

Securities Trading Policy

NEXTDC Limited and its subsidiaries (ACN 143 582 521)



N E X T D C

Objective

This Securities Trading Policy sets out the circumstances in which directors, Senior Executives (defined as the Managing Director, other key management personnel (KMP) as defined under the Corporations Act who hold executive roles, direct reports to the Managing Director who are not KMP, if any, and others selected by the Board) and employees of the Company and its subsidiaries may deal in Company securities with the objective that no director or employee will contravene the requirements of the Corporations Act or the ASX Listing Rules.

The objective of this policy is to ensure that:

- (a) directors and employees adhere to high ethical and legal standards in relation to their personal investment in Company securities; and
- (b) personal investments of directors and employees do not conflict with the interests of the Company and other shareholders in relation to Company securities.

Purpose

The purpose of this policy is designed to protect the reputation of the Company and to ensure that such reputation is maintained and perceived to be maintained by persons external to the Company.

The policy is not designed to prohibit directors and employees from investing in Company securities but does recognise that there will be times when directors or employees cannot or should not invest in Company securities. The policy provides guidance to directors and employees as to the times that directors and employees may invest in the Company's securities.

Outline of Corporations Act Requirements

A director or employee possesses "inside information" in relation to the Company where:

- (a) the person possesses information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of Company securities; and
- (b) the person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of Company securities.

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

If a director or employee possesses "inside information" in relation to the Company, the person must not:

- (a) deal in Company securities in any way; or
- (b) procure another person to deal in Company securities in any way; or
- (c) directly or indirectly, communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in Company securities in any way or procure a third person to deal in Company securities in any way.

For the purposes of paragraphs (a) and (b) above:

- (a) "Company securities" includes any shares in the Company, debentures (including convertible notes) issued by the Company, units of shares in the Company and rights or options to acquire or subscribe for shares in the Company; and
- (b) to "deal" in Company securities includes subscribing for, purchasing or selling Company securities or entering into an agreement to do any of those things, but does not include those activities described in section 19 below.

A director or employee who deals in Company securities while they possess "inside information" will be liable to both civil and criminal penalties, including prison terms and/or significant fines.

Examples of "inside information"

Examples of information which may be considered to be "inside information" include the details relating to the items listed below (this is not an exhaustive list):

- (a) sales figures;
- (b) profit forecasts;
- (c) unpublished announcements;
- (d) proposed changes in capital structure, including share issues, rights issues and the redemption of securities;
- (e) borrowings;
- (f) impending mergers, acquisitions, reconstructions, takeovers, etc;
- (g) significant litigation;
- (h) significant changes in operations or proposed changes in the general character or nature of the business of the Company or its subsidiaries;
- (i) new distributorships, products and technology;
- (j) liquidity and cashflow information;
- (k) major or material purchases or sales of assets (consideration exceeding \$10,000,000 should be treated as material);

- (l) management restructuring or Board of Directors changes;
- (m) new significant contracts or customers;
- (n) a new entity proposing to buy, or a shareholder proposing to sell, a substantial number of shares in the Company.

Application of the Policy

This policy applies to all directors, Senior Executives and employees of the Company (**Employees**). Certain aspects of the policy only apply to **Restricted Persons**, being directors and Senior Executives (**Restricted Person(s)**). This policy also applies to Connected Persons of all Restricted Persons, being each of their respective associates (including a company or trust controlled by the Restricted Person, a spouse, dependent children, a close relative, a person acting in concert with the Restricted Person, etc.) (**Connected Person(s)**).

Restricted Persons must take appropriate steps to ensure that their Connected Persons do not breach this policy.

Policy

General Principles

Employees and Connected Persons must conduct themselves in accordance with the following general principles regarding their personal trading of Company securities:

- (a) avoid and be seen to avoid, actual or potential conflict between their personal interest and their duty to the Company and its shareholders;
- (b) avoid personal trading that would not satisfy the Front-Page Test, being:

If the market was aware of all the current circumstances, could the proposed dealing be perceived by the market as the individual taking advantage of his or her position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper?

- (c) do not derive personal advantage from information which is not generally available, and which has been obtained by reason of, or in the course of, their directorship or employment (or in the case of a Connected Person, that of the Restricted Person with whom they are associated);
- (d) ensure any personal trading is on a scale that reflects their individual financial ability to fund and maintain an appropriately sized portfolio;
- (e) ensure any personal trading does not adversely impact on their ability to perform normal duties;
- (f) do not utilise broker credit - relevant exchange settlement terms must apply on all occasions and all transactions must be settled according to industry standards;
- (g) Employees and Connected Persons who have access to price sensitive information or "inside information" must not conduct personal trading in Company securities; and

- (h) Restricted Persons and Connected Persons must seek prior approval of the Managing Director or the Chairman in the case of the Managing Director to trade to ensure the Company's and shareholder's interests are not compromised.

Short term trading

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

Blackout Periods

A Restricted Person or Connected Person, subject to paragraph 14, may not deal in Company securities during Blackout Periods, being:

- (a) from the close of the ASX trading day on 31 December each year, or if that date is not a trading day, the last trading date before that day, until 10:00am AEDT on the ASX trading day following the day on which the Company's half-yearly results are released to the ASX;
- (b) from the close of the ASX trading day on 30 June each year, or if that date is not a trading day, the last trading date before that day, until 10:00am AEDT on the ASX trading day following the day on which the Company's full year results are released to the ASX; and
- (c) any other period that the Board specifies from time to time.

Exceptional circumstances

In exceptional circumstances the Managing Director or Chairman of the Board in the case of the Managing Director, has discretion to approve dealings in Company securities during a Blackout Period, or other dealings that would otherwise be prohibited by this policy. The notification and procedural requirements in paragraph 16 still apply. Any approval given under this paragraph 14 must be provided by electronic delivery via email. What constitutes "exceptional circumstances" will be assessed on a case-by-case basis within the absolute discretion of the Board, and may include, without limitation, severe financial hardship or a requirement to comply with a court order or court enforceable undertaking.

Hedging

A Restricted Person or Connected Person may not deal in Company securities or enter into transactions or arrangements which operate to limit the economic risk of their holdings of Company securities (known as **Hedging**) without the prior consent of the Managing Director or Chairman of the Board in the case of the Managing Director before commencing the transaction. A Restricted Person must also

provide the Managing Director or Chairman of the Board in the case of the Managing Director with subsequent confirmation of the trading that has occurred (including trading by one of their Connected Persons). No prior consent is required prior to a Restricted Person participating in a Dividend Reinvestment Plan. Generally speaking, Hedging is discouraged and is explicitly prohibited in relation to participation in any securities-based remuneration plan or scheme operated by the Company. The Board may, in its discretion, determine that other persons are prohibited from Hedging.

Notifications by Restricted Persons

(a) A Restricted Person must:

- prior to dealing in Company securities outside a Blackout Period or where paragraph 14 requires consent under this paragraph 16, notify the Company Secretary of their proposed dealing (including any proposed dealing by one of their Connected Persons) so that the Company Secretary may seek on their behalf consent from the Chairman of the Board and in the case of the Chairman of the Board, he or she shall seek permission from the Chairman of the Audit & Risk Management Committee (Authorising Officer);
- confirm that they and/or their Connected Person (as applicable) are not in possession of any inside information; and
- after dealing in the Company securities, provide the Chairman of the Board (or the Chairman of the Audit & Risk Management Committee as the case may be) and the Company Secretary with a transaction confirmation

(b) A request for consent to deal in Company securities will be answered as soon as practicable. The Authorising Officer may refuse to consent to the proposed dealing or impose conditions on the dealing at their discretion and is not obliged to provide reasons for any refusal or condition.

(c) In all cases, the dealing consented to must occur within 5 business days following approval, otherwise the consent is no longer effective and fresh consent must be sought.

Company Secretary to maintain records

The Company Secretary will maintain a copy of:

- (a) all requests for an approval to deal in Company securities by a Restricted Person or Connected Person; and
- (b) details of all dealings in Company securities by a Restricted Person or Connected Person.

Employees other than Restricted Persons

Employees other than Restricted Persons may deal in Company securities at any time if the employee notifies the Company Secretary before commencing the transaction and after the transaction has occurred, providing confirmation of the trading. Employees are strongly advised not to deal in Company

securities during Blackout Periods. In any event, the employees must not deal in Company securities at any time if the employee is in possession of any inside information relating to those securities.

Exercise of options or rights, participation in employee share option or rights plans etc.

Subject to the insider trading provisions of the Corporations Act, Employees may at any time:

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

Breach

A breach of this policy will be regarded seriously and may lead to disciplinary action, including dismissal.

ASX notification

In accordance with section 205G Corporations Act, a director must notify the ASX within 5 days after any change in the director's relevant interest in securities of the Company or a related body corporate of the Company.

A director must notify the Company Secretary in writing of the requisite information for the Company Secretary to make the necessary notifications to ASIC and ASX as required by the Corporations Act and the ASX Listing Rules. For the purposes of this policy, information in writing includes a letter, a facsimile of a letter or an email attaching a letter.

Questions?

If you have any questions regarding this policy or whether you may be classified as a Senior Executive, you should contact the *Company Secretary* on 03 86720608.