

## Asia Pacific Data Centre Group CORPORATE GOVERNANCE STATEMENT

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### 1. Introduction

The ADPC Group (APDC or Group) comprises Asia Pacific Data Centre Holdings Limited (APDC Holdings) and Asia Pacific Data Centre Limited (APDC Limited) as responsible entity for Asia Pacific Data Centre Trust (APDC Trust). APDC Limited holds Australian Financial Services Licence (AFSL) No. 426 503.

The shares of APDC Holdings and the units of APDC Trust are stapled and listed on the Australian Securities Exchange (ASX). The ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' (Principles) provide a framework for good corporate governance. The recommendations are not prescriptive. However listed entities are required to disclose the extent of their compliance and, if any Principles have not been followed, must give reasons for not following them.

APDC is committed to meeting securityholders' expectations of sound corporate governance, while delivering sustainable value to securityholders. APDC recognises the importance of good governance in achieving corporate objectives in a cost effective manner, in discharging its responsibilities to all stakeholders and in addressing the broader role of being a good corporate citizen.

APDC's governance framework is designed to ensure that the Group is effectively managed, statutory obligations are met, and APDC's culture of corporate integrity is reinforced. The corporate governance policies are identical for APDC Holdings and APDC Limited.

APDC has provided details of the corporate governance practices, systems and processes in place within APDC in this statement and in the corporate governance policies on its website. The statement and policies which were followed throughout the year are approved by the Board and updated periodically.

In accordance with ASX Listing Rule 4.10.3 the corporate governance statement and key policy information will be available only on the website [www.asiapacificdc.com](http://www.asiapacificdc.com) and not published in annual reports.

The corporate governance practices of APDC reflect the following circumstances:

- (a) APDC currently owns three investment properties, all of which are leased to the same tenant, NEXTDC Limited; and
- (b) APDC has two employees.

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## 2. Principle 1 - Lay solid foundations for management and oversight

The boards of APDC Holdings and APDC Limited have the same members, and have identical corporate governance policies. The term Board hereafter should be read as a reference to either or both of these Boards.

### 2.1 Roles and responsibilities of the Board and management

The Board is accountable to investors for APDC's performance and is responsible for the overall management and governance of APDC. The Board's guiding principle in meeting this responsibility is to act honestly, in good faith and in the best interests of APDC as a whole and of its securityholders in accordance with the law and APDC's Code of Conduct.

APDC has adopted a Board Charter which notes that the Board retains responsibility for the overall operation and stewardship of APDC.

In accordance with the Charter, the Board is responsible for:

- (a) approving the strategic objectives of APDC and establishing goals designed to promote the achievement of those strategic objectives;
- (b) approving and monitoring systems of risk management and internal compliance and control, codes of conduct, legal compliance and ethical standards;
- (c) approving investments and ongoing evaluation of those investments;
- (d) approving and monitoring financial and other reporting;
- (e) remuneration and nomination functions;
- (f) monitoring senior management's performance (against the goals and objectives established by the Board); and
- (g) approving any public statements which reflect significant issues of APDC's policy or strategy.

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.

Authority to act on behalf of the Board may be delegated to management. The Chief Executive Officer (CEO) acts under a delegated authority on matters including day to day management of the affairs of APDC and the implementation of strategy.

### 2.2 Appointment of Directors

APDC undertakes appropriate checks before appointing a Director and provides material information to securityholders in its possession relevant to a decision whether or not to elect or re-elect a Director.

Each Director is provided with a formal appointment letter setting out the key terms and conditions of their appointment.

The CEO (currently the only executive) appointment is by way of an employment agreement which, includes expectations of her role, term of appointment, termination entitlements and rights and responsibilities.

### 2.3 Company Secretary

The Company Secretary reports directly to the Board through the Chairman.

### 2.4 Diversity

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.

Given that APDC only has two management staff, measurable objectives including gender diversity targets have not been set.

The gender composition of APDC as at 30 June 2017 is summarised as follows:

Category	Female	Male	Female %
Board	1	3	25%
Senior Executives (CEO only)	1	0	100%
Employees	2	0	100%

### 2.5 Evaluation of the Board

In accordance with the Board Charter, the Board undertakes an annual performance evaluation of itself that compares the Board, Committee and individual director performance with the requirements of the Charters and sets forth the goals and objectives of the Board for the upcoming year.

The evaluation process is an internal assessment based on a survey of Directors. The Chairman coordinates the results and discusses these and any potential improvements with the Board. An evaluation was conducted in August 2017.

### 2.6 Evaluation of senior executives

A combination of financial and non-financial key performance indicators (KPIs) is used to monitor the performance of the CEO. The performance of the CEO is assessed at least annually by the Chairman who then makes recommendations to the Board. The next evaluation of the CEO's performance will be conducted by December 2017 in line with the process described. The previous evaluation took place in December 2016.

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## 3. Principle 2 - Structure the board to add value

### 3.1 Nomination committee

The Board performs the nomination function because of the size of the Group and has adopted policies relating to nomination as part of its Board Charter. Currently three out of four Directors are independent Directors.

Responsibilities under this Charter include:

- (a) identifying Directors' and senior management competencies;
- (b) considering succession planning;
- (c) identifying qualified and appropriate potential Board members having regard to prescribed criteria; and
- (d) developing selection policies and procedures.

### 3.2 Directors' skills and experience

Collectively, the Board has an extensive range of commercial skills and other relevant experience which are vital for the effective management of the Group. The Board has developed and assessed a skills matrix and notes that the Directors collectively have experience in the following areas:

- (a) Funds management of listed and unlisted entities, direct and indirect asset classes
- (b) Real estate transactions, valuations and asset management
- (c) Capital markets and corporate advisory services
- (d) Accounting and audit
- (e) Corporate strategy
- (f) Governance, compliance and regulation
- (g) Risk management and insurance

The Board has assessed that at this stage the Board's skills and experience as a group meet the Group's needs and there are no identifiable gaps in skills and experience.

### 3.3 Directors' independence

The required composition of the Board is set out in the Board Charter. The Board of Directors will comprise no less than three and no more than ten Directors at any one point in time.

APDC and the Board recognise that independent directors are important in assuring investors that the Board is properly fulfilling its role and is diligent in holding management accountable for its performance. Accordingly, the Board will endeavour to have at least 50% independent Directors and an independent Chairman.

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 APDC securityholders 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 (3<sup>rd</sup> Edition)* and any other factors it considers relevant. None of the independent Directors have a relationship of the type described in Recommendation 2.3 (Box 2.3).

During the year ended 30 June 2017, and at present, the Board consisted of four Directors, comprising an independent non-executive Chairman (Ian Fraser), two other independent non-executive Directors (John Wright and Chris Breach), and one executive Director (Francina Turner).

Profiles of each Director, including details of their skills, expertise, qualifications and experience can be found in the Directors' Report. Directors' interests in securities are detailed in the Remuneration Report contained in the Directors' Report (within the Annual Report). All of the current Directors were first appointed on 3 December 2012 and have served for 4.7 years.

#### 3.4 Independent advice

In fulfilling their duties, and to ensure independent decision-making, each Director may take independent professional advice where necessary at the expense of APDC. 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.

#### 3.5 Appointment, induction, retirement and re-election

Any appointment of new Directors will be managed by the Board in accordance with its nomination responsibilities. In accordance with APDC's Constitution, the Directors may appoint a person to be a Director, either in addition to the existing Directors, or to fill a casual vacancy, provided there are not less than three and not more than ten Directors at any one time. A person may also be elected to the office of Director if that person has been nominated for election, or if a member has expressed his or her desire to be a candidate for election.

Any new Directors appointed will be provided with an induction, including key documents and discussions with key persons to ensure that they fully understand their responsibilities and APDC's strategy, operations and financial position. Appropriate professional development opportunities are provided to Directors on an ongoing basis to maintain and develop their skills and knowledge.

At each Annual General Meeting (AGM), any such Director appointed must retire from office at the next AGM following his or her appointment. In addition to this, one third of the remaining Directors and any other Director who will have been in office for three or more years and for three or more AGMs since they were last elected must retire from office. The Directors required to retire at the AGM are the Directors who have been longest in office since their last election. Any Director retiring from office is eligible for re-election.

#### 3.6 Board meetings

The Board holds regular, scheduled meetings and additional meetings are convened as required. Board papers are designed to focus Board attention on key issues and standing items include major strategic initiatives, corporate governance, compliance, tenant and development updates and financial performance.

The number of Board meetings held and Directors' attendance at those meetings are included in the Directors' Report contained within the Annual Report.

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## 4. Principle 3 – Act ethically and responsibly

### 4.1 Code of Conduct

The Board has adopted a Code of Conduct for Directors and senior executives setting out the ethical standards expected of those individuals. The Board has also adopted a Code of Conduct for APDC's employees.

The purpose of these Codes is to guide Directors, senior executives and employees in their performance of their duties, including:

- (a) acting honestly and with integrity;
- (b) dealing with conflicts of interest;
- (c) disclosing any conflicts of interests; and
- (d) managing confidential information.

Each Director, senior executive and employee is required to comply with the Code, and report to the appropriate authority within the Group any matters which are believed to constitute fraud, corruption, misconduct or other unethical conduct.

### 4.2 Whistle blowing

APDC is committed to promoting a culture of corporate compliance and ethical behaviour. The best way to fulfil this commitment is to create an environment in which employees who have genuine suspicions about improper conduct feel safe to report it without fear of reprisal.

The Whistle Blowing Policy provides employees with an internal reporting system where there is genuine suspicion of improper conduct. Any report made in good faith will be listened to, investigated and treated in confidence. APDC will take all reasonable steps to protect people who report concerns from any detrimental action in reprisal for making the disclosure. APDC will also afford natural justice to the person who is the subject of the disclosure.

This Policy is very important to APDC, as it helps APDC identify and rectify problems and reflects the Group's commitment to ensure its compliance with legal and ethical obligations.

### 4.3 Securities trading

The objective of the Securities Trading Policy is to ensure that Directors and employees adhere to high ethical and legal standards in relation to their personal investment in the APDC Group's securities. The Policy also ensures that personal investments of Directors and employees do not conflict with the interests of the APDC Group and other securityholders in relation to the APDC Group's securities.

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

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## 5. Principle 4 - Safeguard integrity in financial reporting

### 5.1 Audit, Risk and Compliance Committee

The Board has established an audit committee that operates under the Audit, Risk and Compliance Committee (Committee) Charter.

The members of the Committee shall be members of, and appointed by, the Board. In accordance with the Charter, the Committee shall consist of:

- (a) at least three members;
- (b) only non-executive Directors;
- (c) a majority of independent Directors; and
- (d) an independent chairman, who shall be nominated by the Board from time to time but who shall not be the chairman of the Board.

Current members are John Wright (Chairman), Ian Fraser and Chris Breach, each an independent Director. All the members of the Committee are financially literate and have an understanding of the industry in which APDC operates. The Committee is chaired by an independent Director who is not the Chairman of the Board.

The Committee meets quarterly. Minutes are kept of all Committee meetings and presented at the next Board meeting. The Committee reports to the Board on all matters relevant to its role and responsibilities.

Details of Committee meetings held and attendance at those meetings are detailed in the Directors' Report contained within the Annual Report.

The Committee undertakes an annual performance evaluation of itself that compares Committee performance with the requirements of the Charter and sets forth the goals and objectives of the Committee for the upcoming year. The evaluation process is an internal assessment based on a survey of Directors. The Committee chairman coordinates the results and discusses these and any potential improvements with the Committee.

### 5.2 Chief Executive Officer's declaration

The Board receives a declaration signed by the Chief Executive Officer required by section 295A of the Corporations Act and Recommendation 4.2 confirming that in their opinion, the financial records of APDC have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of APDC, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. A declaration was made for each reporting period this financial year.

### 5.3 External auditors

The Audit, Risk and Compliance Committee is responsible for making recommendations to the Board in regard to the appointment, re-appointment, replacement, remuneration and monitoring of the effectiveness and independence of the external auditors.

In line with requirements of the Corporations Act and professional standards, APDC requires the audit partners and review partners of its external auditor to rotate every 5 years. The External Auditor must manage its audit team members to ensure adequate

rotation of staff.

The members of the Audit, Risk and Compliance Committee meet with the external auditor when required without the CEO present.

The Board asks the external auditor to attend the Annual Meeting each year to answer questions about the conduct of the audit and the preparation and content of the Audit Report.

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## 6. Principle 5 - Make timely and balanced disclosure

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.

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 the Directors, and if necessary, seek external advice.

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## 7. Principle 6 - Respect the rights of securityholders

### 7.1 Investor communications

The Board has adopted a Securityholder Communications Policy which is designed to ensure that APDC securityholders are kept informed of all major developments affecting the state of affairs of APDC and are able to obtain information about APDC through direct communications or on the APDC website. [www.asiapacificdc.com](http://www.asiapacificdc.com). Securityholders can receive or send communications electronically or in hard copy.

ADPC prepares annual reports for investors for each financial year ending 30 June. These reports are posted to APDC's website following their release to the ASX.

Securityholders can directly raise matters of concern by contacting APDC or its security register provider, Link Market Services.

### 7.2 Annual meetings

APDC holds an Annual Meeting (AM) in November each year. APDC encourages securityholder participation in the AM. Notices and proxy forms are sent to securityholders in advance of the meeting. A copy of the notice is posted to APDC's website.

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## 8. Principle 7 - Recognise and manage risk

### 8.1 Audit, Risk and Compliance Committee

The Board has adopted policies relating to risk management as part of the Audit, Risk and Compliance Committee (Committee) Charter. The 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.

The composition and operation of the Committee is summarised in Principle 4 of this Corporate Governance Statement.

### 8.2 Risk management

APDC has a risk management framework which is detailed in the Risk Management Policy. The Board reviews the risk management framework at least annually and has reviewed the framework this reporting period. It has received a report from management as to the effectiveness of the APDC's management of material business risks.

The 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.

The day to day operation of risk management systems and internal and external controls is delegated by the Board to the Chief Executive Officer, with oversight by the Audit, Risk and Compliance Committee. APDC does not have an internal audit function due to the size, nature and scale of its operations. As the APDC continues to develop, the Audit, Risk and Compliance Committee will consider establishing an independent internal audit function.

### 8.3 Economic, environmental and social sustainability risks

The Board has assessed and determined that there are no material environmental or social sustainability risks affecting APDC.

The Principles define 'material exposure' as a 'real possibility that the risk in question could substantively impact the listed entity's ability to create or preserve value for securityholders over the short, medium or long term'.

The Board has determined that it does not have a material exposure to economic, environmental or social sustainability risks. APDC owns one class of real estate asset, data centres. APDC leases its data centres to one tenant, NEXTDC Limited. Further information regarding economic risk can be found in Notes 12, 15 and 25 of the Financial Statements (contained within the Annual Report).

The Board will continue to monitor its exposure through management's regular review of the risk environment and, if necessary, develop plans to address any identified or emerging risks.

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## 9. Principle 8 - Remunerate fairly and responsibly

### 9.1 Remuneration function

The Board performs the remuneration function because of the size of the Group and has adopted policies relating to remuneration in its Board Charter.

Responsibilities under this Charter include:

- (a) regularly reviewing and making recommendations as to the structure of remuneration packages of senior executives, non-executive Directors and executive Directors;
- (b) equity-based incentive plans; and
- (c) other employee benefit programs.

The composition and operation of the Board is summarised in Principle 1 of this Corporate Governance Statement.

### 9.2 Remuneration of Directors

The APDC Holdings Constitution provides that the non-executive Directors of the company are entitled to remuneration not exceeding an aggregate maximum sum of \$400,000 per annum or such other maximum amount determined by APDC Holdings in general meeting. The aggregate sum is divided among the non-executive Directors of APDC Holdings in such a manner and proportion as agreed by the APDC Holdings Directors and, in default of agreement, equally.

Non-executive Directors will not be remunerated by way of commission or participate in profits and will not be provided with any retirement benefits other than statutory superannuation.

The APDC Holdings Constitution provides that the remuneration of an executive Director and the form of that remuneration will be determined by the Directors. The executive Director of APDC Holdings (Francina Turner) is remunerated as an employee of the company and does not receive Directors' fees from the company.

Except in circumstances prohibited by the Corporations Act, APDC Holdings may pay a premium for a contract insuring an APDC Holdings Director against liability incurred by the person as a Director.

APDC Holdings Directors may also be paid out of pocket expenses properly incurred by them in connection with the company's business.

Currently, APDC does not have any equity-based remuneration scheme in place and as such has not developed a policy regarding an executive's ability to enter into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration scheme.

Refer to the Remuneration Report contained in the Directors' Report (contained within the Annual Report) for further information.

## 10. Corporate Governance Summary

Corporate Governance Council principle	Complied	Note
<b>Principle 1 – Lay solid foundations for management and oversight</b>		
1.1 A listed entity should disclose:		
(a) the respective roles and responsibilities of its board and management; and	✓	The Board Charter is available on APDC's website. Delegations to management are authorised by the Board.
(b) those matters expressly reserved to the board and those delegated to management.		
1.2 A listed entity should:		
(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and	✓	APDC conducts appropriate checks for candidates. APDC provides material information in its possession to security holders relevant to a decision whether or not to elect or re-elect a director
(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.		
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	✓	APDC enters into formal written agreements with each Director and senior executive.
1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	✓	The Company Secretary is appointed by the Board and accountable directly to the Board through the Chairman.
1.5 A listed entity should:		
(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;		The Diversity Policy is available on APDC's website.
(b) disclose that policy or a summary of it; and		Given that APDC has two employees, measurable objectives including gender diversity targets have not been set.
(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:	✓	The proportions of men and women within APDC are disclosed in the Corporate Governance Statement.
(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or		
(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality		

	Indicators”, as defined in and published under that Act.		
1.6	A listed entity should:		
	(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and	✓	The performance evaluation process is an annual internal assessment based on a survey of Directors.
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		An evaluation was conducted this reporting period.
1.7	A listed entity should:		
	(a) have and disclose a process for periodically evaluating the performance of its senior executives; and	✓	The performance evaluation process is an annual assessment conducted by the Chairman with reference to key performance indicators.
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		
<b>Principle 2 – Structure the Board to add value</b>			
2.1	The board of a listed entity should:		
	(a) have a nomination committee which:		
	(1) has at least three members, a majority of whom are independent directors; and		
	(2) is chaired by an independent director,		
	and disclose:		
	(3) the charter of the committee;		
	(4) the members of the committee; and		
	(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	✓	The Board performs the nomination committee function and has adopted policies relating to nomination in its Board Charter.
	(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	✓	The skills and experience of the Directors are disclosed in the Corporate Governance Statement.
2.3	A listed entity should disclose:		
	(a) the names of the directors considered by the board to be independent directors;	✓	The independent Directors are Mr Ian Fraser (Chairman), Mr Chris Breach and Mr John Wright.
	(b) if a director has an interest, position,		They have each served as a

	association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and		Director for 4.7 years.
	(c) the length of service of each director.		
2.4	A majority of the board of a listed entity should be independent directors.	✓	The majority of the Board are independent. Currently, three of the four Directors are independent directors.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	✓	The Chairman is Mr Ian Fraser and he is an independent Director.  The CEO is Ms Francina Turner.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	✓	APDC provides new Directors with an induction when they are appointed and appropriate development opportunities on an ongoing basis.
<b>Principle 3 – Act ethically and responsibly</b>			
3.1	A listed entity should:		
	(a) have a code of conduct for its directors, senior executives and employees; and	✓	The Code of Conduct for Directors and Senior Executives and Code of Conduct for Employees is available on APDC's website.
	(b) disclose that code or a summary of it.		
<b>Principle 4 – Safeguard integrity in financial reporting</b>			
4.1	The board of a listed entity should:		
	(a) have an audit committee which:		
	(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and		The Board has established the Audit, Risk and Compliance Committee. Its composition satisfies the criteria.  It is chaired by Mr John Wright, an independent, non-executive Director.
	(2) is chaired by an independent director, who is not the chair of the board,		Other members are Mr Ian Fraser and Mr Chris Breach both of whom are independent, non-executive Directors.
	and disclose:		
	(3) the charter of the committee;	✓	The charter of the committee is available on APDC's website.
	(4) the relevant qualifications and experience of the members of the committee; and		The skills and experience of the Directors are disclosed in the Corporate Governance Statement.
	(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		The Directors' Report (contained within the Annual Report) summarises the number of times the committee met and the attendance of Directors.
	(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate		

	reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	✓	The Board has received a declaration from the Chief Executive Officer in accordance with this recommendation for this reporting period.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	✓	The Board asks the external auditor to attend the Annual Meeting each year to answer questions about the conduct of the audit and the preparation and content of the Audit Report.
<b>Principle 5 – Make timely and balanced disclosure</b>			
5.1	A listed entity should:		
	(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and	✓	The Continuous Disclosure Policy is available on APDC's website.
	(b) disclose that policy or a summary of it.		
<b>Principle 6 – Respect the rights of securityholders</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	✓	APDC maintains a website <a href="http://www.asiapacificdc.com">www.asiapacificdc.com</a>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	✓	The Securityholder Communications Policy is available on APDC's website.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	✓	The Securityholder Communications Policy is available on APDC's website.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	✓	Securityholders can receive or send communications electronically or in hard copy.
<b>Principle 7 – Recognise and manage risk</b>			
7.1	The board of a listed entity should:		
	(a) have a committee or committees to oversee risk, each of which:	✓	The Board has adopted policies relating to risk management as part of the Audit, Risk and Compliance Committee Charter, which is available on APDC's website.
	(1) has at least three members, a majority of whom are independent directors; and		

	<p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>		
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	✓	<p>APDC has a risk management framework which is detailed in the Risk Management Policy. The Board reviews the risk management framework at least annually. It has received a report from management as to the effectiveness of the APDC's management of material business risks.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	✓	<p>The day to day operation of risk management systems and internal and external controls is delegated by the Board to the Chief Executive Officer, with oversight by the Audit, Risk and Compliance Committee.</p> <p>APDC does not have an internal audit function due to the size, nature and scale of its operations.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	✓	<p>APDC owns one class of real estate asset, data centres. APDC leases its data centres to one tenant, NEXTDC Limited.</p>

### Principle 8 – Remunerate fairly and responsibly

8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period,</p>	✓	<p>The Board performs the remuneration committee function and has adopted policies relating to remuneration in its Board Charter.</p> <p>The composition of the Board is disclosed in the Corporate Governance Statement.</p>
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	the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
	(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	✓	This information is disclosed in the Remuneration Report contained in the Directors' Report (contained within the Annual Report) and the Corporate Governance Statement.
8.3	A listed entity which has an equity-based remuneration scheme should:		
	(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and	✓	APDC does not have any equity-based remuneration scheme in place.
	(b) disclose that policy or a summary of it.		

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## 11. Further Information

11.1 If you have any questions regarding this Statement you should contact:

Contact: Company Secretary  
Asia Pacific Data Centre Group  
Telephone: 02 8973 7493  
Email: [info@asiapacificdc.com](mailto:info@asiapacificdc.com)

Last updated: 25 August 2017 (by resolution of the Board)