



# **NEXTDC LIMITED**

## **ACN 143 582 521**

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### **NOTICE OF ANNUAL GENERAL MEETING**

**and**

### **EXPLANATORY MEMORANDUM**

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Date of Meeting: Thursday 24<sup>th</sup> November 2016

Time of Meeting: 11.00 am (Sydney time)

Place of Meeting: Australian Technology Park, Sydney  
Bay 8, 2 Locomotive Street,  
Eveleigh NSW 2015  
Australia

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

# NEXTDC LIMITED

## ACN 143 582 521

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of **NEXTDC Limited** ACN 143 582 521 (**NEXTDC** or the **Company**) will be held at 11.00am, on 24 November 2016 at the **Australian Technology Park**, Sydney; 'Bay 8', 2 Locomotive Street, Eveleigh NSW 2015, Australia. Registration will commence just prior to the meeting.

This Notice of Meeting incorporates, and should be read together with, the Explanatory Memorandum and the Proxy Form.

### AGENDA

#### ORDINARY BUSINESS

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##### Financial Statements and Reports

To receive and consider the Company's Annual Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2016.

**Note:** A resolution of shareholders is not required for this item of business.

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#### 1. Resolution 1 - Remuneration Report

To consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution under section 250R(2) of the Corporations Act:

*"To adopt the Remuneration Report of the Company (as set out in the Directors' Report) for the financial year ended 30 June 2016."*

This resolution is subject to voting exclusions set out in section 5.4 of this Notice of Meeting.

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company.

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#### 2. Resolution 2 - Re-election of Dr Gregory J Clark as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That Dr Gregory Clark, who retires in accordance with the Listing Rules and Rule 58 of the Company's Constitution and, being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."*

**Note:** Information about Dr Clark appears in Item 2 of the Explanatory Memorandum.

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### **3. Resolution 3 - Approval of grant of Performance Rights to Mr Craig Scroggie**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue of 223,325 Performance Rights to the Executive Director and Chief Executive Officer, Mr Craig Scroggie, under the NEXTDC Limited Executive Incentive Plan on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

**Note:** Information about this resolution appears in Item 3 of the Explanatory Memorandum.

This resolution is subject to voting exclusions as set out in section 5.4 of this Notice of Meeting.

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### **4. Resolution 4 - Ratification of issue of shares under September 2016 placement**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes the issue of 12,315,271 Ordinary Shares at \$4.06 per share under an institutional placement on 14 September 2016, is approved."*

**Note:** Information about this resolution appears in Item 4 of the Explanatory Memorandum.

This resolution is subject to voting exclusions as set out in section 5.4 of this Notice of Meeting.

## **OTHER**

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### **5. Other Information**

#### **5.1 Proxies**

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and
- (e) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides instructions on appointing proxies and lodging the form. Proxy Forms must be received by no later than **11:00am (Sydney time) on 22 November 2016**. Proxy Forms received after this time will not be effective.

## **5.2 Corporate representatives**

Any:

- (a) corporate Shareholder; or
- (b) corporate proxy appointed by a Shareholder,

which has appointed an individual to act as the Shareholder or proxy's corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative.

The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available by contacting the Company's share registry, Link Market Services Limited at:

Address: Level 12, 680 George Street, Sydney NSW 2000

Phone: 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia)

Fax: (02) 9287 0309

## **5.3 Voting entitlements**

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of members as at 7.00pm (Sydney time) on Tuesday, 22 November 2016.

Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlements to attend and vote at the Meeting.

If you have any questions on how to cast your vote, please call the Company's share registry, Link Market Services Limited on 1300 554 474 (toll free) from within Australia or +61 1300 554 474 from overseas during business hours.

## **5.4 Voting exclusions**

In accordance with the Corporations Act and the Listing Rules, the Company will disregard any votes cast on:

- (a) Resolution 1:
  - (i) by or on behalf of a member of the key management personnel of the Company named in the Remuneration Report for the year ended 30 June 2016 or their closely related parties (regardless of the capacity in which the vote is cast); and
  - (ii) as proxy by a member of the key management personnel of the Company on the date of the Meeting or their closely related parties,

unless the vote is cast by a person as proxy for a person who is entitled to vote on Resolution 1:

- (iii) in accordance with a direction on the Proxy Form; or
- (iv) by the Chairman of the Meeting pursuant to an express authorisation in the Proxy Form to vote as the proxy decides, even though the resolution is connected with the remuneration of the key management personnel.

"Key management personnel" of the Company are the Directors of the Company (including the Chairman) and other employees having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

(b) Resolution 3:

- (i) by or on behalf of Mr Craig Scroggie and any of his associates (regardless of the capacity in which the vote is cast); and
- (ii) as proxy by a member of the key management personnel of the Company on the date of the Meeting or any of their closely related parties,

unless the vote is cast by a person as proxy for a person entitled to vote on Resolution 3:

- (iii) in accordance with a direction on the Proxy Form; or
- (iv) by the Chairman of the Meeting pursuant to an express authorisation in the Proxy Form to vote as the proxy decides, even though Resolution 3 is connected with the remuneration of the key management personnel.

(c) Resolution 4:

- (i) by or on behalf of any person who participated in the issue and any Associate of those persons (regardless of the capacity in which the vote is cast),

unless the vote is cast by a person as proxy for a person entitled to vote on Resolution 4:

- (ii) in accordance with a direction on the Proxy Form; or
- (iii) by the Chairman of the Meeting pursuant to an express authorisation in the Proxy Form to vote as the proxy decides.

## **5.5 Directing your proxy vote**

If you wish to direct your proxy to vote on any Resolution, you can mark the "For", "Against" or "Abstain" box in Step 2 on the Proxy Form accordingly.

## **5.6 How the Chairman will vote undirected proxies for Resolutions**

If you appoint the Chairman of the Meeting as your proxy or the Chairman is appointed as your proxy by default, and you do not specify how the Chairman is to vote on any Resolution, the Chairman is expressly authorised to vote your proxy as

he sees fit and intends to vote IN FAVOUR of that Resolution on a poll, even if it is a Resolution connected with the remuneration of the key management personnel.

Important Note

Please note that, if you appoint a person who is excluded from voting on any Resolution as your proxy and you do not direct him or her on how to vote in respect to any Resolution on which they cannot personally vote on, then a vote cast by them on that resolution will not be counted. If you appoint any such excluded person as your proxy, we strongly urge you to direct them how to vote on each Resolution. Alternatively, we suggest that you appoint someone else (such as the Chairman) as your proxy.

**BY ORDER OF THE BOARD**

**Michael Helmer**

Company Secretary

Dated: 24 October 2016

# **NEXTDC LIMITED**

## **ACN 143 582 521**

### **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at the Annual General Meeting of Shareholders to be held on 24 November 2016.

The Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting and Proxy Form. For the assistance of Shareholders, a glossary of defined terms is included at the end of this Explanatory Memorandum.

Full details of the business to be considered at the Meeting are set out below.

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#### **Financial Statements and Reports**

The Corporations Act requires that the Annual Financial Report, Directors' Report and Auditor's Report be presented to the Meeting. Apart from the matters involving remuneration which are required to be voted upon, the Corporations Act does not require a vote of Shareholders at the Meeting on such reports or statements, however Shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the Meeting.

The Annual Financial Report and Directors' Report will be tabled and discussed at the Meeting and the Directors will be available to answer questions from Shareholders. In addition and as required under section 250RA of the Corporations Act, a representative of the Company's auditors, PricewaterhouseCoopers, will be present to answer any questions about the conduct of the audit or the preparation and content of the Auditor's Report.

The Annual Financial Report, Directors' Report and Auditor's Report are contained in the Company's Annual Report for the period 1 July 2015 to 30 June 2016, which has been sent to shareholders who requested a copy and is available on the Company's website at [www.nextdc.com](http://www.nextdc.com).

A shareholder resolution is not required in respect of this item of business.

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#### **1. Resolution 1 - Adoption of Remuneration Report**

The Corporations Act requires that the Company's Remuneration Report be put to Shareholders for consideration and adoption by way of a non-binding ordinary resolution.

The Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of key management personnel of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each member of the key management personnel of the Company; and

- details and explains any performance conditions applicable to the remuneration of key management personnel.

A reasonable opportunity will be provided for Shareholders to ask questions about, or make comments on, the Remuneration Report at the Meeting. In addition, Shareholders will be asked to vote on the Remuneration Report.

The vote on this Resolution is advisory only and the outcome will not be binding on the Board or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

### **Recommendation**

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

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## **2. Resolution 2 - Re-election of Dr Gregory J Clark as a Director**

Listing Rule 14.5 requires that the Company hold an election of Directors at each Annual General Meeting. In accordance with Rule 58 of the Company's Constitution, Dr Clark retires from office and submits himself for re-election.

Dr Clark was appointed by the Board with effect from 30 April 2014. He is a world-renowned technologist, businessman and scientist, with extensive corporate and Board experience in Australia, the USA and Europe.

Dr Clark was previously on the Board of the ANZ Banking Group where he chaired the Board Technology Committee and was a member of the Risk, Governance and Human Resources Committees.

Dr Clark brings to the Board international business experience and a distinguished career in micro-electronics, computing and communications. He was previously Principal of Clark Capital Partners, a US based firm that has advised internationally on technology and the technology market place.

During his career, Dr Clark also held senior executive roles at IBM, News Corporation and Loral Space and Communications. At IBM he was a senior scientist in their Research Division in NY. At News Corporation he was President of Technology and on the Executive Committee with responsibility for all technical aspects of digital media creation and delivery. Dr Clark was responsible for News Corporation's transformation of its media assets from an analogue platform into a digital platform for both program creation and delivery. In addition he was responsible for all technology companies within News Corporation.



He was Chief Operating Officer at Loral Space and Communications, the world's largest commercial satellite manufacturer and one of the largest operators, with responsibility for all development, manufacturing, marketing and sales.

While at News Corporation and Loral Space and Communications, Dr Clark was Chairman and/or on the Board of a number of wholly owned subsidiaries including Globalstar, SatMex, Skynet, SpaceSystem Loral, Kesmai, Etak and others.

Dr Clark is currently Chairman of the Australian National University Advisory Board for the Research School of Science and Engineering. He is Chairman of the CUDOS Advisory Board, an Australian Research Council Centre of Excellence for Ultrafast Devices and Photonics. He is also currently on the Board of the Sydney University Physics Foundation and Questacon, the National Science and Technology Centre.

Dr Clark served as a director on the Board of the ANZ Banking Group which he stepped down from in November 2013 after nine years of service.

Dr Clark is an independent Director of the Company and currently chairs its Remuneration and Nominations Committee.

### **Recommendation**

The Board (other than Dr Clark) unanimously recommends that Shareholders vote in favour of the re-election of Dr Clark as a Director of the Company.

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## **3. Resolution 3 - Approval of grant of Performance Rights to Mr Craig Scroggie**

### **Purpose of resolution**

The Company proposes to grant to Mr Craig Scroggie, 223,325 Performance Rights as his Long Term Incentive (LTI) Award under the NEXTDC Limited Equity Incentive Plan (EIP).

The Company established the EIP in August 2016, in place of its former Executive Incentive Rights Plan. The EIP has been designed to facilitate alignment between eligible senior executives and the short and long term interests of NEXTDC's shareholders.

A key component to effective executive remuneration is the provision of incentive grants under a long term incentive scheme to support retention, drive shared performance objectives and link remuneration to company performance and shareholder wealth outcomes. In his role as CEO, Mr Scroggie is a key executive of NEXTDC Limited and plays an important role in leading the execution of the Company's growth strategies and business objectives.

Listing Rule 10.14 requires the approval of Shareholders to be obtained where the Company intends to provide newly issued securities under an employee incentive scheme to a Director. As Mr Scroggie is the CEO and an Executive Director of NEXTDC, shareholder approval is required prior to issuing securities to Mr Scroggie under the EIP.

The key features of the FY2017 LTI grant to Mr. Scroggie are disclosed in Appendix A.

If approved, Performance Rights will be issued to Mr Scroggie within 12 months of the 2016 Annual General Meeting.

### **Recommendation**

The Board (other than Mr Scroggie) unanimously recommends that Shareholders vote in favour of Resolution 3.

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## **4. Resolution 4 – Ratification of issues of Share placement**

On 14 September 2016, the Company completed a placement of 12,315,271 Ordinary Shares (the **Placement Shares**) at a price of AUD\$4.06 per share to fund the acquisition of land and development of a proposed new S2 data centre in Sydney, to fund additional capital expenditure in relation to existing data centres and for other general corporate purposes. The Placement Shares were issued to institutional investors and ranked equally with existing ordinary Shares on issue. Information regarding the placement was announced to the ASX on 6 September 2016

### **Why is the Company seeking shareholder approval?**

Subject to a number of exceptions, Listing Rule 7.1 limits the number of securities that a company may issue without shareholder approval in any 12 month period to 15% of its issued securities (15% placement capacity). The issue of the Placement Shares was made within this 15% placement capacity.

Listing Rule 7.4 provides that an issue of shares by a company made pursuant to Listing Rule 7.1 is treated as having been made with shareholder approval for the purposes of Listing Rule 7.1, if such issue is subsequently approved by the company's shareholders.

Accordingly, the Company is now seeking shareholder ratification for the issue of the Placement Shares to 'refresh' the Company's 15% placement capacity so that it would be the same as if the Placement Shares had been approved before issue.

This will enable the Company greater flexibility to place shares, or otherwise raise funds, up to the 15% limit during the next twelve months, without the cost and delay involved in convening a general meeting of the Company. The requirement to obtain shareholder approval for any future non-pro rata issue of securities, before the issue, could limit the Company's ability to take advantage of future market opportunities that may arise.

Notwithstanding an approval by shareholders of Resolution 4, any future equity raisings would remain subject to the 15% limit set out in Listing Rule 7.1.

## Additional information

The following additional information is provided in connection with the approval sought under Resolution 4 for the issue of the Placement Shares:

Type of security	Ordinary Shares
Number of securities issued	12,315,271
Issue price	AUD\$4.06 per share
Terms of the securities	Placement Shares rank equally in all respects from the issue date with the existing ordinary Shares on issue]
Person(s) to whom the securities were issued	Ausbil Investment Management Limited ACN 076 316 473 AustralianSuper Pty Ltd ACN 006 457 987 Bennelong Australian Equity Partners Pty Ltd ACN 131 665122 CQS Directional Opportunities Master Fund Limited Greencape Capital Pty Ltd ACN 120 328 529 Ophir Asset Management Pty Ltd ACN 156 146 717 Regal Funds Management Pty Limited ACN 107 576 821
Use (or intended use) of the funds raised	To fund the acquisition of land and development of a proposed new S2 data centre in Sydney, to fund additional capital expenditure in relation to existing data centres and for other general corporate purposes.

## Voting Exclusions

Voting Exclusions apply to Resolution 4, as set out in the Notice of Meeting under the heading 'Voting exclusions'.

## Recommendation

The Board unanimously recommends that Shareholders vote **in favour** of Resolution 4.

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## 5. Glossary of Terms

The following terms and abbreviations used in the Notice of Meeting, this Explanatory Memorandum and the Proxy Form have the following meanings:

**Associate** has the meaning given in the Listing Rules.

**ASX** means ASX Limited ACN 008 624 691.

**Board** means the board of Directors of the Company.

**Company** means NEXTDC Limited ACN 143 582 521.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** means all of the directors of the Company as at the date of this Notice of Meeting.

**Explanatory Memorandum** means this explanatory memorandum.

**Listing Rules** means the official listing rules of ASX.

**Meeting** means the general meeting of Shareholders to be held 11.00am, on 24 November 2016 at the **Australian Technology Park**, Sydney; 'Bay 8', 2 Locomotive Street, Eveleigh NSW 2015, Australia.

**NEXTDC** means NEXTDC Limited ACN 143 582 521.

**Notice of Meeting** means the notice of the meeting which accompanies the Explanatory Memorandum.

**Resolution** means a resolution in the Notice of Meeting.

**Shareholder** means registered holders of Shares.

**Shares** means fully paid ordinary shares in the capital of the Company.

## Appendix A

The features of the proposed FY2017 LTI Award of Performance Rights to Mr Scroggie under the EIP are summarised below.

Aspect	Details										
<b>Form of LTI Award</b>	<p>The CEO's FY2017 LTI Award is being granted in the form of Performance Rights.</p> <p>Each Performance Right will vest and become exercisable subject to the satisfaction of performance conditions measured over a performance period. On exercise, each vested Performance Right generally entitles the CEO to receive one Share in the Company.</p>										
<b>Number of Performance Rights</b>	<p>A total of 223,325 Performance Rights will be offered to the CEO in FY2017.</p> <p>The number of Performance Rights which comprise the CEO's LTI Award has been calculated by dividing his maximum award value of AUD\$900,000 (being 75% of his annual base salary) by the volume-weighted average price of NEXTDC Shares over the 10 trading days following release of the Company's FY2016 audited accounts.</p>										
<b>Amount payable for Performance Rights</b>	No amount will be payable by the CEO on grant, vesting or exercise of the Performance Rights.										
<b>Performance period</b>	The performance period for the LTI Award is three years, from the end of the day of release of NEXTDC's FY16 results to the end of the day of the release of its results for FY19.										
<b>Performance conditions</b>	<p>Vesting of the LTI Award is subject to two performance conditions:</p> <ol style="list-style-type: none"> <li><b>Gateway Hurdle</b> <p>Vesting of the Performance Rights are subject to an initial gateway hurdle of NEXTDC achieving positive total shareholder return (<b>TSR</b>) over the performance period. If the gateway hurdle is not met, the CEO's Performance Rights automatically lapse even if the TSR Hurdle (described below) is achieved.</p> </li> <li><b>TSR Hurdle</b> <p>In addition to the Gateway Hurdle, vesting of the CEO's Performance Rights is subject to a relative TSR performance condition. Vesting of the CEO's Performance Rights under the TSR Hurdle is determined by ranking NEXTDC's TSR over the performance period, relative to the TSR of companies in the ASX 200 Accumulation Index (<b>Index</b>). Vesting of the CEO's Performance Rights will be determined by reference to the following vesting schedule:</p> <table border="1"> <thead> <tr> <th>NEXTDC's TSR over the Performance Period</th><th>% of Performance Rights to Vest</th></tr> </thead> <tbody> <tr> <td>Less than TSR of Index</td><td>0%</td></tr> <tr> <td>At TSR of Index</td><td>25%</td></tr> <tr> <td>Between TSR of Index and TSR of Index + 5% p.a.</td><td>Pro rata vesting from 25% to 100% on a straight line basis</td></tr> <tr> <td>TSR of Index + 5% p.a. or greater</td><td>100%</td></tr> </tbody> </table> <p>The scale requires that the Company deliver a TSR to Shareholders that is at least as good as the overall market (as indicated by the TSR of the Index over the performance period) before any vesting may occur.</p> <p>Full vesting does not become available until the TSR of the Company reaches the TSR of the Index over the performance period plus 5% p.a. This would, in the view of the Board, represent an outstanding outcome for the Company.</p> </li> </ol>	NEXTDC's TSR over the Performance Period	% of Performance Rights to Vest	Less than TSR of Index	0%	At TSR of Index	25%	Between TSR of Index and TSR of Index + 5% p.a.	Pro rata vesting from 25% to 100% on a straight line basis	TSR of Index + 5% p.a. or greater	100%
NEXTDC's TSR over the Performance Period	% of Performance Rights to Vest										
Less than TSR of Index	0%										
At TSR of Index	25%										
Between TSR of Index and TSR of Index + 5% p.a.	Pro rata vesting from 25% to 100% on a straight line basis										
TSR of Index + 5% p.a. or greater	100%										
<b>Vesting and exercise of Performance Rights</b>	<p>At the end of the performance period, the Board will determine if and to what extent the performance conditions have been satisfied and the number of Performance Rights that will vest. Any Performance Rights that do not vest will immediately lapse.</p> <p>Upon vesting, the CEO is entitled to exercise the Performance Rights (at no cost). On exercise, the Performance Rights will be settled in Shares or, at the Board's discretion, with an equivalent cash payment. It is intended that vested and exercised Performance Rights would be satisfied mainly in the form of Shares.</p>										

	Any vested Performance Rights which are not exercised within 8 years of the grant date (the expiry date), will be automatically exercised on behalf of the CEO.
<b>Cessation of employment</b>	<p>If the CEO's employment is terminated for cause or the CEO resigns, unvested Performance Rights will lapse, unless the Board determines otherwise.</p> <p>If the CEO ceases employment because of death, total and permanent disability or redundancy, his unvested Performance Rights will continue on-foot and be subject to the original terms as though he had not ceased employment, unless the Board determines otherwise.</p> <p>If any other circumstances, the Board has discretion to determine how the unvested Performance Rights will be treated upon cessation of employment with NEXTDC.</p>
<b>Change of control</b>	<p>In circumstances where there is a likely change in the control of NEXTDC, the Board has discretion to determine the level of vesting (if any) having regard to the portion of the performance period elapsed, performance to date against the performance conditions and any other factors it considers appropriate.</p> <p>If an actual change in the control of NEXTDC occurs before the Board can exercise this discretion, unless the Board determines otherwise, the Gateway Hurdle will be waived and unvested Performance Rights will vest and become exercisable in proportion to the Company's performance against the TSR Hurdle up to the date of the change of control.</p>
<b>No rights before vesting and exercise</b>	<p>The CEO does not have any dividend or voting entitlements prior to vesting and exercise of the Performance Rights.</p> <p>However on vesting and exercise of the Performance Rights, the CEO is entitled to receive a dividend equivalent payment in the form of additional Shares which is equivalent to the value of dividends that the CEO would have received between the grant date and vesting date if he had owned Shares.</p>
<b>Clawback and malus</b>	The Board has broad discretion under the EIP to lapse, forfeit or clawback unvested and vested LTI awards in certain circumstances to ensure that no inappropriate benefit is obtained by the CEO. These circumstances include where the CEO acts fraudulently or dishonestly; is in material breach of his obligations to NEXTDC; there is a material misstatement in a Group company's accounts; vesting has been triggered by another person's misconduct or where NEXTDC is required or entitled under law or NEXTDC policy to reclaim remuneration from the CEO.
<b>Additional information</b>	<p>Under ASX Listing Rule 10.15, NEXTDC provides the following information in relation to the proposed grant of Performance Rights to the CEO:</p> <ul style="list-style-type: none"> <li>(a) At the 2015 Annual General Meeting, shareholders approved the granting to Mr Scroggie of Performance Rights under the Company's former Executive Incentive Rights Plan (<b>EIRP</b>). Mr Scroggie was subsequently granted 387,931 Performance Rights which are subject to the terms of the EIRP. No price is or was payable for the acquisition of those Performance Rights.</li> <li>(b) No Performance Rights have been granted to the other Directors or any associates of Directors under the EIRP since the 2015 Annual General Meeting.</li> <li>(c) Aside from Mr Scroggie, no other Directors or associates of Directors are entitled to participate in the Company's new EIP. No Performance Rights have previously been granted to a Director (or associate of a Director) under the EIP.</li> <li>(d) No loan will be made by NEXTDC in connection with the acquisition of Performance Rights under the LTI award.</li> <li>(e) If approval is given by shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.</li> <li>(f) If approved, Performance Rights will be issued to Mr Scroggie within 12 months of the 2016 Annual General Meeting.</li> </ul>

**NEXTDC LIMITED**

ACN 143 582 521

**N E X T D C****LODGE YOUR VOTE****ONLINE**[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)**BY MAIL**

NEXTDC Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**

+61 2 9287 0309

**BY HAND**

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

**ALL ENQUIRIES TO**

Telephone: +61 1300 554 474

**PROXY FORM**

I/We being a member(s) of NEXTDC Limited and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

the Chairman of the  
Meeting *(mark box)*

**OR** if you are **NOT** appointing the Chairman of the Meeting  
as your proxy, please write the name of the person or  
body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Thursday, 24 November 2016 at Australian Technology Park, Sydney; 'Bay 8', 2 Locomotive Street, Eveleigh NSW 2015, Australia** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

**VOTING DIRECTIONS**

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.**

**Please read the voting instructions overleaf before marking any boxes with an ☒.**

**Resolutions****For Against Abstain\*****1** Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**2** Re-election of Dr Gregory J Clark as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**3** Approval of the grant of Performance Rights to Mr Craig Scroggie

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**4** Ratification of issue of shares under September 2016 placement

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**NXT PRX1601C**

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Tuesday, 22 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

NEXTDC Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
  
or  
  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**