



ASX Release

Amendments to Remuneration and Governance Framework

BRISBANE, Aust. – June 17, 2014 The Board of NEXTDC Limited (ASX:NXT) (“NEXTDC” or “the Company”) has completed a review of its corporate charters, policies and remuneration arrangements and adopted improvements as part of a program to enhance corporate governance.

As a result, amendments have been made to the Remuneration and Nomination Committee Charter, the Securities Trading Policy and to remuneration policies.

Improvements to remuneration policies have been adopted following the engagement of an independent remuneration consultant and after consultation with a number of stakeholders. These include a new NED Remuneration Policy, Senior Executive Remuneration Policy and Procedures, STI Policy and LTI Policy that will apply from 1 July 2014.

The Securities Trading Policy is attached to this announcement in accordance with Listing Rule 12.10. Copies of all the other amended documents are available to shareholders and can be found on the ‘Corporate Governance’ page of NXT’s website at <http://www.nextdc.com/our-company/investor-centre/documents/corporate-governance>.

ENDS

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About NEXTDC

As Australia's leading Data-Centre-as-a-Service (DCaaS) provider, NEXTDC is revolutionising cloud computing in Australia.

An ASX300 company and the only independent data centre operator with a strategic footprint in all major growth markets in Australia, NEXTDC offers a range of highly flexible, resilient and secure colocation services to corporate, government and IT services companies.

NEXTDC's purpose-built facilities have been designed to address the market's growing appetite for energy-efficient carrier-neutral data centres in which organisations can host critical IT infrastructure and selectively source services through their diverse national ecosystem.

NEXTDC is *where the cloud lives*TM.

To learn more, visit www.nextdc.com

NEXTDC Limited ACN 143 582 521 (Company)

SECURITIES TRADING POLICY

Note: insider trading obligations continue post employment whilst you hold inside information

Objective

1. This Securities Trading Policy sets out the circumstances in which directors, Senior Executives (defined as the Managing Director, other key management personnel (KMP) as defined under the Corporations Act who hold executive roles, direct reports to the Managing Director who are not KMP, if any, and others selected by the Board) and employees of the Company and its subsidiaries may deal in Company securities with the objective that no director or employee will contravene the requirements of the Corporations Act or the ASX Listing Rules.
2. The objective of this policy is to ensure that:
 - (a) Directors and employees adhere to high ethical and legal standards in relation to their personal investment in Company securities; and
 - (b) Personal investments of directors and employees do not conflict with the interests of the Company and other shareholders in relation to Company securities.

Purpose

3. The purpose of this policy is designed to protect the reputation of the Company and to ensure that such reputation is maintained and perceived to be maintained by persons external to the Company.
4. The policy is not designed to prohibit directors and employees from investing in Company securities but does recognise that there will be times when directors or employees cannot or should not invest in Company securities. The policy provides guidance to directors and employees as to the times that directors and employees may invest in the Company's securities.

Outline of Corporations Act requirements

5. A director or employee possesses "inside information" in relation to the Company where:
 - (a) the person possesses information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of Company securities; and
 - (b) the person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of Company securities.¹

A reasonable person would be taken to expect information to have a material effect on the price or value of Company securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to deal in Company securities in any way.²

¹ Sections 1042A and 1043A Corporations Act.

² Section 1042D Corporations Act.

6. If a director or employee possesses "inside information" in relation to the Company, the person must not:
- (a) deal in Company securities in any way; or
 - (b) procure another person to deal in Company securities in any way; or
 - (c) directly or indirectly, communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in Company securities in any way or procure a third person to deal in Company securities in any way.
7. For the purposes of paragraphs (a) and (b) above:
- (a) "Company securities" includes any shares in the Company, debentures (including convertible notes) issued by the Company, units of shares in the Company and rights or options to acquire or subscribe for shares in the Company; and
 - (b) to "deal" in Company securities includes subscribing for, purchasing or selling Company securities or entering into an agreement to do any of those things, but does not include those activities described in section 19 below.
8. A director or employee who deals in Company securities while they possess "inside information" will be liable to both civil and criminal penalties. The penalties are:
- (a) in the case of a natural person, a prison term of 10 years and/or a fine of up to A\$495,000 or three times the value of the benefits obtained;
 - (b) in the case of a body corporate, the maximum penalty is the greater of a fine of A\$4,950,000 or three times the benefit obtained, or 10% of the annual turnover if the benefit obtained cannot be determined.; and
 - (c) unlimited civil liability equivalent to the damages caused.

Examples of "inside information"

9. Examples of information which may be considered to be "inside information" include the details relating to the items listed below (this is not an exhaustive list):
- (a) sales figures;
 - (b) profit forecasts;
 - (c) unpublished announcements;
 - (d) proposed changes in capital structure, including share issues, rights issues and the redemption of securities;
 - (e) borrowings;
 - (f) impending mergers, acquisitions, reconstructions, takeovers, etc;
 - (g) significant litigation;
 - (h) significant changes in operations or proposed changes in the general character or nature of the business of the Company or its subsidiaries;
 - (i) new distributorships, products and technology;
 - (j) liquidity and cashflow information;
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- (k) major or material purchases or sales of assets (consideration exceeding \$10,000,000 should be treated as material);
- (l) management restructuring or Board of Directors changes;
- (m) new significant contracts or customers;
- (n) a new entity proposing to buy, or a shareholder proposing to sell, a substantial number of shares in the Company.

Application of the Policy

10. This Policy applies to all directors, Senior Executives and any employees who from time to time possess information that could be considered inside information, and to their respective associates (including a company or trust controlled by the Director or employee, a spouse, dependent children, a close relative, a person acting in concert with the Director or employee, etc).

Policy

11. **General principles** - Directors and Senior Executives and other employees of the Company and its subsidiaries must conduct themselves in accordance with the following general principles regarding their personal trading of Company securities:

- (a) avoid and be seen to avoid, actual or potential conflict between their personal interest and their duty to the Company and its shareholders;
- (b) do not derive personal advantage from information which is not generally available and which has been obtained by reason of, or in the course of, their directorship or employment;
- (c) ensure any personal trading is on a scale that reflects your individual financial ability to fund and maintain an appropriately sized portfolio;
- (d) ensure any personal trading does not adversely impact on your ability to perform normal duties;
- (e) do not utilise broker credit - relevant exchange settlement terms must apply on all occasions and all transactions must be settled according to industry standards.
- (f) Directors and employees who have access to price sensitive information or "inside information" must not conduct personal trading in Company securities, and
- (g) Senior Executives must seek prior approval of the Managing Director or the Chairman in the case of the Managing Director to trade to ensure the Company's and shareholder's interests are not compromised;

12. **Short term trading** - Notwithstanding the following, directors and Senior Executives of the Company and its subsidiaries may never engage in short term trading of any Company securities. In general, the purchase of securities with a view to resale within a 12 month period and the sale of securities with a view to repurchase within a 12 month period would be considered to be transactions of a "short term" nature. However, the sale of shares after they have been acquired through the conversion of a security (e.g. exercise of an option or right) will not be regarded as short term trading provided that the combined periods over which the security and resulting Shares were held exceeds 12 months.

13. **Trading windows** - Subject to the below, the only time (in terms of avoiding suggestions of insider trading) that any director or Senior Executives may deal in Company securities is during the six week period following the two trading days immediately after the:
- (a) date of the Company's annual general meeting (AGM);
 - (b) release by the Company of its half yearly results announcement to the ASX Limited (ASX);
 - (c) release by the Company of its yearly results announcement to ASX; or
 - (d) release of a disclosure document offering equity securities in the Company,
- PROVIDED** that the person is **NOT** in possession of any inside information relating to the Company's securities at the time. The Board may also declare trading windows at other times as may be appropriate from time to time, at the absolute discretion of the Board.
14. **Trading embargo** - the periods between trading windows are known as "closed season" or "blackout periods" in respect of which directors and employees must refrain from dealing in Company securities.
15. **Directors and Senior Executives** - A director or Senior Executive may not deal in Company securities or enter into transactions or arrangements which operate to limit the economic risk of their holdings of Company securities (known as **Hedging**) without the prior consent of the Managing Director or Chairman of the Board in the case of the Managing Director before commencing the transaction. A director or Senior Executive must also provide the Managing Director or Chairman of the Board in the case of the Managing Director with subsequent confirmation of the trading that has occurred. No prior consent is required prior to a director or Senior Executive participation in a Dividend Reinvestment Plan. Generally speaking Hedging is discouraged and is explicitly prohibited in relation to participation in any securities-based remuneration plan or scheme operated by the Company.
16. **Designated Officers** - A Designated Officer being those persons so determined by the Board, are prohibited from entering into transactions or arrangements which operate to limit the economic risk of their holdings of Company securities (**Hedging**).
17. Prudence will dictate that dealings should generally be limited to the recommended times referred to in paragraph 13 above and that the Chairman will generally refuse consent to deal in Company securities outside these recommended times unless special circumstances exist (such as financial hardship). In any event, the director or Senior Executive should not deal in Company securities at any time if the director or Senior Executive is in possession of any inside information relating to those securities.
18. **Employees other than Senior Executives** - Employees of the Company other than Senior Executives may deal in Company securities at any time if the employee notifies the Company Secretary before commencing the transaction and after the transaction has occurred, providing confirmation of the trading. Employees are strongly advised to limit dealing in Company securities to the Trading Windows referred to in paragraph 13 above. In any event, the employees must not deal in Company securities at any time if the employee is in possession of any inside information relating to those securities.
19. **Exercise of options or rights, participation in employee share option or rights plans etc** - Subject to the insider trading provisions of the Corporations Act, Directors and employees may at any time:
- (a) acquire the Company's ordinary shares by conversion of securities giving a right of conversion to ordinary shares;
 - (b) acquire Company securities under a bonus issue made to all holders of securities of the same class;

- (c) acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders of securities of the same class;
- (d) acquire, or agree to acquire, options or rights under a Company share option or rights plan; and
- (e) exercise options or rights acquired under a Company securities-based remuneration plan or scheme (but may not sell all or part of the shares received upon exercise of the options or rights other than in accordance with these procedures).

ASX notification

- 20. In accordance with section 205G Corporations Act, a Director must notify the ASX within 5 days after any change in the Director's relevant interest in securities of the Company or a related body corporate of the Company.
- 21. A Director must notify the Company Secretary in writing of the requisite information for the Company Secretary to make the necessary notifications to ASIC and ASX as required by the Corporations Act and the ASX Listing Rules. For the purposes of this policy, information in writing includes a letter, a facsimile of a letter or an email attaching a letter.

Questions?

- 22. **If you have any questions regarding this policy or whether you may be classified as a Senior Executive you should contact:**

The Company Secretary on 07 3177 4777.