



# FY24 Corporate Governance Statement

1 July 2023 to 30 June 2024  
NEXTDC Limited | ABN 35 143 582 521



N E X T D C

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# Governance at NEXTDC

Good corporate governance underpins the way we conduct business at NEXTDC. Our robust governance framework clearly defines the roles and responsibilities of the Board, management team, employees and suppliers. The framework prioritises transparency, accountability, risk management and ethical conduct to support NEXTDC's long-term sustainability and success.

This Corporate Governance Statement ("Statement") describes NEXTDC's framework and key governance practices to ensure effective oversight, management and accountability. It outlines the principles, policies, and procedures that guide the way the Company seeks to meet its responsibilities to shareholders, customers, suppliers, employees and the communities in which it operates.

The Board has adopted charters and corporate governance policies that articulate the standards of behaviour and procedures expected of our teams. These documents are reviewed at least annually to address any changes in governance practices, operational processes or the law.



## Compliance with corporate governance standards

This statement was approved by the Board of Directors on 28 August 2024. For the financial year ended 30th June 2024 ("FY24"), NEXTDC considers that its governance arrangements were compliant with the recommendations of the Australian Securities Exchange ("ASX") Corporate Governance Council's 4th edition of Corporate Governance Principles and Recommendations ("4th Edition Governance Principles").

Our compliance with the Principles and Recommendations and a checklist cross-referencing these Principles and Recommendations to the relevant disclosures are outlined within ASX Appendix 4G and the Appendix section of this Statement.

Copies of NEXTDC's Charters and related governance materials referred to in this Statement and a copy of our Appendix 4G can be found in the Corporate Governance section of our website ([www.nextdc.com/investor-centre/corporate-governance](http://www.nextdc.com/investor-centre/corporate-governance)).



# Our Corporate Values



## Customer First

We are obsessed with delivering the world's best customer experience.



## One Team

We are an elite team working together with super stars playing in every position.



## Bright Ideas

The best way to predict the future is to create it.



## Pursuit of Excellence

We are relentless in our pursuit of excellence, not perfection.



## Straight Talk

We don't talk bull, we have crucial conversations, we disagree and then we commit.



## Frugal Not Cheap

We spend our money where it matters the most.

NEX TDC  
Power. Secure. Smart.

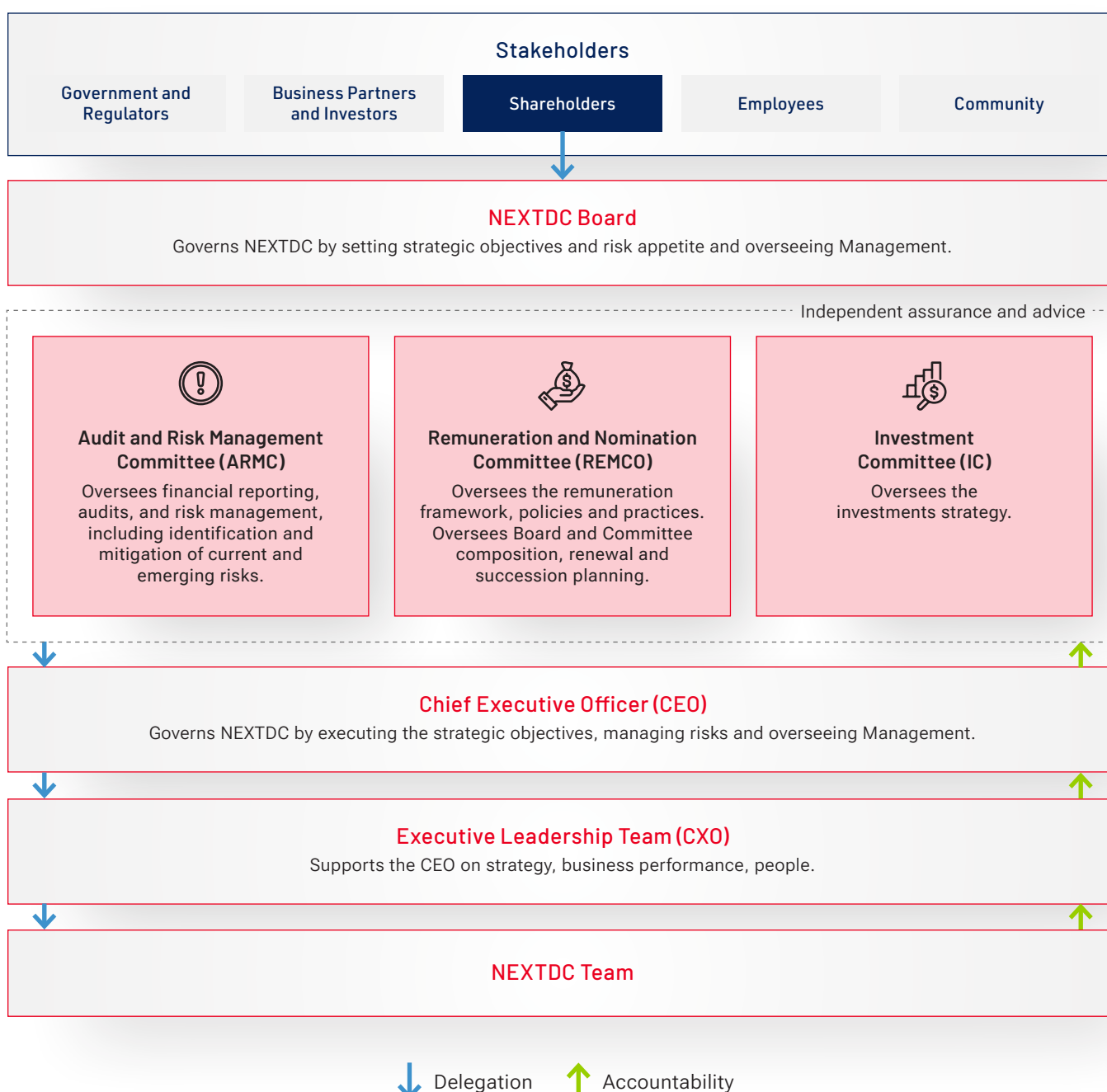
# Governance Framework

NEXTDC's corporate governance framework is designed to manage risks, cultivate a foundation of trust, attract investors, inspire employee confidence, and safeguard our reputation and market value.

NEXTDC's robust governance framework clearly defines roles and responsibilities for the Board, its Committees, management, employees and suppliers. This framework prioritises accountability, risk management and effective delegation, and rigorous oversight. Additionally, it leverages independent assurance and advice to ensure sound decision-making across the organisation.

The diagram below illustrates NEXTDC's current Board and Committee structures and their integration into the broader corporate governance framework. These established structures, practices, and reporting lines have guided NEXTDC throughout the reporting period.

The Board delegates certain powers to its standing Committees to help it fulfil its roles and responsibilities. The Board also delegates certain powers to the CEO, who, in turn, delegates some of those powers to CXOs under delegations of authority. The CEO is accountable to the Board for exercising those delegated powers as well as CXO's performance.



# FY24 corporate governance highlights and key focus for the Board

The Board actively championed continuous improvement in the Company's corporate governance framework throughout FY24. Here are some key initiatives we implemented:

The Board welcomed Maria Leftakis, a new independent Non-Executive Director, in August 2023. Her arrival strengthened our commitment to diversity and inclusion, bringing our female board representation to 38%. This is a significant step closer to our goal of achieving a 40% female board by 2030. Maria's extensive experience in corporate governance and shareholder engagement is a valuable asset to the Board as we continue to drive long-term success for the Company.



Our FY24 employee survey boasted an impressive 82% participation rate, with positive engagement reaching 75%. This response reflects well on areas such as Safety, Community Engagement, and DEI. These strong scores further underpin our aim to drive our teams' enthusiastic participation in NEXTDC's vibrant cultural and social programs.



NEXTDC published its fourth Modern Slavery Statement in December 2023, in compliance with the requirements of the Modern Slavery Act 2018.



The Company continued to review and refine its Statement of Delegated Authority as it undertook its overseas expansion.

The Compliance team continued its ongoing review of the Company's risk management framework, helping inform the business' risk appetite on key operational issues, ensuring its alignment with evolving industry best practices and NEXTDC's strategic objectives.

The Board continued its focus on the teams and executive remuneration programs to drive alignment with cultural and financial performance.

The Company continued to enhance its employee training programs on ethics, compliance, and workplace safety.



The Company continued to enhance and implement an updated Diversity, Equity, and Inclusion (DEI) program with measurable goals.

The Company established a dedicated Reconciliation Action Plan working Committee, marking a significant first step towards our commitment to meaningful action in our communities towards reconciliation with Aboriginal and Torres Strait Islander peoples.



Throughout the year, the Board and management actively engaged with key stakeholders, including investors, employees, and customers, to gather feedback and ensure the Company's alignment with their needs.

The Company established its ESG Council, led by the Chief Risk Officer, focusing on integrating environmental, social, and governance (ESG) considerations into the broader operations of the business. Throughout the year, the Board received regular reports on the Company's ESG initiatives and projects.

The Company continued its work on further enhancing its cyber security resilience and information technology capabilities.

The Board successfully led the completion of a significant capital raise, supported by NEXTDC's commitment to good governance practices, instrumental in maintaining investor confidence.

In prioritising employee safety and well-being, we launched our inaugural "People at Work" survey. The result placed us in the "minimal concern" quadrant, the most positive category. The valuable feedback from this survey and our bi-annual employee survey is guiding our efforts to create an even healthier and more productive work environment for all our employees.



The Company continued to monitor its safety performance and achieved zero Lost-Time Injury Frequency Rate (LTIFR) and zero Total Recordable Injury Frequency Rate (TRIFR) for its operations.



## Principle 1:

### Management and Oversight

#### Our Board

NEXTDC prioritises strong corporate governance with a dedicated Board overseeing the Company's best interests and those of its stakeholders. The Board has seven independent Non-Executive Directors and our Managing Director and CEO. You can learn more about each Board member on the NEXTDC website at [www.nextdc.com/about-us/meet-our-board](http://www.nextdc.com/about-us/meet-our-board).



**Douglas Flynn**  
Non-Executive Chairman



**Craig Scroggie**  
Chief Executive Officer  
and Managing Director



**Dr Gregory Clark AC**  
Non-Executive Director



**Jennifer Lambert**  
Non-Executive Director



**Dr Eileen Doyle**  
Non-Executive Director



**Stuart Davis**  
Non-Executive Director



**Stephen Smith**  
Non-Executive Director



**Maria Leftakis**  
Non-Executive Director

#### Roles and Responsibilities of the Board

Ultimate responsibility for NEXTDC's corporate governance rests with its Board. The Board serves as the Company's guiding hand, providing strategic direction and ensuring effective management oversight.

In FY24, the Board has continued to oversee the Company's governance practices to monitor and enhance the quality and granularity of NEXTDC's risk management practices and reporting. In performing these roles, the Board and its Committees aim to continue to drive strong corporate governance.

The elements of the Board's role and the matters expressly reserved to it are set out in the Board Charter, which is available on NEXTDC's website at [www.nextdc.com](http://www.nextdc.com).

#### Role of the Chair

The Board Chair is an independent Director, and is responsible for:

- providing effective leadership and guidance for the Board and NEXTDC
- maintaining an open dialogue with the CEO and management;
- facilitating communication between the Directors and between the Board and management, including by liaising with the Company Secretary in relation to the Board's information requirements and to assist the Board with effective decision-making; and
- Chairing the Annual General Meeting (AGM) and representing the Board and Company's views to stakeholders, including shareholders, regulators and the community.

**"At NEXTDC, we firmly believe that strong corporate governance is the cornerstone of sustainable value creation. As the Chairman of NEXTDC's Board, I am committed to fostering a culture of transparency, accountability, and ethical conduct at all levels of the Company. Our Board is continuously evaluating and improving our governance framework to ensure it remains effective and can cater to the evolving business landscape. By prioritising good corporate governance, we build trust with our stakeholders, navigate challenges with foresight, and ultimately create sustainable long-term value for everyone invested in NEXTDC's success."**

Douglas Flynn – Chairman

## Role of the Chief Executive Officer

The Board delegates authority for the day-to-day management of NEXTDC to the CEO, who manages the business according to the strategy, budgets, policies, and delegations approved by the Board. The Board has also endorsed NEXTDC's Statement of Delegated Authority to specify matters expressly delegated to the CEO and management. While the CEO and Executive Leadership Team remain accountable to the Board, they are empowered to make decisions they believe are appropriate, within the boundaries established by the Board.

The Board actively oversees the CEO's decisions through regular Board and Committee meetings. This includes receiving briefings, reviewing reports on key operational issues and tracking progress towards established corporate objectives.

## Role of the Company Secretary

The Board decides on the appointment and tenure of the Company Secretary. NEXTDC's Company Secretary, Mr. Michael Helmer, directly advises and supports the Board on legal, regulatory, and governance matters, ensuring proper Board function and implementation of its decisions. All Directors have direct access to Mr. Helmer, who also maintains a reporting line to the Chair.

NEXTDC's Company Secretary also plays a key role in ensuring the Company's compliance with all applicable statutory and regulatory requirements.

## Terms of appointment

New Directors are provided with a letter of appointment stating the Company's expectations, their rights and responsibilities and the terms and conditions of their engagement. All new Directors are briefed in detail on the operation of the Board and its Committees and on key issues relating to the financial, strategic, operational and risk management issues affecting the business. Each Senior Executive team member signs a formal services agreement at the time of their appointment, covering a range of matters including their duties, rights, responsibilities, and any entitlements on termination. The contract refers to a specific formal job description that is reviewed periodically, and, where necessary, its terms are revised in consultation with the relevant executive.

Before appointing a new Director or Senior Executive or nominating someone for election as a Director, NEXTDC undertakes appropriate checks regarding their character, experience, education, and the absence of criminal records and bankruptcy history. When a Director is due for election or re-election, all material and relevant information is provided in the Notice of Meeting of the

Annual General Meeting (AGM) to enable shareholders to make an informed decision regarding their appointment.

## Evaluation of Board performance

The Board reviews its performance and that of each Director on an annual basis. The process is based on a formal assessment questionnaire covering a range of performance topics with the process most recently undertaken in July 2024.

No material issues were identified during the assessment with the Board of the view that it is aligned, suitably composed and focused to support the Company's strategic objectives. The results of the review generally are used to identify opportunities to further enhance the effectiveness of the Board and its Committees. On periodic basis, the Board engages external advisors to facilitate these reviews.

**"In today's dynamic business environment, robust corporate governance is an absolute necessity. As the CRO, my focus is on partnering with the Board and management to build a culture of risk awareness across the business.**

**This culture, coupled with strong governance practices, empowers us to make informed decisions, navigate challenges proactively, and mitigate potential threats. Ultimately, effective corporate governance is the foundation for sustainable growth and long-term value creation for NEXTDC and all its stakeholders."**

Michael Helmer – Company Secretary and Chief Risk Officer





### The Board gender proportions

**38%**  
FEMALE

**62%**  
MALE

### Group Workforce gender proportions

**31%**  
FEMALE

**69%**  
MALE



## Evaluation of Executive Team Performance

The CEO leads the CXOs, ensuring performance through periodic reviews, as well as setting KPIs and development plans. The Board, with assistance from the REMCO, also manages executive succession planning and the performance of the CXOs through ongoing and end-of-year performance appraisals. The CEO also conducted performance reviews of the CXOs for the year ended 30 June 2024.

## Diversity, Equity and Inclusion

NEXTDC is committed to providing a balanced and inclusive working environment supported by well-considered policies, built on our Values. The Board has implemented a DE&I Policy with measurable objectives to reflect our commitment to diversity at all levels of the organisation. NEXTDC prides itself on the many individuals who bring unique and diverse skills, values, backgrounds, and attributes to the workplace including

their own personal experiences gained on account of their gender, age, ethnicity, or cultural background.

We believe that NEXTDC is an inclusive workplace where diversity thrives and team members feel comfortable sharing their true selves. Please refer to the Company's FY24 ESG Report for more details on our continued efforts, achievements and strategic priorities around diversity, equity and inclusion in FY24.

### Gender Diversity

By 2030, NEXTDC intends to achieve a gender-balanced workforce with a target of 40% men and 40% women across all levels, from employees to management and the Board.

In FY24, we had 31% female representation at the Company level. The appointment of Maria Leftakis to our Board in August 2023 has further enhanced gender diversity on our Board, bringing the female representation to 38%, nearing our target of 40%.

Beyond achieving our gender ratio target, we are firmly committed to pay equity. As a relevant employer under

the Workplace Gender Equality (WGEA) 2012, we actively address any pay gaps. In response to the recent Employer Gender Pay Gaps Report issued by the WGEA in February 2024, NEXTDC issued a **Pay Gap Statement** outlining our approach and action plan to closing the gender equality gap. Our annual remuneration reviews continue to prioritise equitable compensation, ensuring pay reflects performance, contributions, skills, and market benchmarks.

Further details on our diversity and inclusion related initiatives are captured within the FY24 ESG Report with relevant policies available in the Corporate Governance section of the Company website at [www.nextdc.com/investor-centre/corporate-governance](http://www.nextdc.com/investor-centre/corporate-governance).



**“At NEXTDC, we firmly believe that gender diversity and pay equity are not just social imperatives, but also smart business decisions. I strongly believe that a diverse workforce brings a wider range of perspectives and experiences to the table, fostering innovation and driving better results. By ensuring equal pay for equal work, we attract and retain top talent, creating a more competitive and successful Company.”**

**Craig Scroggie** – Chief Executive Officer and Managing Director

## Principle 2:

### Effective Board Structure

#### Board composition

As of 30 June 2024, the Board comprises eight Directors, of which seven are independent Non-Executive Directors (“NEDs”). Mrs Maria Leftakis joined the NEXTDC Board as an independent Non-Executive Director effective 24 August 2023. Details of the Directors, including the date of appointment, are set out below:

Director	Position	Term of Office	Independence
Mr Douglas Flynn	Non-Executive Chair	27 September 2013 to date	Independent
Mr Craig Scroggie	Chief Executive Officer/Managing Director	1 November 2010 to date	Not Independent
Mr Stuart Davis	Non-Executive	27 September 2013 to date	Independent
Dr Gregory J Clark AC	Non-Executive	30 April 2014 to date	Independent
Mr Stephen M Smith	Non-Executive	1 July 2019 to date	Independent
Ms Jennifer Lambert	Non-Executive	1 October 2019 to date	Independent
Dr Eileen Doyle	Non-Executive	26 August 2020 to date	Independent
Mrs Maria Leftakis	Non-Executive	24 August 2023 to date	Independent

Independent Non-Executive Director Mr Douglas Flynn was appointed Chair of the Board in April 2014 and continues to hold that position. The Board continues to evaluate its composition to ensure it has the right set of skills and experience on its Board. NEXTDC Board composition reflects a balanced approach, valuing continuity and institutional memory through long-tenured NEDs with a fresh perspective provided by the newer Directors.

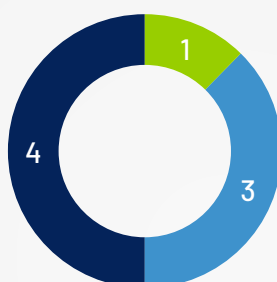
Under the Company’s Constitution, the Board of Directors shall comprise no less than three and no more than twelve Directors at any one point in time. The Board endeavours to have a majority of independent Directors and an independent Chair. Each Director is elected for a maximum three-year term. If no Director would otherwise be required to retire but the Listing Rules require that an election of Directors be held at an AGM, the Director to retire and/or seek re-election at that meeting is:

- i. The Director who has held office for the longest period of time since their last election or appointment to that office; or
- ii. If two or more Directors have held office for the same period of time, the Director is determined by lot, unless those Directors agree otherwise.

The Board believes that its composition represents an appropriate balance of Executive and Non-Executive Directors to promote shareholder interests and ensure effective company governance. The Board also has access to and engages with senior executives, who may attend Board and Committee meetings by invitation.

#### Tenure at 30 June 2023

- 0-3 years
- 4-6 years
- 7+ years



## 6.6 years

average NEXTDC  
Non-Executive Board  
tenure with 50% in  
the position for at  
least five years.



## Board Committees

The Board, in accordance with its corporate governance framework, has established REMCO, ARMC and IC to assist in the execution of its duties and to allow detailed consideration of complex issues. The Committees comprise independent Non-Executive Directors, except the IC, which includes Mr Craig Scroggie, the Managing Director as a member. Non-Committee members or members of management attend these by invitation. Details of meeting attendance are set out in the Company's FY24 Annual Report. Details of each Committee's current membership and composition are set out below.

Committee	Members	Purpose
Audit and Risk Management Committee	Ms Jennifer Lambert (Chair) Mr Stuart Davis Dr Eileen Doyle Mrs Maria Leftakis	Assisting the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting process, internal control structure, risk management systems (financial and non-financial) and the internal and external audit process. Further details can be found in the 'Principle 7: Risk Management' section below.
Remuneration and Nomination Committee	Mr Stuart Davis (Chair) Dr Gregory J Clark AC Mr Douglas Flynn Mrs Maria Leftakis	Overseeing remuneration practices and policies. Further details can be found in the 'Principle 8: Responsible Remuneration Policy' section below.
Investment Committee	Mr Stephen M Smith (Chair) Mr Douglas Flynn Dr Gregory J Clark AC Mr Craig Scroggie	Assisting management to review, evaluate and make recommendations to the Board in relation to NEXTDC's investment strategy, the monitoring of the effectiveness of its investment governance framework and the evaluation of key advisors. Further details can be found in the 'Principle 6: Investor and Security Holder Rights' section below.

The number of times each Committee met throughout the period and the individual attendance of the members at those meetings is disclosed in the Company's Annual Report. The Committees' structure and membership are reviewed on an annual basis. Each Committee has its own written Charter, which sets out its role and responsibilities, composition, structure, membership requirements, and how the Committee operates. These are reviewed annually and are available on the Corporate Governance section of the Company's website. All matters determined by Committees are submitted to the Board for their decision. Minutes of Committee meetings are tabled at the subsequent Board and Committee meeting. Additional requirements for specific reporting by the Committees to the Board are addressed in the Charter of the individual Committees.

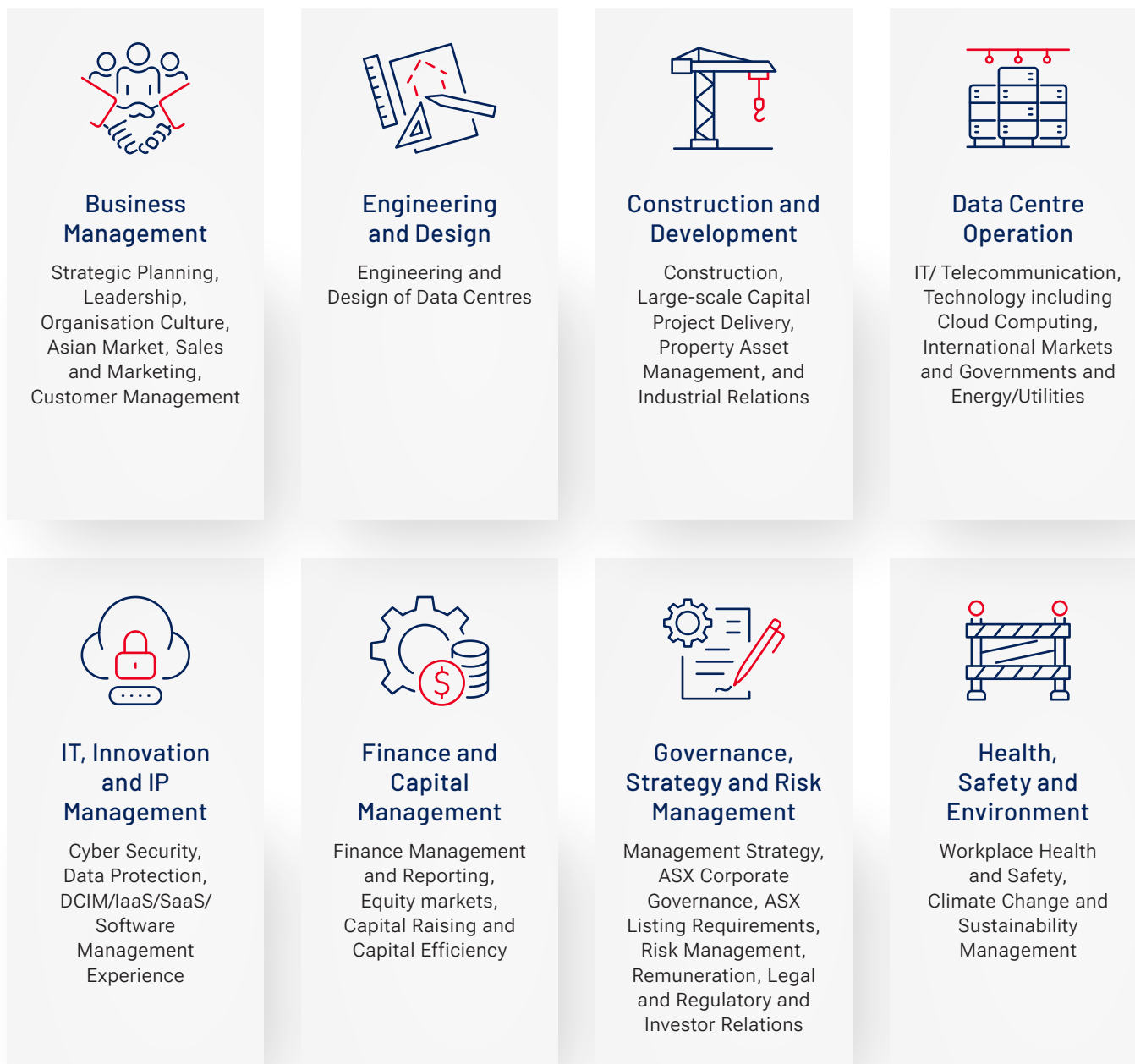
NEXTDC's Board members believe that informal conversations with staff are important in assessing the Company's culture and understanding its purpose at work. Board members generally attend various staff functions and visit NEXTDC facilities.



## Board skills matrix

**NEXTDC prioritises a strong and effective Board as a cornerstone of good governance.** Our Board is comprised of highly qualified individuals who contribute a diverse mix of skills, experience, and perspectives directly relevant to the Company's operations and strategic direction. We leverage a skills matrix to identify and maintain a balanced composition with a broad representation in key areas. This includes fostering subject matter expertise across all critical aspects of the business. As the Company has expanded overseas, the Board's composition will need to reflect expertise in new geographies to ensure skills gaps are addressed and is fit-for-purpose for the Board to continue to provide strong and effective oversight. The Board composition is regularly reviewed against this skills matrix to ensure an efficient, balanced and impactful leadership team.

This diagram provides a visual representation of the collective skills and experience of the NEXTDC Board.



The Board skills identified above describe the combined skills, experience and expertise presently represented by the Board. Each of our Directors contributes across the different competencies and has specific subject-matter expertise covering a range of governance, strategic, operational, and financial areas. The Board considers these skills critical to NEXTDC's long-term strategic and operational success. The Board continues to regard IT, Innovation including Artificial intelligence, Strategy and Risk Management, Property Development, Governance, and IP Management as key areas of priority and focus as it moves forward with its strategic priorities.

As the Company expands internationally, particularly to Asia, Asian market knowledge is important in overseeing the successful development and execution of international expansion strategies. We are focused on ensuring the Board is sufficiently skilled in the areas of business and cultural understanding, regulations and governance, and networks and relationships.



## Board independence

The Board prioritises Director independence, ensuring each member can exercise objective judgment. Established criteria determine independence, including the following:

- i. Is not a substantial shareholder of the Company (i.e. is not a person who, in conjunction with an associate, holds a relevant interest in 5% or more of the shares of the Company) or an officer of, or otherwise associated directly with, a substantial shareholder of the Company
- ii. Within the last three years, has not been employed in an Executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment
- iii. Within the last three years, has not been a principal of a material professional adviser or a material consultant to the Company or another group member or an employee materially associated with the service provided. A material professional adviser is the Company's auditor (regardless of the fees paid to the auditor) and any other advisor to whom fees in excess of \$100,000 have been paid in any financial year in the relevant three-year period; or
- iv. Has no material contractual relationship with the Company or another Group member other than as a Director of the Company, including as a supplier or customer of the Company or other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.

From a Director's perspective, they are regarded as having a material contractual relationship if the fees paid by the Company to the Director or an entity associated with the Director, for goods and services (other than as a Director) exceed 5% of the fees received by the Director or their firm or 10% of all fees supervised by the Director (or for which the Director is otherwise given credit in a performance review) within the entity associated with the Director in any financial year in the relevant three year period.

From the Company's perspective, a Director has a material contractual relationship if:

- i. The goods or services supplied by the Director to the Company exceed 5% of the direct operating costs of the Company for any year in the relevant three-year period;

- ii. They have served on the Board for a period in excess of ten years; or
- iii. They are not free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the Director's ability to act in the Company's best interests.

The Board assesses Director independence annually. While established criteria guide this process, the Board may consider a Director independent even if they miss a single criterion. To facilitate this assessment, Directors are required to disclose any potential conflicts of interest and relevant information. The Board has considered the tenure of each of its members and the issue of independence and is of the view that the circumstances of their service are such that their period of tenure does not comprise a material contractual relationship and does not, as a result, impact on the members' ability to discharge their duties independently.

## Board members

Details of the members of the Board, their experience, expertise, qualifications, term of office, relationships affecting their independence and their independent status are set out in the Directors' Report under the heading "Information on Directors". At the end of FY24, there was one Executive Director and seven Non-Executive Directors on the Board. All seven Non-Executive Directors are considered independent.

## Non-Executive Directors

The Non-Executive Directors regularly meet during the year to discuss the operation of the Board and a range of other matters. Relevant matters arising from these meetings were shared with the full Board.

## Chair and Chief Executive Officer (CEO)

The Chair leads the Board, ensures Directors are well-briefed and facilitates productive discussion. The Chair also manages the Board's relationship with senior executives. In accepting the position, the Chair acknowledges that he will require significant time and commitment and confirm that other positions will not hinder his performance. The CEO of the Company is responsible for implementing strategies and policies. The role of Chair and CEO is not undertaken by the same person.

## Induction

Following their appointment, new Directors and Senior Executives undertake a comprehensive induction program, including briefings from Senior Executives where desired, to familiarise themselves with the business operations of the Company. This program is tailored to the Director's existing skills, knowledge, and experience and is designed to enable them to participate in Board decision-making as soon as possible. It also ensures that they fully understand the Company's financial position, operations, strategies, culture, values and risk management policies.

Directors are encouraged to undertake continuing education and training to develop and maintain the skills and knowledge required to perform their role. They also receive briefings on industry developments and updates on the legislative and regulatory frameworks within which the Company operates. Throughout FY24, the Board received briefings on climate change and sustainability, cyber security, compliance programs and audits and work, health and safety, amongst other topics. Directors also undertake site visits from time to time, to enhance their knowledge of the business and its operating environment.

## Commitment

The commitments of Non-Executive Directors are considered by the Remuneration and Nomination Committee prior to the Directors' appointment to the Board and are reviewed each year as part of its annual performance assessment. Details of Board meetings and attendance of Directors during FY24 are included in the Annual Report. Prior to appointment or being submitted for re-election, each Non-Executive Director is required to acknowledge that they have and will continue to have the time available to discharge their responsibilities to the Company. It is the Company's practice to allow its Executive Directors to accept appointments outside the Company with prior approval of the Board.

## Independent professional advice

Directors and Board Committees can seek independent professional advice at the Company's expense concerning their duties and responsibilities. Prior written approval of the Chair is required, but this will not be unreasonably withheld.

## Principle 3:

# Lawful, Ethical and Responsible Culture

NEXTDC prioritises ethical and honest business practices. Our Values guide our actions, and our employees' professionalism ensures we operate with integrity in all situations. The Board has adopted a number of policies that dictate the lawful, ethical and responsible conduct of its team and outline the expected standards of their behaviour.

We actively promote our Values and expected behaviours through regular internal communication and targeted training programs. These policies are regularly reviewed and readily accessible on our website's Corporate Governance section ([www.nextdc.com/investor-centre/corporate-governance](http://www.nextdc.com/investor-centre/corporate-governance)).

### Code of conduct

The Company has developed Codes of Conduct (the Codes) which have been fully endorsed by the Board and apply to all Directors and employees. NEXTDC's Directors, employees, and contractors are expected to demonstrate high standards of professional and business conduct and to comply with legal requirements wherever the Company operates. The Codes are regularly reviewed and updated as necessary to ensure they reflect the highest standards of behaviour and professionalism and practices necessary to maintain confidence in the Company's integrity

and to consider legal obligations and the reasonable expectations of the Company's stakeholders.

In summary, the Codes require that all Company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies. The Board is informed of any material breaches of the Codes. Under the Codes, NEXTDC is committed to acting as a good corporate citizen while pursuing its business objectives. All employees are required to adhere to the Company's values.

### Conflict of Interests Policy

Directors are required to keep the Board advised on an ongoing basis, of any potential or actual conflicts of interest in line with the Corporations Act requirements. NEXTDC's conflict of interest related policies had previously been part of the Employee Code of Conduct and Executive Code of Conduct but have now been consolidated into a stand-alone Conflict of Interest Policy, established in June 2022.

This detailed policy provides a clear and concise guideline to identify, declare and manage any conflict of interest between an individual's role and any other interest that may conflict with this. The policy also establishes a Conflicts Register to record and report

on conflicts. Further details are available in the Corporate Governance section on NEXTDC's website at [www.nextdc.com/investor-centre/corporate-governance](http://www.nextdc.com/investor-centre/corporate-governance).

### Whistleblower Policy

NEXTDC is committed to promoting a culture of corporate compliance and ethical behaviour and aims to create an environment in which employees or contractors, who have genuine suspicions about improper conduct, feel safe to report without fear of reprisal. Our Whistleblower Policy sets out how someone can raise a concern and is comprised of a number of policies and reporting channels. The Head of People and Culture has been appointed as the Whistleblower Protection Officer to ensure that reporters are not personally disadvantaged due to making a report. The ARMC Chair is the independent escalation/reporting point to whom a report can also be made where it is not possible or appropriate to report suspicion of misconduct to other internal escalation options.

The Board is informed of any material incidents reported under the Policy. The policy emphasises that NEXTDC will not tolerate anyone being discouraged from speaking up or being adversely affected because they have reported misconduct in accordance with the policy.





## Human Rights Policy

NEXTDC's Human Rights Policy outlines how human rights are protected and incorporated into NEXTDC policies and processes and how it meets all related regulatory requirements in the jurisdictions in which we operate. NEXTDC also produces an annual Modern Slavery Statement in line with the requirements of the Modern Slavery Act. The annual statement reports on the risks of modern slavery in our operations and supply chains, and actions to address those risks. The Board is advised on breaches if any, and the remedial actions undertaken.

## Securities Trading Policy

The Company has a Securities Trading Policy to ensure compliance with insider trading laws, protect the reputation of the Company, its Directors and team members, maintain confidence in trading the Company's securities, and prohibit specific types of transactions. The purchase and sale of Company securities by Directors and employees are regulated by this Policy. Further details on this can be found in the Remuneration Report with the policy accessible on NEXTDC's website. The Codes and the Company's Securities Trading Policy are discussed with each new employee as part of

their induction training and employees receive regular refresher training. The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

## Workplace, Health and Safety (WHS) Policy

NEXTDC is committed to providing a safe and healthy environment for team members, customers, suppliers, contractors, visitors and supply chain partners. The WHS Policy describes the systems and processes in place to manage the risks and hazards that come with operating the business and ensure that NEXTDC's actions are appropriate to our risk profile.

## Anti-bribery and Corruption Policy

NEXTDC endeavours to maintain its reputation as a good corporate citizen and seeks to act with honesty and integrity in all dealings with the Company's customers, suppliers, competitors and colleagues. The Company's Anti-bribery and Corruption Policy further emphasises its clear position on fraud, bribery and corruption to strictly prohibit any direct or indirect illegal, unethical conduct or

breach of trust. The Board is informed of any material breaches of the Anti-bribery and Corruption Policy. The Company also includes a section on Fraud, Bribery and Corruption in its Code of Conduct.

## Corporate Social Responsibility Policy

NEXTDC is committed to ensuring it operates with social responsibility, ethical considerations, integrity and cultural sensitivity, while employing clear standards of corporate governance and complying with all relevant legislative requirements. The adoption of the Corporate Social Responsibility Policy complements the core values of the Company. Details of NEXTDC's material environmental and social risks as well as details of how it manages these are discussed in NEXTDC's FY24 Environmental, Social and Governance (ESG) Report.

## Other Policies

The Company has a number of other policies which outline the expected standards of behaviour of directors and team members, including but not limited to the Delegation of Authority Policy, Diversity, Equity and Inclusion Policy, Energy and Environment Policy and Privacy Policy.



## Principle 4:

# Integrity of Corporate Reports

### Audit and Risk Management Committee (ARMC)

Information concerning the members of the ARMC is detailed in Principle 2 above. The role of the ARMC is to assist the Board in fulfilling its responsibilities in relation to risk management, financial reporting and internal controls. Collectively the Committee members have the technical expertise to enable the ARMC to discharge its responsibilities effectively. Details of these Directors' qualifications and attendance at ARMC meetings are set out in the Directors' Report.

All members of the ARMC have an appropriate understanding of the industry in which the Company operates and are financially literate. In particular, Ms Lambert, the current Chair of the Committee is a member of The Chartered Accountants Australia New Zealand and a Fellow of the Australian Institute of Company Directors. Ms Lambert also held the Group Chief Financial Officer position in a large property group for 13 years and was a Director at Pricewaterhouse Coopers (PwC) specialising in capital raisings, structuring and due diligence for acquisitions and disposals across various industries.

The Committee operates according to a Charter available on the Corporate Governance section of the Company's website. The main responsibilities of the Committee, related to audit, are to:

- Review, assess and approve full and concise annual reports, half year financial statements and all other financial information published by the Company or released to the market
- Assist the Board in reviewing the effectiveness of the organisation's internal control environment covering the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations
- Recommend to the Board the appointment, removal, and remuneration of external auditors, and review the terms of their engagement, the scope and quality of the audit and assess their performance

- Consider the independence and competence of the external auditor on an ongoing basis
- Review and approve the level of non-audit services provided by the external auditors and ensure it does not adversely impact auditor independence
- Review and monitor related party transactions and assess their propriety; and
- Report to the Board on matters relevant to the Committee's role and responsibilities.

The Committee has the authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

### CEO and CFO certification of Financial Statement

For FY24, the CEO and CFO have confirmed that the financial records have been properly maintained, that the Company's financial statements present a true and fair view of its financial position and performance in accordance with relevant accounting standards, as well as that the consolidated entity disclosure statement is true and correct.

This opinion is founded on a sound system of risk management and internal compliance and controls, which implement the policies adopted by the Board, and a belief that the Company's risk management and internal compliance and controls are operating efficiently and effectively in all material respects in relation to financial risks.

### Verification of periodic corporate reports

NEXTDC has an internal review process in place which includes verification of content and the review and sign-off by management prior to the Board formally approving the release of key periodic corporate and annual results materials. The process followed is specific to the nature of the relevant announcement or report and includes review by the relevant subject matter expert and review against source documentation.

The Annual Report, Environmental Social and Governance (ESG) Report, Modern Slavery Statement and this Corporate Governance Statement have been verified in accordance with this process.

### External auditors

In accordance with the Corporations Act 2001, NEXTDC has appointed PricewaterhouseCoopers (PwC) as its external auditor, with the engagement having been in place since 2010. PwC is responsible for reviewing and auditing the half-year and full-year Financial Reports of the Company and its subsidiaries in order to provide an independent opinion that these reports are in accordance with the Corporations Act 2001.

Note 23 to the financial statements of the FY24 Annual Report provides an analysis of fees paid to external auditors, including a breakdown of fees for non-audit services.

For the relevant reporting period, NEXTDC's Audit Engagement Partner was Michael Shewan. Mr Brett Entwistle of PwC will replace him for FY25. NEXTDC recognises the importance of a high-quality external audit to the integrity of financial reporting. The performance of the external auditor is reviewed annually including an assessment of their independence. A more comprehensive review, including consideration of alternate audit service providers, and the performance and value of the existing service provider is undertaken periodically.

### Independence declaration

The auditor's independence declaration, as required under section 307C of the Corporations Act 2001, has been received from PwC and is set out on page 58 of the FY24 Annual Report.



## Principle 5:

### Manage Timely and Balanced Disclosures

#### Continuous disclosure and shareholder communication

NEXTDC seeks to provide shareholders and other interested parties with timely and accurate information through the reporting of financial results, the provision of the Annual Report, as well as other announcements and briefings to the market throughout the year. The Company has written policies and procedures in place which require continual disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities.

These policies and procedures include the arrangements the Company has in place to promote communication with shareholders and encourage effective

participation at general meetings. Specifically, the Company has a Continuous Disclosure Policy, which complies with Listing Rule 3.1. A summary of these policies and procedures is available on the Corporate Governance section of the Company's website at [www.nextdc.com/investor-centre/corporate-governance](http://www.nextdc.com/investor-centre/corporate-governance).

The Company Secretary is the person nominated for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, shareholders and the public. The CFO is the person responsible for overseeing and coordinating information disclosure to analysts and brokers. The Company Secretary also

ensures that the Board receives copies of all material market announcements promptly after they have been made. NEXTDC ensures that all stakeholders have equal and timely access to externally available information issued by the Company.

All information disclosed to the ASX is posted on the NEXTDC's website at the Investor Centre landing page as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Company's operations, the material used in the presentation is released to the ASX and posted on the Company's website if such presentations contain information not already disclosed to the market. Procedures have also been established for reviewing whether any price-sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

## Principle 6:

### Investor and Security Holder Rights

NEXTDC believes that shareholders, regulators, the investment community, and wider stakeholders should be informed of all material business events and risks that influence the Company in a factual, timely and widely available manner. To this end the Company has developed policies and procedures to ensure that Directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

The Company regularly updates the news and social media posts linked to its website ([www.nextdc.com/resources-and-insights/news](http://www.nextdc.com/resources-and-insights/news) and [www.nextdc.com/resources-and-insights/blog](http://www.nextdc.com/resources-and-insights/blog)) which details the latest company activity and provides information on data centre development and the release of new products and services.

All shareholders receive a copy of the Company's Annual Report, specifically in paper form, if requested. NEXTDC recognises the importance of providing its shareholders and the broader

investment community with facilities to access up-to-date information and provide avenues for communication with the Company, the Board and shareholders. A copy of the Annual Report and other corporate governance material, Company announcements, details of Company meetings, media releases and financial statements are also available on the Company's website. Shareholders may contact the Company directly for queries or clarification. NEXTDC has an investor relations officer and program to facilitate effective two-way communication with investors and to provide a detailed understanding of NEXTDC's performance. NEXTDC engages with institutional investors, private investors, sell side analysts and buy side analysts throughout the year via scheduled and ad hoc interactions.

A dedicated email address ([investorrelations@nextdc.com](mailto:investorrelations@nextdc.com)) also ensures that email queries are delivered directly to the CEO and CFO or otherwise as appropriate. This email address appears on all ASX

announcements and on the Company website under the dedicated "Investors" section at [www.nextdc.com/investor-centre](http://www.nextdc.com/investor-centre).

All substantive resolutions at a shareholder meeting are decided by poll rather than show of hands. Where possible, the Company arranges for advance notification of significant group briefings (including, but not limited to, results announcements) and makes them widely accessible.

#### Electronic communications

NEXTDC promotes online voting for shareholder meetings and provides all shareholders with an opportunity to receive electronic communications via the registry. NEXTDC's share registry is managed by Link Market Services, who can be contacted at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). Shareholders can contact NEXTDC electronically by sending an email to [investorrelations@nextdc.com](mailto:investorrelations@nextdc.com) or visiting our website at [www.nextdc.com/investor-centre](http://www.nextdc.com/investor-centre).

## Principle 7:

### Risk Management

NEXTDC acknowledges that risk is inherent in all aspects of its business operations and being able to effectively recognise and manage both strategic and operational risks and opportunities is critical for success and the sustainable growth of the Company. Strong and aligned corporate governance and accountability structures within NEXTDC are integral to our effective risk management. The aim is to effectively manage the risks involved in all key business activities, to maximise opportunities, and minimise the potential for negative outcomes.

The Board is responsible, with the assistance of the ARMC, for overseeing the implementation and ensuring the adequacy and effectiveness of the risk management frameworks and internal controls. This includes ensuring that Management operates according to the Risk Appetite set by the Board. Details on NEXTDC's ARMC, including members and key responsibilities are provided under the narrative of Principle 4 above. Details of Directors' qualifications and ARMC attendance are set out in the Directors' Report of the Company's Annual Report.

#### Risk Management Framework

NEXTDC's approach to risk management is based on a robust risk management framework. The framework is reviewed on an annual basis by the Board to satisfy itself that the framework continues to be sound and that the Company is operating in accordance with the risk appetite set by the Board. This framework details the principles and risk management controls embedded within NEXTDC's management processes, procedures, and reporting systems. The Company has a Risk Management Policy to ensure good corporate governance and that strategic and operational objectives and legislative, industry and client obligations are met. NEXTDC's Risk Management Procedure is designed to:

- identify potential events and risks that may significantly affect the ability to achieve strategic goals or maintain business operation
- assess and evaluate those risks against NEXTDC's level of risk tolerance
- design and implement controls to provide reasonable assurance that the organisational objectives will be achieved; and
- monitor management of identified risks and resolution.

The Chief Risk Officer, with support from the Risk and Compliance function, provides regular reports to the ARMC on the operation of the framework, the status of key risks, risk and compliance incidents and risk framework changes. As part of NEXTDC's internal review, the Board reviewed and approved the Risk Appetite Statement for FY24. The

Risk Appetite Statement is designed to determine and inform the degree of risk that the Company is prepared to take as part of the decision-making process of the Board and management. The Statement is reviewed at least annually to ensure ongoing alignment with strategic objectives. ARMC monitors compliance activities and seeks to ensure that management is operating with due regard to the risk appetite set by the Board.

NEXTDC's growth requires ongoing assessment and refinement of its risk profile. In that regard, NEXTDC's risk management framework continues to evolve and mature across the Company, with enhancements to systems and processes continuing to feed into initiatives to seek to keep pace with the Company's growth. The Board also continued to undertake 'deep dive' reviews into particular risk areas.

#### Material Risk Exposure

Understanding and managing the risks impacting our strategic objectives is essential to support critical business decisions. Material risks have been grouped according to the following themes:



Identified material risks, as assessed by management and the Board, have the potential to significantly impact stakeholder value in the short, medium, and long term. These risks, individually or combined, may threaten our strategy, business model, performance, solvency and reputation. As our data centre portfolio grows and we expand internationally, these risks will inevitably evolve, requiring continuous monitoring and mitigation strategies.



## Risk Management Oversight and Responsibilities

NEXTDC's key risk management functions and responsibilities are set out below.

### Key oversight Purpose

Key oversight	Purpose
The Board	Reviews the Company's risk management framework to ensure it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.
ARMC	<p>The ARMC is responsible for ensuring adequate policies concerning risk management, compliance, and internal control systems are in place. It monitors the Company's risk management framework by overseeing management's actions in the evaluation, management, monitoring and reporting of material operational, financial, compliance and strategic risks. In providing this oversight, the Committee:</p> <ul style="list-style-type: none"> <li>▪ Reviews the framework and methodology for risk identification, the degree of risk the Company is willing to accept, the management of risk and the processes for auditing and evaluating the Company's risk management system</li> <li>▪ Reviews and assesses the Company's processes which ensures the integrity of financial statements and reporting, and associated compliance with legal and regulatory requirements, including Accounting Standards</li> <li>▪ Review Company objectives in the context of the key enterprise risk categories (outlined above)</li> <li>▪ Reviews and, where necessary, approves guidelines and policies governing the identification, assessment, and management of the Company's exposure to risk</li> <li>▪ Reviews and approves the delegations of financial authorities and addresses any need to update these authorities on an annual basis; and</li> <li>▪ Reviews compliance with agreed treasury policy.</li> </ul> <p>The Committee reviews the effectiveness of these risk management and internal control processes at least annually. The Committee will report any material risk issues to the Board and recommend actions it deems appropriate for the Board's consideration.</p>
CEO/CFO	<p>The CEO/and CFO provide assurance to the Board that:</p> <ul style="list-style-type: none"> <li>▪ the financial records of NEXTDC Limited have been properly maintained in accordance with section 286 of the Corporations Act 2001; and</li> <li>▪ the financial statements, and the notes to the financial statements, of NEXTDC Limited: <ul style="list-style-type: none"> <li>i. comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and</li> <li>ii. give a true and fair view of the company's financial position and of its performance: and</li> </ul> </li> <li>▪ the consolidated entity disclosure statement is true and correct.</li> </ul>
Management	For the respective area of responsibility, management is responsible for designing, implementing and maintaining risk management and internal control systems in line with the Company's Risk Management Framework. As owners of the respective enterprise risk(s) management, continually validate risk and ensure supporting controls and processes are implemented to mitigate these risks.
Business Framework Review Committee (BFRC)	<p>The BFRC comprises the Company's Executive team (CXO) and is chaired by the Senior Risk and Compliance Manager. The Committee meets at least monthly and:</p> <ul style="list-style-type: none"> <li>▪ Reviews and approves key policies and procedures with our customers (commercial), external compliance requirements, financial matters and/or the Company's enterprise risk</li> <li>▪ Guides governance and control-related matters; and</li> <li>▪ Oversees the operations and governance of NEXTDC in line with the requirements of its compliance program.</li> </ul>
Risk and Compliance function	<ul style="list-style-type: none"> <li>▪ Manage and monitor the implementation and effectiveness of risk management systems across the Company</li> <li>▪ Prepare a consolidated Risk Report for the ARMC setting out key enterprise risks and the controls and processes implemented to mitigate these risks, the status of Risk Treatment Plans and remediation of risk issues and early indicators and emerging risks</li> <li>▪ Assist the Company in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating and continually improving the effectiveness of the operational risk management framework, internal control, and governance processes; and</li> <li>▪ Provide guidance and support to the business based on industry best standards and practices to improve the effectiveness and efficiency of NEXTDC's corporate governance, processes and management of lower-level risks and controls (Facility, Engineering and Design, Project risks etc).</li> </ul>

## Internal Audit Function

The ARMC oversees internal audit activities through an annual program developed to encompass the areas identified as most sensitive to risk.

The Internal Audit function is a key component of NEXTDC's Governance Framework. Its role is to provide independent and objective assurance on the adequacy and effectiveness of risk management controls and governance processes. It has an independent role in the Company, which:

- assures the Board that the financial and operational controls designed to manage our risks are operating effectively and ethically; and
- assist management in improving our business performance.

The Chief Risk Officer is responsible for Internal Audits. The Head of Risk and Compliance, with oversight from the Chief Risk Officer, is responsible for:

- monitoring the internal control framework of the Company and providing reports to the ARMC and the Board that include how the teams manage and monitor the implementation and effectiveness of risk management systems across the Company
- conducting operational internal audits, preparing the reports and reports to the BFRC, the ARMC and subsequently the Board on the adequacy of risk management and the internal control environment against the enterprise risk register
- where internal audits are outsourced, managing the outsourced internal auditors, establishing a clear scope of the audit, collating reports, and reports to the BFRC, the ARMC and subsequently the Board on the adequacy of risk management and the internal control environment against the enterprise risk register
- following up on audit action and improvement items and report to the BFRC and the ARMC where required (based on audit rating)
- preparing a consolidated Risk Report (quarterly) setting out key enterprise risks and the controls and processes implemented to mitigate these risks, the status of Risk Treatment Plans and remediation of risk issues and early indicators and emerging risks

The internal audit function and external audit are separate and independent of each other.

## Compliance Management

The Board is also responsible, with the assistance of the ARMC, for ensuring the implementation and effectiveness of the regulatory compliance management program. The ARMC assists the Board in performing its role in overseeing the effectiveness of NEXTDC's Compliance Framework.

NEXTDC's Compliance Framework provides a consistent methodology for managing material regulatory and other obligations across the business and remediating any gaps that become apparent. The company's risk management function leads the implementation of the Compliance Framework and reviews its effectiveness, and regular reports are provided to the ARMC.

## Other assurances

In addition to external and internal audits, there is a range of additional assurance activities associated with our financial and operational functions. In some cases, this assurance may be mandated by relevant Government agencies and/or regulations and may be undertaken by internal or external parties, depending on the nature of the subject matter.

Examples include assurance activities relating to NEXTDC's health and safety standards, environmental standards, independent reviews of reported emissions data, validation of publicly reported information and assurance over system implementations. Any material assurance reports or issues arising are provided to the ARMC for review and consideration.

## Environmental, Social and Governance (ESG) risks

The Board recognises the importance of embedding a positive ESG practice as an integral element of its business activities. The Board recognises its responsibility to employees, suppliers, customers, shareholders, communities, and the environment in which NEXTDC operates. NEXTDC's approach to its ESG responsibilities is structured around the risks and opportunities identified by the business and the issues of interest to our stakeholders.

NEXTDC has been reporting on its climate change and nature-related risks and opportunities in alignment with the recommendations of the Task Force on Climate-related Financial

Disclosures (TCFD) and Task Force on Nature-related Financial Disclosures (TNFD). NEXTDC's climate change and nature-related governance, strategy, risk management practices, and metrics are tailored to these reporting frameworks and can be found in the FY24 ESG and FY24 Climate & Nature reports within the Corporate Governance section of the NEXTDC website.

Understanding the risks that can materially impact our strategic objectives is essential to support informed business decisions. NEXTDC has developed actionable risk mitigation strategies and metrics to monitor the implementation of risk mitigation plans and monitors its business activities to identify changes in or the emergence of new risks that may impact these activities or its broader business strategies.

Our management systems act as a structured framework to effectively manage various aspects of our operations and manage risks associates:

- **Environmental Management System** to reduce our environmental impact and improve our environmental performance.
- **Work Health and Safety Management System** to actively manage WHS issues in the operational and data centre development areas to achieve our ZERO-INJURIES goal. NEXTDC's Construction Safety Management System further strengthens its safety leadership, benchmarking its safety performance and activities while constructing new data centre facilities.
- **Quality Management System** to ensure reliable, secure, and efficient operations. This includes enhancing customer satisfaction, reducing downtime and errors, and improving operational efficiency.
- **Information Security Management System** to protect and control access within our facilities while ensuring its availability.

## Principle 8:

# Responsible Remuneration Policy

### Remuneration and Nomination Committee (REMCO)

Information concerning the members of the REMCO is detailed in Principle 2 above. The REMCO assists the Board in considering people and remuneration strategies and related issues within NEXTDC, in addition to its 'nominations' responsibilities. Details of these Directors' attendance at REMCO meetings are set out in the Directors' Report. The Committee operates in accordance with its Charter which is available in the Corporate Governance section of the Company's website. The Committee advises the Board on policies and procedures for the selection and appointment of Directors, identifies Directors qualified to fill vacancies, and ensures effective induction and orientation programs.

The main responsibilities of the Committee are to:

- Review the succession plans for Senior Executives

- Recommend individuals for nomination as members of the Board and its Committees
- Reviewing remuneration framework for KMP and Senior Executives, including the STI and LTI Plans
- Ensure the performance of Senior Executives and members of the Board are reviewed at least annually and, as appropriate, develop and implement a plan for identifying, assessing and enhancing Director competencies
- Review the Company's diversity policy and monitor diversity within the Company in addition to the diversity of Senior Executives and the Board; and
- Monitor the size and composition of the Board, including assessing the necessary and desirable competencies of Board members.

The Committee assumes responsibility for overseeing the management of succession planning, including the implementation of appropriate

Executive development programs, and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for later promotion to senior positions.

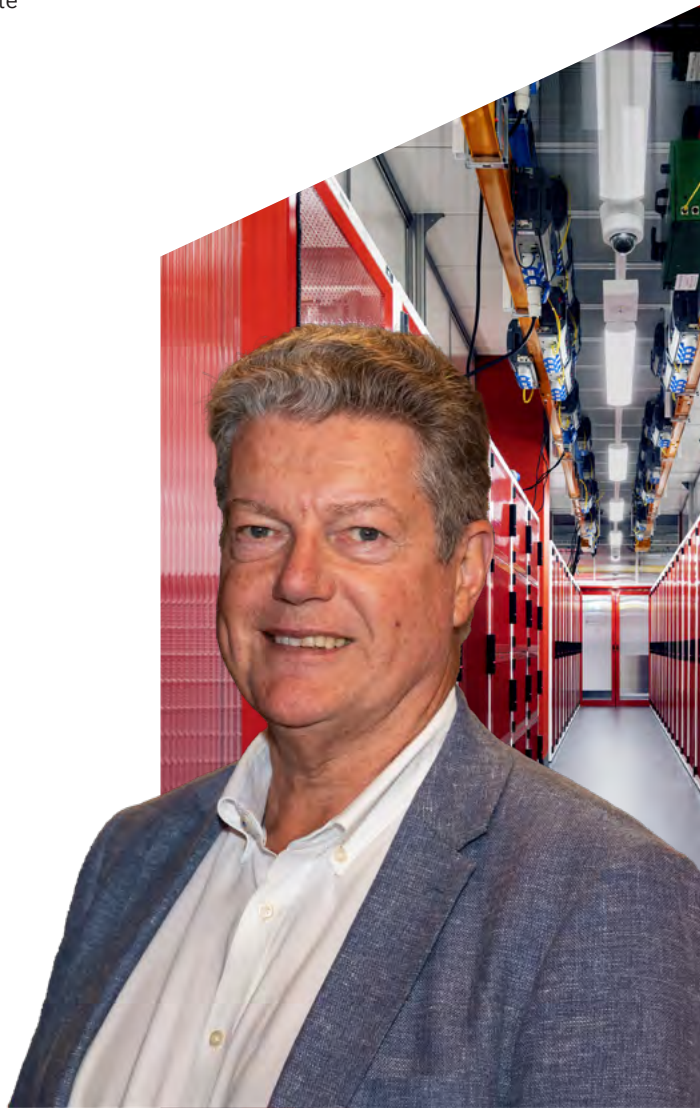
### Remuneration Report

Remuneration Report Details of NEXTDC's remuneration policies and practices and information relating to the remuneration of its Executives (including Non-executive Directors) are disclosed in the Remuneration Report of the FY24 Annual Report available on NEXTDC's website.

The Committee operates in accordance with the broad principles set out in its Charter, which is available in the Corporate Governance information section on NEXTDC's website at [www.nextdc.com/investor-centre/corporate-governance](http://www.nextdc.com/investor-centre/corporate-governance). The Charter also details the Committee's composition and responsibilities.

**"As Chair of the Remuneration Committee, I am committed to responsible stewardship of shareholder capital. We design compensation packages that incentivise strong leadership and performance, strategic decision-making, and sustainable long-term growth for the Company."**

Stuart Davis – REMCO Chair





# Appendix: Summary of Corporate Governance Principles



## Principle 1 – Lay solid foundations for management and oversight

<p><b>1.1</b> A listed entity should have; and disclose a Board Charter setting out:</p> <ul style="list-style-type: none"> <li>(a) the respective roles and responsibilities of its board and management; and</li> <li>(b) those matters expressly reserved to the board and those delegated to management.</li> </ul>	<p>The Board Charter is available on NEXTDC's website at <a href="http://www.nextdc.com">www.nextdc.com</a>.</p> <p>NEXTDC has published the Code of Conduct – Directors and Senior Executives on the NEXTDC website.</p> <p>NEXTDC has established a formal Statement of Delegated Authority outlining the scope of any delegation of authority to management.</p>
<p><b>1.2</b> A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a person, or putting forward a candidate for election, as a Director; and</li> <li>(b) provide security holders with all material information in its possession relevant to a decision on whether to elect or re-elect a Director.</li> </ul>	<p>NEXTDC's formal recruitment and assessment process includes engaging specialist recruiters for the appointment of its Non-Executive Directors.</p> <p>NEXTDC ensures that all material information in its possession relevant to a Director's election or re-election is provided to shareholders in its Notice of Annual General Meeting.</p>
<p><b>1.3</b> A listed entity should have a written agreement with each Director and Senior Executive setting out the terms of their appointment.</p>	<p>NEXTDC enters into formal engagement agreements with each Director and Senior Executive for this purpose.</p>
<p><b>1.4</b> The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The Company Secretary of NEXTDC, Mr Michael Helmer, is accountable directly to the Board through the Chair.</p>
<p><b>1.5</b> A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy</li> <li>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, Senior Executives, and workforce generally; and</li> <li>(c) disclose in relation to each reporting period:             <ul style="list-style-type: none"> <li>(1) the measurable objectives set for that period to achieve gender diversity</li> <li>(2) the entity's progress towards achieving those objectives; and either:                 <ul style="list-style-type: none"> <li>(i) the respective proportions of men and women on the board, in Senior Executive positions and across the whole workforce (including how the entity has defined "Senior Executive" for these purposes); or</li> <li>(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</li> </ul> </li> </ul> <p>If the entity was in the S&amp;P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its Directors of each gender within a specified period.</p> </li></ul>	<p>NEXTDC's Diversity Policy is available for viewing at the Company's website at <a href="http://www.nextdc.com">www.nextdc.com</a>.</p> <p>NEXTDC sets measurable objectives against its Diversity Policy, which is available for viewing at the Company's website at <a href="http://www.nextdc.com">www.nextdc.com</a>.</p> <p>Refer to the FY24 Corporate Governance Statement above for further details.</p> <p>Refer to the FY24 Corporate Governance Statement above for further details.</p> <p>Refer to the FY24 Corporate Governance Statement above for further details.</p> <p>NEXTDC's Gender Equality Report is published on its website at <a href="http://www.nextdc.com">www.nextdc.com</a>.</p> <p>NEXTDC's Board meets the 'not less than 30%' gender diversity threshold.</p>
<p><b>1.6</b> A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have; and disclose a process for periodically evaluating the performance of the board, its committees, and individual Directors; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	<p>The responsibilities of the Board to monitor its own performance and that of its Committees and individual Directors are set out in its Charter and that of the Audit and Risk Management Committee. The Charters are available for viewing on NEXTDC's website at <a href="http://www.nextdc.com">www.nextdc.com</a>.</p> <p>Board evaluation was completed for the period reported.</p>

<p><b>1.7</b> A listed entity should:</p> <p>(a) have; and disclose a process for periodically evaluating the performance of its Senior Executives at least once every reporting period; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance Evaluation was undertaken in the reporting period in accordance with that process during; or in respect of that period.</p>	<p>✓ The responsibilities of the Board for monitoring the performance of its Senior Executives is set out in its Charter, which is available on NEXTDC's website at <a href="http://www.nextdc.com">www.nextdc.com</a>.</p> <p>✓ The evaluation process is further commented on in the Remuneration Report.</p>
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## Principle 2 – Structure the Board to be effective and add value

<p><b>2.1</b> The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director, and disclose</p> <p>(3) the charter of the committee</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>✓ The Board has established a Remuneration and Nomination Committee (REMCO). All four REMCO Committee members on the Committee in FY24 were independent, noting Maria Leftakis joined REMCO in August 2023.</p> <p>✓ The REMCO Chair, Mr Stuart Davis, is an independent Director.</p> <p>✓ The REMCO Charter is available on NEXTDC's website at <a href="http://www.nextdc.com">www.nextdc.com</a>.</p> <p>✓ The Board and the REMCO meeting attendance is included in the Annual Report.</p>
<p><b>2.2</b> A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>✓ NEXTDC discloses a Board skills matrix which is further explained within the FY24 Corporate Governance Statement above.</p>
<p><b>2.3</b> A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each Director.</p>	<p>✓ Seven of the eight Directors who served in FY24 are independent. The eight member, Mr Craig Scroggie, holds the position of Chief Executive Officer (CEO) of NEXTDC.</p> <p>The section on Effective Board Structure within this report and the Annual Report provides this information.</p>
<p><b>2.4</b> A majority of the Board of a listed entity should be independent Directors.</p>	<p>✓ Seven of the eight Directors who served in FY24 are independent.</p>
<p><b>2.5</b> The chair of the board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>✓ The Board's Chairman during the year was Mr Douglas Flynn and he is an independent director. Mr Craig Scroggie was the CEO for the entire period.</p>
<p><b>2.6</b> A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.</p>	<p>✓ The Board continually reviews the professional skills and development opportunities of the Board and Committee members throughout the year and assesses the skills, development, and induction needs for new Directors joining the Board.</p>



## Principle 3 – Instil a culture of acting lawfully, ethically and responsibly

<p><b>3.1</b> A listed entity should articulate and disclose its values.</p>	<p>✓ NEXTDC's values are disclosed on its website at <a href="http://www.nextdc.com">www.nextdc.com</a>.</p>
<p><b>3.2</b> A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a code of conduct for its Directors, Senior Executives, and employees; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material breaches of that code by a Director, or Senior Executive; and</li> <li>(c) any other material breaches of that code that call into question the culture of the organisation.</li> </ul>	<p>The Board has adopted Codes of Conduct for Directors and Employees.</p> <p>✓ These are available for review in the Corporate Governance section of NEXTDC's website at <a href="http://www.nextdc.com">www.nextdc.com</a>.</p>
<p><b>3.3</b> A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a Whistleblower Policy; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</li> </ul>	<p>NEXTDC's Whistleblowers Policy is available on the Company's website at <a href="http://www.nextdc.com">www.nextdc.com</a>.</p> <p>✓ The Board and ARMC Committee receive reports of any material incidents.</p>
<p><b>3.4</b> A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose an anti-bribery and corruption policy; and</li> <li>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</li> </ul>	<p>The Company's Anti-bribery and Corruption Policy is available on the Company's website at <a href="http://www.nextdc.com">www.nextdc.com</a>.</p> <p>✓ The Company also discloses its policy regarding anti-bribery and corruption within the Company's Code of Conduct.</p> <p>The Board and ARMC Committee receive reports of any material incidents.</p>

## Principle 4 – Safeguard the integrity of corporate reports

<p><b>4.1</b> The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are Non-Executive Directors and a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>The Board has established an ARMC which meets the requirements of:</p> <ul style="list-style-type: none"> <li>▪ having at least three members at all times</li> <li>▪ consists only of Non-Executive Directors</li> <li>▪ consists of a majority of independent Directors.</li> </ul> <p>The ARMC Committee is chaired by Ms Jennifer Lambert, an independent Director of the Company.</p> <p>The ARMC Charter is available on NEXTDC's website at <a href="http://www.nextdc.com">www.nextdc.com</a>.</p> <p>Refer to NEXTDC's FY24 Annual Report for the Directors' qualifications and experience.</p> <p>Refer to NEXTDC's FY24 Annual Report for the number of ARMC meetings and the attendance at these by Committee members.</p>
<p><b>4.2</b> The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>✓</p>	<p>The Board has received a declaration from NEXTDC's CEO and the CFO in relation to the financial statements for the financial year ended 30 June 2024.</p>
<p><b>4.3</b> A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>✓</p>	<p>The Annual Report, Corporate Governance Statement, Appendix 4E/4D, Environmental Social and Governance (ESG) Report, ASX Results release and Investor Presentations undergo an internal verification process. The information in these documents is reviewed, verified and signed-off by relevant functional subject matter experts and relevant executives prior to approval for release to market.</p>

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## Principle 5 – Make timely and balanced disclosure

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| <b>5.1</b> A listed entity should have a written policy for complying with its continuous disclosure obligations under the Listing Rule 3.1.   | ✓ NEXTDC's Continuous Disclosure Policy is available on the Company's website at <a href="http://www.nextdc.com">www.nextdc.com</a> . |
| <b>5.2</b> A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.   | ✓ Board members receive this information promptly.  |
| <b>5.3</b> A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | ✓ All analyst presentations are disclosed in the ASX Market Announcements Platform as per NEXTDC's Continuous Disclosure Policy.      |
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## Principle 6 – Respect the rights of security holders

**6.1** A listed entity should provide information about itself and its governance to investors via its website.

NEXTDC regularly updates its website with ASX announcements and presentations, news and social media, and new information on products and services.

- ✓ NEXTDC's Continuous Disclosure Policy has been designed to promote effective communications with shareholders. A copy of this policy is available on the Company's website at [www.nextdc.com](http://www.nextdc.com).

**6.2** A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

NEXTDC has a Shareholder Communications Policy that outlines the processes followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure. A copy of this policy is available on the Company's website at [www.nextdc.com](http://www.nextdc.com).

NEXTDC has an Investor Relations Manager and program to facilitate effective two-way communication with investors.

- ✓ NEXTDC's Continuous Disclosure Policy also outlines policies and requirements for communications with analysts and investors to ensure that the communications are effective and comply with the Company's continuous disclosure obligations under the Corporations Act and the ASX Listing Rules. A copy of this policy is available on the Company's website at [www.nextdc.com](http://www.nextdc.com).

NEXTDC has an Investment Committee that assists management to review, evaluate and make recommendations to the Board in relation to NEXTDC's investment strategy and to monitor the effectiveness of its investment governance framework. NEXTDC's Investors Relation program allows investors and other financial market participants to gain a greater understanding of the Company's business, governance, financial performance, and prospects.

**6.3** A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

NEXTDC's Shareholders Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of shareholders. The Company permits shareholders to cast their proxies prior to an Annual General Meeting if they are unable to attend the meeting.

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**6.4** A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by show of hands.

All substantive resolutions at a meeting of shareholders of NEXTDC are decided by a poll rather than by a show of hands.

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- 6.5** A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. ✓
- NEXTDC gives shareholders the option to communicate electronically with the Company and its security registry, as indicated in its Shareholder Communications Policy.

## Principle 7 – Recognise and manage risk

- 7.1** The Board of a listed entity should:
- (a) have a committee or committees to oversee risk, each of which:
- (1) has at least three members, a majority of whom are independent Directors; and
  - (2) is chaired by an independent Director, and disclose:
  - (3) the charter of the committee
  - (4) the members of the committee; and
  - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.
- The Board has established an Audit and Risk Management Committee (ARMC) which oversees risk, and currently:
- the Committee has four members who are all independent (Mrs Maria Leftakis joined in August 2023).
  - and the ARMC Committee is chaired by Ms Jennifer Lambert.
- The ARMC Charter is available on NEXTDC's website at [www.nextdc.com](http://www.nextdc.com).
- Refer to NEXTDC's FY24 Annual Report for the number of ARMC meetings and the attendance at these by Committee members.
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- 7.2** The Board or a committee of the board should:
- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, and that the entity is operating with due regard to the risk appetite set by the board; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place. ✓
- The ARMC has reviewed the Risk Management Framework and has determined that the content is relevant and appropriate, and it continues to be utilised throughout the organisation.
- The Company's risk management framework is consistent with ISO 31000 to ensure a systematic approach to risk management. The framework assists in achieving operational and strategic objectives, as well as legislative and compliance obligations.
- The risk appetite is set by the ARMC and is reviewed at least annually.
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- 7.3** A listed entity should disclose:
- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. ✓
- In FY24, the responsibility for administration of the internal assurance process relating to the risk management activities was held by the Chief Risk Officer (CRO) along with the Company's Head of Risk and Compliance. The ARMC provides oversight to the administration of the internal audit function, which also monitors and administers the current risk management framework.
- From time to time, ARMC will also instruct the audit function to engage external providers to assess key operational risks and advise ARMC in relation to this. In addition, the internal financial audit is performed by outsourced service providers, who have a direct reporting line to the ARMC.
- Refer also to the section on Risk Management above.

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- 7.4** A listed entity should disclose whether it has any material exposure to economic, environmental, and social risks and, if it does, how it manages or intends to manage those risks.
- ✓ Refer to the 'Recognise and manage risks' section within the report above.
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## Principle 8 – Remunerate fairly and responsibly

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- 8.1** The Board of a listed entity should:
- (a) have a remuneration committee which:
- (1) has at least three members, a majority of whom are independent Directors; and
  - (2) is chaired by an independent Director, and disclose:
  - (3) the charter of the committee
  - (4) the members of the committee; and
  - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and Senior Executives and ensuring that such remuneration is appropriate and not excessive.
- ✓ The Board has established a REMCO.
- ✓ During the year, the Committee had four members who were all independent.
- ✓ The Committee is chaired by Mr Stuart Davis who is an independent Director.
- ✓ The REMCO Charter is available on the Company's website at [www.nextdc.com](http://www.nextdc.com).
- ✓ Refer to NEXTDC's FY24 Annual Report for the number of REMCO meetings and the attendance at these by Committee members.
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- 8.2** A listed entity should separately disclose its policies and practices regarding the remuneration of non-Executive Directors and the remuneration of Executive Directors and other Senior Executives.
- ✓ NEXTDC has developed separate disclosure for its Senior Executive Remuneration Policy and Procedure and a Non-Executive Director Remuneration Policy and Procedure. Both are available for review at [www.nextdc.com](http://www.nextdc.com).
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- 8.3** A listed entity which has an equity-based remuneration scheme should:
- (a) have a policy on whether participants are permitted to enter into transactions (through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- (b) disclose that policy or a summary of it.
- ✓ NEXTDC prohibits the hedging of Incentive Rights and Restricted Shares by Participants.
- ✓ The granting of equity-based remuneration under the LTI scheme is disclosed in the Remuneration Report.
- ✓ NEXTDC has published the Remuneration and Nomination Committee Charter and Securities Trading Policy on its website at [www.nextdc.com](http://www.nextdc.com).
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**N E X T D C**

1 July 2023 to 30 June 2024

NEXTDC Limited | ABN 35 143 582 521

For any queries about NEXTDC's corporate governance, please use the following link to contact us.

[nextdc.com/contact](https://nextdc.com/contact)