

Disclosure of movement of 1% or more in substantial holding  
or change in nature of relevant interest, or both

*Sections 277 and 278, Financial Markets Conduct Act 2013*

**To NZX**  
and  
**To Xero Limited**

Relevant event being disclosed: **Movement of 1% or more in substantial holding and change in nature of relevant interest**

Date of relevant event: 27 April 2017

Date this disclosure made: 27 April 2017

Date last disclosure made: 18 April 2017

**Substantial product holder(s) giving disclosure**

Full name(s): Matrix Capital Management Company, LP and Matrix Capital Management Master Fund, LP.

**Summary of substantial holding**

Class of quoted voting products: Ordinary Shares (XRO)

Summary for **Matrix Capital Management Company, LP**

For **this** disclosure,—

- (a) total number held in class: 11,767,306
- (b) total in class: 137,761,136
- (c) total percentage held in class: 8.542%

For **last** disclosure,—

- (a) total number held in class: 11,767,306
- (b) total in class: 137,761,136
- (c) total percentage held in class: 8.542%

Summary for **Matrix Capital Management Master Fund, LP**

For **this** disclosure,—

- (a) total number held in class: 11,767,306
- (b) total in class: 137,761,136

(c) total percentage held in class: 8.542%

For **last** disclosure,—

(a) total number held in class:

Beneficial Ownership: 11,767,306

Registered Holder: 13,197,103

(b) total in class: 137,761,136

(c) total percentage held in class:

Beneficial Ownership: 8.542%

Registered Holder: 9.580%

**Details of transactions and events giving rise to relevant event**

Details of the transactions or other events requiring disclosure: Off-market sale on April 14, 2017 (NZT) by Matrix Capital Management Company, LP of 1,011,172 Ordinary Shares to TCV IX NZ, L.P., 285,315 Ordinary Shares to TCV IX NZ (A), L.P., 54,004 Ordinary Shares to TCV IX NZ (B), L.P., and 79,306 Ordinary Shares TCV IX NZ (MF), L.P for consideration, of NZD\$20 per share, being total consideration of NZD\$28,595,940, pursuant to a Share Purchase Agreement, with settlement now having occurred.

**Details after relevant event**

Details for *Matrix Capital Management Company, LP*

Nature of relevant interest(s): Matrix Capital Management Company, LP is the investment advisor to Matrix Capital Management Master Fund, LP via an investment management agreement. The relevant interest arising under the investment management agreement arises only from the powers of investment contained in the investment management agreement. Pursuant to the investment management agreement, Matrix Capital Management Company, LP, manages the General Partner of the Fund (Matrix Investment Advisers, LP), and has the authority to exercise the voting rights attached to financial products, to purchase and sell financial products, enter into contracts in connection with investments in financial products, and other actions not inconsistent with its role as investment adviser.

A relevant agreement document need not be attached under regulation 142.

For that relevant interest,—

(a) number held in class: 11,767,306

(b) percentage held in class: 8.542%

(c) current registered holder(s): Matrix Capital Management Master Fund, LP (13,197,103 Shares).

- (d) registered holder(s) once transfers are registered: Matrix Capital Management Master Fund, LP (11,767,306 Shares), and TCV IX NZ, L.P. (1,011,172 Ordinary Shares), TCV IX NZ (A), L.P. (285,315 Ordinary Shares), TCV IX NZ (B), L.P. (54,004 Ordinary Shares), TCV IX NZ (MF), L.P. (79,306 Ordinary Shares).

*Details for Matrix Capital Management Master Fund, LP*

Nature of relevant interest(s): Matrix Capital Management Master Fund, LP, is the registered holder and beneficial owner of 11,756,803 Ordinary Shares.

A relevant agreement document need not be attached under regulation 141.

For that relevant interest,—

- (a) number held in class: 11,756,803
- (b) percentage held in class: 8.542%
- (c) current registered holder(s): Matrix Capital Management Master Fund, LP (13,197,103 Shares).
- (d) registered holder(s) once transfers are registered: Matrix Capital Management Master Fund, LP (11,767,306 Ordinary Shares) and TCV IX NZ, L.P. (1,011,172 Ordinary Shares), TCV IX NZ (A), L.P. (285,315 Ordinary Shares), TCV IX NZ (B), L.P. (54,004 Ordinary Shares), TCV IX NZ (MF), L.P. (79,306 Ordinary shares).

**Additional information**

Address(es) of substantial product holder(s): C/- Quigg Partners, Level 7, 36 Brandon Street, Wellington, New Zealand

Contact details: C/- David Quigg, (04) 474 0755, [davidquigg@quiggpartners.com](mailto:davidquigg@quiggpartners.com)

*Nature of connection between substantial product holders:* Matrix Capital Management Company, LP is the investment adviser to Matrix Capital Management Master Fund, LP, via an investment management agreement. Pursuant to the investment management agreement, Matrix Capital Management Company LP manages the General Partner of the Fund (Matrix Investment Advisers, LP), and has the authority to exercise the voting rights of securities, to purchase and sell securities, enter into contracts in connection with investments in securities, and other actions not inconsistent with its role as investment adviser.

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: n/a

**Certification**

I, **David James Quigg** 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.



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**David James Quigg**

Solicitor to the Substantial Security Holder