



**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:

22 December 2014

Nature of transaction:

Allocation of Ordinary Shares under the Xero Limited Employee Restricted Share Plan

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

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:

Ordinary Shares allocated, as part of the remuneration package of Duncan Ritchie, at a value of NZ\$16.81 per share (being the 20 day volume weighted average market price of Ordinary Shares on the NZX Mainboard through to 19 December 2014)

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:

Legal ownership of Ordinary Shares

*For that relevant interest,-*

Number held in class:

63,127

Current registered holder(s):

Duncan Ritchie

*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:

A handwritten signature in black ink, consisting of a stylized 'S' followed by a long horizontal stroke that tapers to the right.

Date of signature:

24 December 2014

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