

Asia Pacific Data Centre Group

BOARD CHARTER

1. Overview

- 1.1 The Board of Asia Pacific Data Centre Holdings Limited and the Board of Asia Pacific Data Centres Limited (as the responsible entity of Asia Pacific Data Centre Trust) have the same members. This Board Charter applies to both boards and the charters of each board are identical. The term '**Board**' hereafter should be read as a reference to both of these boards.
- 1.2 The Board is responsible for the overall operation and stewardship of the Asia Pacific Data Centre Group (**APDC Group**) and, in particular, is responsible for:
- (a) approving the strategic objectives of the APDC Group and establishing goals designed to promote the achievement of those strategic objectives;
 - (b) approving investments and ongoing evaluation of those investments;
 - (c) approving and monitoring systems of risk management and internal compliance and control, codes of conduct, legal compliance and ethical standards;
 - (d) approving and monitoring financial and other reporting;
 - (e) approving the remuneration and nomination policies of the APDC Group;
 - (f) appointing senior management and monitoring their performance (against the goals and objectives established by the Board); and
 - (g) approving any public statements which reflect APDC Group's policy or strategy.
- 1.3 In performing the responsibilities set out above, the Board should act at all times in a manner designed to create and continue to build sustainable value for securityholders.
- 1.4 The following sections describe the responsibilities and operation of the Board.

2. Strategy and Investments

- 2.1 Providing input to, and approval of, the APDC Group's strategic direction and budgets as developed by management.
- 2.2 Directing, monitoring and assessing the APDC Group's performance against strategic and business plans, to determine if appropriate resources are available.
- 2.3 Approving and monitoring capital management and major capital expenditure, acquisitions and divestments.

3. Board Committees

- 3.1 Establishing the:
- (a) Audit, Risk and Compliance Committee; and
 - (b) such other committees that the Board determines should be established in the interests of good governance.
- 3.2 Adopting Charters setting out the membership, responsibilities and reporting obligations of each Board Committee and evaluating the performance of the Board Committees.
- 3.3 Ensuring the external auditors are not constrained from raising matters directly with the Board.

4. Risk Management

- 4.1 Identifying the principal risks of the APDC Group's business.
- 4.2 Reviewing and ratifying the APDC Group's systems of internal compliance and control, risk management and AFSL and legal compliance, to determine the integrity and effectiveness of those systems.

5. Corporate Governance

- 5.1 Encouraging and monitoring ethical behaviour and compliance with the APDC Group's policies, including the APDC Group's Code of Conduct.
- 5.2 Monitoring and evaluating the APDC Group's compliance with corporate governance standards.

6. Remuneration

- 6.1 Determining APDC's Group's remuneration framework for directors and executives.
- 6.2 Approving remuneration packages and conditions of senior executives, non-executive Directors (within shareholder approved fee pool) and executive Directors, equity-based incentive plans and other employee benefit programs.
- 6.3 Reviewing and approving the APDC Group's remuneration, recruitment, retention and termination policies.
- 6.4 Reviewing and approving the APDC Group's superannuation arrangements.
- 6.5 Considering and recommending those aspects of the APDC Group's remuneration policies and packages, including equity-based incentives, which should be subject to securityholder approval.

7. Nomination

- 7.1 Monitoring the size, composition and skills mix of the Board, including Board succession generally, identifying individuals who may be qualified to become Directors, having regard to such factors as judgement, skill, diversity, experience with business and other organisations of a comparable size, the interplay of the candidate's experience with the experience of other Board members and the extent to which the candidate would be a desirable addition to the Board and any Board Committee.
- 7.2 Determining whether or not Directors, whose term of office is expiring, should be proposed for re-election at the APDC Group's next annual general meeting and ensuring appropriate information is included in the notice of meeting for shareholders.
- 7.3 Ensuring an effective induction program is available to new Directors to ensure they understand their responsibilities and the business activities of the APDC Group.
- 7.4 Ensuring a continuing program for Directors to update their skills.
- 7.5 Monitoring the APDC Group's diversity policy, diversity at different levels of APDC Group and achievements of objectives that may be established.

8. Reporting

- 8.1 Approving and monitoring internal and external financial and other reporting, including reporting to securityholders, the ASX and other stakeholders.

9. Management

- 9.1 Appointment and removal of the Managing Director (or equivalent), Chief Executive Officer, Executive Directors, Chief Financial Officer, the Company Secretary and Senior Executives with total remuneration packages in excess of \$100,000.
- 9.2 Establishing and monitoring executive succession planning.
- 9.3 Delegating authority to the Chief Executive Officer as outlined in the Delegations Policy.
- 9.4 Approving criteria for assessing performance of senior executives and monitoring and evaluating the performance of senior executives.
- 9.5 Undertaking an annual performance evaluation of itself that compares the performance of the Board with the requirements of this Charter, sets forth the goals and objectives of the Board for the upcoming year and effecting any amendments to this Charter considered necessary or desirable.

10. Appointment of Directors

- 10.1 Directors are provided with formal letters setting out the key terms and conditions of their employment, which includes terms and conditions relating to disclosure of directors' interests.
- 10.2 Prior to the appointment of any Director, and before a candidate is put forward as a candidate for election as a Director, appropriate checks will be undertaken of the person including checks regarding the person's experience, education, disqualification from holding certain offices, criminal record and bankruptcy history.
- 10.3 Each new Director will be required to participate in an induction program which includes meeting with the Board, the Chief Executive Officer, other executives and the Company Secretary to familiarise themselves with the Company, its strategy and operations, and policies and procedures. Directors may request and undertake training as appropriate to their role, with the permission of the Chairman.

11. Board Composition and Tenure

- 11.1 The Board of Directors shall comprise no less than three and no more than ten Directors. A majority of the Directors must be independent. It is intended that the Board be comprised of Directors with a range of skills, diversity, expertise and experience, while taking into account specific skills and experience that may be of specific relevance to the APDC Group and its operations. The Chairman should be an independent Non-Executive Director.

12. Director Independence

- 12.1 An independent director is a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could interfere, or might be seen to interfere, with a director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and APDC Group security holders generally. In its assessment of independence, the Board will take account of the factors set out in relation to Recommendation 2.3 of the *ASX Corporate Governance Principles & Recommendations (3rd Edition)* and any other factors it considers relevant.
- 12.2 The Board will assess the independence of each Director annually, in such manner as it determines from time to time.

13. Disclosure of Interests

- 13.1 Directors must disclose to the Board:
- any material personal interest that he or she or any associate may have in a matter relating to the affairs of the APDC Group; and
 - any other interest or relationship that may affect the Director's independence.
- 13.2 Notice of any such interest may be a standing notice. A register of interests will be kept by the Company Secretary.

14. Code of Conduct

- 14.1 The Board will approve, and the Directors will abide by the APDC Group's Code of Conduct which assists Directors and staff to understand their responsibilities in upholding the APDC Group's goals and values, and to conduct business in accordance with applicable laws and regulations
- 14.2 Directors will act in accordance with the duties and obligations imposed on them by the APDC Group's Constitutions and by law.

15. Securities Trading Policy

- 15.1 The Board will approve, and Directors will abide by, the APDC Group's Securities Trading Policy

16. Meetings

- 16.1 The Board will hold a minimum of seven meetings per year, at a time and location that the Chairman reasonably deems appropriate for all members to attend.
- 16.2 Additional meetings may be held as required including meetings without management present.
- 16.3 The Board members will receive appropriate notice of meetings and be given the opportunity to attend in person or by teleconference.

17. Company Secretary

- 17.1 The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.
- 17.2 The Board has access to the Company Secretary at any time.

18. Indemnity and Insurance

- 18.1 APDC provides a Deed of Indemnity and Access (Deed) in favour of each of the Directors and officers of APDC Holdings and its subsidiary companies. The Deed indemnifies these persons on a full indemnity basis to the extent permitted by law for losses, liabilities, costs and charges incurred as a Director or officer of its subsidiaries or such other entities.

19. Independent Professional Advice

- 19.1 In fulfilling their duties, and to ensure independent decision-making, each Director may take independent professional advice where necessary at the expense of the APDC Group. Before obtaining independent professional advice, a Director must inform the Chairman that they wish to obtain the advice and provide an estimate of the cost of the advice. The budget for the advice must then be approved by the Chairman (such approval not being unreasonably withheld) before the cost is incurred. Any such advice is the property of the APDC Group and the Chairman may determine that it be made available to all Directors.