

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

Note: This form must be completed in accordance with the instructions at the end of the form.

To NZX Limited
and
To Xero Limited

Relevant event being disclosed: Change in nature of relevant interest and movement of 1% or more in substantial holding

Date of relevant event: 17 November 2017

Date this disclosure made: 17 November 2017

Date last disclosure made: 26 November 2015

Substantial product holder(s) giving disclosure

Full name(s): Anna Margaret Clare Drury, Rodney Kenneth Drury and Scott Moran as trustees of the Rodanna Ventures Trust

Summary of substantial holding

Class of quoted voting products: Fully paid ordinary shares in Xero Limited (**Xero**)

Summary for Anna Margaret Clare Drury, Rodney Kenneth Drury and Scott Moran as trustees of the Rodanna Ventures Trust

For **this** disclosure,—

- (a) total number held in class: **17,719,779**
- (b) total in class: **138,415,220**
- (c) total percentage held in class: **12.802%**

For **last** disclosure,—

- (a) total number held in class: **20,719,779**
- (b) total in class: **136,626,860**
- (c) total percentage held in class: **15.165%**

./

Details of transactions and events giving rise to relevant event

Details of the transactions or other events requiring disclosure:

1. On 17 November 2017 Anna Margaret Clare Drury, Rodney Kenneth Drury and Scott Moran as trustees of the Rodanna Ventures Trust entered into a transfer of 3,000,000 ordinary shares in Xero shares to HSBC Nominees (New Zealand) as custodian of those shares, being a change in relevant interest but not beneficial ownership;
2. On 17 November 2017 HSBC Nominees (New Zealand) Limited as custodian for Anna Margaret Clare Drury, Rodney Kenneth Drury and Scott Moran as trustees of the Rodanna Ventures Trust sold 3,000,000 shares for the price of \$31.50 per share for a total consideration of \$94,500,000 with settlement occurring on 17 November 2017 by way of a book build executed on market.

Details after relevant event

Details for Rodney Kenneth Drury, Anna Margaret Clare Drury and Scott Moran as trustees of the Rodanna Ventures Trust

Nature of relevant interest(s): **registered holder of financial products**

For that relevant interest,—

- (a) total number held in class: **17,719,779**
- (c) total percentage held in class: **12.802%**
- (d) registered holder(s) once transfers are registered: **Anna Margaret Clare Drury, Rodney Kenneth Drury and Scott Moran**

For a derivative relevant interest, also—

- (a) type of derivative: **N/A**
- (b) details of derivative: **N/A**
- (c) parties to the derivative: **N/A**
- (d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: **N/A**

Additional information

Address(es) of substantial product holder(s): **Level 1, 50-64 Customhouse Quay, Wellington, 6011, New Zealand**

Contact details: **Scott Moran (04) 499 3280, scott.moran@duncancotterill.com**

Nature of connection between substantial product holders: **Trustees of Rodanna Ventures Trust**

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: **None**

/.

Disclosure has effect for purposes of directors' and senior managers' disclosure
Rodney Kenneth Drury is also a **director** of **Xero**. This disclosure also constitutes disclosure for the purposes of the directors' and senior managers' disclosure obligations.

Certification

I, **Scott Moran**, 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.