

Continuous Disclosure Policy

NEXTDC Limited and its subsidiaries (ACN 143 582 521)



N E X T D C

Introduction

NEXTDC Limited ("Company") is an Australian Securities Exchange Limited ("ASX") listed technology company, enabling business transformation through innovative data centre outsourcing solutions, connectivity services and infrastructure management software.

This Policy contains all continuous disclosure requirements for the Company under the ASX Listing Rules (Listing Rules) and the Corporations Act and incorporates applicable regulatory guidance. This Policy applies to all officers, employees and contractors of the Company and its subsidiaries.

Purpose

The purpose of the Continuous Disclosure Policy is to:

- (a) ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and the Listing Rules and as much as possible seeks to achieve best practice;
- (b) provide shareholders and the market with timely, direct and equal access to information issued by the Company; and
- (c) promote investor confidence in the integrity of the Company and its securities.

Legal Requirements

The Company is a public company listed on the ASX. It is subject to continuous disclosure requirements under the Corporations Act and the Listing Rules (which are given legislative force under section 674 of the Corporations Act), in addition to periodic and specific disclosure requirements.

The Rule

The primary continuous disclosure obligation is contained in Listing Rule 3.1, which states that:

"Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."

The Exception

Listing Rule 3.1A contains an exception to Listing Rule 3.1 and can be relied on where ***all three*** of the following limbs apply:

"3.1A.1 One or more of the following five situations applies:

- It would be a breach of a law to disclose the information.
- The information concerns an incomplete proposal or negotiation.

- The information comprises matters of supposition or is insufficiently definite to warrant disclosure.
- The information is generated for the internal management purposes of the entity.
- The information is a trade secret; *AND*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; *AND*

3.1A.3 A reasonable person would not expect the information to be disclosed.

For the purposes of this Policy, the Company's employees are required to report any potentially disclosable information to the Company Secretary for consideration and determination of whether disclosure is required under Listing Rules 3.1 and 3.1A (see further below). Employees should *not* be making their own determinations as to whether the exception to Listing Rule 3.1 may or may not apply.

Confidentiality

Where the Company is relying on the exception to Listing Rule 3.1, or is involved in a development that may eventually require reliance on the exception, appropriate confidentiality protocols must be adhered to. A leak of confidential information will mean that the Company is not able to withhold the information from disclosure to the ASX in reliance on Listing Rule 3.1A and may force the Company to make a 'premature' announcement.

ASX may request information to correct false market

Listing Rule 3.1B provides that if the ASX considers that there is, or is likely to be, a false market in an entity's securities and requests information from the entity to correct or prevent the false market, the entity must give ASX the information needed to correct or prevent the false market.

Disclosure to ASX first

Listing Rule 15.7 further requires that an entity must not release information that is for release to the market to anyone until it has given the information to the ASX and has received an acknowledgement from ASX that the information has been released to the market.

Material price sensitive information

Section 677 of the Corporations Act states that a reasonable person would be taken to expect information to have a "material effect on the price or value" of securities if the information "would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of" those securities.

Disclosure principle

The Company will immediately notify the ASX of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities, unless exempted by the Listing Rules.

At present, the Company's securities include:

- Shares - fully paid ordinary shares; and
- Options and rights – executive share options and rights.

From time to time, the Company may also issue other forms of securities, such as debt securities, debentures or convertible notes.

Material price sensitive information

Any information concerning the Company which would, or would be likely to, influence investors in deciding whether to acquire or sell the Company's securities ("material price sensitive information") must be disclosed to the ASX in accordance with this Policy.

The Company Secretary is responsible for determining what information is to be disclosed. Where there is doubt as to whether certain information should be disclosed, the Company Secretary will discuss the issue with senior executives, and if necessary, seek external advice.

The following provides a guide as to the type of information that is likely to require disclosure as material price sensitive information. This is not an exhaustive list and matters may be materially price sensitive from either a qualitative or quantitative viewpoint. The determination of whether certain information is material price sensitive information which is subject to continuous disclosure necessarily involves the use of judgment. There will inevitably be situations where the issue is less than clear. If you come across information which potentially falls within the category of material price sensitive information, you should treat it as if it is material price sensitive information and leave the question for the Company Secretary to resolve.

Matters which generally require disclosure under Listing Rule 3.1 as being material price sensitive information include:

- (a) a change in the Company's financial forecasts or expectations. As a guide, where the Company has published earnings guidance, a variation in excess of 10% is likely to be considered material, while a variation of less than 5% may be considered not material. Listed companies in the ASX300 (like the Company), or that generally have stable and predictable earnings, should apply a materiality threshold of closer to 5%. Where the Company has not published earnings guidance, market expectations will be informed by the variation from analysts' consensus (or failing that, the Company's financial performance over the previous corresponding period) and whether a reasonable person would expect that variation to have a material effect on the price or value of the Company's securities;
- (b) a recommendation or declaration of a dividend or distribution, or a decision one will not be declared;
- (c) changes to significant roles within the Company, such as Chief Executive Officer (CEO) or Chairman. In the case of the appointment of a new Chief Executive Officer (CEO), disclosure of

- the key terms and conditions of the relevant contract entered into (e.g. components of pay package) will be necessary;
- (d) a change in the Company's accounting policy which has, or is likely to have, a material impact on the Company's financial position or performance;
 - (e) giving or receiving a notice of intention to make a takeover offer;
 - (f) a transaction which could lead to a material change in the nature or scale of the Company's activities, including;
 - mergers, acquisitions/divestments, joint ventures or changes in assets;
 - developments in regard to new projects or ventures;
 - major new contracts, orders, or changes in suppliers or customers;
 - changes in products, product lines, supplies or inventory;
 - (g) industry issues that may have a material impact on the Company;
 - (h) significant changes in technology or the application of technology that may have a material impact on the Company;
 - (i) material legal proceedings against or allegation of any breach of the law, whether civil or criminal, by the Company;
 - (j) decisions by regulatory bodies in Australia that may have a material impact on the Company (such as the Australian Competition and Consumer Commission and Takeovers Panel, or other bodies relevant to the Company);
 - (k) natural disasters or accidents that have particular relevance to the businesses of the Company or its suppliers;
 - (l) the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by the Company or any of its subsidiaries; and
 - (m) a copy of a document lodged with an overseas stock exchange or regulator containing market sensitive information not previously disclosed to the ASX.

Roles and responsibilities

This Policy will be administered by several key personnel within the Company. However, employees at every level have a role to play to ensure that the Company achieves the objectives of this Policy.

The responsibilities under this Policy are divided as follows:

- (a) **Board of Directors ('Board')** - the Board of Directors are ultimately responsible for overseeing the Company's processes for continuous disclosure, including approval of any amendments to this Policy recommended by the Company Secretary and reviewing significant ASX announcements;
- (b) **Company Secretary** - responsible for the overall administration of this Policy and all communications with the ASX (see below);
- (c) **Authorised Spokespersons** - the only Company employees authorised to speak on behalf of the Company to external parties (see below);

- (d) **Disclosure Officers** - Disclosure Officers appointed for each business unit, will be responsible for reporting any material price sensitive information within their business unit to the Company Secretary;
- (e) **Other employees** - report any material price sensitive information to the Disclosure Officer of their business unit. Observe the Company's "no comments" policy.

The Board

The usual procedure for making disclosures under Listing Rule 3.1 is through the Company Secretary with approval by the Chief Executive Officer, as outlined in the section "Company announcements – the procedures" below.

However, Board approval and input is required in respect of matters that are clearly within the reserved powers of the Board (and responsibility for which has not been delegated to management) or matters that are otherwise of fundamental significance to the Company. Such matters will include:

- (a) significant profit upgrades or downgrades;
- (b) dividend policy or declarations;
- (c) company-transforming events; and
- (d) any other matters that are determined by the Company Secretary or the Chairman to be of fundamental significance to the Company.

In the event that an announcement that would ordinarily require Board approval must immediately be disclosed to the market in order for the Company to comply with its continuous disclosure obligations, all reasonable effort must be made to have the announcement urgently considered and approved by the Board prior to release. However, if such approval cannot be obtained in advance, the usual procedure for making disclosures is to be followed to ensure compliance with the continuous disclosure laws. The announcement must then be considered by the Board at the first possible opportunity following its release to determine what, if any, further steps need to be taken by the Company. Alternatively, the Company may seek a trading halt or voluntary suspension until the Board is able to convene to consider the matter and approve an announcement for release.

Company Secretary

The Company Secretary is responsible for the overall administration of this Policy, and in particular, is responsible for:

- (a) ensuring that the Company is compliant with its continuous disclosure obligations;
- (b) all communications with the ASX;
- (c) reviewing proposed external announcements, and consulting with appropriate members of the Board of Directors, senior executives and/or external advisers as necessary;
- (d) implementing reporting processes and determining divisional guidelines (financial or qualitative) for materiality of information;

- (e) reporting on continuous disclosure issues regularly to the Board of Directors;
- (f) keeping a record of all ASX and other announcements that the Company has made;
- (g) monitoring the effectiveness of this Policy, including the understanding by Company employees in general of the principles and spirit of continuous disclosure; and
- (h) regularly reviewing this Policy for legislative changes or development of best practice and communicating any amendments to the Company's employees.

Authorised spokespersons

The authorised spokespersons are the Chief Executive Officer, Company Secretary, Chief Financial Officer and Chairman and other persons authorised by the Company Secretary from time to time. They are the only Company employees who may speak to the media or other external parties in relation to matters subject to this Policy.

Authorised spokespersons should be briefed by the Company Secretary about prior disclosures by the Company before speaking with external parties. When communicating with external parties, an authorised spokesperson:

- (a) should ensure all comments relate to information within the public domain and/or are not material, as the disclosure of confidential information, even if inadvertent, may result in the information no longer falling within the exception to Listing Rule 3.1 and therefore becoming disclosable to the ASX immediately;
- (b) may clarify information that the Company has released to the ASX but must not comment on material price sensitive information that has not previously been released;
- (c) should limit any comments to his or her area of expertise as much as possible; and
- (d) should report to the Company Secretary after the external communication is made, to determine if any confidential information has been disclosed and whether as a consequence any disclosure to the ASX is necessary.

Company announcements - the procedures

The management of the Company's external announcements depends largely on an effective system of internal reporting and announcement preparation.

The following procedures will apply in relation to all external announcements:

- (a) Identification and notification of material price sensitive information - as soon as an employee becomes aware of material price sensitive information which has not been previously released by the Company, he or she should immediately notify:
 - (in the case of Directors, senior management and Disclosure Officers) the Company Secretary; or

- (in the case of all other employees) the Disclosure Officer of their business unit, who will in turn notify the Company Secretary.
- (b) "Continuous disclosure issues" will be a permanent item on the agenda for every Board meeting, Board Committee meeting and other meetings from business unit level upwards.
- (c) Review of material price sensitive information - after receiving any material price sensitive information, the Company Secretary will review the information (in consultation with senior executives and/or external advisers if necessary), to determine whether the information is required to be disclosed;
- (d) Prepare external announcement - if the information is required to be disclosed, the Company Secretary will prepare a draft announcement. Such announcements should be factual, relevant, and expressed in an objective and clear manner. The use of emotive or intemperate language should be avoided;
- (e) Obtain sign off - The draft Company announcement must be signed off by the Chief Executive Officer or in his or her absence the Chairman (unless required to be approved by the Board, as outlined above);
- (f) Lodge announcement - the Company Secretary or Chief Financial Officer (only) to lodge the announcement with ASX electronically;
- (g) Post announcement on the Company website - AFTER receiving an acknowledgement from the ASX that the announcement has been released to the market, post the announcement onto the Company's website (under the section "Investor Relations") within 24 hours of receiving the ASX's acknowledgement.

In light of the Company's obligation to disclose any material price sensitive information "as soon as it becomes aware" of the information, the above steps, where required, should be taken as a matter of urgency.

Joint announcements

In situations where the Company needs to issue a joint announcement with a joint venturer or third party, the Company will seek to give the other party the opportunity to review the announcement prior to its release, provided that it does not compromise the Company's ability to comply with its disclosure obligation.

Timing

The Company must not release material price sensitive information publicly until it has disclosed it to the ASX and received confirmation of its release by the ASX.

If information is to be released by the Company in Brisbane and simultaneously in another geographical location within Australia and Overseas, for example, by a foreign joint venture partner, the Company Secretary will consult with the relevant parties to determine how the requirements of the Listing Rules will impact on the timing of the disclosure.

Disseminating announcements

After receiving the ASX's confirmation that an announcement has been released to the market, the Company will disseminate the information as soon as possible by posting the announcement on the Company's website (within 24 hours after receiving the ASX's confirmation).

The Company's website (under the "Investor Relations" section) will contain relevant information on the Company such as:

- (a) Company profile;
- (b) ASX announcements;
- (c) annual reports and other financial results;
- (d) speeches and other information provided to analysts and investor groups; and
- (e) AGM information.

The Company Secretary must review the relevant information prior to it being posted on the website. The "Investor Relations" section of the website will be reviewed regularly to ensure that it is up-to-date, complete and accurate.

Pre-result periods

To prevent inadvertent disclosure of material price sensitive information, during the periods between the end of its financial reporting periods 31 December and 30 June and the actual results release, the Company will not discuss any financial information, broker estimates and forecasts, with institutional investors, individual investors, stockbroking analysts, or the media unless the information being discussed has previously been disclosed to the ASX.

Any proposal to deviate from this policy must be subject to approval in advance from the Chief Executive Officer and, if any briefings or meetings are held during a blackout period, there must be no discussion or provision of financial or other information in breach of the Company's continuous disclosure obligation.

Media and market speculation

The Company has a general "no comments" policy in relation to market speculation and rumours, which must be observed by employees at all times. However, the Company may issue an announcement in response to market speculation or rumour where it is necessary to comply with the continuous disclosure obligations, for example, for the purpose of correcting factual errors or responding to a formal request from the ASX for information. The Company will not provide the media with exclusive interviews or information that potentially contains any material price sensitive information prior to disclosing that information to the ASX. It will also not provide any information "off the record".

The Company will not disclose any information that is potentially material price sensitive information publicly under an embargo arrangement prior to release to the ASX. The only exception to this policy may be the provision, in limited circumstances, of a copy of an announcement under strict lock-up arrangements for the purpose of facilitating dissemination of the information following release to the ASX.

Employees who are approached by the media or any external parties for information should observe the "no comments" policy and notify the Company Secretary as soon as possible.

Briefings/meetings/conference calls with analysts or investors

As part of the Company's management of investor relations and to enhance stockbroking analysts' understanding of its background and technical information, it conducts briefings with analysts or investors from time to time, including:

- (a) one-on-one discussions (for the purpose of this Policy, this includes any communications between the Company and an analyst/investor);
- (b) group briefings; and
- (c) conference calls,

(collectively referred to as "briefings").

The Company's policy for conducting these briefings is not to disclose any information which is, or potentially is, material price sensitive information, that has not been announced to the ASX and the market generally. No briefing should be held during pre-results periods.

In addition, the following protocols will be followed in relation to such briefings:

- (a) where price sensitive information is to be provided at the briefing the Company will make an announcement prior to the briefing to inform the market;
- (b) any written material to be used at a briefing must be provided in advance to the Company Secretary to determine whether it contains any information that has not previously been disclosed;
- (c) if possible, two Company employees, including the Company Secretary, CFO, VP of Strategy & Investor Relations, or other authorised representative should be present at the briefing;
- (d) if possible, a file note should be made in relation to the briefing and be kept for a reasonable period after the briefing;
- (e) if a question raised during the briefing can only be answered by disclosing material price sensitive information which was not previously disclosed to the ASX, the Company employee must decline to answer the question, but take the question on notice;

- (f) following the briefing, if an employee present at a briefing considers that any material price sensitive information that was not previously disclosed, was disclosed during the briefing, he or she must immediately notify the Company Secretary;
- (g) following the briefing, the Company will post all previously unreleased material used or made available for the briefing on the Company's website.

The Company or its executives are from time to time invited to participate or present at broker sponsored investor conferences. The policy and protocols for the Company's briefings apply to such conferences.

Site Visits

The Company may conduct visits to its sites from time to time which involve the presence of members of the financial community.

Nothing will be disclosed during these site visits which may have a material effect on the price or value of the Company's securities unless it has already been announced to the ASX.

The VP of Strategy & Investor Relations, or their representative, should be in attendance at such site visits where feasible.

Responding to analyst reports and forecasts

Stockbroking analysts frequently prepare reports on securities of listed entities, including the Company, which contain performance and financial forecasts. The Company acknowledges the importance of analyst reports in facilitating the operation of the market in an informed and efficient manner.

The VP of Strategy & Investor Relations will maintain a record of analysts' earnings forecasts and provide a summary report of these forecasts to the Chief Financial Officer on a regular basis.

However, the Company is independent, and will do all things necessary to be seen as independent, to analysts. The Company will not endorse any such reports and will restrict its comments to factual matters and information which has been previously disclosed to the ASX and the market generally.

In particular, the Company:

- (a) will not generally comment on analyst forecasts or disclose its own earnings projections, however, it may comment on analyst reports by:
 - acknowledging the report's range of estimates; and
 - correcting factual errors or assumptions where the relevant information has already been disclosed;
- (b) will not include any analyst reports in its own corporate information, or post any analyst reports (including hyperlinks) on its website, but may use the reports internally;

- (c) will include a disclaimer that the Company is not responsible for, and does not endorse, the analyst report, in any response made to an analyst; and
- (d) may consider issuing a trading update if it becomes apparent that in general the market's earnings projections on it materially differ from its own estimates.

If a draft report has been sent to the Company for comments, it should be forwarded immediately to the Company Secretary or Chief Financial Officer who will manage any response in coordination with the VP of Strategy & Investor Relations.

Monitor media and share price movements

The VP of Strategy & Investor Relations will monitor:

- (a) media reports about the Company;
- (b) media reports about significant drivers of the Company's business; and
- (c) the Company's share price movements.

If the VP of Strategy & Investor Relations identifies circumstances where a false market may have emerged in the Company's securities, the VP of Strategy & Investor Relations will report the matter to the Company Secretary and Chief Financial Officer to determine whether any action is required.

Chatrooms

Company employees or associated parties must not participate in chat room discussions on the internet where the subject matter relates to the Company.

Responding to unexpected questions

Company employees and executives are often faced with unexpected questions from external parties - for example, pre-arranged briefings sometimes move outside the scope of intended discussion, or Company executives may be asked for information in situations other than formal briefings.

When faced with an unexpected question, respond only with information which has previously been disclosed to the market. If answering the question requires the disclosure of information that has not been previously disclosed, or if in doubt as to whether or not certain information has already been disclosed, decline to answer the question. Take the question on notice so that the formal process of releasing information can operate.

Inadvertent disclosure of information

Disclosure of material price sensitive information to an external party prior to disclosure to the ASX constitutes a breach of Listing Rule 15.7. To prevent a breach of Listing Rule 15.7 and to minimise the consequences should such a breach occur, the following procedures apply.

A review should be done following any communications with an external party. If a Company employee becomes aware that:

- (a) there may have been inadvertent disclosure of material price sensitive information (which has not been disclosed to the ASX) during any communication with external parties; or
- (b) confidential Company information may have been leaked (whatever its source),

he or she should immediately notify the Company Secretary. If it is established that material price sensitive information has been inadvertently disclosed, the Company will need to issue a formal ASX announcement.

Trading halts

In certain circumstances, the Company may need to request a trading halt from the ASX to maintain the efficient trading of its securities. The Company Secretary, Chief Executive Officer, or Chairman will make all decisions in relation to trading halts and are the only personnel authorised to request a trading halt on behalf of the Company.

Advisers and Consultants

The Company will require consultants and professional advisers engaged by the Company or any of its subsidiaries to adhere to this Policy. The Company may ask such consultants and professional advisers to sign a confidentiality agreement.

Breach of Policy

The Company takes continuous disclosure very seriously. Non-compliance with continuous disclosure obligations may constitute a breach of the Corporations Act or the Listing Rules. This may result in fines for the Company, personal liabilities for Directors and other officers, and damage to the Company's reputation. Breaches of this Policy may result in disciplinary action against the employee including dismissal in serious cases.

Any person who becomes aware of a potential breach of this policy should immediately report the violation to the Company Secretary.

Further information

The Company will review this Policy at least annually to ensure that it continues to be effective in managing NEXTDC's disclosure obligations. The Company Secretary will communicate any amendments to Company employees. If you have any questions on the Policy or require further information, contact the *Company Secretary* on 03 86720608.

