price of AU$39.66 per share, being the 20 day volume weighted average market price of Ordinary Shares on the Australian Securities Exchange through to 23 May 2018
No. of securities held after change	(a) 23,028 Ordinary Shares (b)55,260 Options (c) 27,117 Ordinary Shares
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Ordinary Shares were issued to Bill Veghte, in lieu of cash, as remuneration for his role as a director of Xero Limited for the period from 12 August 2017 to the day before the date of issue

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	
Nature of interest	
Name of registered holder **(if issued securities)**	
Date of change	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	
Interest disposed	

+ See chapter 19 for defined terms.

Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	
Interest after change	

Part 3 – +Closed period

Were the interests in the securities or contracts detailed above traded during a +closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

+ See chapter 19 for defined terms.