

ASX Release

6 July 2018

Notes IV – Upsized to \$300 million

Further to its ASX announcement of 3 July 2018, NEXTDC Limited (**ASX: NXT**) (“**NEXTDC**” or the “**Company**”) is pleased to announce completion of Notes IV at \$300 million.

Notes IV consists of a floating rate tranche of \$200 million at 3.75% over 3-month BBSW and a fixed rate tranche of \$100 million at 6.0%⁽¹⁾.

Notes IV is complementary to the \$300 million fixed rate Notes III security issued by the Company in May 2017, with a similar structure, albeit a different maturity date (June 2022), compared to June 2021 for Notes III.

A copy of the Information Memorandum and Pricing Supplements follow this ASX announcement. The offer was only open to eligible professional and sophisticated investors in accordance with Part 6D.2 of the *Corporations Act 2001*.

Notes IV is scheduled to settle on 17 July 2018.

NEXTDC CEO Craig Scroggie said “*We are very pleased with the investor response to the Notes IV offering, which resulted in an upsizing of the total offering by \$50 million to \$300 million. The strong level of support shown demonstrates investor confidence in the Company’s growth strategy and provides NEXTDC with further flexibility in funding growth opportunities.*”

ENDS

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NEXTDC Investor Centre: www.nextdc.com/our-company/investor-centre

¹ First call, 9 June 2020 and every six months thereafter at 101.5% of principal amount.

About NEXTDC

NEXTDC is an ASX200-listed technology company enabling business transformation through innovative data centre outsourcing solutions, connectivity services and infrastructure management software.

As Australia's leading independent data centre operator with a nationwide network of Tier III and IV facilities, NEXTDC provides enterprise-class colocation services to local and international organisations. With a focus on sustainability and renewable energy NEXTDC is leading the industry with award-winning engineering solutions for energy efficiency and NABERS 4.5-star certification.

NEXTDC is extending its leadership in data centre services through the innovative DCIM-as-a-Service software platform, ONEDC®, which enables customers to centrally manage their on-premise and colocated infrastructure; and advanced connectivity services that deliver a range of secure, highspeed interconnections between racks, networks and cloud services.

NEXTDC's Cloud Centre is the online marketplace for the country's largest independent network of carriers, cloud and IT service providers, enabling customers to freely source best of breed suppliers within the NEXTDC Partner community.

NEXTDC is *where the cloud lives*®.

To learn more, visit www.nextdc.com



N E X T D C

INFORMATION MEMORANDUM

NEXTDC Limited

(ABN 35 143 582 521)

Issue of Australian Dollar Notes

Guaranteed by

ONEDC Software Pty Ltd

(ABN 11 158 340 624)

Lead Manager and Initial Subscriber

National Australia Bank Limited

(ABN 12 004 044 937)

The date of this Information Memorandum is 6 July 2018

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Important Notice

Introduction

This Information Memorandum relates to an issue of two series of Australian dollar notes (collectively, the “**Notes IV**”) by NEXTDC Limited (ABN 35 143 582 521) (“**Issuer**”) as more fully described below.

The Notes IV are unconditionally and irrevocably guaranteed by ONEDC Software Pty Ltd (ABN 11 158 340 624) (“**Initial Guarantor**”) pursuant to the guarantee (“**Guarantee**”) set out in the note trust deed dated 12 June 2014 (“**Note Trust Deed**”) between the Issuer, the Initial Guarantor and BNY Trust Company of Australia Limited (ABN 49 050 294 052) (“**Trustee**”). The Issuer may, from time to time, and in accordance with the terms of the Note Trust Deed appoint or procure the appointment of any subsidiary of the Issuer which is not an Initial Guarantor as an additional guarantor (each such guarantor, a “**New Guarantor**” and together with the Initial Guarantor, the “**Guarantors**”) or, in accordance with the terms of the Note Trust Deed, obtain a release of the guarantee provided by a Guarantor (and such released entity shall no longer be a Guarantor).

References to “**Information Memorandum**” are to this Information Memorandum and any other document incorporated by reference in the section entitled “*The Issuer and the Guarantors*” below collectively and to any of such documents individually.

This Information Memorandum is intended for the exclusive use of certain potential investors for the evaluation of a specific opportunity to invest in certain Notes IV that may be issued by the Issuer to such potential investors and may not be reproduced, used or given to any other person, in whole or in part, for any purpose other than that for which it is intended.

This Information Memorandum has been prepared solely for information purposes to assist in consideration of the proposed financing arrangements contained herein. In all cases, the recipients should conduct their own independent investigation and analysis of both the Notes IV, the Note Trust Deed, the Issuer and the Guarantors and should not rely on the information in this Information Memorandum. None of the Issuer, the Guarantors nor any other person assumes any undertaking to supplement any such information as further information becomes available or in light of changing circumstances.

Whilst the Issuer believes that the information contained in the Information Memorandum is not misleading or deceptive, the Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act 2001 (Cth) (“**Corporations Act**”) and does not contain all information that prospective investors may require in order to decide whether to proceed with an investment in the Notes IV. It is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, the Guarantors or the Notes IV and prospective investors should make (and will be taken to have made) their own independent investigation of such matters and should determine for themselves the relevance of the information contained in this Information Memorandum, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary. This Information Memorandum is not suitable for, and is not to be provided to, any ‘retail client’ as defined in section 761G of the Corporations Act. The Notes IV are intended for issue and sale solely to professional and sophisticated investors who have the skill and experience necessary to make their own investigations and analysis of the risks involved in investments in instruments of that kind and of the Issuer without the need for disclosure to investors under the Corporations Act. If you are not such an investor then the Subordinated Notes may not be a suitable investment for you. If in any doubt, consult your financial adviser.

Prospective investors should read this Information Memorandum carefully prior to making any decision in relation to purchasing, subscribing for or investing in the Notes IV.

Issuer’s responsibility

This Information Memorandum has been prepared and issued by the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum other than information provided by the Lead Manager and Initial Subscriber, the Trustee and the Agents (each as defined in the section entitled “**Summary**” below) in relation to their respective details in the sections entitled “*Summary*” and “*Directory*” below.

Place of issuance

Subject to all applicable laws and directives, the Issuer will only offer and issue Notes IV in Australia.

Terms and conditions of issue

The Notes IV will be issued in two series (each a “**Series**”) under the Note Trust Deed, being Notes IV Series 1 (“**Fixed Rate Notes**”) and Notes IV Series 2 (“**Floating Rate Notes**”). Each Series may comprise one or more tranches (each a “**Tranche**”) having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the issue price and the date of the first payment of interest).

A pricing supplement (“**Pricing Supplement**”) will be issued for each Tranche of Notes IV. A Pricing Supplement will contain details of the initial aggregate principal amount, issue price, issue date, maturity date, details of interest payable (if any) together with any other terms and conditions not set out in the section entitled “*Conditions*” below that may be applicable to that Series of Notes IV. The terms and conditions (“**Conditions**”) applicable to each Series of Notes IV are included in this Information Memorandum and may be supplemented, amended, modified or replaced by the relevant Pricing Supplement applicable to the Notes IV of each Series.

A Pricing Supplement or another supplement to this Information Memorandum may also supplement, amend, modify or replace any statement or information incorporated by reference in this Information Memorandum or a supplement to this Information Memorandum.

Forward-looking statements

This Information Memorandum contains certain forward-looking statements including, without limitation, words and expressions such as ‘expect’, ‘believe’, ‘plan’, ‘intend’, ‘estimate’, ‘project’, ‘anticipate’, ‘may’, ‘will’, ‘would’, ‘could’ or similar words or statements (however, these words are not the exclusive means of identifying forward looking statements). In particular, the sections entitled “*The Issuer and the Guarantors*” in this Information Memorandum, contain statements in relation to future events, the Issuer’s, prospects, expected financial condition, business strategies, the future developments of the operations of the Issuer and its industry.

These statements are based on a range of assumptions including assumptions regarding the Issuer’s present and future business strategy and the environment in which it expects to operate in the future. These matters and future results could differ materially from those expressed or implied by these forward-looking statements and although these forward-looking statements reflect its current view of future events, they are not a guarantee of future performance or other matters.

In addition, the Issuer’s future performance may be affected by various factors and risks. Should one or more risks or uncertainties materialise, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. Prospective investors should therefore not place undue reliance on any of these forward-looking statements.

In this Information Memorandum, statements of, or references to, intentions of the Issuer or those of its directors are made as at the date of this Information Memorandum. Any such intentions may change in light of future developments.

The Issuer expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement was based or any change in the intentions of the Issuer or its directors.

Non-IFRS financial measures

Investors should be aware that this Information Memorandum includes certain financial measures that are non-IFRS financial measures. These non-IFRS financial measures include ‘EBITDA’. Such non-IFRS information has not been audited or auditor-reviewed, and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity. These non-IFRS financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities.

No independent verification

The only role of the Lead Manager and Initial Subscriber, the Trustee and the Agents in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective details in the section entitled “*Directory*” below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Lead Manager and Initial Subscriber, the Trustee and the Agents has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by any of them, as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer in connection with the Notes IV.

The Lead Manager and Initial Subscriber, the Trustee and the Agents expressly do not undertake to any holder of a Note to review the financial condition or affairs of the Issuer, the Guarantors or any of their affiliates at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer or a Guarantor and make no representations as to the ability of the Issuer or a Guarantor to comply with their respective obligations under the Notes IV.

Intending purchasers to make independent investment decision and obtain tax advice

This document contains only summary information concerning the Issuer, the Guarantors and the Notes IV and should be read in conjunction with all of the documents which are deemed to be incorporated by reference herein. The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, any Guarantor, any of their respective affiliates or any Notes IV and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Trustee or the Agents that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes IV or any rights in respect of any Notes IV. Furthermore, this Information Memorandum contains only general information and does not take into account the objectives, financial situation or needs of any potential investor.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes IV or any rights in respect of any Notes IV should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer, the Guarantors, any of their respective affiliates and the Notes IV;
- determine for themselves the relevance of the information contained in this Information Memorandum, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own tax advisers concerning the application of any tax (including stamp duty) laws applicable to their particular situation.

No advice is given in respect of the legal or taxation treatment of investors or purchasers in connection with an investment in any Notes IV or rights in respect of them or any other matter. To the extent that this Information Memorandum contains any description of taxation matters or other matters calling for any opinion or professional judgement, such description is included for information purposes only and should be confirmed by each investor with its own professional advisers in light of its own particular circumstances.

This Information Memorandum does not describe the risks of an investment in any Notes IV. Prospective investors should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes IV and the suitability of investing in the Notes IV in light of their particular circumstances.

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Trustee or the Agents (or, without limitation, their respective shareholders, subsidiaries, affiliates, related bodies corporate, officers, employees, representatives or advisors) to any person to subscribe for, purchase or otherwise deal in any Notes IV.

Selling restrictions and no disclosure

EACH INVESTOR SUBSCRIBING FOR, PURCHASING OR OTHERWISE DEALING IN ANY NOTES IS DEEMED TO HAVE REPRESENTED AND WARRANTED TO THE ISSUER AND TO THE LEAD MANAGER AND INITIAL SUBSCRIBER THAT IT IS A PERSON TO WHOM IT IS LAWFUL TO MAKE ANY OFFER OF NOTES AND IT IS A PERSON TO WHOM AN OFFER OF NOTES FOR ISSUE OR SALE MAY BE MADE WITHOUT DISCLOSURE UNDER PART 6D.2 OR CHAPTER 7 OF THE CORPORATIONS ACT AND IS NOT A 'RETAIL CLIENT' AS DEFINED IN SECTION 761G OF THE CORPORATIONS ACT.

This Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act and neither this Information Memorandum nor any other disclosure document in relation to the Notes IV has been lodged with the Australian Securities and Investments Commission ("**ASIC**"). A person may not make or invite an offer of the Notes IV for issue or sale in Australia (including an offer or invitation which is received by a person in Australia) or distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes IV in Australia unless the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in another currency, in each case disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act, the offeree is not a retail client as defined in section 761G of the Corporations Act, and such action complies with all applicable laws and directives.

The offering, sale and delivery of Notes IV and the distribution of this Information Memorandum and other material in relation to the Notes IV may also be restricted by law in other jurisdictions and persons in possession of this Information Memorandum or who wish to offer, sell or deliver any Notes IV must inform themselves about, and observe, any such restrictions. None of the Issuer, the Guarantors, the Trustee, the Agent, the Lead Manager or the Initial Subscriber or any of their respective related bodies corporate, shareholders, subsidiaries, officers, employees, representatives or advisers represents that this Information Memorandum may at any time be lawfully distributed or that any Notes IV may at any time be lawfully offered, sold or delivered in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such distribution, offer, sale or delivery.

In particular, the Notes IV have not been, and will not be, registered under the Securities Act 1933 (as amended) of the United States of America ("**U.S. Securities Act**"). The Notes IV may not be offered, sold, delivered or transferred, at any time, within the

United States of America, its territories or possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act).

The Lead Manager and Initial Subscriber has undertaken to the Issuer to comply with certain restrictions in relation to offers of the Notes IV as set out in Section 6 entitled "*Selling and Distribution Restrictions*" of this Information Memorandum. A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes IV, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes IV except if the offer or invitation complies with all applicable laws and directives.

No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, the Guarantors, any of their respective affiliates or the issue or sale of the Notes IV and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Trustee or the Agents.

Agency and distribution arrangements

The Issuer has agreed or may agree to pay fees to the Trustee and the Agents for undertaking their respective roles and reimburse them for certain of their expenses properly incurred in connection with the Notes IV.

The Issuer may also pay a fee to the Lead Manager and Initial Subscriber or any other person in respect of the Notes IV subscribed by it, and reimburse the Lead Manager and Initial Subscriber for certain expenses properly incurred in connection with Notes IV and may indemnify the Lead Manager and Initial Subscriber against certain liabilities in connection with the offer and sale of the Notes IV.

The Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Trustee and the Agents, and their respective related entities, directors, officers and employees may have pecuniary or other interests in the Notes IV and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes IV.

Each of the Trustee, the Agent, the Lead Manager and the Initial Subscriber acts in relation to the Notes IV in accordance with its agreement with the Issuer and not in any other capacity. Except in the case of the Trustee as specifically provided in the Note Trust Deed, none of them has any duty to a holder of or prospective investor in any Note.

Currency

In this Information Memorandum, references to "**A\$**", "**AUD**" or "**Australian dollars**" are to the lawful currency of the Commonwealth of Australia.

Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct, that any other information supplied in connection with the Notes IV is correct or that there has not been any change (adverse or otherwise) in the financial conditions or affairs of the Issuer or any Guarantor at any time subsequent to the Preparation Date. In particular, none of the Issuer, any Guarantor or any of their respective affiliates is under any obligation to any person to update this Information Memorandum at any time after an issue of Notes IV.

In this Information Memorandum, "**Preparation Date**" means:

- in relation to this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended, or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to any annual reports and financial statements incorporated in this Information Memorandum, the date up to, or as at, the date on which such annual reports and financial statements relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Notes IV.

The following documents are incorporated in, and taken to form part of, this Information Memorandum:

- the Note Trust Deed, copies of which may be obtained from the offices of the Issuer or the Trustee (as specified in the section entitled “*Directory*”) or such other person specified in the relevant Pricing Supplement;
- the most recent annual report and half year report of the Issuer lodged with the ASX, an electronic copy of which is available free of charge at www.asx.com.au (ASX:NXT);
- all announcements made by the Issuer to the ASX, electronic copies of which are available free of charge at www.asx.com.au (ASX:NXT);
- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time and all documents stated herein or therein to be incorporated in this Information Memorandum;
- all other documents issued by the Issuer and stated to be incorporated by reference in this Information Memorandum by reference; and
- each Pricing Supplement and all documents stated therein to be incorporated in this Information Memorandum.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be modified or superseded in this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference into this Information Memorandum modifies or supersedes such statement (including whether expressly or by implication).

Except as provided above, no other information, including any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Copies of the Note Trust Deed, each Pricing Supplement and documents incorporated by reference in this Information Memorandum may be obtained from the offices of the Issuer, the Trustee or such other person specified in the relevant Pricing Supplement.

Any internet site addresses provided in this Information Memorandum are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

Summary

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes IV, the applicable Conditions and any relevant Pricing Supplement. A term used below but not otherwise defined has the meaning given to it in the Conditions. A reference to a "Pricing Supplement" does not limit provisions or features which may be supplemented, amended, modified or replaced by a Pricing Supplement in relation to an issue of Notes IV.

Issuer:	NEXTDC Limited (ABN 35 143 582 521).
Guarantee and Initial Guarantor:	The Notes IV are issued with the benefit of the Guarantee and the payment of principal and interest in respect of the Notes IV will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors as more fully set out in the Note Trust Deed. The Initial Guarantor is ONEDC Software Pty Ltd (ABN 11 158 340 624). As at the date of this Information Memorandum, ONEDC Software Pty Ltd has no assets. Therefore, the credit support provided to a holder of a Note by ONEDC Software Pty Ltd under the Guarantee is limited to any future assets it may hold. As more fully described below, the Issuer may, from time to time, as required under Condition 5.2(d) ("Financial covenants") and in accordance with the terms of the Note Trust Deed appoint or procure the appointment of any Subsidiary of the Issuer which is not an Initial Guarantor as an additional guarantor or obtain a release of a guarantor (each entity from time to time appointed as a guarantor which has not been released, a "Guarantor").
Lead Manager and Initial Subscriber:	National Australia Bank Limited (ABN 12 004 044 937).
Registrar:	BTA Institutional Services Australia Limited (ABN 48 002 916 396) or such other person appointed by the Issuer under an Agency Agreement to perform registry functions and establish and maintain a Register (as defined below) on the Issuer's behalf from time to time (" Registrar ").
Issuing and Paying Agent:	BTA Institutional Services Australia Limited (ABN 48 002 916 396) or any other person appointed by the Issuer under an Agency Agreement to act as issuing or paying agent on the Issuer's behalf from time to time (" Issuing & Paying Agent ").
Calculation Agent:	BTA Institutional Services Australia Limited (ABN 48 002 916 396) or any other person appointed by the Issuer to act as calculation agent on the Issuer's behalf from time to time (" Calculation Agent ").
Agents:	Each of the Registrar, Issuing & Paying Agent, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to any Notes IV (each an " Agent " and, together, the " Agents ").
Trustee:	BNY Trust Company of Australia Limited (ABN 49 050 294 052) or such other person appointed under the relevant Note Trust Deed as Trustee from time to time (" Trustee ").
Form of Notes IV:	Notes IV will be issued in registered form and will be debt obligations of the Issuer which are constituted by, and owing under, the Note Trust Deed. Notes IV take the form of entries in a register ("Register") maintained by the Registrar. No certificates in respect of any Notes IV will be issued unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or directive.
Negative pledge:	Notes IV will have the benefit of a negative pledge, as described in Condition 5.1 (" Negative pledge ").
Financial covenants:	Notes IV will have the benefit of certain financial covenants as described in Condition 5.2 (" Financial covenants ").

Status and ranking of the Notes IV:	Notes IV will be direct, senior, unsubordinated and (subject to Condition 5.1 (“Negative pledge”)) unsecured obligations of the Issuer and will at all times rank at least equally with all other present and future direct, senior, unsubordinated and unsecured obligations of the Issuer, except liabilities mandatorily preferred by law. The providers of the Issuer’s syndicated senior secured debt facility and any other secured creditors permitted under the Conditions will have the benefit of the security provided by the Issuer to secure its obligations to them. Consequently, claims of any holder of Notes IV will effectively rank after claims of these secured creditors.
Status and ranking of Guarantee:	The Notes IV will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors, subject to the release of such Guarantors and the addition of new entities as Guarantors as set out in the Note Trust Deed. The obligations of each Guarantor under the Guarantee will be direct, senior, unsubordinated and (subject to Condition 5.1 (“Negative pledge”)) unsecured obligations of that Guarantor and will at all times rank at least equally with all other present and future direct, senior, unsubordinated and unsecured obligations of that Guarantor, except liabilities mandatorily preferred by law. In addition, the Issuer: a. will ensure that, at all times, the aggregate total assets of the Issuer and the Guarantors (taken as a whole) are at least 90 per cent. of the consolidated total assets of the Group taken as a whole; or b. agrees to cause such of its Subsidiaries to become a Guarantor pursuant to the Note Trust Deed to ensure that, at all times, the aggregate total assets of the Issuer and the Guarantors (taken as a whole) are at least 90 per cent. of the consolidated total assets of the Group taken as a whole. The providers of the Issuer’s syndicated senior secured debt facility and any other permitted secured creditors under the Conditions will have the benefit of the security provided by the Guarantor to secure its obligations to them. Consequently, claims of any holder of the Notes IV will rank after claims of these secured creditors.
Interest:	Each Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date (unless redeemed earlier) at the Interest Rate. Interest is payable in arrears on each Interest Payment Date or such other date on which a Note is redeemed. All such information will be set out in the relevant Pricing Supplement.
Denomination:	Notes IV will be issued in the single denomination of A\$1,000.
Minimum parcel size on initial issue:	A\$50,000, subject to the selling and issue restrictions, the transfer restrictions and the procedures set out in this section.

Clearing System:	The Issuer intends to apply to Austraclear Ltd (ABN 94 002 060 773) ("Austraclear") for approval for the Notes IV to be traded on the clearing and settlement system operated by Austraclear ("Austraclear System"). Upon approval by Austraclear, the Notes IV will be traded through Austraclear in accordance with the rules and regulations of the Austraclear System. Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such Notes IV. The rights of holders of interests in the Notes IV through Austraclear will be subject to the rules and requirements of the Austraclear System. Interests in the Notes IV traded in the Austraclear System may also be held for the benefit of Euroclear Bank SA/NV ("Euroclear") or Clearstream Banking S.A. ("Clearstream, Luxembourg"). In these circumstances, entitlements in respect of holdings of interests in the Notes IV in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in the Notes IV in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg. The rights of a holder of interests in a Note held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Note, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Conditions. Neither the Issuer nor any Guarantor will be responsible for the operation of the clearing arrangements (including any payments on the Notes IV) which is a matter for the clearing institutions, their nominees, their participants and the investors.
Title:	Entry of the name of the person in the Register in respect of the Notes IV in the registered form constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered holder of that Note subject to correction for fraud or error. Title to interests in the Notes IV which are held in the Austraclear System will be determined in accordance with the rules and regulations of the Austraclear System. Notes IV which are held in the Austraclear System will be registered in the name of Austraclear and accordingly Austraclear will be the sole person regarded by the Issuer as holding any interest in the Notes IV.
Use of proceeds:	The Issuer intends to use the net proceeds from the issue of the Notes IV for general business and financing purposes, including investment in the development of new data centre sites and the core supporting infrastructure at these sites, as well as to assist financing potential acquisitions currently under consideration.
Payments:	Payments to persons who hold the Notes IV through the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System.
Payment Date:	A Payment Date for a Note is the Maturity Date, an Interest Payment Date or any other relevant date on which a payment in respect of that Note is due, adjusted in accordance with the applicable Business Day Convention.
Record Date:	The Record Date is the close of business (in the place where the Register is maintained) on the eighth day before the Payment Date.

Maturity and redemption:

Subject to compliance with all relevant laws, regulations and directives, each Note will be redeemed on its Maturity Date by payment of 100.0% of its outstanding principal amount, unless the Note has been previously redeemed or purchased and cancelled.

Notes IV are also redeemable prior to their scheduled maturity:

- at the option of the Issuer on certain Optional Redemption Dates, at any time prior to the First Optional Redemption Date or following certain tax events; and/or
- at the option of a holder of a Note following the occurrence of a Change of Control event, each as more fully set out in the Conditions and the relevant Pricing Supplement.

Notes IV entered in the Austraclear System will be redeemed through the Austraclear System in a manner that is consistent with the rules and regulations of the Austraclear System.

Selling and issue restrictions:

The Notes IV may only be offered (directly or indirectly) for issue, or applications invited for the issue of the Notes IV, if:

- a. the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the offeror or its associates or the offerees or its associates) or if the offer or invitation (including any resulting issue) otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;
- b. the offer or invitation (including any resulting issue) does not constitute an offer to a “retail client” as defined in section 761G of the Corporations Act;
- c. such action does not require any document to be lodged in the Australian Securities and Investments Commission; and
- d. the offer or invitation (including any resulting issue) complies with all other applicable laws and directives in the jurisdiction in which the offer, invitation or issue takes place.

The offer, sale and delivery of the Notes IV and the distribution of this Information Memorandum and other materials in relation to the Notes IV are also subject to such restrictions as may apply in any country in which such offer, sale, delivery or distribution may occur.

In particular, restrictions on the offer, or sale of notes in Australia, New Zealand, Hong Kong, Singapore, the United Kingdom and the United States of America are set out in Section 6 entitled “*Selling and Distributions Restrictions*” below.

Transfer restrictions and procedures:

Notes IV may only be transferred in whole and in accordance with the Conditions. Transfers of the Notes IV held in the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System.

Unless otherwise specified in the relevant Pricing Supplement, the Notes IV may only be transferred if the offer or invitation for the sale or purchase of the Notes IV:

- a. is for an aggregate consideration payable by each transferee of at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the transferor or its associates to the transferee or its associates) or if the offer or invitation for the transfer otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act and the transferee is not a “retail client” as defined in section 761G of the Corporations Act; and
- b. if the offer or invitation for the transfer complies with all other applicable laws and directives in the jurisdiction in which the transfer takes place.

Investors to obtain independent advice with respect to investment and other risks:	Investing in the Notes IV entails a number of risks. Certain risks associated with NEXTDC's business are outlined in the section entitled <i>"The Issuer and the Guarantors - Investment Risks"</i> . However, this Information Memorandum does not describe all the risks associated with NEXTDC's business and the risks associated with an investment in any Notes IV or the market generally. As such, prospective investors or purchasers should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes IV and the suitability of investing in the Notes IV in light of their particular circumstances.
Taxes, withholdings, deductions and stamp duty:	All payments in respect of the Notes IV must be made without any withholding or deduction in respect of taxes, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, the Issuer will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted. Holders of the Notes IV who do not provide their Tax File Number or Australian Business Number (if applicable) or claim an exemption may have tax withheld from payments at the highest marginal rate plus Medicare levy. No additional amounts will be payable by the Issuer in respect of any such withholding. A brief overview of the Australian taxation treatment of payments of interest on the Notes IV is set out in the section entitled <i>"Australian Taxation"</i> below. <i>Investors should obtain their own taxation and other applicable advice regarding the taxation and other fiscal status of investing in any Notes IV.</i>
Listing:	The Notes IV will not be listed or quoted on any stock or securities exchange.
Rating:	Neither the Issuer nor the Notes IV have been, nor is it intended that they will be, rated by any credit ratings agency.
Governing law:	The Notes IV and all related documentation will be governed by the laws of New South Wales, Australia.

The Issuer and the Guarantors

The information in this section is a brief summary only of the Issuer and the Guarantors and their respective businesses and does not purport to be, nor is it, complete.

This document contains only summary information concerning the Issuer, the Guarantors and the Notes IV and should be read in conjunction with the documents which are deemed to be incorporated by reference herein. The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, the Guarantors or any Notes IV and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Issuer, the Guarantors, any of their respective affiliates, the Lead Manager and Initial Subscriber, the Trustee or the Agents that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes IV or any rights in respect of any Notes IV.

Investing in the Notes IV entails a number of risks. Certain risks associated with the Issuer's business are outlined in this section. However, this Information Memorandum does not describe all the risks associated with the Issuer's business or the risks associated with an investment in any Notes IV or the market generally. Prospective investors or purchasers should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes IV and the suitability of investing in the Notes IV in light of their particular circumstances.

Description of NEXTDC Limited

NEXTDC Limited ("**Issuer**" or "**NEXTDC**" or "**the Company**") designs, develops and operates data centres in Australia.

NEXTDC's **vision** is to help enterprises harness the digital age, improving our society through the advancement of technology. NEXTDC's **mission** is to be the leading customer-centric data centre services company, delivering solutions that power, secure, and connect enterprise.

NEXTDC offers a range of secure data centre co-location services to cloud service providers, enterprise, government, telecommunications and IT service companies. NEXTDC's data centres have been designed to address market demand for secure, energy-efficient, independent data centres in which organisations can host or co-locate their critical IT infrastructure.

NEXTDC is an ASX200 company and is Australia's leading independent data centre operator with locations in Sydney, Melbourne, Brisbane, Perth and Canberra. The Company was founded in 2010 and listed on the ASX in December 2010. By 31 December 2017, contracted customer utilisation increased to 39.2MW and total built capacity increased to 43.4MW.

In April 2018 NEXTDC announced plans to purchase three new commercial property sites for data centre developments in Sydney ("**S3**"), Melbourne ("**M3**") and Perth ("**P2**") as well as plans to advance the planning and development of P2 with a planned capacity of 20MW. These site acquisitions as well as plans to proceed with the construction of P2 will ensure that NEXTDC is well positioned to capitalise on the continued growth in these cities.

Growth in demand from the NEXTDC client network for premium data centre services remains high, with the market proving more active than expected, with NEXTDC currently in advanced negotiations with clients in relation to further material orders for capacity. This demand is presenting various growth and site expansion options for NEXTDC, including possible pull forward of new sites. The exact sequencing of the various growth options is challenging, though given the range of opportunities currently facing the company, NEXTDC is currently putting in place additional flexible capital to be able to finance these opportunities as they crystallise in the coming months.

As at 30 June 2018, NEXTDC had a market capitalisation of approximately A\$2,587 million. This represents an implied enterprise value of approximately A\$2,464 million based on an unaudited net cash position as at 31 May 2018 of A\$123.8 million¹.

In FY17, NEXTDC generated EBITDA of A\$49.0 million (FY18 guidance: A\$58 million to A\$62 million), on revenue from continuing operations of A\$123.6 million (FY18 guidance: A\$152 million to A\$158 million).

In February 2018 NEXTDC released its interim results for the half year ended 31 December 2017. 1H18 saw NEXTDC deliver substantial growth in revenue, up 32% from 1H17 to A\$77.5 million and full year guidance for FY18 increased from \$146 million - A\$154 million to A\$152 million - A\$158 million. Underlying 1H18 EBITDA also increased significantly up 41% from 1H17 to A\$33.6 million with full year FY18 guidance increased from A\$56 million - A\$61 million to A\$58 million - A\$62 million.

NEXTDC has continued to demonstrate strong access to capital with a A\$297 million institutional equity raising undertaken in April 2018 to support the acquisition of the new S3, M3 and P2 sites and other future capital spending. This raising included a cornerstone placement of A\$150 million to UniSuper at a 2.5% premium to market, with the balance of funds coming from a placement to a range of institutional investors at market. This institutional equity raising was followed by a share purchase plan in May 2018, raising an additional A\$80.4 million in equity and bringing the total equity raising proceeds to A\$377.4 million.

¹ Based on unaudited management accounts at the end of May 2018. This total is inclusive of the A\$377.4 million raised by the Company via the equity raising announced in April 2018 as well as post the settlement of the land block for S3.

INFORMATION MEMORANDUM | ISSUE OF AUSTRALIAN DOLLAR NOTES

Proven business model

NEXTDC owns and operates Australia's largest national network of Tier III and IV neutral co-location data centre facilities: seven (7) data centres operational, one (1) under construction and three (3) currently under planning and development. The data centres have all delivered 100% uptime since inception and are designed, constructed, and operated by NEXTDC's in-house engineering team utilising deep industry insights.

Customers are offered a single national data centre partner, tiered national pricing and consistent Service Level Agreements across five cities under one Master Services Agreement. NEXTDC's unique channel preferred sales model focuses on partnering with providers of infrastructure, platform and packaged services that accelerates top-line growth.

Clusters of high quality and complementary customers and partners connect with each other within the data centre facilities to form an ecosystem, benefiting from being co-located with NEXTDC. Interconnects within the data centre are a key feature of NEXTDC's business model and enable flexibility and cost savings for the customer through a choice of multiple service providers. Interconnects contribute low cost, high margin, recurring revenue to NEXTDC, comprising approximately 6.2% recurring data centre services revenue in 1H18.

Strong Industry Fundamentals

NEXTDC continues to experience strong demand for its premium data centre services, driven by robust growth in both of its core markets of cloud computing and enterprise data centre colocation services. Underpinning this robust growth is:

- the growth in internet traffic and corresponding growth in volumes of data requiring processing and storage;
- the proliferation of mobile devices as well as their associated software and applications that run on smart phones and tablets, driving uptake in network and data storage needs;
- the growth in content delivery networks and providers of on-demand video and music services;
- the rapid take up of cloud-based computing and corresponding demand for network-based applications and interconnectivity;
- the requirement for low latency (time delay) networking and proximity hosting;
- data residency laws and other legislative pressure; and
- the desire to improve energy efficiency, for both legislative and cost saving purposes.

NEXTDC has a strong and growing demand pipeline, creating increased confidence in the growth of co-location and hyperscale data centre capacity requirements in the years ahead.

Benchmark Operational Excellence

NEXTDC continues to set new standards for the data centre industry:

- the B2, M2 and S2 developments are Australia's first UTI Tier IV design and construct certifications;
- UTI Gold operational sustainability certifications have been achieved at P1 and S1, with the rollout extending to the entire fleet;
- industry first NABERS 5.0 star energy efficiency design for B2, M2 and S2, with a power utilisation effectiveness ("PUE") target of 1.2;
- the latest P2, M3 and S3 developments are planned for UTI Tier IV design and construct, UTI Gold operational sustainability and NABERS 5.0 star energy efficiency.

Key Performance Metrics

NEXTDC's key performance metrics over time are set out in the table below:

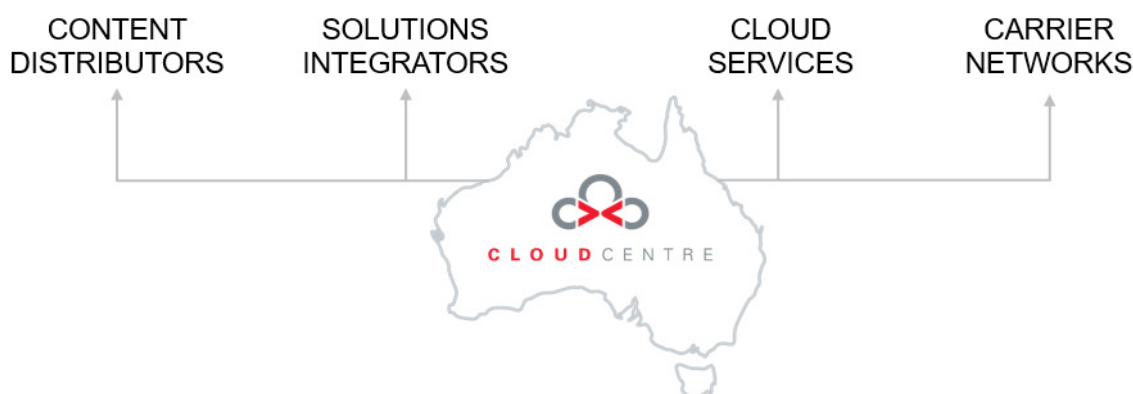
	30 June 2014	30 June 2015	30 June 2016	30 June 2017	31 December 2017
Contracted utilisation	11.9MW	21.7MW ¹	26.1MW	31.5MW	39.2MW
Annualised revenue per square metre ²	A\$7,205	A\$7,991	A\$8,472	A\$8,886	A\$9,644
Customers	302	478 ¹	647	772	875
Interconnects	1,488	2,893	4,575	6,342	7,456

1. Pro forma for Federal Government contract announced 10 August 2015.

2. Revenue reflects data centre services revenue less project revenue. Square metres are the total weighted average square metres utilised during the period.

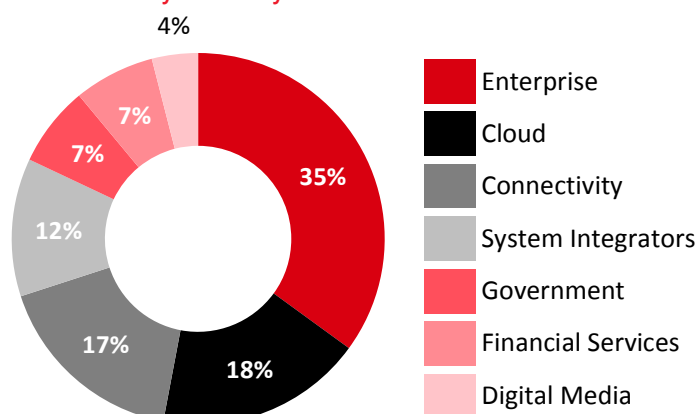
Partners and Customers

Below is a sample of NEXTDC's customers and partner community:

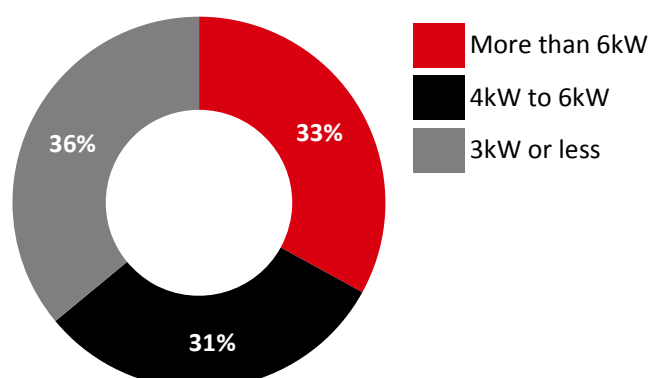


Below are key metrics relating to NEXTDC's customers as at 31 December 2017.

Customer by industry^{1,2}



Utilisation by density³



1. As at 31 December 2017.

2. Percentages refer to the number of customers belonging to each industry.

3. Density per rack equivalent. Percentages refer to the proportion of rack equivalents contracted at each density.

Operating Leverage

The cost base of NEXTDC's data centres has a relatively high fixed component that creates a degree of 'operating leverage' within the facilities as utilisation levels and associated revenues increase. The expansion of capacity within an existing data centre does not substantially increase fixed operating costs, whereas it does provide the ability to support additional customer orders.

FY18 Guidance

On 17 April 2018, NEXTDC re-affirmed the following financial guidance relating to its expected performance for the financial year ending 30 June 2018:

Revenue: A\$152 million to A\$158 million

Underlying EBITDA¹: A\$58 million to A\$62 million

Capital expenditure (on existing facilities): A\$220 million to A\$240 million

1. Excluding APDC distribution income and costs attributable to NEXTDC's 29.2% investment in APDC.

Funding / Liquidity

NEXTDC had cash and term deposits of A\$218.2 million and interest bearing liabilities of A\$303.3 million at 31 December 2017.

NEXTDC also has an undrawn Syndicated Senior Secured Debt facility of A\$300.0 million. The facility requires a general security charge over the NEXTDC Group's assets and is subject to a number of financial covenants including gearing, leverage and interest cover ratios. Covenants on the Syndicated Senior Secured Debt facility only apply when debt is drawn.

In April 2018 and May 2018, NEXTDC raised a total of A\$377.4 million, consisting of a A\$297 million institutional placement and a share purchase plan of A\$80.4 million (together, the **"Equity Capital Raising"**). The funds from the Equity Capital Raising will be used to support the acquisition of three new contracted or identified commercial properties for future data centre developments: Sydney (**"S3"**), Melbourne (**"M3"**) and Perth (**"P2"**), the initial P2 base building development works as well as general corporate purposes.

NEXTDC's balance sheet as at 31 December 2017, pro-forma for the Equity Capital Raising and A\$300 million Notes IV issuance is outlined below.

PRO FORMA BALANCE SHEET (AS AT 31 DECEMBER 2017)

	31 December 2017	Equity Capital Raising ²	Notes IV Issue ³	Pro Forma Balance Sheet
	A\$ million	A\$ million	A\$ million	A\$ million
ASSETS				
Cash and cash equivalents	218.2	377.4	300.0	895.6
Other current assets	39.3	-	-	39.3
TOTAL CURRENT ASSETS	257.5	377.4	300.0	934.9
Available-for-sale financial assets	62.5	-	-	62.5
Property, plant and equipment	511.5	-	-	511.5
Other non-current assets	17.2	-	-	17.2
TOTAL NON-CURRENT ASSETS	591.2	-	-	591.2
TOTAL ASSETS	848.7	377.4	300.0	1,526.1
LIABILITIES				
Interest bearing liabilities	0.3	-	-	0.3
Other current liabilities	28.8	-	-	28.8
TOTAL CURRENT LIABILITIES	29.1	-	-	29.1
Interest bearing liabilities	303.0	-	300.0	603.0
Other non-current liabilities	0.9	-	-	0.9
TOTAL NON-CURRENT LIABILITIES	303.9	-	300.0	603.9
TOTAL LIABILITIES	333.0	-	300.0	633.0
NET ASSETS	515.7	377.4	-	893.1
TOTAL EQUITY	515.7	377.4	-	893.1
Finance Debt to Total Tangible Assets	0.4:1			0.4:1

² Pro-forma adjustments for the Equity Capital Raising are shown before the costs of the issue.

³ Pro-forma for the A\$300 million Notes IV transaction. Adjustments are shown before the costs of the issue.

Review of Facilities

NEXTDC is expected to have capacity of up to 126.1MW of capacity following the full fit out of its existing data centres. Capacity expansions are planned in line with contract wins. Capital expenditure for additional capacity is tightly aligned to customer growth. Further details of NEXTDC facilities as at 31 December 2017 are summarised in the following table.

	M1	S1	P1	C1	B1	B2	M2	S2	Total
Commenced operations	Sep-12	Sep-13	Feb-14	Aug-12	Oct-11	Sep-17	Nov-17	1Q19 ⁴	
Total power planned (MW)	15.0	16.0	6.0	4.8	2.25	12.0	40.0	30.0	126.1
MW built ¹ (MW)	15.0	16.0	4.1	2.0	2.25	2.0	2.0	-	43.4
Land and building capex to date	-	-	-	-	-	A\$42m	A\$35m	A\$3m	A\$80m
Fitout capex to date ^{2,3}	A\$143m	A\$146m	A\$57m	A\$31m	A\$32m	A\$38m	A\$32m	A\$11m	A\$488m
Contracted utilization (MW)	14.0	15.1	1.7	0.4	2.1	0.2	0.3	5.4	39.2
% of total power planned	94%	94%	28%	8%	93%	2%	1%	18%	31%
% of MW built	94%	94%	41%	19%	93%	11%	16%	-	90%
Capacity available for sale (MW)	1.0	0.9	4.3	4.4	0.2	11.8	39.7	24.6	86.8

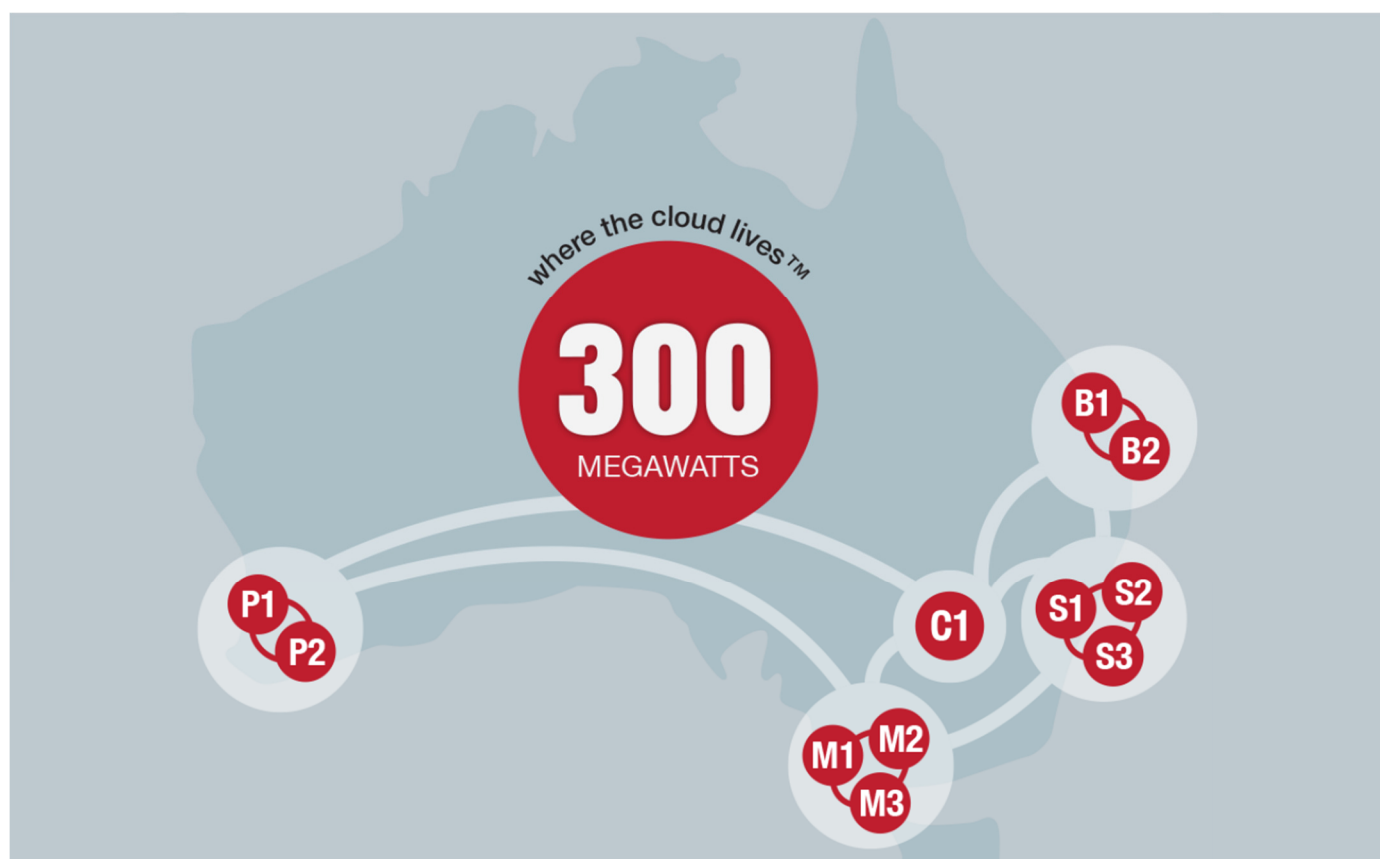
1. MW built includes the designed power capacity of the data halls fitted out at each facility. Further investment into customer related infrastructure, such as back-up power generation, cooling equipment or rack infrastructure, may be made in line with customer requirements.
2. Site selection and other due diligence-related costs for planned data centre developments are included in corporate overheads.
3. Excludes land and buildings.
4. Target open expected in 1Q19 for S2.

New Facilities

On 17 April 2018, NEXTDC announced their intention to purchase three new commercial property sites for future data centre developments: Sydney ("S3"), Melbourne ("M3") and Perth ("P2"). These new data centre facilities will provide additional capacity in Sydney, Melbourne, and Perth.

- S3 has a planned total capacity of 80MW.
- M3 has a planned total capacity of 80MW.
- P2 has a planned total capacity of 20MW.

The addition of these new data centre facilities would expand NEXTDC's footprint to the following:



The key features of each data centre are set out below.



B1 Brisbane

Features:

- B1 was NEXTDC's first data centre and is located in the Brisbane CBD
- B1 is a 3,000m² facility with a total capacity of 2.25MW
- B1 commenced operations in October 2011
- B1 land and building was acquired by NEXTDC in 2010 and sold under a sale and leaseback arrangement in 2011 with NEXTDC retaining ownership of the plant and equipment required to operate the data centre
- Reached EBITDA breakeven after approximately 9 months of operation
- ISO9001:2008 Quality Management System certified
- As at 31 December 2017, achieved contracted customer utilisation of 93% of total capacity
- B1 land and building is the subject of a long-term lease with an initial term of 20 years and options for up to a further 20 years



M1 Melbourne

Features:

- M1 is located in the suburb of Port Melbourne
- M1 is a 17,500m² facility with a total capacity of 15MW
- M1 commenced operations in September 2012
- M1 has 400kW of solar array designed to generate 550MW hours of electricity annually, offsetting approximately 670 tonnes of carbon emissions per year
- NEXTDC constructed the building before selling the land and building to Asia Pacific Data Centre Group Limited ("APDC") (ASX:AJD) in 2012 under a sale and leaseback arrangement with NEXTDC retaining ownership of the plant and equipment required to operate the data centre
- M1 land and building is the subject of a long-term lease with an initial term of 15 years and options for up to a further 25 years
- Uptime Institute (UTI) Tier III accreditation (design certification) and ISO9001:2008 Quality Management System certified. 4.5 NABERS rating
- Reached EBITDA break-even after approximately 11 months of operation
- As at 31 December 2017 achieved contracted customer utilisation of 94% of total capacity



S1 Sydney

Features:

- S1 is located in the Northern Sydney technology hub at Macquarie Park
- S1 is a 19,500m² facility with a total capacity of 16MW
- S1 commenced operations in September 2013
- As at 31 December 2017, achieved contracted customer utilisation of 94% of total capacity
- Reached EBITDA break-even after approximately 7 months of operation
- Uptime Institute (UTI) Tier III accreditation (design and construct certification). 4.5 NABERS rating
- NEXTDC acquired the land for S1 and sold it to APDC in December 2012. NEXTDC completed the construction of the building on behalf of APDC in May 2013. NEXTDC retains ownership of the plant and equipment required to operate a data centre
- S1 land and building is the subject of a long-term lease with an initial term of 15 years and options for up to a further 25 years



C1 Canberra

Features:

- C1 is a purpose-built data centre located in Bruce, ACT
- C1 is a 6,000m² facility with a total capacity of 4.8MW when fully fitted out
- C1 was admitted to the Australian Government Data Centre Facilities Supplies Panel ("Panel") in July 2014
- As at 31 December 2017 achieved contracted customer utilisation of 19% of total built capacity
- Works completed in FY17 to expand C1's data hall space and upgrade critical infrastructure to bring C1 in line with NEXTDC's evolving national build standard
- C1 land and building is the subject of a long-term term lease up to 2030, with options for up to a further 10 years



P1 Perth

Features:

- P1 is a purpose-built data centre located in Malaga, Perth
- P1 is a 9,600m² facility expected to achieve a total capacity of 6.0MW when fully fitted out
- Uptime Institute (UTI) Tier III accreditation (design and construct certification) and ISO9001:2008 Quality Management System certified
- As at 31 December 2017 achieved contracted customer utilisation of 41% of total built capacity
- NEXTDC acquired the land for P1 and sold it to APDC in December 2012. NEXTDC completed the construction of the building on behalf of APDC in November 2013. NEXTDC retains ownership of the plant and equipment required to operate a data centre
- P1 land and building is the subject of a long-term lease with an initial term of 15 years and options for up to a further 25 years



M2 Melbourne

Features:

- M2 is expected to be a 15,000m²+ (Stage 1: 10,000m²) facility with a planned total capacity of 40MW (Stage 1: 25MW) when fully fitted out
- M2 commenced operations in November 2017
- Uptime Institute (UTI) Tier IV design and construct certification
- NEXTDC acquired the site for the construction of M2 in June 2016
- NABERS 5.0 star energy efficiency design, with a target PUE of 1.28



B2 Brisbane

Features:

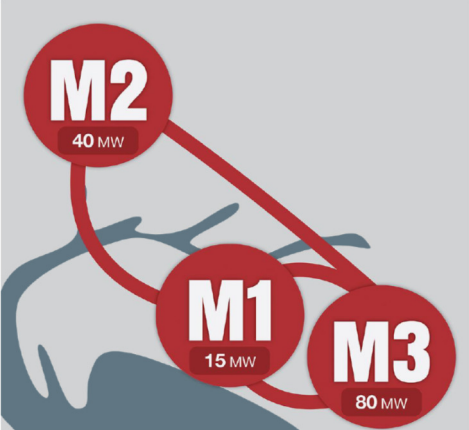
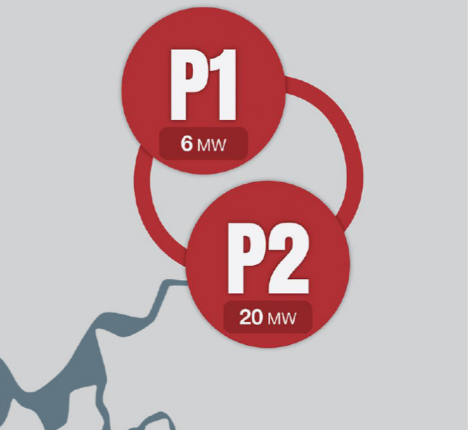
- B2 is a purpose-built data centre located in Fortitude Valley, Brisbane
- B2 planned total capacity of 12.0MW when fully fitted out
- B2 commenced operations in September 2017
- Australia's first Uptime Institute (UTI) Tier IV design and construct certification
- NEXTDC completed the acquisition of the land and building for B2 in October 2016
- NABERS 5.0 star energy efficiency design, with a target PUE of 1.34



S2 Sydney

Features:

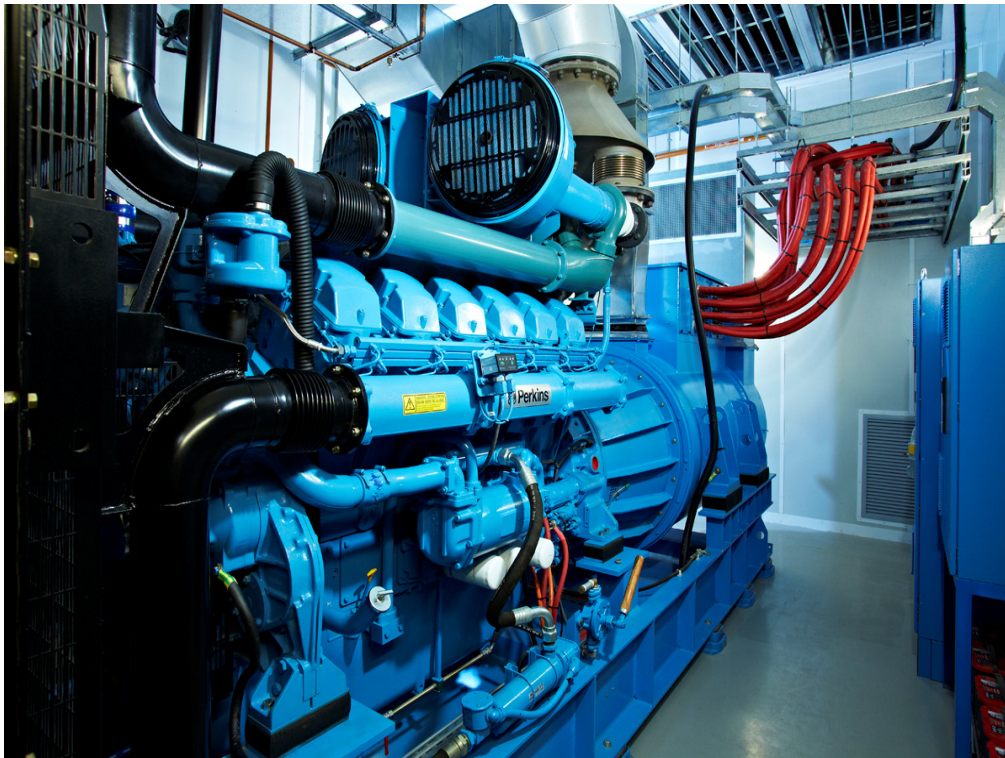
- S2 Development Approval secured and development underway (target open 1HY19)
- S2 planned total capacity of 30.0MW when fully fitted out (8,700m² technical space)
- S2 is designed to achieve an Uptime Institute (UTI) Tier IV accreditation
- S2 is expected to have a target PUE of 1.29 and would support a NABERS 5-star rating
- S2 is subject to a 45 year ground lease arrangement

S3 Sydney	M3 Melbourne	P2 Perth
		
▪ 5km from CBD in Northern Sydney ▪ Total planned IT capacity: 80 MW ▪ Design/construction standard: UTI Tier IV ▪ Status: Acquired	▪ Port Melbourne ▪ Total planned IT capacity: 80 MW ▪ Design/construction standard: UTI Tier IV ▪ Status: Undergoing due diligence	▪ East Perth ▪ Total planned IT capacity: 20 MW ▪ Design/construction standard: UTI Tier IV ▪ Status: Under Contract

Asset Base Overview

In addition to the land and buildings, NEXTDC owns the plant and equipment required to operate the data centres, including:

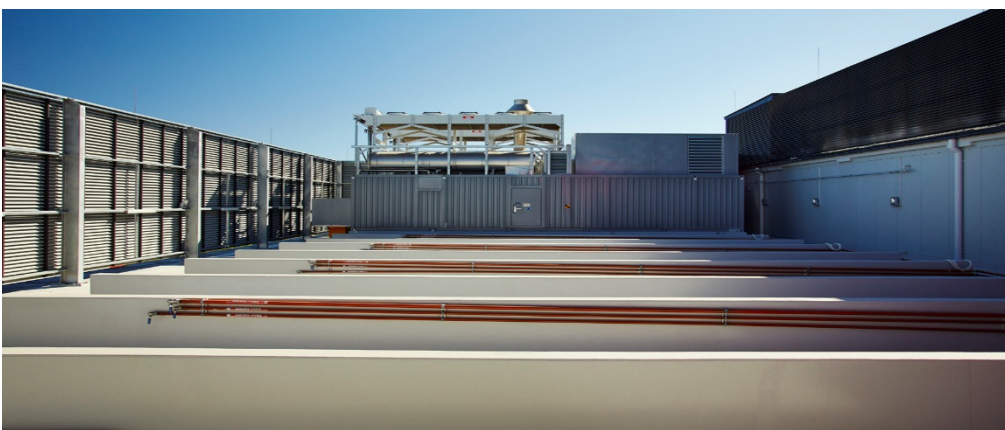
- Raised flooring;
- Private cages / suites, racks and containerisation;
- Data cabling infrastructure;
- Static uninterrupted power supply (plus batteries);
- MW scale generators;
- Diesel storage and pumping systems;
- Diesel Rotary Uninterruptible Power Supply (DRUPS);
- Transformers, switchboards, high voltage and low voltage cabling;
- Computer Room Air Conditioner (CRAC) units and air handling units;
- Chillers, cooling towers, pumps, pipework and valves;
- Fire suppression systems and associated consumable gas storage;
- Building management system (BMS); and
- Security, access control and information display systems.



Perkins V12 diesel engine at the S1 data centre – part of a Piller DRUPS unit



Diesel Rotary UPS corridor (M1)



Containerised Piller DRUPS units and future expansion space (P1)



High Voltage switchboard (C1)



Inert gas fire suppression system (S1)



Air-cooled UNIFLIR chillers and water storage (B1)

Investment Risks

By investing in the Notes IV, the holders of the Notes IV will be lending money to NEXTDC and may be exposed to a number of risks which can be broadly classified as risks associated with the Notes IV, the market generally and NEXTDC's business. This section describes certain risks associated with NEXTDC's business which NEXTDC currently considers may be material to a prospective investor's decision to invest in the Notes IV. There may be other risks which NEXTDC is not aware of or does not consider material, and prospective investors may attach more or less importance to a given risk than NEXTDC. Accordingly, prospective investors or purchasers should undertake their own assessment of, and consult their own financial, legal and tax advisers about the risks associated with NEXTDC's business, the Notes IV and the market generally.

General Risk Factors

General risks

An investment in NEXTDC is also subject to general risks including those related to general economic conditions, availability of funding, refinancing requirements, foreign exchange risk, share price volatility, interest rates, debt covenants, financial distress of customers, attracting and retaining employees, health, safety and environment issues, litigation and disputes, financial forecasts, regulatory issues, changes in law, changes in accounting policy and standards, taxation implications, insurance issues, force majeure, counterparty risk, intellectual property risk and reputational risk.

Funding

Notes IV issue is non-underwritten and being conducted on a best endeavours basis. Accordingly, NEXTDC may not raise the full amount of funding sought under the Notes IV offer.

Failure to raise the full amount sought under the Notes IV offer will have a material impact on NEXTDC's expected sources of funding. In these circumstances NEXTDC would need to find alternative funding arrangements or not proceed with the planned developments of the new facilities until such time that it has the financial capacity to do so.

Refinancing requirements

NEXTDC is exposed to risks relating to the refinancing of existing debt instruments and facilities. NEXTDC has debt facilities maturing over the coming years. NEXTDC may experience some difficulty in refinancing some or all of these debt maturities and the terms on which they are refinanced may also be less favourable than at present.

Security price

The market price of NEXTDC securities will fluctuate due to various factors including general movements in interest rates, the Australian and international general investment markets, economic conditions, global geo-political events and hostilities, investor perceptions and other factors that may affect NEXTDC's financial performance and position. The ability of NEXTDC to raise future equity or other capital will be dependent on the prevailing market conditions and depending on the circumstances at the time it may be unable to raise new funds to refinance debt or fund its existing business requirements.

Liquidity

There is no established market for the Notes IV and none may develop. Accordingly, it may not be possible to sell the Notes IV at fair value, or at all.

Interest rates

Adverse fluctuations in interest rates, to the extent that they are not hedged or forecast, may impact NEXTDC's earnings and asset values due to any impact on property markets in which NEXTDC operates.

Debt covenants

NEXTDC has various covenants in relation to its debt facilities, including interest cover and gearing ratio requirements. Factors such as falls in asset values and/or deteriorating earnings could lead to a breach in debt covenants. In such an event, NEXTDC's lenders may require their loans to be repaid immediately. As the Issuer has provided security to the lenders of its syndicated senior secured debt facility, claims of any holder of Notes IV will effectively rank after claims of those senior secured lenders and any other secured creditor.

Customers

Insolvency or financial distress of NEXTDC's customers may reduce its contractual revenues it receives from the provision of data centre services.

Reliance on key management personnel

NEXTDC depends on the talent and experience of its staff and employees. It is essential that appropriately skilled staff be available in sufficient numbers to support NEXTDC's business. While NEXTDC has initiatives in place to mitigate the risk of its key staff leaving, the loss of such staff may have a negative impact on NEXTDC.

Health, Safety and Environment (“HSE”)

If NEXTDC fails to comply with necessary HSE legislative requirements across the jurisdictions in which NEXTDC operates, it could result in fines, penalties and compensation for damages as well as reputational damage.

Litigation and disputes

Legal and other disputes (including industrial disputes) may arise from time to time in the ordinary course of operations. Any such dispute may impact earnings or affect the value of NEXTDC’s assets.

Forward looking statements and financial forecasts

There can be no guarantee that the assumptions and contingencies contained within forward looking statements, opinions or estimates (including projections, guidance on future earnings and estimates) will ultimately prove to be valid or accurate. The forward-looking statements, opinions and estimates depend on various factors, many of which are outside the control of NEXTDC.

Regulatory issues and changes in law

Changes in Government policy (including fiscal, monetary and regulatory policies at federal, state and local levels), including policies on Government land development, may affect NEXTDC’s developments.

Changes in accounting policy

NEXTDC is subject to the usual business risk that there may be changes in accounting standards issued by AASB or the Corporations Act (2001) which have an adverse impact on it.

Taxation implications

Future changes in Australian taxation law and changes in the interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in NEXTDC. Further, changes in taxation law (including goods and services taxes, income tax and stamp duty), or changes in the way taxation law is expected to be interpreted, in the various jurisdictions in which NEXTDC operates, may impact the future taxation liabilities of NEXTDC.

Changes in taxation law or in its interpretation or application may also adversely affect the taxation implications of an investment in the Notes IV.

Insurance

While insurance policies typically cover against material damage to assets, contract works, business interruption, general and professional liability and worker’s compensation, there are certain risks that cannot be mitigated by insurance, either wholly or in part, such as nuclear, chemical or biological incidents or risks where the insurance coverage is reduced or unavailable, such as cyclones or earthquakes. Further, insurance may become more expensive or in some cases, become unavailable.

Specific Risk Factors

Data centre utilisation

The Issuer intends to use the net proceeds from the issue of the Notes IV for general business and financing purposes, including investment in the development of new data centre sites and the core supporting infrastructure at these sites, as well as to assist financing potential acquisitions currently under consideration. There is no guarantee that customer demand will continue or that existing customers will renew their data centre requirements through NEXTDC. This may impact utilisation which is the key component of NEXTDC’s operational revenue.

Reduction in demand for data centre services

The market for data centres is characterised by rapidly changing technology, frequent new product and competitor introductions, changing laws (for example – data and privacy) as well as changing customer demands, and any reduction in demand for or increase or changes in supply of data centre services may impact NEXTDC significantly. There may be adverse trends in data centre outsourcing and co-location cloud provision.

Security risk

Security risks, including physical threats, loss of power, flooding, fire, explosion, aircraft impact, terrorism, malicious damage and external hacking and/or the malfunction of response equipment may have sustained and adverse impacts on NEXTDC’s business viability through the loss of future revenues, payment of damages (not otherwise insured).

Development

NEXTDC is involved in the development of data centres, including S2 and the proposed new sites for P2, S3 and M3. Generally, development projects have a number of risks including:

- The risk that suitable sites or required planning consents and regulatory approvals, including approvals from the local water authority and the local power distribution grid operator are not obtained or, if obtained, are received later than expected, or are adverse to NEXTDC’s interests, or are not properly adhered to;
- The escalation of development costs (including the costs of construction and fit out and any associated delays) beyond

those originally expected;

- Unforeseeable project delays beyond the control of NEXTDC; and
- Non-performance/breach of contract by a contractor or sub-contractor.

Increases in supply of, or falls in demand for, data centres could influence the acquisition of sites, the timing and value of sales and carrying value of projects. Other risks include contamination risk, risks relating to the contractual allocation of risk, risks relating to authorisations and permits, future development risks, capital expenditure risk, and contractor insolvency risk.

Future acquisitions

NEXTDC regularly evaluates mergers and acquisitions, property investments and other opportunities that it believes are consistent with its strategy. However, there is no guarantee that NEXTDC will be able to successfully complete future acquisitions. Further, NEXTDC may not be successful in identifying future acquisition opportunities, assessing the value, strengths and weaknesses of these opportunities or finalising acquisitions on acceptable terms or at all. While it is NEXTDC's policy to conduct a thorough due diligence process in relation to any such acquisition, risks remain that are inherent in such acquisitions. NEXTDC's past and future acquisitions may subject it to unanticipated risks and liabilities, or disrupt its operations and divert management's attention and resources from NEXTDC's day-to-day operations.

Customer contracts deliverable failure

NEXTDC's key deliverable to customers is the continuous and stable supply of key utilities, including electricity and water for power and cooling in accordance with its customer contracts. Any outage, being a failure to deliver power or cooling to a customer rack or space within the terms of a customer contract for a period of time, could result in service credits being applied to a customer account, reducing the amount payable to NEXTDC under a customer contract, or a requirement to pay compensation. In some rare circumstances (for example force majeure or a breach of contract which NEXTDC is not capable of remedying), an event or outage could result in the cancellation of a customer contract which would have a materially adverse effect on the financial performance of NEXTDC and could significantly impact NEXTDC's brand reputation as well as the ability to win further opportunities.

Infrastructure and technology failure

NEXTDC relies on its infrastructure and technology to provide its customers with a highly reliable service. There may be a failure to deliver this level of service as a result of numerous factors, including human error, power loss, equipment failure, improper maintenance by landlords and security breaches. Service interruptions, regardless of their cause, may cause contractual and other losses to NEXTDC.

Supply and pricing of utilities

NEXTDC and its landlords rely on third-party providers for the supply of utilities to its data centres (including electricity and water). There is no guarantee that the third-party providers will be able to consistently provide sufficient levels of utilities to NEXTDC at acceptable costs to satisfy demand requirements.

Lease risk

NEXTDC holds long term leases over M1, S1, P1, C1, B1 and S2. Any breach or termination of these leases could have a material adverse impact on NEXTDC.

Initial Guarantor – ONEDC Software Pty Ltd

The Notes IV will be unconditionally and irrevocably guaranteed by ONEDC Software Pty Ltd. The Issuer has undertaken that:

- a. it will ensure that, at all times, the aggregate total assets of the Issuer and the Guarantors (taken as a whole) are at least 90 per cent of the consolidated total assets of the Group taken as a whole; or
- b. agrees to cause such of its Subsidiaries to become a Guarantor pursuant to the Note Trust Deed to ensure that, at all times, the aggregate total assets of the Issuer and the Guarantors (taken as a whole) are at least 90 per cent of the consolidated total assets of the Group taken as a whole.

As at the date of this Information Memorandum, the Issuer's assets comprise 100 per cent of the consolidated total assets of the Group taken as a whole and ONEDC Software Pty Ltd has no assets. Therefore, in practice, the credit support provided to a holder of a Note by ONEDC Software Pty Ltd under the Guarantee is limited to any future assets it may hold. The Issuer has undertaken to ensure that if any of its subsidiaries acquires assets in the future, the holders of the Notes IV will at all times have recourse to at least 90 per cent of the consolidated total assets of the Group taken as a whole.

Conditions

The following are the Conditions which, as supplemented, amended, modified or replaced in relation to any Tranche of Notes IV by the relevant Pricing Supplement, will apply to that Tranche of Notes IV. References to a “**Pricing Supplement**” in these Conditions do not limit the provisions which may be supplemented, amended, modified or replaced by the relevant Pricing Supplement. *All references to “Notes” must, unless the context otherwise requires, be read and construed as references to the Notes of a particular Series of Notes IV.*

The Notes IV are constituted by the Note Trust Deed. Each Noteholder, and any person claiming through or under any Noteholder, is entitled to the benefit of, is bound by and is deemed to have notice of, all of the provisions of the Note Trust Deed, these Conditions and the relevant Pricing Supplement. Each such person is also deemed to have notice of the Information Memorandum. Copies of each such document are available for inspection at the Specified Office of the Issuer and the Trustee.

1. Interpretation

1.1 Terms defined in relevant Pricing Supplement

Terms which are specified in the relevant Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions.

1.2 Definitions

In these Conditions, the following meanings apply unless the contrary intention appears:

Accounting Standards means, for a person, all accounting standards or principles that it is required to comply with by an Australian law;

AFMA means the Australian Financial Markets Association;

Agency Agreement means:

- a. the agreement entitled Agency and Registry Services Agreement between the Issuer, the Guarantors, the Registrar, the Issuing & Paying Agent and the Calculation Agent dated 12 June 2014;
- b. any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of the Notes; and/or
- c. any other agency agreement entered into between the Issuer and an agent in connection with any issue of the Notes;

Agent means each of the Registrar, the Issuing and Paying Agent, the Calculation Agent and any other agent appointed under an Agency Agreement, or any of them as the context requires;

Applicable Redemption Premium (Fixed Rate Notes) means, with respect to any Fixed Rate Note on the Redemption Date:

- a. the present value (calculated using the Discount Rate) of the early redemption payment at the First Optional Redemption Date on such Note as contained in Section 8.3(a), plus
- b. the present value (calculated using the Discount Rate) of all required interest payments due on such Note from the Redemption Date through to the First Optional Redemption Date (excluding accrued but unpaid interest to, but not including Redemption Date), minus
- c. the principal amount of such Note;

Applicable Redemption Premium (Floating Rate Notes) means, with respect to any Floating Rate Note on the Redemption Date:

- a. the present value (calculated using the Discount Rate) of the early redemption payment at the First Optional Redemption Date on such Note as contained in Section 8.3(a), plus
- b. the present value (calculated in accordance with the AFMA “Pricing Formulae” for Floating Rate Notes assuming:
 - i. the trading margin (TM) of the Notes over 90 day BBSW is 0.00% and

- ii. the interest margin (IM) over 90 day BBSW payable on the Notes is the Margin)

of all required interest payments due on such Note from the Redemption Date through to the First Optional Redemption Date (excluding accrued but unpaid interest to, but not including Redemption Date), minus

- c. the principal amount of such Note;

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as “Austraclear Regulations” together with any instructions or directions established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system;

BBSW Rate means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the “AVG MID” on the Reuters Screen BBSW Page at approximately 10:15 am on the first day of that Interest Period. However, if such rate does not appear on the Reuters Screen BBSW Page by 10:30am on that day, or if it does appear but the Issuer or the Calculation Agent determines that there is an obvious error in that rate, BBSW Rate means such other substitute or successor base rate that an alternate financial institution appointed by the Calculation Agent (upon written direction of the Issuer) determines, in its sole discretion, is most comparable to the BBSW rate and is consistent with industry accepted practices, which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) by such alternate financial institution. If the Calculation Agent is unable to determine a rate, BBSW Rate means the rate that was last able to be determined;

Business Day means a day (not being a Saturday, Sunday or public holiday in the relevant place) on which banks are open for general banking business in Sydney and, if a Note held in the Austraclear System is to be issued or payment made in respect of a Note held in the Austraclear System on that day, a day on which the Austraclear System is operating;

Business Day Convention in respect of a Note, means the convention specified in the relevant Pricing Supplement for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term **Business Day Convention** and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

- a. if **Following** is specified, that date will be the first following date that is a Business Day; and
- b. if **Modified Following** or **Modified** is specified, that date will be the following Business Day unless that day falls in the next calendar month, in which case that date will be the preceding Business Day;

Calculation Agent means BTA Institutional Services Australia Limited (ABN 48 002 916 396);

Capital Reduction has the meaning given in Condition 5.2(b) (“Financial covenants”);

Conditions means, in relation to the Notes, these terms and conditions as amended, supplemented, modified or replaced by the relevant Pricing Supplement applicable to such Notes and references to a particular numbered Condition shall be construed accordingly;

Corporations Act means the Corporations Act 2001 of Australia;

Day Count Fraction means in respect of the calculation of an amount of interest on any Note for any period of time (the **Calculation Period**), the day count fraction specified in the relevant Pricing Supplement and:

- a. if **RBA Bond Basis** is specified, one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
 - i. the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - ii. the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365));
- b. if **Actual/365 (Fixed)** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;

Denomination means A\$1,000, being the notional face value of a Note;

Discount Rate equals the Reinvestment Rate plus 50 basis points;

Distribution has the meaning given in Condition 5.2(b) ("Financial covenants");

EBIT means, for any Relevant Period, the NPAT of the Group for that period, calculated in accordance with applicable Accounting Standards, after:

- a. adding back the aggregate of:
 - i. tax on net income of the Group for that period; and
 - ii. Net Interest Expense for that period; and
- b. adding or subtracting (as the case may be) the net amount of:
 - i. extraordinary, significant or non-recurring gains or losses; and
 - ii. gains or losses from the sale of assets to the extent that such items are included in revenue or expense from ordinary activities including fair value adjustments on property and derivatives;

EBITDA means, for any Relevant Period, EBIT of the Group for that Relevant Period after adding back any amount attributable to the amortisation of goodwill or depreciation of tangible assets, as calculated in accordance with applicable Accounting Standards;

Event of Default means the happening of any event set out in Condition 12 ("Events of Default");

Existing Security Interests means;

- a. any Security Interest granted under or in connection with the syndicated facility agreement dated 25 August 2017 (and as may be further amended or amended and restated from time to time) between, among others, the senior secured lenders, the Issuer and the Guarantor; and
- b. any other Security Interest on the PPS Register registered against the Issuer or any Guarantor as at the Issue Date;

FATCA means sections 1471 to 1474 of the United States Internal Revenue Code of 1986, as amended (or any consolidation, amendment, re-enactment or replacement of those provisions and including any regulations or official interpretations issued, agreements (including, without limitation, intergovernmental agreements) entered into or non-US laws enacted, with respect thereto);

Finance Debt means any present or future, actual or contingent liability in connection with:

- a. moneys borrowed or raised;
- b. debit balance on any account with a financial institution;
- c. acceptance, endorsement or discounting arrangement;
- d. amount raised in connection with any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- e. derivative transaction (and, when calculating the liability in connection with any derivative transaction, only the marked to market value is taken into account unless the derivative transaction has been terminated or closed-out, in which case the liability is the termination amount or close out amount for the derivative transaction) excluding derivative transactions in connection with an employee share scheme for the benefit of the employees of the Issuer;
- f. redeemable share or other redeemable security where the holder has the right, or the right in certain circumstances, to require redemption before the Maturity Date;
- g. receivables sold or discounted except to the extent that they are sold or discounted on a non-recourse basis;
- h. hire purchase, finance lease, capital lease or any other lease which has the same economic effect as a finance lease or capital lease;
- i. agreement to defer payment of the consideration for an asset or service where payment is deferred for more than 90 days after the date the asset or service is supplied;
- j. agreement to deliver assets or services paid for in advance by a financier or otherwise relating to a financing transaction;
- k. counter-indemnity obligation in respect of a guarantee issued by a financier;
- l. other transaction (including any forward sale or purchase agreement) which has the commercial effect of obtaining financial accommodation; or
- m. any guarantee of any of the above.

In this definition, "guarantee" includes:

- i. any guarantee, indemnity, bond, letter of credit, legally binding comfort letter or similar assurance against loss;
- ii. any direct or indirect, actual or contingent obligation to purchase or assume any person's liabilities,

to make an investment in or provide financial accommodation to any person, or to purchase any person's assets, in each case, where that obligation is assumed to assist that person to meet its liabilities; or

- iii. any other direct or indirect, actual or contingent obligation under which a person is, or may be, responsible for another person's solvency, financial condition or liabilities.

For the purposes of these Conditions, any possible increase in Finance Debt resulting from changes to accounting definitions will be disregarded;

First Optional Redemption Date means each date so specified in the relevant Pricing Supplement being not earlier than 9 June 2020;

Fixed Rate Note means a Note that bears interest at a fixed rate;

Floating Rate Note means a Note that bears interest at a floating or variable rate;

Fixed Coupon Amount means the amount specified in, or determined in accordance with, the relevant Pricing Supplement with respect to the Fixed Rate Notes;

Fourth Optional Redemption Date means each date so specified in the relevant Pricing Supplement being not earlier than 9 December 2021;

Group means the Issuer and each of its Subsidiaries from time to time;

Guarantee means the guarantee of the Notes set out in the Note Trust Deed;

Guarantors means the Initial Guarantor and each other entity that has provided a Guarantee of the Notes (and has not been released from such Guarantee) under the Note Trust Deed from time to time;

Information Memorandum means the information memorandum, disclosure document or other offering document referred to in a Pricing Supplement in each case prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of the Notes and all documents incorporated by reference in it;

Initial Guarantor means ONEDC Software Pty Ltd (ABN 11 158 340 624);

Interest Commencement Date means, for a Note, the Issue Date of the Note or any other date so specified in, or determined in accordance with, the relevant Pricing Supplement;

Interest Expense means, for any period, the aggregate amount of all:

- a. gross interest;
- b. payments and expenses, and other amounts in the nature of interest (including finance lease charges) and capitalised interest (including any dividend on any redeemable share);
- c. amounts having a similar purpose or effect to interest (including any dividend on any redeemable share); and
- d. all other fees (including any commitment, line, issuance, acceptance or discount fees and coupon payments on the Notes) and other costs,

paid or payable by the Group in the period in connection with any Finance Debt of the Group;

Interest Payment Date means each date so specified in the relevant Pricing Supplement;

Interest Period means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- a. the first Interest Period commences on (and includes) the Interest Commencement Date; and
- b. the final Interest Period ends on (but excludes) the Maturity Date or, if redeemed earlier, an Optional Redemption Date;

Interest Rate means the rate specified in the relevant Pricing Supplement;

Issue Date means the date on which a Note is, or is to be issued, as specified in, or determined in accordance with, the relevant Pricing Supplement;

Issuing & Paying Agent means BTA Institutional Services Australia Limited (ABN 48 002 916 396);

Issuer means NEXTDC Limited (ABN 35 143 582 521);

Margin means, in relation to a Floating Rate Note, the margin specified in, or determined in accordance with, the relevant Pricing Supplement;

Maturity Date means the date so specified in the relevant Pricing Supplement, being less than 10 years after the

Issue Date;

Meeting Provisions means the provisions relating to meetings of Noteholders set out in the Note Trust Deed;

Net Interest Expense means Interest Expense less any interest income earned over the same period;

Note means a medium-term debt obligation specified in a relevant Pricing Supplement and issued or to be issued by the Issuer which is constituted by, and owing under the Note Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register. All references to “**Notes**” must, unless the context otherwise requires, be read and construed as references to the Notes of a particular Series;

Note Trust Deed means the document entitled “Note Trust Deed” dated 12 June 2014 and executed by, amongst others, the Issuer, the Guarantors and the Trustee;

Noteholder means, in respect of a Note, the person whose name is entered in the Register as the holder of that Note;

NPAT for any financial period, (including any half year and/or full year), the net profit after tax for the period of the Group, as shown in the consolidated financial statements of the Group for the financial period;

Offshore Associate means an “associate” (within the meaning of section 128F(9) of the Income Tax Assessment Act 1936 of Australia) of the Issuer that is either:

- a. a non-resident of Australia that, if it acquires a Note or an interest in a Note, would not acquire such Note or an interest in such Note or receive a payment in respect of that Note in carrying on a business at or through a permanent establishment of the associate in Australia; or
- b. a resident of Australia that, if it acquires a Note or an interest in a Note, would acquire such Note or an interest in such Note or receive a payment in respect of that Note in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country;

Optional Redemption Date means each First Optional Redemption Date, Second Optional Redemption Date, Third Optional Redemption Date or Fourth Optional Redemption Date;

Payment Date means, as applicable, the Maturity Date, an Interest Payment Date or other relevant date on which a payment in respect of a Note is due;

Permitted Security Interest means:

- a. the Existing Security Interests;
- b. the Security Interests granted:
 - i. in connection with any new financing or lending to the Issuer, a Guarantor or any other member of the Group on or after the Issue Date;
 - ii. without limiting sub-paragraph (i) above, in connection with the refinancing of available amounts secured by Existing Security Interests; and
 - iii. as a result of the incurrence of new secured Finance Debt,provided that, at the time the new financing or lending or the refinancing occurs (as the case may be), on a pro-forma basis, the ratio of the aggregate principal amount of all Secured Debt to Total Tangible Assets is not more than 0.33:1;
- c. a Security Interest arising by operation of law and in the ordinary course of trading so long as the Finance Debt secured by that Security Interest is paid when due or contested in good faith and appropriately provisioned;
- d. any netting and set-off arrangements arising in the ordinary course of the Group’s banking arrangements;
- e. any Security Interest approved by the Noteholders pursuant to the Meeting Provisions;
- f. any Security Interest provided for by one of the following transactions if the transaction does not secure payment or performance of an obligation:
 - i. a transfer of an account or chattel paper;
 - ii. a commercial consignment; or
 - iii. a PPS Lease (as defined in the PPSA); and
- g. any other Security Interest in respect of Finance Debt securing up to a maximum aggregate amount at any time that does not exceed A\$5,000,000 for the Group taken as a whole;

PPSA means the Personal Properties Securities Act 2009 of Australia;

PPS Register means the register established and maintained under the PPSA;

Pricing Convention means, unless otherwise specified in the relevant Pricing Supplement;

- a. in respect of a Floating Rate Note, the FRN convention as published by AFMA; or

- b. in respect of a Fixed Rate Note, the Reserve Bank of Australia bond basis.

Pricing Supplement means, in respect of a Tranche, the pricing supplement prepared and issued specifying the relevant issue details of such tranche of Notes and which has been duly completed and signed by the Issuer;

Record Date means the close of business in the place where the Register is maintained on the eighth day before the Payment Date;

Redemption Price with respect to any Note on the Redemption Date, equals:

- a. 100% of the principal amount of the Notes, plus
- b. the Applicable Redemption Premium as of the Redemption Date, plus
- c. accrued and unpaid interest to, but not including the Redemption Date;

Register means the register of holders of the Notes established and maintained by or on behalf of the Issuer under an Agency Agreement;

Registrar means BTA Institutional Services Australia Limited (ABN 48 002 916 396);

Reinvestment Rate means, the average of the “bid” swap rate and the “ask” swap rate, in each case calculated by ICAP Australia Pty Ltd as displayed on Bloomberg page IAUS 32 or other electronic media at or around 10:00 am (Sydney time), with a maturity equal to the period from the Redemption Date to the First Optional Redemption Date (using linear interpolation as necessary) as observed three days prior to the Redemption Date. If the period from the Redemption Date through to the First Optional Redemption Date is less than one year, the one year rate shall be used. If ICAP Australia Pty Ltd no longer calculates those rates (or if those rates are not displayed by Bloomberg), the rate determined by the calculation agent to be appropriate having regard to market rates and sources then available;

Related Body Corporate has the meaning it has in the Corporations Act;

Relevant Financial Statements means the most recent audited consolidated financial statements of the Group for a financial year adjusted to give pro-forma effect to the changes in the Group’s actual financial position including the incurrence of drawn Finance Debt and the application of the proceeds thereof (in all cases in accordance with applicable Accounting Standards);

Relevant Period means, as at any date of determination, the period of twelve months most recently ended prior to the date of determination;

Second Optional Redemption Date means each date so specified in the relevant Pricing Supplement, being not earlier than 9 December 2020;

Secured Debt means all Finance Debt of the Group secured by a Security Interest, but excludes:

- a. any bank guarantee given in the ordinary course of trading;
- b. any interest rate hedging arrangements and foreign exchange dealings incurred in the ordinary course of business; and
- c. any Permitted Security Interest under paragraphs (c), (d), (f) and (g) of that definition.

Security Interest includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind (including under sections 12(1) and (2) and (3) of the PPSA) or any other right of, or arrangement with, any creditor to have its claims satisfied in priority to other creditors with, or from the proceeds of, any asset. It includes retention of title other than in the ordinary course of day-to-day trading and a deposit of money by way of security but it excludes a charge or lien arising in favour of a government agency by operation of statute unless there is default in payment of moneys secured by that charge or lien;

Series means an issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Date, Issue Price and Interest Commencement Date may be different in respect of a different Tranche of a Series;

Special Resolution has the meaning given in the Note Trust Deed;

Specified Office means, for a person, that person’s office specified in the Information Memorandum or relevant Pricing Supplement or any other address notified to Noteholders from time to time;

Subsidiary of an entity means another entity which is a subsidiary of the first within the meaning of Part 1.2 Division 6 of the Corporations Act;

Tax Authority means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official, having power to tax;

Taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any Tax Authority together with any related interest, penalties, fines and expenses in connection with them except if imposed on, or calculated having regard to, the net income of a Noteholder;

Test Date means each date on which:

- a. any Security Interest has been granted by the Issuer or a Guarantor in accordance with Condition 5.1 ("Negative pledge");
- b. new Finance Debt after the Issue Date has been incurred by the Issuer or a Guarantor in accordance with Condition 5.2(a) ("Financial covenants");
- c. any Distribution or Capital Reduction has been made by the Issuer or any Guarantor in accordance with Condition 5.2(b) ("Financial covenants");
- d. there is any disposal of a material part of the assets of the Issuer, a Guarantor or any other member of the Group in accordance with Condition 5.2(c) ("Financial covenants");

Third Optional Redemption Date means each date so specified in the relevant Pricing Supplement, being not earlier than 9 June 2021;

Total Finance Debt means, as of any date of determination, the aggregate principal amount of drawn Finance Debt outstanding of the Group as of such date (other than Finance Debt incurred under any lease or hire purchase contract in existence as at the Issue Date, including as amended, varied or refinanced);

Total Leverage Ratio means, as at any date of determination, the ratio of Total Finance Debt as at such date to EBITDA for the Relevant Period;

Total Tangible Assets means the aggregate amount of all assets of the Group as shown in the Relevant Financial Statements of the Group, but adjusted if necessary (without any double counting) so as to exclude any intangible assets (including, but not limited to, goodwill and trademarks, as calculated in accordance with the Relevant Financial Statements of the Group);

Tranche means an issue of the Notes specified as such in the relevant Pricing Supplement issued on the same Issue Date and on the same terms; and

Trustee means BNY Trust Company of Australia Limited (ABN 49 050 294 052) in its capacity as trustee of the NEXTDC Note Trust constituted by the Note Trust Deed or such other person appointed under the Note Trust Deed as trustee of the NEXTDC Note Trust.

1.3 References to certain general terms

Unless the contrary intention appears, a reference to:

- a. a group of persons is a reference to any two or more of them jointly and to each of them individually;
- b. an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- c. a document (including these Conditions) includes any amendment, variation or replacement of it;
- d. anything (including any amount) is a reference to the whole and each part of it;
- e. a "law" includes common law, principles of equity, any decree and any statute or other law made by a parliament (and a statute or other law made by parliament includes any regulation or other instrument under it, and any consolidation, amendment, re-enactment or replacement of it);
- f. a "directive" includes a treaty, official directive, request, regulation, guideline or policy (whether or not in any case having the force of law) with which responsible participants in the relevant market generally comply;
- g. "Australian dollars" or "A\$" is a reference to the lawful currency of Australia;
- h. a time of day is a reference to Sydney time;
- i. a "person" includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- j. a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- k. the words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

1.4 Number

The singular includes the plural and vice versa.

1.5 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

1.6 Calculation of period of time

If a notice must be given within a certain period of days or a certain number of days' notice must be given or any other matter must take place within a certain number of days, the day on which the notice is given or action taken, and the day on which the meeting is to be held or other action taken, are not to be counted in calculating that period and references to a "day" are to a calendar day.

2 Introduction

2.1 Pricing Supplement

- a. The Issuer will issue the Notes on the terms set out in these Conditions as supplemented, amended, modified or replaced by the relevant Pricing Supplement applicable to those Notes. If there is any inconsistency between these Conditions and such relevant Pricing Supplement, the relevant Pricing Supplement prevails.
- b. The Notes are issued in two Series known as Notes IV Series 1 (Fixed Rate Notes) and Notes IV Series 2 (Floating Rate Notes). Each Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than in respect of the issue price and the date of the first payment of interest). A Tranche is the subject of a Pricing Supplement which supplements, amends, modifies or replaces these Conditions.
- c. Copies of each relevant Pricing Supplement and Conditions applicable to any Tranche of the Notes are available for inspection or on request by a Noteholder or prospective Noteholder during normal business hours at the Specified Office of the Issuer, the Trustee or the Registrar or are otherwise available on reasonable request from the Issuer or the Registrar.

2.2 Currency and denomination

The Notes are issued in Australian dollars in a single denomination of A\$1,000.

2.3 Issue restrictions

The Notes may only be offered (directly or indirectly) for issue, or applications invited for the issue of the Notes, if:

- a. the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the offeror or its associates to the offeree or its associates) or if the offer or invitation (including any resulting issue) otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;
- b. the offer or invitation (including any resulting issue) does not constitute an offer to a "retail client" as defined in section 761G of the Corporations Act;
- c. such action does not require any document to be lodged with the Australian Securities and Investments Commission; and
- d. the offer or invitation (including any resulting issue) complies with all other applicable laws and directives in the jurisdiction in which the offer, invitation or issue takes place.

2.4 Clearing systems

Notes may, but need not, be held in the Austraclear System, in which case the rights of a person holding an interest in the Notes lodged in the Austraclear System are subject to the rules and regulations of the Austraclear System. Neither the Issuer nor any Guarantor is responsible for anything the Austraclear System does or omits to do.

3. Form

3.1 Constitution under the Note Trust Deed

- a. The Notes are debt obligations of the Issuer constituted by, and owing under, the Note Trust Deed.
- b. Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Note Trust Deed.

3.2 Form

The Notes are issued in registered form by entry in the Register.

3.3 No certificates

No certificates will be issued to Noteholders unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or directive.

3.4 Effect of entries in Register

Each entry in the Register in respect of a Note constitutes:

- a. an unconditional and irrevocable undertaking by the Issuer to the Trustee and the Noteholder to:
 - i. pay principal, any interest and any other amount in accordance with these Conditions and the Note Trust Deed; and
 - ii. comply with all other Conditions of the Note and the Note Trust Deed; and
- b. an entitlement to the other benefits given to the Noteholder in respect of the Note under these Conditions and the Note Trust Deed.

3.5 Register conclusive as to ownership

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note subject to correction for fraud or error.

3.6 Non-recognition of interests

Except as ordered by a court of competent jurisdiction or required by law or directive, the Issuer, the Trustee and the Registrar must treat the person whose name is entered in the Register as the Noteholder of a Note as the absolute owner of that Note. This Condition applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

3.7 Joint Noteholders

Where two or more persons are entered in the Register as the joint holder of a Note then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of a Note.

4. Status and Guarantee

4.1 Status of Notes

The Notes are direct, senior, unsubordinated and (subject to Condition 5.1 ("Negative pledge")) unsecured obligations of the Issuer.

4.2 Ranking of Notes

The Notes rank equally among themselves and at least equally with all other present and future direct, senior, unsubordinated and (subject to Condition 5.1 ("Negative pledge")) unsecured obligations of the Issuer, except for liabilities mandatorily preferred by law.

4.3 Guarantee

The Notes are issued with the benefit of the Guarantee. Pursuant to the Guarantee, each Guarantor unconditionally and irrevocably guarantees to the Noteholders, among other things, the due and punctual performance by the Issuer of its obligations under the Notes. The obligations of a Guarantor under the Guarantee rank at least equally with all other direct, senior, unsubordinated and (subject to Condition 5.1 ("Negative pledge")) unsecured obligations of that Guarantor, except for liabilities mandatorily preferred by law.

5. Negative pledge and financial and other covenants

5.1 Negative pledge

- a. Subject to paragraph (b) below, the Issuer will not (and will ensure that any Guarantor will not) create any Security Interest upon the whole or any part of its (or the Guarantor's) present or future assets or revenues other than a Permitted Security Interest.
- b. The Issuer or a Guarantor may create a Security Interest (which is not a Permitted Security Interest) or a Security Interest may also be created or permitted to exist if, at the same time, either the same Security Interest as is granted by the Issuer or a Guarantor or such other security:
 - i. securing the Issuer's or Guarantor's obligations to the Noteholders, equally and rateably in all respects so as to rank *pari passu* with the applicable Security Interest; or
 - ii. as shall be approved by the Noteholders pursuant to the Meeting Provisions,

is also granted in favour of the Noteholders in a manner that is satisfactory to the Trustee.

5.2 Financial covenants

- a. The Issuer will not (and will ensure that any Guarantor will not) incur or permit to subsist any new Finance Debt after the Issue Date, unless, after giving pro-forma effect to the incurrence of such Finance Debt and the application of the proceeds thereof, the ratio of Finance Debt to Total Tangible Assets is not more than 0.5:1.
- b. The Issuer will not (and will ensure that any Guarantor will not) declare or pay any dividend or make any other payment or distribution having the same effect ("**Distribution**"), or reduce, return, purchase, repay, cancel or redeem any of its share capital or buy back any of its shares ("**Capital Reduction**") under Chapter 2J of the Corporations Act (or an equivalent provision under any legislation in another jurisdiction applicable to that Guarantor) except:
 - i. where the recipient of the proceeds of such Distribution or Capital Reduction is the Issuer or a Guarantor; or
 - ii. where the source of the funds to effect such Distribution or Capital Reduction has not been raised by way of Secured Debt (or a transaction or series of transactions having substantially the same effect);
 - iii. in the case of a Distribution only, where the source of the funds to effect such Distribution is:
 - (A) only paid out of NPAT of the Group, up to a maximum aggregate amount equal to 100 per cent of NPAT of the Group for the previous 12 months; and
 - (B) only payable when the Total Leverage Ratio is less than 1.5:1,provided that, in any case, such Distribution is no greater than an amount lawfully permitted under applicable law.

So long as an Event of Default is subsisting, the Issuer will not declare or pay a dividend or make any distribution on any issued share in the Issuer, or pay any interest or other amounts in respect of any debt security issued which ranks behind (or equally with) the Notes in priority for payment of interest.
- c. The Issuer will ensure that it will not (and will ensure that any member of the Group will not) (whether in a single transaction or a series of related transactions) sell, transfer, lease, or otherwise dispose of, or create or allow to exist an interest in all or a material part of its assets or the assets of a member of the Group, other than:
 - i. as permitted under Condition 5.1 ("Negative pledge");
 - ii. disposals, partings with possession and interests created (including sub-leases):
 - (A) on arm's length commercial terms;
 - (B) where the assets are waste, obsolete and are not required for the efficient operation of its business;
 - (C) in exchange for other assets comparable or superior as to type, value and quality; or
 - (D) from the Issuer or a Guarantor to any member of the Group;
 - iii. where an amount equal to the net proceeds of the disposal is used within 180 days after such disposal to:
 - (A) purchase or acquire a business or purchase, acquire, develop, redevelop or construct productive assets for use by the Issuer or a member of the Group in its business; and/or
 - (B) prepay or repay any secured or unsecured Finance Debt of the Issuer or a member of the

Group;

- iv. as approved by the Noteholders pursuant to the Meeting Provisions; and
- v. any disposal of assets not described in paragraphs (i) to (iv) provided that:
 - (A) each disposal is for cash consideration on arm's length terms and at fair market value; and
 - (B) the aggregate fair market value of the assets disposed of by any member of the Group during any 12-month period does not exceed A\$5,000,000.

- d. The Issuer:
 - i. will ensure that, at all times, the aggregate total assets of the Issuer and the Guarantors (taken as a whole) are at least 90 per cent of the consolidated total assets of the Group taken as a whole; or
 - ii. agrees to cause such of its Subsidiaries to become a Guarantor pursuant to the Note Trust Deed to ensure that, at all times, the aggregate total assets of the Issuer and the Guarantors (taken as a whole) are at least 90 per cent of the consolidated total assets of the Group taken as a whole,

provided that each Initial Guarantor is a Guarantor at all times, and subject to, in the case of a Subsidiary which has become a member of the Group, the completion of any financial assistance whitewash procedures required under Part 2J.3 of the Corporations Act (or equivalent laws in any other applicable jurisdictions) within 45 days of the shareholders general meeting of the Issuer held after the relevant Subsidiary (which is required to become a Guarantor) becomes a member of the Group.

5.3 Other covenants

- a. The Issuer will (and will ensure that each Guarantor will) do everything necessary to maintain its corporate existence.
- b. The Issuer will comply (and will ensure that each Guarantor complies) with all laws (including any laws relating to the environment) binding on it where a failure to comply would have a material adverse effect on the ability of the Issuer or a Guarantor (as the case may be) to comply with its obligations under the Notes or the Guarantee.
- c. The Issuer will provide the following to the Trustee not later than 30 days after each applicable Test Date a certificate signed by either two directors or a director and the company secretary/chief financial officer of the Issuer which certifies whether, in the opinion of the directors and/or the company secretary/chief financial officer of the Issuer (as appropriate) and after having made all reasonable enquiries, the Issuer has complied with each of the covenants set out in Conditions 5.1 ("Negative pledge"), 5.2 ("Financial covenants"), 5.3(a) and 5.3(b) ("Other covenants") above immediately following the relevant granting of a Security Interest, the incurring of new Finance Debt, the making of a Distribution or Capital Reduction, the disposal of assets or material acquisition of a business on that Test Date (as the case may be). In the event the Issuer is not in compliance with any such covenant, such certificate will give reasonable detail of such non-compliance (including any relevant figures and calculations) and the steps being taken to remedy the same.
- d. At the request of the Trustee (acting either on its own discretion or upon receipt of a written request of a Noteholder) the Issuer will provide (at its own cost), any document or other information that the Trustee may reasonably request that is necessary or desirable to allow the Trustee or a Noteholder to determine whether or not the Issuer is in compliance with each of the covenants set out in Conditions 5.2 ("Financial covenants"), 5.3(a) and 5.3(b) ("Other covenants") above.

6. Title and transfer of the Notes

6.1 Title

Title to Notes passes when details of the transfer are entered in the Register.

6.2 Transfer

Notes may only be transferred in accordance with these Conditions and the Note Trust Deed.

6.3 Transfers in whole

Notes may only be transferred in whole and not in part.

6.4 Estates

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to

that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

6.5 Unincorporated associations

A transfer of a Note to an unincorporated association is not permitted.

6.6 Transfer of unidentified Notes

Where the transferor executes a transfer of less than all the Notes registered in its name, and the specific Notes to be transferred are not identified, the Registrar may register the transfer in respect of such of the Notes registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of all the Notes registered as having been transferred equals the aggregate principal amount of all the Notes expressed to be transferred in the transfer.

6.7 Compliance with law

Notes may only be transferred if the offer or invitation for the transfer, sale or purchase of the Notes:

- a. is for an aggregate consideration payable by each transferee of at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the transferor or its associates to the transferee or its associates) or if the offer or invitation for the transfer otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act; and
- b. complies with all other applicable laws and directives in the jurisdiction in which the transfer takes place.

6.8 Restrictions on transfer

- a. Transfers of the Notes which are not lodged in the Austraclear System cannot be made between a Record Date and the relevant following Payment Date if a redemption of such Note is to occur during, or at the end of, that period in accordance with these Conditions.
- b. Transfers of the Notes will not be registered later than the close of business in the place where the Register is maintained on the eighth day prior to the Maturity Date of the Notes.

7. Interest

7.1 Interest

Each Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date or, if redeemed earlier, the Optional Redemption Date, at the Interest Rate. Interest is payable in arrears on each Interest Payment Date or such other date on which a Note is redeemed.

Notes will bear a fixed or floating rate of interest as specified in the relevant Pricing Supplement.

7.2 Fixed Rate Notes: Fixed Coupon Amount

The amount of interest payable on each Fixed Rate Note on each scheduled Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount unless interest is due on a date that is otherwise than a scheduled Interest Payment Date, in which case Condition 7.3 ("Fixed Rate Notes: Calculation of interest payable") shall apply to calculate the amount of interest payable for that period.

7.3 Fixed Rate Notes: Calculation of interest payable

The amount of interest payable in respect of a Fixed Rate Note for any period which does not end on a scheduled Interest Payment Date shall be calculated by the Calculation Agent by multiplying the Interest Rate, the outstanding principal amount of the Fixed Rate Note and the Day Count Fraction.

7.4 Floating Rate Notes: Calculation of interest payable

The amount of interest payable in respect of a Floating Rate Note shall be calculated by the Calculation Agent by applying the Interest Rate to the outstanding principal amount of each relevant Floating Rate Note, multiplying such sum by the relevant Day Count Fraction for the relevant Interest Period.

7.5 Calculation of Interest Rate for Floating Rate Notes

The Interest Rate applicable to the Floating Rate Notes during the Interest Period will be the sum of the Margin and the BBSW Rate, in each case, as specified in the relevant Pricing Supplement.

In the event that the Calculation Agent is unable to determine the Interest Rate for any Interest Period, the Interest Rate for such Interest Period will be the Interest Rate applicable to the Floating Rate Notes for the immediately preceding Interest Period.

7.6 Notification of Interest Rate, interest payable and other items

- a** The Calculation Agent must notify the Issuer, the Registrar, the Noteholders, the Trustee and each other Agent of the Interest Rate and amount of interest calculated or determined by it under Condition 7.3 ("Fixed Rate Notes: Calculation of interest payable"), 7.4 ("Floating Rate Notes: Calculation of interest payable"), and 7.5 ("Calculation of Interest Rate for Floating Rate Notes").
- b** The Calculation Agent must give notice under this Condition as soon as practicable after making its determination.
- c** The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must promptly notify the Issuer, the Registrar, the Noteholders, the Trustee and each other Agent of any such amendment.

7.7 Determination final

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of fraud or manifest error, final and binding on the Issuer, the Guarantors, the Registrar, each Noteholder, the Trustee and each other Agent.

7.8 Business Days

- a** In the event that any Interest Payment Date or Maturity Date on a Fixed Rate Note is not a Business Day, interest on such Fixed Rate Note will be paid on the next succeeding Business Day without any additional interest.
- b** If a payment is due under a Floating Rate Note on a day which is not a Business Day, the date for payment will be adjusted according to the Modified Following Business Day Convention.

7.9 Rounding

For the purposes of any calculations required under these Conditions (unless otherwise specified in the relevant Pricing Supplement):

- a** all percentages resulting from the calculations must be rounded to the nearest one hundred thousandth of a percentage point (with 0.000005 per cent being rounded up to 0.00001 per cent);
- b** all figures must be rounded to five decimal places (with halves being rounded up); and
- c** all amounts that are due and payable must be rounded (with halves being rounded up) to one cent.

8. Redemption

8.1 Redemption on maturity

The Issuer agrees to redeem each Note on its Maturity Date by payment of 100.0 per cent. of the outstanding principal amount of each Note unless:

- a.** the Note has been previously redeemed; or
- b.** the Note has been purchased and cancelled.

8.2 Early redemption at the option of Noteholders (Noteholder put)

Upon the occurrence of a Change of Control event, each Noteholder will have the right to require the Issuer to redeem all (but not some) of such Notes at a redemption price equal to 101 per cent. of the outstanding principal amount of each Note being redeemed (together with any accrued interest, if any, to the date of redemption) (the "Change of Control Redemption Price"). Within 30 days after a Change of Control event, the Issuer shall

deliver a notice to the Registrar and the Trustee requesting that the Trustee promptly notifies Noteholders stating:

- a. that a Change of Control event has occurred and that such Noteholder has the right to require the Issuer to redeem such Notes at the Change of Control Redemption Price;
- b. the redemption date (which shall be no earlier than 30 days nor later than 50 days from the date of such notice is delivered) ("Change of Control Redemption Date");
- c. or otherwise setting out a form of the exercise notice to be provided by the Noteholders (the "Change of Control Event Exercise Notice"), together with instructions on how to submit that notice;
- d. that the last day of which the Noteholder may provide the Change of Control Exercise Notice to the Issuer is the day falling 10 days prior to the Change of Control Redemption Date ("Change of Control Exercise Date"); and
- e. the procedures determined by the Issuer, consistent with terms and conditions of the Notes, that a Noteholder must follow in order to have its Notes redeemed.

To exercise its right under this Condition 8.2, a Noteholder must deliver a duly completed and signed Change of Control Event Exercise Notice to the Issuer (or as otherwise directed) prior to the end of the Change of Control Exercise Date.

If at the end of the Change of Control Redemption Period, Noteholders representing 90 per cent or more of the then aggregate principal amount of all the Notes then outstanding, have provided a Change of Control Event Exercise Notice to the Issuer, the Issuer may, but shall not be obliged to, redeem all remaining notes outstanding on the relevant redemption date at the Change of Control Redemption Price, by giving at least 10 days' prior notice to the Noteholders within 30 days after the end of the Change of Control Redemption Date.

In this Condition, "Change of Control" means, on any date, an event where a party which held 50 per cent or less of the issued shares of the Issuer as at the Issue Date are issued subsequently holds more than 50 per cent of the issued shares of the Issuer on that date.

8.3 Early redemption at the option of the Issuer (Issuer call)

The Issuer may redeem all or some of the Notes before their Maturity Date as follows:

- a. on a First Optional Redemption Date (and on the following Interest Payment Date in respect of the Floating Rate Note) by payment of 101.50 per cent of the outstanding principal amount of each Note being redeemed;
- b. on a Second Optional Redemption Date (and on the following Interest Payment Date in respect of the Floating Rate Note) by payment of 101.25 per cent of the outstanding principal amount of each Note being redeemed;
- c. on a Third Optional Redemption Date (and on the following Interest Payment Date in respect of the Floating Rate Note) by payment of 101.00 per cent of the outstanding principal amount of each Note being redeemed; and
- d. on a Fourth Optional Redemption Date (and on the following Interest Payment Date in respect of the Floating Rate Note) by payment of 100.50 per cent of the outstanding principal amount of each Note being redeemed;

in each case, together with any accrued interest, if any, to the date of redemption.

However, the Issuer may only do so if:

- i. the amount of the Notes to be redeemed is a whole multiple of their Denomination; and
- ii. the Issuer has given at least 7 days' (and not more than 60 days') notice to the Registrar, the Trustee, the Noteholders and each other Agent.

8.4 Redemption during Non-Call Period

At any time prior to the First Optional Redemption Date, the Issuer may, at its option, redeem all or part of the Notes, upon not less than 7 days nor more than 60 days' prior notice (the "Redemption Date") at the Redemption Price.

8.5 Early redemption for tax reasons

The Issuer may redeem all (but not some) of the Notes;

- a. if a Fixed Rate Note, at any time; or
- b. if a Floating Rate Note, on any Interest Payment Date,

before their Maturity Date at a redemption price equal to the outstanding principal amount of each Note (together with any accrued interest, if any, to the date of redemption) if, as a consequence of an amendment to or a change in, or announced amendment to or prospective change in:

- a. the law or a binding judicial decision, directive, ruling or determination; or
- b. an administrative decision (with which the Issuer is required to comply, or habitually complies) interpreting, applying or clarifying those laws or judicial decisions, directives, rulings or determinations,

occurring after the Issue Date of the first Tranche of a series of the Notes, the Issuer is required, or is likely to be required, to pay an additional amount in respect of a Note of that series under Condition 10.2 ("Withholding tax").

However, the Issuer may only do so if the Issuer obtains (and provides copies to the Registrar to be made available to each Noteholder upon request):

- i. a certificate signed by two directors of the Issuer or one director of each Guarantor, as the case may be, on behalf of the Issuer or each Guarantor, as the case may be, stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective) describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer or each Guarantor, as the case may be, taking reasonable measures available to it; and
- ii. an opinion of independent legal advisers of recognised standing to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective),

and the Issuer has given not less than 15 days (nor more than 90 days) (or any other period specified in the relevant Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock exchange or other relevant authority on which the Notes are listed.

8.6 Partial redemptions

If only some of the Notes are to be redeemed under Condition 8.3 ("Early redemption at the option of the Issuer (Issuer call)") or Condition 8.4 ("Early redemption during Non-Call Period"), the Notes to be redeemed will be specified in the notice and selected:

- a. in a fair and reasonable manner; and
- b. in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the Notes are listed.

8.7 Effect of notice of redemption

Any notice of redemption given under this Condition 8 ("Redemption") is irrevocable.

8.8 Late payment

If an amount payable is not paid under this Condition 8 ("Redemption") when due, then interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the relevant Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Noteholder.

8.9 Purchase

The Issuer and any of its Related Bodies Corporate may at any time purchase the Notes in the open market or otherwise and at any price. Notes purchased under this Condition 8.9 may be held, resold or cancelled at the discretion of the purchaser and (if the Notes are to be cancelled, the Issuer), subject to compliance with any applicable law or directive.

9. Payments

9.1 Payments to Noteholders

- a. Payments of principal will be made to each person registered in the Register at 10:00 am on the applicable Payment Date as the holder of a Note;
- b. Payment of interest shall be made to each person registered in the Register at close of business on the applicable Record Date as the holder of a Note.

9.2 Payments to accounts

Payments in respect of a Note will be made:

- a. if the Note is held in the Austraclear System, by crediting on the Payment Date, the amount due to:
 - i. the account of Austraclear (as the Noteholder) previously notified to the Issuer and the Registrar; or
 - ii. if requested by Austraclear, the accounts of the persons in Australia in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded as previously notified by Austraclear to the Issuer and the Registrar in accordance with the Austraclear Regulations; and
- b. if the Notes are not held in the Austraclear System, by crediting on the Payment Date, the amount then due under each Note to an account in Australia previously notified by the Noteholder to the Issuer and the Registrar.

9.3 Payments by cheque

If a Noteholder has not notified the Registrar of an account to which payments to it must be made by close of business on the Record Date or it has notified the Registrar that it wishes to be paid by cheque, payments in respect of the Note will be made by cheque sent by prepaid post on the Payment Date, at the risk of the registered Noteholder, to the Noteholder (or if two or more persons are entered in the Register as joint Noteholders, to the first named joint Noteholder of the Note) at its address appearing in the Register at close of business on the Record Date. Cheques sent to the nominated address of a Noteholder will be taken to have been received by the Noteholder on the Payment Date and no further amount will be payable by the Issuer in respect of the Notes as a result of the Noteholder not receiving payment on the due date.

9.4 Payments subject to law

All payments are subject to applicable law but without prejudice to the provisions of Condition 10 ("Taxation").

9.5 Payments on Business Days

If a payment:

- a. is due on a Note on a day which is not a Business Day then the due date for payment will be adjusted in accordance with the applicable Business Day Convention;
- b. is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place, and a Noteholder is not entitled to any additional payment in respect of that delay.

9.6 Unsuccessful attempts to pay

Subject to applicable law, where the Issuer:

- a. decides that an amount is to be paid to a Noteholder by a method of direct credit and the Noteholder has not given a direction as to where amounts are to be paid by that method;
- b. attempts to pay an amount to a Noteholder by direct credit, electronic transfer of funds, cheque or any other means and the transfer is unsuccessful;
- c. has made reasonable efforts to locate a Noteholder but is unable to do so; or
- d. has issued a cheque which has not been presented within six months of its date, then the Issuer may cancel such cheque and if the Issuer has so cancelled,

then, in each case and subject to Condition 11 ("Time limit for claims"), the amount is to be held by the Issuer for the Noteholder in a non-interest bearing deposit with a bank selected by the Issuer until the Noteholder or any legal personal representative of the Noteholder claims the amount or the amount is paid by the Issuer according to the legislation relating to unclaimed moneys.

9.7 Payment to joint Noteholders

A payment to any one of joint Noteholders will discharge the Issuer's liability in respect of the payment.

10. Taxation

10.1 No set-off, counterclaim or deductions

All payments in respect of the Notes must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless such withholding or deduction is required by law.

10.2 Withholding tax

If a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of a Note such that the Noteholder would not actually receive on the due date the full amount provided for under the Notes, then:

- a. the Issuer agrees to deduct the amount for the Taxes; and
- b. the amount payable by the Issuer is increased so that, after making the withholding or deduction and further withholdings or deductions applicable to any additional amounts payable under this Condition, the Noteholder receives a net amount equal to the amount it would have received if no withholdings or deductions had been required to be made.

10.3 Gross-up exceptions

No additional amounts are payable under Condition 10.2 ("Withholding tax") in respect of any Note:

- a. to, or to a third party on behalf of, a Noteholder, if that person has not supplied an appropriate Australian tax file number, Australian Business Number or details of an applicable exemption from these requirements as may be necessary to enable the payment to be made without such withholding or deduction;
- b. to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of having some connection with Australia other than the mere holding of the Note;
- c. to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of a Note by reason of the Noteholder (or person with an interest in such Note) being an Offshore Associate of the Issuer not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act;
- d. in respect of any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge;
- e. in circumstances where such a withholding or deduction would not be required if the Noteholder, or any person acting on the Noteholder's behalf, had satisfied any statutory requirements or obtained and/ or presented any form or certificate or had made a declaration of non-residence or similar claim for exemption to any Tax Authority upon the presentation or making of which the Noteholder would have been able to avoid or partially avoid (as the case may be) such withholding or deduction;
- f. where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Income Tax Assessment Act 1936 or section 260-5 of the Taxation Administration Act 1953 of the Commonwealth of Australia or any similar law;
- g. where such withholding or deduction is made for, or on account of, FATCA (as withheld or deducted by the Issuer, an Agent or any other party);
- h. in such other circumstances as may be specified in the relevant Pricing Supplement; or
- i. in respect of any combination of any or all of paragraphs (a) to (h) above.

11. Time limit for claims

A claim against the Issuer for a payment under a Note is void unless made within 10 years (in the case of principal) or 5 years (in the case of interest and other amounts) from the date on which payment first became due.

12.1 Events of Default

Each of the following is an Event of Default in respect of the Notes:

- a. **(non-payment of principal)** the Issuer fails to pay any principal in respect of the Notes when due, unless that default is caused by a technical or administrative error by a bank or financial institution in the transmission of funds and is remedied within 2 Business Days of its occurrence;
- b. **(non-payment of interest)** the Issuer fails to pay any interest in respect of the Notes of the relevant series when due and the failure to pay continues for a period of 2 Business Days;
- c. **(other non-compliance)** the Issuer:
 - i. fails to comply with any of its obligations in connection with a Note (other than in relation to the payment of money referred to in paragraphs (a) and (b) above); and
 - ii. if the non-compliance is capable of remedy, it is not remedied within 10 Business Days after notice of such default shall have been given to the Issuer by the Trustee or any Noteholder;
- d. **(cross default)** any Finance Debt of the Issuer, a Guarantor or any of its other Subsidiaries for amounts totalling more than A\$5,000,000 (or its equivalent in any other currency):
 - i. is not satisfied on the later of their due date or the end of any applicable grace period; or
 - ii. has become (or becomes capable of being declared) due and payable before its scheduled maturity by reasons of a default, event of default or potential event of default (howsoever described). For the purposes of this sub-paragraph (ii), and except in relation to an amount becoming capable of being declared due and payable as a consequence of a breach of a payment obligation or a breach of a material obligation (howsoever described), an amount will only be deemed to have become capable of being declared due and payable on the date that falls 10 days after the expiration of any applicable grace period in relation to the event giving rise to the amount becoming capable of being declared due and payable;
- e. **(insolvency)** except for the purpose of a solvent reconstruction, amalgamation, merger or consolidation, an order is made or an effective resolution passed for the liquidation, dissolution or winding-up of the Issuer or any Guarantor, an administrator, liquidator, receiver, manager, receiver and manager or other controller (as defined in the Corporations Act) is appointed to the Issuer or any Guarantor and the order, resolution or appointment is not set aside, cancelled, withdrawn or rescinded within 7 days of the order, resolution or appointment (as the case may be) being made or the Issuer or any Guarantor becomes insolvent, is unable to pay its debts as they fall due, stops or suspends payment of its debts generally or the Issuer or any Guarantor is taken (under section 459(1) of the Corporations Act) to have failed to comply with a statutory demand;
- f. **(no arrangement with creditors)** the Issuer or any Guarantor makes a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against the Issuer or a Guarantor (which, in the case of a proceeding instituted against the Issuer or a Guarantor, is not set aside or withdrawn within 7 days after the date that the application was made for such proceeding to be instituted) seeking to adjudicate it insolvent, or seeking liquidation, winding up, reorganisation, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganisation or relief of debtors, seeking the entry of any order for relief or the appointment of a receiver, trustee, administrator or other similar official over the Issuer or Guarantor, its activities or any substantial part of its property;
- g. **(obligations unenforceable)** any Note or the Guarantee is or becomes (or is claimed to be by the Issuer, a Guarantor or anyone on their behalf) wholly or any part of a material provision of it void, voidable or unenforceable or any Note or the Guarantee ceases to wholly or in relation to any part of a material provision of it have full force and effect or the whole or any part of a material provision of it is declared by any court of competent jurisdiction to be void or unenforceable;
- h. **(no litigation)** a judgement or award in an amount exceeding A\$5,000,000 (or its equivalent in any other currency) is obtained against the Issuer or a Guarantor or any of their assets and is not set aside or satisfied within 30 days unless the Issuer or the Guarantor is diligently and in good faith pursuing an appeal;
- i. **(cessation of business)** the Issuer or any Guarantor ceases to carry on business generally and no other body corporate assumes the business of that person; and
- j. **(enforcement against assets)** any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer or a Guarantor worth (in aggregate) more than A\$5,000,000.

12.2 Consequences of an Event of Default

If an Event of Default occurs and continues unremedied in relation to the Notes, then a Noteholder or the Trustee (if requested in writing by a Noteholder) may declare by notice to the Issuer (with a copy to the Registrar and the Trustee (if notice is given by a Noteholder)) that each Note held by it is (or, if the Trustee has given the declaration, all the Notes are) to be redeemed by the Issuer paying to the Noteholder the applicable redemption amount for the Note (together with any accrued interest) in which case those amounts become immediately due and payable.

12.3 Notification

If an Event of Default occurs, the Issuer must promptly (and in any event within 2 days) after becoming aware of it notify the Trustee, the Registrar and the Noteholders of the occurrence of the Event of Default (specifying details of it).

12.4 Enforcement

- a. Subject to Condition 12.4(c), at any time after the occurrence of an Event of Default, the Trustee may, either at its discretion or pursuant to a direction of Noteholders in accordance with paragraph (c)(i) below and, in either case, without further notice, institute such proceedings and/or take such other action as it may think fit against or in relation to the Issuer to enforce the Issuer's obligations under the Notes. The Issuer shall, as a result of the bringing of any such proceedings, be obliged to pay any sums representing or measured by reference to principal or interest on the Notes sooner than the same would otherwise have been payable by it.
- b. Without prejudice to Condition 12.4(a) but subject to Condition 12.4(c), if the Issuer breaches any of its obligations under the Note Trust Deed, the Trustee may, either at its discretion or pursuant to a direction of Noteholders in accordance with paragraph (c)(i) below and, in either case, without further notice, bring such proceedings as it may think fit to enforce such obligations.
- c. Unless the Trustee, acting reasonably, forms the view that immediate steps must be taken to protect the Noteholders' interests or to enforce the Issuer's obligations under the Notes, it must not take any of the actions referred to in paragraphs (a) or (b) above to enforce the obligations of the Issuer in respect of the Notes or take any other enforcement action pursuant to or in connection with the Note Trust Deed or the Notes unless:
 - i. it shall have been so requested in writing by Noteholders who hold in aggregate 25 per cent or more of the outstanding principal amount of all the Notes then outstanding; and
 - ii. it shall have been indemnified to its satisfaction in accordance with the terms of the Note Trust Deed.

If, prior to acting on a direction received pursuant to paragraph (a), the Trustee receives further directions to take any action pursuant to this paragraph (c)(i) that are, in its reasonable opinion, materially inconsistent or conflicting in any material respect with the initial directions, the Trustee must call a meeting of Noteholders in accordance with the terms of these Conditions, the Note Trust Deed and the Meeting Provisions in order to resolve the inconsistency or conflict and shall act in accordance with any resolutions passed at that meeting or in accordance with any direction by Noteholders who hold in aggregate 50 per cent or more of the outstanding principal amount of all the Notes then outstanding.

- d. No Noteholder is entitled to proceed directly against the Issuer to enforce any right or remedy under or in respect of any Note or the Note Trust Deed unless expressly entitled to do so under these Conditions, the Note Trust Deed or the Trustee, having become bound to proceed, fails to do so within five days from the date that the Trustee is notified by a Noteholder of the failure, and such failure is continuing.

13. Agents

13.1 Role of Agents

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust with any Noteholder.

13.2 Appointment and replacement of Agents

Each initial Agent for a series of the Notes is specified in the relevant Pricing Supplement. Subject to Condition 13.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

13.3 Change of Agent

The Issuer (or the Agent on its behalf) must notify the Trustee and the Noteholders if there is any change in the identity of any Agent or any Agent's Specified Office.

13.4 Required Agents

The Issuer must at all times maintain a Registrar, Issuing & Paying Agent and Calculation Agent.

14. Meetings of Noteholders

The Meeting Provisions contain provisions for convening meetings of the Noteholders of any series to consider any matter affecting their interests, including any variation of these Conditions. Any resolution duly passed by the Noteholders pursuant to the Meeting Provisions shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed).

15. Variation

15.1 Variation with consent

Unless Condition 15.2 ("Variation without consent") applies, any Note may be varied by the Noteholders of the series in accordance with the Meeting Provisions.

15.2 Variation without consent

Any Condition may be amended by the Issuer with the consent of the Trustee (not to be unreasonably withheld or delayed) but without the consent of the Noteholders if the amendment:

- a. is of a formal, minor or technical nature;
- b. is made to correct a manifest error; or
- c. is made to cure any ambiguity or correct or supplement any defective or inconsistent provision,

provided that, in all cases, in the reasonable opinion of the Issuer and the Trustee, such amendment is not materially prejudicial to the interests of the Noteholders.

16. Further issues of Notes

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same conditions as the Notes of the Series in all respects (or in all respects except for the first payment of interest, if any, on them) so as to form a single Series with any existing Notes.

17. Notices

17.1 Notices to Noteholders

All notices and other communications to Noteholders must be in writing and must be sent by prepaid post (airmail, if appropriate) to or left at the address of the Noteholder (as shown in the Register at close of on the day which is 3 Business Days before the date of the notice or communication) and may also be given by an advertisement published in The Australian Financial Review or The Australian.

17.2 Notices to the Issuer, the Trustee and the Agents

All notices and other communications to the Issuer, the Trustee or an Agent must be in writing and may sent by prepaid post (airmail, if appropriate) to or left at the Specified Office of the Issuer, the Trustee or the Agent.

17.3 Receipt - publication in newspaper

If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers.

17.4 Deemed receipt - postal

If sent by post, notices or other communications are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

17.5 Deemed receipt - general

Despite Condition 17.4 (“Deemed receipt - postal”), if notices or other communications are received after 5:00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9:00 am on the next Business Day.

18. Governing law

18.1 Governing law

These Conditions are governed by the law in force in New South Wales, Australia.

18.2 Jurisdiction

The Issuer irrevocably and unconditionally submits and each Noteholder is taken to have submitted, to the nonexclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to any actions or proceedings (“**Proceedings**”) being brought in those courts including, without limitation, by claiming that the Proceedings have been brought in an inconvenient forum or that those courts do not have jurisdiction.

18.3 Serving documents

Without preventing any other method of service, any document in any Proceedings (including, without limitation any writ of summons or other originating process or any third or other party notice) may be served on the Issuer by being delivered or left at the Specified Office of the Issuer or otherwise at the Issuer’s registered office or principal place of business.

Pricing Supplement – Fixed Rate Notes

The Pricing Supplement to be issued in respect of the Fixed Rate Notes IV will be substantially in the form set out below.

Notes IV Series No: 1
Tranche No: 1



N E X T D C

NEXTDC Limited (ABN 35 143 582 521)

(**“Issuer”**)

Issue of

A\$100,000,000 6.00% Fixed Rate Notes IV due 9 June 2022

(**“Notes”**)

irrevocably and unconditionally guaranteed by

ONEDC Software Pty Ltd

(ABN 62 11 158 340 624)

(**“Initial Guarantor”**)

The date of this Pricing Supplement is 6 July 2018.

This Pricing Supplement (as referred to in the Information Memorandum dated 6 July 2018 (**“Information Memorandum”**)) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with (i) the terms and conditions of the Notes (**“Conditions”**) contained in the Information Memorandum and (ii) the Note Trust Deed dated 12 June 2014 (**“Trust Deed”**) and made by the Issuer, the Initial Guarantor and the Trustee. The Notes of this Tranche are constituted by, and issued with the benefit of, the Trust Deed.

Unless otherwise indicated, terms defined in the Conditions have the same meaning when used in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone outside Australia or where such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement for issue to persons to whom disclosure would be required under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1	Issuer	:	NEXTDC Limited (ABN 35 143 582 521)
2	Initial Guarantor	:	ONEDC Software Pty Ltd (ABN 11 158 340 624)
3	Type of Note	:	Fixed Rate Medium Term Notes
4	Lead Manager and Initial Subscriber	:	National Australia Bank Limited (ABN 12 004 044 937)
5	Place of offering	:	Inside and outside Australia
6	Registrar	:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
7	Issuing & Paying Agent	:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
8	Calculation Agent	:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
9	Trustee	:	BNY Trust Company of Australia Limited (ABN 49 050 294 052)
10	Aggregate principal amount of Tranche	:	A\$100,000,000
11	Issue Date	:	17 July 2018

12	Issue Price	:	100%
13	Denomination	:	A\$1,000
14	Minimum initial parcel size on initial issue	:	A\$50,000
15	Maturity Date	:	9 June 2022
16	Record Date	:	As per the Conditions
17	Interest	:	The Notes are Fixed Rate Notes
18	Interest Rate	:	6.00% per annum
19	Fixed Coupon Amount	:	A\$30.00 per A\$1,000 denomination, payable semi-annually in arrears, provided that the Fixed Coupon Amount on the first Interest Payment Date will be an amount equal to A\$23.77 per A\$1,000 denomination.
20	Interest Commencement Date	:	Issue Date
21	Interest Payment Dates	:	Semi-annually on 9 June and 9 December of each year, commencing on 10 December 2018 (Short First Coupon) (as adjusted in accordance with the Following Business Day Convention) up to, and including, the Maturity Date or, if redeemed earlier, an Optional Redemption Date.
22	Applicable Business Day Convention	:	Following Business Day Convention
23	Day Count Fraction	:	RBA Bond Basis
24	Noteholder put	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Noteholders on a Change of Control as set out in Condition 8.2 ("Early redemption at the option of Noteholders (Noteholder put)")
25	Issuer call	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 8.3 ("Early redemption at the option of the Issuer (Issuer call)") and: First Optional Redemption Date means 9 June 2020; Second Optional Redemption Date means 9 December 2020; Third Optional Redemption Date means 9 June 2021; and Fourth Optional Redemption Date means 9 December 2021.
26	Redemption during non-call period	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 8.4 ("Redemption during Non-Call Period").
27	Clearing system	:	Austraclear System. Interests in the Notes may also be traded through Euroclear and Clearstream, Luxembourg as set out on page 10 of the Information Memorandum.
28	ISIN	:	AU3CB0254480
29	Common Code	:	185601153
30	Austraclear I.D.	:	NEDC04
31	Australian interest withholding tax:	:	It is the Issuer's intention that the Notes IV will be issued in a manner which will comply with the public offer test under section 128F of the Income Tax Assessment Act 1936 of Australia.
32	Listing	:	Not applicable

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Date: 6 July 2018

CONFIRMED

For and on behalf of

NEXTDC Limited

Pricing Supplement – Floating Rate Notes

The Pricing Supplement to be issued in respect of the Floating Rate Notes IV will be substantially in the form set out below.

Notes IV Series No: 2

Tranche No: 1



NEXTDC Limited (ABN 35 143 582 521)

(**“Issuer”**)

Issue of

A\$200,000,000 Floating Rate Notes IV due 9 June 2022

(**“Notes”**)

irrevocably and unconditionally guaranteed by

ONEDC Software Pty Ltd

(ABN 62 11 158 340 624)

(**“Initial Guarantor”**)

The date of this Pricing Supplement is 6 July 2018.

This Pricing Supplement (as referred to in the Information Memorandum dated 6 July 2018 (**“Information Memorandum”**)) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with (i) the terms and conditions of the Notes (**“Conditions”**) contained in the Information Memorandum and (ii) the Note Trust Deed dated 12 June 2014 (**“Trust Deed”**) and made by the Issuer, the Initial Guarantor and the Trustee. The Notes of this Tranche are constituted by, and issued with the benefit of, the Trust Deed.

Unless otherwise indicated, terms defined in the Conditions have the same meaning when used in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone outside Australia or where such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action is being taken to permit an offering of the Notes IV or the distribution of this Pricing Supplement for issue to persons to whom disclosure would be required under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1	Issuer	:	NEXTDC Limited (ABN 35 143 582 521)
2	Initial Guarantor	:	ONEDC Software Pty Ltd (ABN 11 158 340 624)
3	Type of Note	:	Floating Rate Medium Term Notes
4	Lead Manager and Initial Subscriber	:	National Australia Bank Limited (ABN 12 004 044 937)
5	Place of offering	:	Inside and outside Australia
6	Registrar	:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
7	Issuing & Paying Agent	:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
8	Calculation Agent	:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
9	Trustee	:	BNY Trust Company of Australia Limited (ABN 49 050 294 052)
10	Aggregate principal amount of Tranche	:	A\$200,000,000
11	Issue Date	:	17 July 2018

12	Issue Price	:	100%
13	Denomination	:	A\$1,000
14	Minimum initial parcel size on initial issue	:	A\$50,000
15	Maturity Date	:	9 June 2022
16	Record Date	:	As per the Conditions
17	Interest	:	The Notes are Floating Rate Notes
18	Interest Rate	:	The aggregate of 90 day BBSW Rate plus the Margin specified below.
19	Margin	:	3.75% per annum
20	Interest Commencement Date	:	Issue Date
21	Interest Payment Dates	:	Quarterly on 9 March, 9 June, 9 September and 9 December of each year, commencing on 10 September 2018 (Short First Coupon) (as adjusted in accordance with the Modified Following Business Day Convention) up to, and including, the Maturity Date or, if redeemed earlier, an Optional Redemption Date.
22	Applicable Business Day Convention	:	Modified Following Business Day Convention
23	Day Count Fraction	:	Actual / 365 (Fixed)
24	Noteholder put	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Noteholders on a Change of Control as set out in Condition 8.2 ("Early redemption at the option of Noteholders (Noteholder put)")
25	Issuer call	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 8.3 ("Early redemption at the option of the Issuer (Issuer call)") and: First Optional Redemption Date means 9 June 2020 (and on the following Interest Payment Date being 9 September 2020); Second Optional Redemption Date means 9 December 2020 (and on the following Interest Payment Date being 9 March 2021); Third Optional Redemption Date means 9 June 2021 (and on the following Interest Payment Date being 9 September 2021); and Fourth Optional Redemption Date means 9 December 2021 (and on the following Interest Payment Date being 9 March 2022).
26	Redemption during non-call period	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 8.4 ("Redemption during Non-Call Period").
27	Clearing system	:	Austraclear System. Interests in the Notes may also be traded through Euroclear and Clearstream, Luxembourg as set out on page 10 of the Information Memorandum.
28	ISIN	:	AU3FN0043337
29	Common Code	:	185601200
30	Austraclear I.D.	:	NEDC05
31	Australian interest withholding tax:	:	It is the Issuer's intention that the Notes will be issued in a manner which will comply with the public offer test under section 128F of the Income Tax Assessment Act 1936 of Australia.
32	Listing	:	Not applicable

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Date: 6 July 2018

CONFIRMED

For and on behalf of

NEXTDC Limited

Selling and Distribution Restrictions

Under the Subscription Agreement dated 6 July 2018 between the Issuer, the Initial Guarantor and the Lead Manager and Initial Subscriber (“**Subscription Agreement**”) and subject to the Conditions contained in the Information Memorandum, the Notes IV will be offered by the Issuer through the Lead Manager and Initial Subscriber. The Issuer will have the sole right to accept any offers to purchase the Notes IV and may reject any such offer in whole or (subject to the terms of such offer) in part.

None of the Issuer, the Initial Guarantor or the Lead Manager and Initial Subscriber Arranger has represented that any Notes IV may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale.

Persons into whose hands this Information Memorandum comes are required by the Issuer, the Initial Guarantor, the Lead Manager and Initial Subscriber to comply with all applicable laws, regulations and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver the Notes IV or have in their possession or distribute or publish the Information Memorandum or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes IV under any applicable law, regulation or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and none of the Issuer, the Initial Guarantor or the Lead Manager and Initial Subscriber has responsibility for such matters. In accordance with the above, any Notes IV purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Notes IV in such jurisdiction.

The following selling restrictions apply to the Notes IV.

This document does not constitute an offer of the Notes IV in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Notes IV may not be offered or sold, in any country outside Australia except to the extent permitted below.

Australia

The Lead Manager and Initial Subscriber has acknowledged that:

- a. no “prospectus” or other “disclosure document” (each as defined in the Corporations Act) in relation to the Notes IV has been or will be lodged with ASIC or any other government agency or authority; and
- b. no action has been taken, or will be taken, by it in any jurisdiction which would permit a public offering of the Notes IV, or possession or distribution of the Information Memorandum or any other offering material in relation to the Notes IV, in any jurisdiction where action for that in connection with the primary distribution of the Notes IV.

The Initial Subscriber has represented and agreed that it:

- i. it has not made or invited, and will not make or invite, an offer of the Notes IV for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- ii. it has not distributed or published, and will not distribute or publish, any Information Memorandum or other offering material or advertisement relating to any Notes IV in Australia,

unless:

- (A) the offer or invitation falls within the exemption for offers to sophisticated investors set out in section 708(8) of the Corporations Act or the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;
- (B) such action does not require any document to be lodged with ASIC or ASX Limited;
- (C) the offer or invitation is not made to a person who is a “retail client” within the meaning of 761 of the Corporations Act; and
- (D) the offer or invitation and all conduct in connection with it complies with all applicable laws and directives.

New Zealand

No action may be taken to permit the Notes IV to be offered or sold to any retail investor, or otherwise under any regulated offer, in terms of the *Financial Markets Conduct Act 2013* of New Zealand (“FMCA”). In particular, no product disclosure statement under the FMCA has been or will be prepared or lodged in New Zealand in relation to the Notes IV.

The Lead Manager and Initial Subscriber has represented and agreed that it has not offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Notes IV in New Zealand and it will not distribute any offering memorandum or advertisement in relation to any offer of Notes IV, in New Zealand other than to “wholesale investors” as that term is defined in clauses 3(2) and

3(3) of Schedule 1 to the FMCA, being:

- a. a person who is and who has certified that they are:
 - i. an “investment business”;
 - ii. “large”; or
 - iii. a “government agency”,in each case as defined in Schedule 1 to the FMCA; or
- b. a person that meets and who has certified that they meet the “investment activity criteria” specified in clause 38 of Schedule 1 to the FMCA; or
- c. a person who has certified that they are an “eligible investor” in accordance with clause 41 of Schedule 1 to the FMCA; or
- d. a person who invests a minimum amount of NZ\$750,000 in the Notes IV.

No person may distribute this Information Memorandum, any series notice, terms or any information or other material that may constitute an advertisement (as defined in the FMCA) in relation to any offer of the Notes IV in New Zealand other than to any such persons as referred to in the applicable paragraphs above.

The following warning statement applies in relation to those New Zealand investors who are “wholesale investors” solely by reason of the minimum amount payable by them on acceptance of the offer being at least NZ\$750,000:

Warning

The law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important to make an informed decision.

The usual rules do not apply to this offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is NZ\$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment.

Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Hong Kong

This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Notes IV have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

No advertisement, invitation or document relating to the Notes IV has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes IV that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted the Notes IV may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority.

Singapore

This document and any other materials relating to the Notes IV have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the Notes IV, may not be issued, circulated or distributed, nor may the Notes IV be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIV of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

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Australian Taxation

Introduction

The following is a summary of certain key Australian tax consequences under the *Income Tax Assessment Act 1936* (Cth) and *Income Tax Assessment Act 1997* (Cth) (“**Australian Tax Act**”) or the *A New Tax System (Goods And Services Tax) Act 1999* (Cth) in relation to the purchase, ownership and disposition of the Notes IV issued on the terms set out in the Conditions in Section 4 of this Information Memorandum as modified by the details of the relevant Pricing Supplement set out in Section 5 of this Information Memorandum, for holders who purchase the Notes IV on original issuance at the stated offering price and hold the Notes IV as capital assets for tax purposes (“**Holders**”).

This summary is based on Australian tax law as at the date of this Information Memorandum, which is subject to change, possibly with retrospective effect, and should be treated with appropriate caution.

The following summary is general in nature and does not, and is not intended to, constitute a complete analysis of all potential tax consequences relating to the ownership or disposal of the Notes IV and does not deal with the position of all classes of holders.

In particular, this summary only addresses tax consequences for Holders who acquire and hold their Notes IV on capital account for tax purposes and, without limitation, does not consider the tax consequences that may arise for Holders of the Notes IV who are dealers in securities or who otherwise hold the Notes IV as trading stock or revenue assets, custodians or other third parties who hold the Notes IV on behalf of any holders, or holders that have elected into any of the elective taxing regimes under the Taxation of Financial Arrangements (“**ToFA**”) rules.

None of the Issuer, the Guarantors, the Initial Subscriber, the Registrar or the Agents (nor their respective shareholders, subsidiaries, related bodies corporate, officers, employees, representatives or advisers) accepts any responsibility or makes any representation as to the tax consequences of investing in the Notes IV.

All prospective investors should consult their own professional tax advisers concerning the consequences, in their particular circumstances under Australian tax laws and the laws of any other taxing jurisdiction, of their ownership of, or any dealing in, the Notes IV.

Nature of the Notes IV for Australian tax purposes

It is expected that each Note issued by the Issuer should constitute a debenture, and a “debt interest” for Australian tax purposes. Accordingly, broadly, interest payments under each Note should be classified as interest for Australian tax purposes.

Resident holders

This part of the summary applies to Holders of the Notes IV that are residents of Australia for tax purposes that do not hold their Notes IV in carrying on a business at or through a permanent establishment outside of Australia (“**Resident Holders**”).

Under Australian laws as presently in effect, in broad terms:

- a. Income tax - Resident Holders should be assessable for Australian income tax purposes on income either received or accruing in respect of the Notes IV. Whether income should be recognised on a receipts or accruals basis should depend on the tax status of the particular Resident Holder. Investors should obtain their own tax advice in this regard.
- b. Gain or loss on disposal/redemption of the Notes IV – Resident Holders should be required to recognise any gain or loss on disposal or redemption of the Notes IV in the calculation of their taxable income. This may include any maturity or redemption premium.

Non-resident holders

This part of the summary applies to Holders of the Notes IV that are non-residents of Australia for tax purposes that do not acquire or hold their Notes IV in carrying on a business at or through a permanent establishment in Australia (“**Non-resident Holders**”).

Payment of Interest

A Non-resident Holder should not be subject to Australian income tax on payments of interest or amounts in the nature of interest by the Issuer in respect of a Note IV to that Non-resident Holder where the section 128F exemption from interest withholding tax discussed below applies.

If neither the section 128F exemption nor any other exemption (e.g. under a tax treaty - see below) is applicable, interest withholding tax should be levied at a rate of 10% on the gross amount of interest, or amounts in the nature of interest, paid on each Note.

Exemption from Australian Withholding Tax

Broadly, pursuant to section 128F of the Australian Tax Act, an exemption from Australian interest withholding tax should apply in respect of interest (or amounts in the nature of interest) paid to a Non-resident Holder, if the following conditions are met:

- a. the Issuer is a company and a resident of Australia when it issues the relevant Notes IV and when interest (as defined in section 128A(1AB)) is paid;
- b. the relevant Notes IV are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test. These are where the issue resulted from the Notes IV being offered for issue:
 - i. to 10 or more persons, each of whom is carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets and was not known, or suspected by the Issuer, to be an associate of any of the other offerees;
 - ii. to 100 or more potential investors whom it was reasonable for the Issuer to have regarded as either having acquired debentures or debt interests in the past, or being likely to be interested in acquiring debentures or debt interests;
 - iii. as a result of being accepted for listing on a stock exchange, where the Issuer had previously entered into an agreement with a dealer, manager or underwriter in relation to the placement of debentures or debt interests, requiring the Issuer to seek such listing;
 - iv. as a result of negotiations being initiated publicly in electronic form, or in another form, that was used by financial markets for dealing in debentures or debt interests; or
 - v. to a dealer, manager or underwriter, who, under an agreement with the Issuer, offered the Notes IV for sale within 30 days by one of the preceding methods.
- c. the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes IV or interests in the relevant Notes IV were being, or would later be, acquired, directly or indirectly, by an Offshore Associate of the Issuer (other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Notes IV, or a clearing house, custodian, funds manager or responsible entity of a registered scheme); and
- d. at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an Offshore Associate of the Issuer (other than an Offshore Associate who receives the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme).

For these purposes, broadly, an “Offshore Associate” means an associate (as defined in section 128F(9) of the Australian Tax Act) of the Issuer, where the associate is either:

- i. a non-resident of Australia that does not acquire the Notes IV or an interest in the Notes IV or receive a payment in respect of the Notes IV in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
- ii. a resident of Australia that acquires the Notes IV or an interest in the Notes IV or receive a payment in respect of the Notes IV in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

Very broadly, under section 128F(9), “associate” is defined to include, amongst other things (i) any entities that “sufficiently influence”, or hold the majority voting interests in, the Issuer (i.e. controlling or parent companies of the Issuer); (ii) entities that are “sufficiently influenced by”, or whose majority voting interests are held by, the Issuer (or any controlling or parent companies of the Issuer); and (iii) any trusts under which the Issuer or any of these aforementioned entities may benefit.

The Issuer proposes to issue the Notes IV in a manner which will satisfy the requirements of section 128F of the Australian Tax Act, in which case payments of interest or amounts in the nature of interest paid by the Issuer in respect of the Notes IV should not be subject to Australian interest withholding tax, subject to the qualifications in section 128F noted above.

Tax Treaty exemption for Holders in Specified Countries

Certain double tax conventions (“**Tax Treaties**”) which Australia has entered into with a small number of countries (for instance, the United States of America and the United Kingdom) also contain full or partial interest withholding tax exemptions that apply to interest paid by an Australian resident borrower in certain circumstances (“**Specified Countries**”). One of these Tax Treaties may apply to interest derived by a resident of a Specified Country in relation to a Note IV issued by the Issuer. The interest withholding tax exemptions in these Tax Treaties may be relevant, in particular, if the section 128F exemption did not apply.

Broadly, the Tax Treaties with these Specified Countries effectively prevent Australian interest withholding tax applying (or reduce the applicable withholding rate) for interest paid by an Australian resident borrower and derived by:

- a. the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and/or

- b. certain unrelated banks, and other financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Specified Country.

Holders should seek professional tax advice in relation to how a Tax Treaty may apply in their own particular circumstances.

In particular, the Tax Treaty interest withholding tax exemptions are subject to certain limitations – for instance, generally back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in interest withholding tax under a Tax Treaty and the anti-avoidance provisions in the Australian Tax Act can apply.

Payment of additional amounts

Despite the fact that the Notes IV are intended to be issued in a manner which will satisfy the requirements of section 128F and payments of interest in respect of those Notes IV are not expected to be subject to interest withholding tax, if the Issuer is at any time required to withhold interest withholding tax from payments of interest on any of those Notes IV, the amount payable by the Issuer will be increased so that, after making the withholding or deduction and further withholdings or deductions applicable to any additional amounts so payable, the relevant holder receives a net amount equal to the amount that it would have received if no withholdings or deductions had been required to be made (subject to the conditions and exceptions contained in Condition 10.3 (“Gross-up exceptions”).

Withholding Tax on Payments under the Guarantee

The Australian Taxation Office has published a Taxation Determination stating that payments by a guarantor to a lender on behalf of a borrower who defaults are entitled to the benefit of the exemption contained in section 128F of the Australian Tax Act if payments of interest in respect of those debentures by the Issuer are exempt from interest withholding tax under section 128F.

As set out in more detail in the Guarantees, if a Guarantor is at any time prohibited by law from making payments under the Guarantees free of deductions or withholdings, then such additional amounts shall be paid to the holder as may be necessary in order that the actual amount received after all applicable deductions and withholdings shall equal the amount that would have been received if such deductions or withholdings were not made.

Australian Taxation of Profit on Sale

Non-resident Holders should seek professional tax advice on the Australian tax consequences of any sale or redemption of the Notes IV, which will depend on the particular factual circumstances, including whether any gain/profit would be taken to have an Australian source and whether any Australian tax on a gain/profit may be precluded by an applicable Tax Treaty.

Other Australian Taxes

Quotation of Australian Business Numbers or Tax File Numbers

If a Holder of a Note issued by the Issuer is an Australian resident or a non-resident that holds a Note at or through a permanent establishment in Australia, withholding for tax at the highest marginal tax rate (plus the Medicare Levy) must be deducted from, broadly, the cash amount of interest or amounts in the nature of interest on the Notes IV, unless the Holder supplies its Australian Business Number (if applicable) or Tax File Number or proof of an appropriate exemption from quoting such numbers.

Goods and Services Tax (“GST”)

Neither the issue nor the receipt of the Notes IV should give rise to a liability for GST in Australia on the basis that the supply of the Notes IV will either be a financial supply that is input taxed or in the case of the Notes IV being issued to a non-resident offshore subscriber, GST-free. Furthermore, neither the payment of principal or interest by the Issuer, nor the redemption or disposal of the Notes IV, should give rise to a liability for GST in Australia.

Where the acquisition or transfer of the Notes IV results in the Holder making an input taxed financial supply, the Holder may be restricted in claiming input tax credits for any GST they have incurred on costs related to the acquisition or transfer of the Notes IV. Holders should seek their own advice in this regard.

Neither the grant of the Guarantees nor the payment of any amount under the Guarantees should give rise to any liability for GST in Australia.

Death duties

No Notes IV will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death.

Stamp duty

No ad valorem stamp duty or similar ad valorem documentary tax or duty should be payable in Australia on the issue of any Notes IV or redemption of any Notes IV or the transfer of any Notes IV.

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