

## ASIA PACIFIC DATA CENTRE GROUP

### Statement of compliance with ASX Corporate Governance Principles (2010 amendments, Second edition)

This Statement describes the corporate governance practices of the Asia Pacific Data Centre Group (**APDC**) as at the date of admission to the official list of ASX Limited. APDC comprises:

- Asia Pacific Data Centre Trust ARSN 161 049 556, the responsible entity of which is Asia Pacific Data Centre Limited ACN 159 624 585; and
- Asia Pacific Data Centre Holdings Limited ACN 159 621 735.

As a group of entities seeking listing of securities on the official list of the Australian Securities Exchange (**ASX**), APDC is required under ASX Listing Rules to provide a statement disclosing the extent to which it will follow, as at the date of its admission to the official list, the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (incorporating the second edition of the 2010 amendments) (**Recommendations**). To the extent that APDC does not follow any Recommendations, APDC must identify those Recommendations and provide reasons for not following them.

As set out in section 6.3 of APDC's Offer Document dated 3 December 2012 (**Offer Document**), the Board is committed to achieving and maintaining the highest standards of conduct. APDC's position in relation to each of the Recommendations is as follows:

	Recommendation	Compliance	Comment
<b>Principle 1 - Lay solid foundations for management and oversight</b>			
1.1	Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Complies	APDC has adopted a Board Charter which notes that the Board retains responsibility for the overall operation and stewardship of APDC but that authority to act on behalf of the Board may be delegated to the Chief Executive Officer under a Statement of Delegated Authority.  The Board Charter also permits the establishment of Board committees in the interests of good governance and adopting charters relating to the responsibilities of such Board committees.
1.2	Disclose the process for evaluating the performance of	Complies	The Board Charter notes that the Board is responsible for approving criteria for assessing

	Recommendation	Compliance	Comment
	senior executives.		performance of senior executives and monitoring and evaluating the performance of senior executives.
1.3	Provide the information indicated in the Guide to reporting on Principle 1.	Will comply	APDC intends to make its policies available on its website - <a href="http://www.asiapacificdc.com">www.asiapacificdc.com</a> . APDC will provide a corporate governance statement, including the information required by the Guide to reporting on Principle 1, in future annual reports.
<b>Principle 2 - Structure the board to add value</b>			
2.1	A majority of the Board should be independent directors.	Complies	At the time of listing, Mr Ian Fraser (Chair), Mr Christopher Breach and Mr John Wright are independent directors and Ms Francina Turner (CEO) and Mr Greg Baynton are not independent directors for the purposes of the Recommendations.
2.2	The Chair should be an independent director.	Complies	At the time of listing, Mr Ian Fraser is an independent director for the purposes of the Recommendations.
2.3	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	Complies	The Chair is Mr Ian Fraser and the Chief Executive Officer is Ms Francina Turner.
2.4	The Board should establish a nomination committee.	Does not comply	While the Recommendations suggest establishment of a nomination committee for examination of the selection and appointment practices of APDC, the Recommendations also note that ultimate responsibility for these practices rests with the full Board and that, for smaller Boards, the same efficiencies may not be derived from a formal committee structure.  The Board as a whole will carry the nomination function and has adopted policies relating to nomination as part of its Remuneration and Nomination Committee Charter. Responsibilities under this Charter relevantly include identifying director and senior management competencies, considering succession planning, identifying qualified and appropriate potential Board members having regard to prescribed criteria and developing selection policies and procedures.  APDC does not consider the non-compliance to be contrary to the 'spirit' of the Recommendations or materially detrimental to APDC.
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	Will comply	Under the Remuneration and Nomination Committee Charter, the full Board will be responsible for developing and implementing plans for identifying, assessing and enhancing director and senior executive competencies, and for evaluating the performance of the Board as a whole and directors and senior executives individually. The Board must also approve the details of the activities and responsibilities of the

	Recommendation	Compliance	Comment
			<p>Remuneration and Nomination Committee in APDC's future annual reports.</p> <p>In line with the Recommendations, the Remuneration and Nomination Committee Charter also contemplates an effective induction and orientation program for new directors and the provision of access to continuing education.</p>
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	Will comply	<p>APDC will provide a corporate governance statement, including the information required by the Guide to reporting on Principle 2, in future annual reports.</p> <p>APDC intends to make it policies available on its website - <a href="http://www.asiapacificdc.com">www.asiapacificdc.com</a>.</p>
<b>Principle 3 - Promote ethical and responsible decision-making</b>			
3.1	Establish a code of conduct and disclose the code or a summary of the code.	Complies	<p>The Board has adopted a Code of Conduct for senior executives and directors setting out the ethical standards expected of those individuals. The Board has also adopted a Code of Conduct for APDC's employees.</p> <p>APDC intends to make it policies available on its website - <a href="http://www.asiapacificdc.com">www.asiapacificdc.com</a>.</p>
3.2	Establish a policy concerning diversity and disclose the policy or a summary of the policy.	Complies	<p>The Board has adopted a Diversity Policy which acknowledges that commitment to diversity creates competitive advantage and enhances employee participation and contemplates strategies, initiatives and programs to assist in realisation of such advantages.</p> <p>APDC intends to make it policies available on its website - <a href="http://www.asiapacificdc.com">www.asiapacificdc.com</a>.</p>
3.3	Disclose in annual reports the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	Will comply	<p>The Diversity Policy contemplates the setting and implementation of measurable objectives, targets and / or key performance indicators (KPIs) to achieve gender diversity by management for approval by the Board.</p> <p>The Diversity Policy notes APDC's obligation to disclose the measurable objectives and progress in achieving them in its annual report in accordance with ASX Recommendation 3.3.</p>
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board	Will comply	<p>The Diversity Policy notes APDC's obligation to disclose the proportion of women employees in APDC, women in senior executive positions and women on the Board in its annual report in accordance with ASX Recommendation 3.4.</p>
3.5	Provide the information indicated in the Guide to reporting on Principle 3.	Will comply	<p>APDC will provide a corporate governance statement, including the information required by the Guide to reporting on Principle 3, in future annual reports.</p> <p>APDC intends to make it policies available on its website - <a href="http://www.asiapacificdc.com">www.asiapacificdc.com</a>.</p>

	Recommendation	Compliance	Comment
<b>Principle 4 - Safeguard integrity in financial reporting</b>			
4.1	Establish an audit committee.	Complies	The Board has established an audit committee that operates under the Audit and Risk Committee Charter.
4.2	Structure the audit committee so that it: <ul style="list-style-type: none"> <li>• consists only of non-executive directors</li> <li>• consists of a majority of independent directors</li> <li>• is chaired by an independent chair, who is not chair of the Board</li> <li>• has at least three members.</li> </ul>	Complies	The Audit Committee is comprised of Committee Chair John Wright (independent non-executive APDC director), Ian Fraser (APDC Chair and independent APDC director) and Christopher Breach (independent non-executive APDC director).  As such, APDC's audit committee complies with the recommended structure.
4.3	Adopt an audit committee charter.	Complies	The Board has adopted audit policies as part of the Audit and Risk Committee Charter. Further details about the Audit and Risk Committee Charter are set out in Section 6.3 of the Offer Document.
4.4	Provide the information indicated in the Guide to reporting on Principle 4.	Will Comply	APDC will provide a corporate governance statement, including the information required by the Guide to reporting on Principle 4, in future annual reports.  APDC intends to make it policies available on its website - <a href="http://www.asiapacificdc.com">www.asiapacificdc.com</a> .
<b>Principle 5 - Make timely and balanced disclosure</b>			
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Complies	The Board has adopted a Continuous Disclosure Policy which is designed to ensure that APDC complies with its ASX Listing Rule requirements, provide securityholders and the market with timely, direct and equal access to information issued by APDC and promote investor confidence in the integrity of APDC and its securities.
5.2	Provide the information indicated in the Guide to reporting on Principle 5.	Will comply	APDC will provide a corporate governance statement, including the information required by the Guide to reporting on Principle 5, in future annual reports.  APDC intends to make it policies available on its website - <a href="http://www.asiapacificdc.com">www.asiapacificdc.com</a> .
<b>Principle 6 - Respect the rights of shareholders</b>			
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy	Complies	The Board has adopted a Securityholder Communications Policy which is designed to ensure that APDC securityholders are kept informed of all major developments affecting

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	or a summary of that policy.		the state of affairs to APDC and are able to obtain information about APDC.  Amongst other things, the Securityholder Communications Policy contemplates provision of meeting materials by email, the posting of full transcripts of the Chair's and Chief Executive Officer's speeches on the APDC website and the ability for securityholders to submit written questions to the Board and APDC's external auditor.
6.2	Provide the information indicated in the Guide to reporting on Principle 6.	Will comply	APDC will provide a corporate governance statement, including the information required by the Guide to reporting on Principle 6, in future annual reports.  APDC intends to make it policies available on its website - <a href="http://www.asiapacificdc.com">www.asiapacificdc.com</a> .
<b>Principle 7 - Recognise and manage risk</b>			
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Complies	The Board has adopted policies relating to risk management as part of the Audit and Risk Management Charter. Relevantly, the Audit and Risk Committee is responsible for reviewing risk management policies developed and implemented by management, gaining an understanding of the current areas of greatest compliance risk, receiving updates from management, legal counsel, auditors and others regarding risk management and compliance matters and reviewing any significant legal matters.  APDC intends to make it policies available on its website - <a href="http://www.asiapacificdc.com">www.asiapacificdc.com</a> .
7.2	Require management to design and implement the risk management and internal control system to manage the entity's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the entity's management of its material business risks.	Complies	As noted above, the Audit and Risk Committee Charter requires the Audit and Risk Committee to review the risk management policies developed and implemented by management.  The full Board is responsible for approving and monitoring systems of risk management and internal compliance and control, codes of conduct, legal compliance and ethical standards and for internal and external financial and other reporting, including reporting to securityholders, the ASX and other stakeholders.
7.3	Disclose whether it has received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Will comply	The Audit and Risk Committee Charter provides that the Audit and Risk Committee will review the declarations signed by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act and Recommendations 7.2 and 7.3 of the ASX Principles and make recommendations to the Board regarding their suitability.
7.4	Provide the information indicated in the Guide to reporting	Will comply	APDC will provide a corporate governance statement, including the information required

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	on Principle 7.		by the Guide to reporting on Principle 7, in future annual reports. APDC intends to make it policies available on its website - <a href="http://www.asiapacificdc.com">www.asiapacificdc.com</a> .
<b>Principle 8 -Remunerate fairly and responsibly</b>			
8.1	Establish a remuneration committee.	Does not comply	While the Recommendations suggest establishment of a nomination committee for examination of the selection and appointment practices of APDC, the Recommendations also note that ultimate responsibility for these practices rests with the full board and that, for smaller boards, the same efficiencies may not be derived from a formal committee structure.  The Board as a whole will carry the remuneration function and has adopted policies relating to remuneration as part of its Remuneration and Nomination Committee Charter. Responsibilities under this Charter relevantly regularly reviewing and making recommendations as to the structure of remuneration packages of senior executives, non-executive Directors and executive Directors, equity-based incentive plans and other employee benefit programs.  APDC does not consider the non-compliance to be contrary to the 'spirit' of the Recommendations or materially detrimental to APDC.
8.2	Structure the remuneration committee so that it: <ul style="list-style-type: none"> <li>consists of a majority of independent directors</li> <li>is chaired by an independent chair</li> <li>has at least three members.</li> </ul>	Does not comply	As APDC has not established a separate remuneration committee, it is not able to comply with Recommendation 8.2 at the time of listing.  However, as the Board presently meets the composition criteria set out in the Recommendation 8.2, it does not consider the non-compliance to be contrary to the 'spirit' of the Recommendations or materially detrimental to APDC.
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Complies	Certain information relating to remuneration is disclosed in Section 6.2 of the Offer Document and the remuneration methods for senior executive and executive directors are distinguished from those for non-executive directors in the Remuneration and Nomination Committee Charter.
8.4	Provide the information indicated in the Guide to reporting on Principle 8.	Will comply	APDC will provide a corporate governance statement, including the information required by the Guide to reporting on Principle 8, in future annual reports. APDC intends to make it policies available on its website - <a href="http://www.asiapacificdc.com">www.asiapacificdc.com</a> .