

**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: Monday, 31 October 2011  
Time of Meeting: 10.00am (Brisbane time)  
Place of Meeting: Regus  
Level 18, Riverside Centre  
123 Eagle Street  
Brisbane, Queensland

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 **Company**) will be held at Regus, Level 18, Riverside Centre, 123 Eagle Street, Brisbane on 31 October 2011 commencing at 10.00am (Brisbane time). 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 comprising the Directors' Report, Balance Sheet, Statements of Comprehensive Income, Changes in Equity, Cash Flows and Notes to the Financial Statements, Directors' Declaration and Auditor's Report for the period 11 May 2010 to 30 June 2011.

**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 period 11 May 2010 to 30 June 2011."*

This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast, are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution ("a spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Chief Executive Officer) must be put forward for re-election.

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#### 2. Resolution 2 - Re-election of Mr Roger Clarke as a Director

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

*"That Roger Brian Clarke, the non-executive Chairman who retires by rotation in accordance with the Listing Rules and Article 58.3 of the Company's Constitution and being eligible, offers himself for re-election, be and is hereby re-elected as a Director of the Company."*

This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

**Note:** Information about Mr Clarke appears in the Explanatory Memorandum.

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### **3. Resolution 3 - Re-election of Mr Greg Baynton as a Director**

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

*"That Gregory Alexander John Baynton, a non-executive Director who retires by rotation in accordance with the Listing Rules and Article 58.3 of the Company's Constitution and being eligible, offers himself for re-election, be and is hereby re-elected as a Director of the Company."*

This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

**Note:** Information about Mr Baynton appears in the Explanatory Memorandum.

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### **4. Resolution 4 - Election of Mr Ted Pretty as a Director**

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

*"That Edward Noel Pretty, Executive Deputy Chairman (Director) who was appointed by the Board as an additional Director and who retires in accordance with Article 57.2 of the Company's Constitution and being eligible, offers himself for re-election, be and is hereby elected as a Director of the Company."*

This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

**Note:** Information about Mr Pretty appears in the Explanatory Memorandum.

## **SPECIAL BUSINESS**

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### **5. Resolution 5 - Approval of the grant of options to Mr Craig Scroggie**

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

*"That pursuant to Listing Rule 10.14, section 208(1) of the Corporations Act and for all other purposes, approval is given for the Company to grant a total of 250,000 unquoted options, exercisable at \$1.40, in the Company to Craig Ian Scroggie, under the Company's Executive Share Option Plan and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

**Note:** if approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1 or Listing Rule 10.11, as set out in the Explanatory Memorandum.

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## **6. Resolution 6 - Approval of the NEXTDC Loan Funded Share Plan**

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

*"That, for the purposes of Listing Rule 7.2 exception 9, sections 259B and 260C(4) of the Corporations Act and for all other purposes, approval is given to the Company to implement and maintain the NEXTDC Loan Funded Share Plan ('Share Plan') and the rules of the Share Plan (the terms of which are summarised in the Explanatory Memorandum accompanying this Notice of Meeting) and approve the issue of Shares under the Share Plan from time to time upon the terms and conditions set out in the Share Plan."*

This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

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## **7. Resolution 7 - Approval of the issue of Shares to Mr Robin Khuda under the Share Plan**

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

**7.1** *"That, conditional upon Resolution 6 being approved, for the purposes of Listing Rule 10.14, section 208(1) of the Corporations Act and for all other purposes, approval is given for Robin Khuda, Director and Chief Financial Officer, or his nominee, to acquire up to 571,428 Shares under the NEXTDC Loan Funded Share Plan, on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting."*

**7.2** *"That, conditional upon Resolutions 6 and 7.1 being approved, for the purposes of section 208(1) of the Corporations Act and for all other purposes, approval is given to the Company to provide a loan to Robin Khuda, Director and Chief Financial Officer, or his nominee, to assist Mr Khuda to acquire Shares under the NEXTDC Loan Funded Share Plan, such loan to be in accordance with the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

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## **8. Resolution 8 - Appointment of Auditor**

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

*"That, for the purposes of section 327B of the Corporations Act and for all other purposes, PricewaterhouseCoopers, having been nominated by a shareholder of the Company and consenting in writing to act in the capacity of Auditor of the Company, be appointed as Auditor of the Company and that the Directors be authorised to fix the remuneration of the Auditor."*

**Note:** Further comments appear in the Explanatory Memorandum. Also, in accordance with section 328B(3) of the Corporations Act, a copy of the notice of nomination of Auditor accompanies this Notice of Meeting.

## **OTHER**

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### **9. Other Information**

#### **9.1 Explanatory Memorandum**

The accompanying Explanatory Memorandum and Proxy Form forms part of this Notice of Meeting and should be read in conjunction with it.

#### **9.2 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 Proxy Forms.

#### **9.3 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 15, 324 Queen Street, Brisbane QLD 4000  
Phone: (02) 8280 7111 (during business hours)  
Fax: (02) 9287 0303

## 9.4 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 10.00am (Brisbane time) on Saturday 29 October 2011.

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 queries on how to cast your vote, please call the Company's share registry, Link Market Services Limited on 1300 554 474 from within Australia or +61 2 8280 7454 from overseas during business hours.

## 9.5 Chairman

Mr Roger Clarke, the Chairman of the Company, will chair the Meeting.

## 9.6 Voting exclusions

In accordance with the ASX Listing Rules and the Corporations Act 2001, the Company will disregard any votes cast on:

- (a) Resolutions 1, 5, 6, 7.1 and 7.2, by:
  - (i) any key management personnel of the Company, including the Chairman and other Directors; and
  - (ii) any closely related parties of key management personnel;
- (b) Resolution 2, by Mr Roger Clarke and any associates of Mr Roger Clarke;
- (c) Resolution 6, by any associates of Mr Roger Clarke who are not described in paragraph (a);
- (d) Resolution 6, by any associates of Mr Bevan Slattery who are not described in paragraph (a);
- (e) Resolutions 6, 7.1 and 7.2, by any associates of Mr Robin Khuda who are not described in paragraph (a);
- (f) Resolution 3, by Mr Greg Baynton and any associates of Mr Greg Baynton;
- (g) Resolution 6, by any associates of Mr Greg Baynton who are not described in paragraph (a);
- (h) Resolutions 5 and 6, by any associates of Mr Craig Scroggie who are not described in paragraph (a);
- (i) Resolution 4, by Mr Ted Pretty and any associates of Mr Ted Pretty; and
- (j) Resolution 6, by any associates of Mr Ted Pretty who are not described in paragraph (a),

unless the vote is cast by a person described in (a), (b), (c), (d), (e), (f), (g), (h), (i) or (j) as a proxy for a person who is entitled to vote and the Proxy Form directs how the proxy is to vote on the Resolution.

"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. The Remuneration Report identifies the Company's key management personnel for the period 11 May 2010 to 30 June 2011. Their closely related parties are defined in the Corporations Act 2001, and include certain of their family members, dependants and companies they control.

### **9.7 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.

### **9.8 How the Chairman will vote on undirected proxies for Resolutions 2, 3, 4 and 8**

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 of Resolutions 2, 3, 4 or 8, the Chairman as your proxy will vote IN FAVOUR of that Resolution on a poll.

### **9.9 Proxy voting by the Chairman for Resolutions 1, 5, 6, 7.1 and 7.2**

If you appoint the Chairman as your proxy or the Chairman is appointed as your proxy by default, and you do not wish to direct your votes for Resolution 1, 5, 6, 7.1 or 7.2 by marking the "For", "Against" or "Abstain" box in Step 2, you can instead mark the last box towards the bottom of the Proxy Form to expressly direct the Chairman to vote in accordance with his stated voting intentions. The Chairman intends to vote such proxies IN FAVOUR of Resolutions 1, 5, 6, 7.1 and 7.2.

If the Chairman is your proxy and you give no direction on any of Resolutions 1, 5, 6, 7.1 or 7.2 in Step 2 of the Proxy Form and you do not mark the last box as described above, no vote will be counted on your behalf on a poll for that resolution.

#### Important Note

Please note that, subject to section 9.9 above, 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 the Resolution they are excluded from voting on. Alternatively, we suggest that you appoint someone else (such as the Chairman) as your proxy. (**Note:** if the Chairman is your proxy and you give no direction on any of Resolutions 1, 5, 6, 7.1 or 7.2 in Step 2 of the Proxy Form and you do not mark the last box as described in section 9.9 above, no vote will be counted on your behalf on a poll for that Resolution.

#### **BY ORDER OF THE BOARD**

**Robin Khuda**  
Company Secretary  
Dated: 29 Sept 2011

# 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 31 October 2011.

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 report of the Directors, the report of the Auditor and the financial reports be presented to the Annual General 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 Annual General 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 will be tabled and discussed at the Annual General Meeting and the Directors will be available to answer questions from Shareholders. In addition, 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 Company's Annual Financial Report for the period 11 May 2010 to 30 June 2011 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 to the Annual Financial Report.

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## 1. Resolution 1 - Adoption of Remuneration Report

The Corporations Act requires that the section of the Annual Directors' Report dealing with the remuneration of key management personnel including the Directors' Remuneration Report be put to Shareholders for consideration and adoption by way of a non-binding ordinary resolution.

The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company.

A reasonable opportunity will be provided for Shareholders to ask questions about, or make comments on, the Remuneration Report at the Annual General 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.

Pursuant to amendments made to the Corporations Act with effect from 1 July 2011, if 25% or more of votes that are cast on Resolution 1 are cast against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution ("a spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Chief Executive Officer) must be put forward for re-election.

Any undirected proxies held by the Chairman of the Meeting, Directors or other key management personnel or any of their closely related parties will not be voted on Resolution 1. As outlined in section 9.9 of the Notice of Meeting above, if the Chairman is your proxy you may direct him how to vote on Resolution 1 by marking the "For", "Against" or "Abstain" box in Step 2 of the Proxy Form, or you may mark the last box on the Proxy Form to expressly direct the Chairman to vote in accordance with his stated voting intentions. The Chairman intends to vote IN FAVOUR of Resolution 1.

"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. The Remuneration Report identifies the Company's key management personnel for the period 11 May 2010 to 30 June 2011. Their closely related parties are defined in the Corporations Act 2001, and include certain of their family members, dependants and companies they control.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 by marking either the "**For**", "**Against**" or "**Abstain**" box in Step 2 on the Proxy Form for that item of business or alternatively, and if your proxy is the Chairman, by marking the last box on the Proxy Form to expressly direct the Chairman to vote in accordance with his stated voting intentions.

## **1.1 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 Mr Roger Clarke as a Director**

Listing Rule 14.4 and Article 58 of the Company's Constitution require at least two of the Directors to retire by rotation at each Annual General Meeting. In accordance with this procedure for the re-election of Directors, Mr Roger Clarke retires from office by rotation and submits himself for re-election.

Mr Clarke was appointed as a Director of the Company and as the independent non-executive Chairman of the Board on 1 June 2010. He is a member of the Company's Audit and Risk Management Committee, and Remuneration and Nominations Committee.

Mr Clarke has over 30 years' commercial experience in the investment banking industry, with responsibilities in fund management, banking and corporate finance. He is currently the Chairman of Board of Advice at RBS Morgans Limited, and in this capacity has been involved in a significant number of initial public offerings, capital raisings and corporate transactions.

Mr Clarke currently serves as a chairman of Tissue Therapies Limited, MTA Insurance Limited and Coalbank Limited. He is also a director of Maverick Drilling and Exploration Limited and Trojan Equity Limited. Previously Mr Clarke was the Chairman of PIPE Networks Limited and director of Triangle Energy (Global) Limited, formerly White Sands Petroleum Limited.

Mr Clarke holds a Bachelor of Commerce and is a Chartered Accountant.

## **2.1 Recommendation**

The Board (with Mr Clarke abstaining) unanimously recommends that Shareholders vote in favour of re-electing Mr Roger Clarke as a Director of the Company.

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## **3. Resolution 3 - Re-election of Mr Greg Baynton as a Director**

Listing Rule 14.4 and Article 58 of the Company's Constitution require at least two of the Directors to retire by rotation at each Annual General Meeting. In accordance with this procedure for the re-election of Directors, Mr Greg Baynton retires from office by rotation and submits himself for re-election.

Mr Baynton was appointed as a Director of the Company on 1 June 2010. He is a member of the Company's Audit and Risk Management Committee, and Remuneration and Nominations Committee.

Mr Baynton is the founder and Managing Director of Orbit Capital, a boutique investment and advisory company. He comes from a background in merchant banking and Queensland Treasury, and has experience in infrastructure investment, capital raisings, IPOs, pre-IPO funding, corporate structuring and corporate governance.

Mr Baynton is currently Deputy Chairman of Coalbank Limited (formerly Lodestone Energy Limited), and a director of Tissue Therapies Limited. He was previously a director of PIPE Networks Limited.

Mr Baynton holds a Bachelor of Business (Accountancy), a Master of Economic Studies (UQ), a Post-Graduate Diploma in Applied Finance & Investment (SIA), and a Master of Business Administration (QUT).

Mr Baynton is a Fellow of the Financial Services Institute of Australasia.

## **3.1 Recommendation**

The Board (with Mr Baynton abstaining) unanimously recommends that Shareholders vote in favour of re-electing Mr Greg Baynton as a Director of the Company.

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## **4. Resolution 4 - Election of Mr Ted Pretty as a Director**

Mr Pretty was appointed by the Board as an additional Director of the Company pursuant to Article 57.1 of the Company's Constitution. However, a Director so appointed must, under Article 57.2, retire at the next following Annual General Meeting but is eligible for election. In accordance with this procedure, Mr Ted Pretty retires from office and submits himself for election.

On 10 March 2011, the Company announced the appointment of Mr Ted Pretty as executive Deputy Chairman of the Company, effective as of 1 April 2011.

Mr Pretty is well known for his vision, leadership and reputation as one of the most successful Information, Technology and Telecommunications (IT&T) executives in Australia. His lengthy experience and depth of understanding of the Australian IT&T and investment banking sectors is well known.

Mr Pretty recently returned to Australia from the Middle East following his tenure at Gulf Finance House as its Group Chief Executive Officer.

Mr Pretty was Chairman of Fujitsu Australia Limited, inaugural Chairman and non-executive director of ASX-listed RP Data Limited, Board Member of the Australian Nuclear Science and Technology Organisation and an executive director at Macquarie Capital Advisers.

Prior to those roles, he was a key senior executive at Telstra Corporation Limited, in the role of Group Managing Director heading up variously Telstra's technology and product and retail, consumer and marketing divisions.

Mr Pretty has also served as a Partner at media and telecommunications law firm, Gilbert & Tobin prior to joining Telstra.

#### **4.1 Recommendation**

The Board (with Mr Pretty abstaining) unanimously recommends that Shareholders vote in favour of re-electing Mr Ted Pretty as a Director of the Company.

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### **5. Resolution 5 - Approval of the grant of options to Mr Craig Scroggie**

The Company's Executive Share Option Plan (**Option Plan**) was established on admission of the Company to the official list of the ASX on 9 December 2010. The purpose of the Option Plan is to provide medium term remuneration incentives to Directors and employees and to align their interest with those of Shareholders.

At the general meeting of Shareholders held on 27 April 2011, the Deputy Chairman announced that, as part of its strategy to conserve cash as well providing an incentive for Directors as quasi equity holders, and to recognise and incentivise special contributions, the Board has agreed to an additional package of 250,000 options for Mr Craig Scroggie. The Company made a public announcement to this effect on 27 April 2011.

The Board believes the proposed issue of options to Mr Scroggie is consistent with industry practice and in particular is commensurate with companies of a similar nature to NEXTDC. The options are intended to provide a mid-term remuneration incentive and align Mr Scroggie's interests with those of Shareholders, and thus seeking to maximise the value of the Company.

The terms of the Option Plan were summarised in the Company's prospectus dated 9 November 2010 (**Prospectus**) and the full terms were disclosed to the market on 9 December 2010.

#### **5.1 Listing Rule 10.14**

Listing Rule 10.14 restricts the Company from issuing securities under an employee incentive scheme (such as the Option Plan) to certain related parties, including Directors of the Company, without Shareholder approval.

In accordance with Listing Rule 10.14, the Company is seeking Shareholder approval for the proposed grant to Mr Scroggie of the following options under the Option Plan:

<b>Options</b>	<b>Exercise Price</b>	<b>Vesting Date</b>	<b>Lapsing Date</b>
250,000 unquoted options	\$1.40	27 April 2013	27 April 2015

Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12 (exception 4), as an exception to any requirement that may otherwise apply requiring approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.

## **5.2 Chapter 2E of the Corporations Act**

Section 208(1) of the Corporations Act provides that for the Company to give a financial benefit to a related party of the Company, the Company must:

- (a) obtain the approval of Shareholders to grant the financial benefit; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the benefit falls within one of the exceptions set out in the Corporations Act.

For the purposes of Chapter 2E of the Corporations Act, Mr Scroggie is a related party of the Company and the proposed issue of options to him under the Option Plan constitutes the giving of a financial benefit.

Under the Corporations Act, a company does not need to obtain the approval of shareholders if the giving of the benefit is remuneration to a related party and such remuneration is reasonable given the circumstances of the company and the related party's circumstances.

As set out in sections 5.3 and 5.5 below, the proposed issue of options to Mr Scroggie is part of his remuneration package with the Company and the Directors consider that the issue of options is reasonable in the circumstances.

However, for the sake of completeness, the Company has decided to seek Shareholder approval of the issue of options to Mr Scroggie under the Option Plan for the purposes of section 208(1) of the Corporations Act.

Specific information which must be provided to Shareholders in accordance with section 219 of the Corporations Act is set out below.

## **5.3 Details of the issue**

In accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information (contained in sections 5.3 to 5.5) is provided to Shareholders:

- (a) the maximum number of options to be issued will be 250,000 unquoted options under the Option Plan;
- (b) there is no issue price for the grant of each option. The proposed issue of options forms part of Mr Scroggie's remuneration package with the Company;
- (c) on admission to the official list of the ASX on 9 December 2010 and as disclosed in the Prospectus, the Company granted, on the terms set out in the Prospectus and the Share Plan disclosed to the market on 9 December 2010, the following options at no cost to the option holder:

<b>Option Holder</b>	<b>Number</b>	<b>Vesting Date</b>	<b>Lapsing Date</b>
Mr Roger Clarke	250,000 options at \$1.00 exercise price	13 December 2011	13 December 2012
Mr Greg Baynton	250,000 options at \$1.00 exercise price	13 December 2011	13 December 2012
Mr Craig Scroggie	250,000 options at \$1.00 exercise price	13 December 2011	13 December 2012
Mr Robin Khuda	500,000 options at \$1.50 exercise price	13 December 2011	13 December 2012
Mr Robin Khuda	500,000 options at \$1.00 exercise price	13 December 2011	13 December 2012
Other eligible NEXTDC employee(s)	250,000 options at \$1.00 exercise price	13 December 2011	13 December 2012

- (d) the options granted to Mr Roger Clarke, Mr Greg Baynton, Mr Craig Scroggie and Mr Robin Khuda listed above are subject to escrow by the ASX and will be released from escrow on 13 December 2012;
- (e) the persons entitled to participate in the Option Plan are the Directors and permanent or full time employees of the Company who the Directors determine to be executives of the Company;
- (f) a voting exclusion statement is set out in the Notice of Meeting;
- (g) the related party to whom Resolution 5 would permit a financial benefit being given is Mr Scroggie;
- (h) there is no loan in relation to the issue of the options to Mr Scroggie;
- (i) subject to approval of Shareholders, the options proposed to be granted to Mr Scroggie will be issued on or about 31 October 2011, and in any event within 12 months after the date of Shareholder approval;
- (j) the nature of the financial benefit to be given to Mr Scroggie is the grant of 250,000 unquoted options under the Option Plan;
- (k) if Shareholders approve Resolutions 5, 6, 7.1 and 7.2, and all Plan Shares and options are granted as contemplated by this Notice of Meeting, the Directors will have the following interest in Shares and options:

<b>Director</b>	<b>Shares (excluding Plan Shares)</b>	<b>Shares (including Plan Shares)</b>	<b>Options</b>
Mr Roger Clarke	280,000	280,000	250,000 options at \$1.00 exercise price
Mr Ted Pretty	Nil	Nil	750,000 options at \$1.40 exercise price
Mr Greg Baynton	260,714	260,714	250,000 options at \$1.00 exercise price

Director	Shares (excluding Plan Shares)	Shares (including Plan Shares)	Options
Mr Craig Scroggie	260,714	260,714	250,000 options at \$1.00 exercise price 250,000 options at \$1.40 exercise price
Mr Bevan Slattery	40,135,714	40,135,714	Nil
Mr Robin Khuda	214,286	785,714	500,000 options at \$1.50 exercise price 500,000 options at \$1.00 exercise price

- (l) as at the date of this Notice of Meeting, Mr Scroggie had an interest in 260, 714 Shares and 250,000 options to acquire Shares. That represents 0.1816% of the total Shares in the Company;
- (m) if all of the options previously granted and proposed to be granted under this Resolution 5 to Mr Scroggie were exercised, he would acquire 500,000 Shares. If these were newly issued Shares, Mr Scroggie would have an interest in 0.5282% of the total issued ordinary shares in the Company;
- (n) if the options proposed to be granted to Mr Scroggie under Resolution 5 were exercised and the Shares acquired were newly issued Shares, this will result in a dilution of all other Shareholders' holdings in the Company of 0.1742 % based on the number of Shares issued as at the date of this Notice of Meeting;
- (o) Mr Scroggie has a material personal interest in the outcome of Resolution 5 as the recipient of the options proposed to be issued; and
- (p) details of any options issued under this approval will be published in each annual report of the Company relating to a period in which options were issued under this approval. Aside from Mr Scroggie, no other Director or their associate will be permitted to participate in the Option Plan unless approved by Shareholders under Listing Rule 10.14.

#### 5.4 Valuation of options

The highest, lowest and last sale price of the Company's Shares on ASX, in the period from admission to the official list of ASX on 9 December 2010 to 23 September 2011, and the respective dates of those sale prices were:

- (a) Lowest: \$1.35 on 23 September 2011;
- (b) Highest: \$2.00 on 27 July 2011; and
- (c) Latest: \$1.46 on 23 September 2011.

The options granted to Mr Scroggie will not be quoted on the ASX.

The Company has valued the options proposed to be issued to Mr Scroggie using the Black-Scholes valuation methodology.

The total value of the options to be issued to Mr Scroggie is \$0.3410 per option or \$85,250 in total.

The basic assumptions under the valuation are:

Underlying share price	\$1.40
Strike price	\$1.40
Exercise period	24 months
Volatility	36%
Risk-free rate	5.12%

The underlying share price of \$1.40 has been selected based on the opening share price of the Company's Shares on 23 September 2011. We note that the Company's Shares have traded at levels above this price in the prior 6 month period. Please see the disclosure around the Company's share price above.

## **5.5 Total Remuneration Package**

If Resolution 5 is approved, Mr Scroggie's total remuneration package will consist of:

- \$60,000 per annum base salary;
- 250,000 options at \$1.00 exercise price (previously issued under the Option Plan); and
- 250,000 options at \$1.40 exercise price.

In addition, along with other Directors, he is entitled to reimbursement of reasonable expenses incurred in undertaking his duties for the Company.

The Board believes that what Mr Scroggie brings to the Board goes beyond what may be ordinarily expected of a non-executive director. From his contribution to date, there is a compelling case to offer him both a reward for this special contribution and an incentive to continue to bring this special contribution to bear for the benefit of the Company.

The Board (with the exclusion of Mr Scroggie) has considered the grant of the options to Mr Scroggie in light of the circumstances of the Company and his circumstances as a non-executive Director, including the responsibilities of that office, his extensive industry skills and experience and his total remuneration package.

The Board has formed the view that the proposed issue of the options to Mr Scroggie, which forms part of his remuneration package, is consistent with the Company's remuneration policies and is reasonable in the circumstances of the Company and Mr Scroggie's position.

The Board considers that the grant of the options to Mr Scroggie would be a cost-effective and efficient incentive for the Company to provide, as opposed to alternative forms of incentives such as increased remuneration. To enable the Company to secure executives and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The grant of options is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging Mr Scroggie to acquire and retain significant shareholdings in the Company which will align his interests with those of other Shareholders.

## 5.6 Recommendation

Mr Scroggie has an interest in the outcome of Resolution 5 (as he is the recipient of the options) and therefore believes it is inappropriate to make a recommendation on that resolution. All Directors (with Mr Scroggie abstaining) recommend that Shareholders approve the issue of options under the Option Plan. No Director making this recommendation has an interest in the outcome of Resolution 5.

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## 6. Resolution 6 - Approval of the NEXTDC Loan Funded Share Plan

Resolution 6 seeks the approval of Shareholders for the implementation and administration of the NEXTDC Loan Funded Share Plan (**Share Plan**) and the issue of Shares under the Share Plan from time to time for the purposes of Listing Rule 7.1 by way of relying on exception 9 of Listing Rule 7.2 and sections 259B and 260C(4) of the Corporations Act.

Due to changes in taxation law, the Company has established the Share Plan to:

- (a) retain key executives over the long term;
- (b) provide an incentive and benefit to participants in the Share Plan in a tax effective manner to encourage dedicated and ongoing commitment to the Company; and
- (c) better align the interests of the participants in the Share Plan with the interests of Shareholders in improving the value of the Company and sharing in the long term growth of the Company.

A copy of the Share Plan documentation will be available for inspection at the Meeting.

### 6.1 Terms of the Share Plan

The key terms of the Share Plan are summarised below:

- (d) **Eligibility:** the Company may from time to time, invite Directors, full-time or permanent part-time employees of the Company, or such other person as the Board determines to participate in the Share Plan.
- (e) **Shares to be issued:** the Directors will determine the number of Shares to be issued under the Share Plan and the issue price of such Shares in their sole discretion.
- (f) **Minimum price:** the minimum price of the Shares to be issued under the Share Plan will be the 30 Day VWAP.
- (g) **Loan:** the Directors may grant an interest free loan to participants in the Share Plan. The loan must be repaid in full within 5 years from the date of the loan or when the eligible employee or Director ceases to be employed by the Company. Where a loan is granted to a participant of the Share Plan, such monies will be paid directly to NEXTDC Share Plan Pty Ltd (**Trustee**) to subscribe for or purchase shares on behalf of the participant.
- (h) **Security for a Loan:** Under the terms of the loan, the borrower (being a participant in the Share Plan) agrees to provide a mortgage over the Shares to the Company to secure the repayment of the monies outstanding under the loan.
- (i) **Legal holder of Shares:** Plan Shares will be held by the Trustee on behalf of the participant until any loan owing by the participant is repaid to the Company.

- (j) **Restrictions:** Disposal of Plan Shares will be restricted until any loan owing by the participant is repaid to the Company or in accordance with any other restrictions determined by the Directors.
- (k) **Dividends:** A participant under the Share Plan will be entitled to all dividends declared or paid on, and any other entitlements which accrue to, Shares held by a Trustee on behalf of a participant under the Share Plan.
- (l) **Amendment:** Subject to the Corporations Act and the Listing Rules, the Directors by written resolution may amend the rules of the Share Plan.
- (m) It is currently intended that Shares with a value of \$5,000,000 will be issued under the Share Plan. It is anticipated that these Shares will be held by the Trustee and will be available to be transferred to the relevant participants in 4 annual tranches.

## 6.2 Listing Rule 7.2, exception 9(b)

Subject to certain exceptions, Listing Rule 7.1 contains a general restriction on the Company issuing more than 15% of its current voting shares in any 12 month period without first obtaining shareholder approval.

Shareholder approval of the Share Plan under Listing Rule 7.2, exception 9 will mean that securities issued under the Share Plan will be excluded from the calculation of the maximum number of new securities that can be issued by the Company in any 12 month period as set by Listing Rule 7.1 for a period of 3 years from the date of this approval.

## 6.3 Corporations Act

Section 259B(1) of the Corporations Act prohibits a company from taking security over its shares except as permitted by Section 259B(2). Section 259B(2) states that a company may take security over shares in itself under an employee share scheme that has been approved by resolution passed at a general meeting of the company.

Section 260A(1)(c) of the Corporations Act prohibits a company from financially assisting a person to acquire shares in itself except as permitted by Section 260(C). Section 260(C)(4) provides a special exemption for approved employee shares schemes and states that financial assistance is exempted from Section 260(A) if a resolution is passed at a general meeting of the company.

Accordingly, Shareholder approval is sought for Resolution 6 to ensure compliance with these sections of the Corporations Act.

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## 7. Resolution 7 - Approval of the issue of Shares to Mr Robin Khuda under the Share Plan

If Shareholders approve Resolution 6, the Company proposes to invite Mr Robin Khuda to subscribe for 571,428 Shares under and in accordance with the Share Plan and the Offer made by the Company.

Mr Khuda is a key executive of NEXTDC Limited and plays an important role in the growth of NEXTDC's business. Mr Khuda has taken up increased responsibilities within NEXTDC and currently oversees the Company's financial and administrative, commercial, company secretarial, investor relations, corporate strategy, marketing, legal and government relations functions.

The invitation to Mr Robin Khuda to subscribe for 571,428 Shares is in line with the Offer to be made to the Company's other senior executives, namely its Chief Operations Officer and General Manager, Sales.

The terms of the specific offer to Mr Khuda are summarised below.

Resolution 7.1 (subject to the approval of Resolution 6) seeks approval to issue Plan Shares to Mr Khuda.

Resolution 7.2 (subject to the approval of Resolutions 6 and 7.1) seeks approval for the Company to provide a loan to assist Mr Khuda to subscribe for the Plan Shares.

## **7.1 Listing Rule 10.14**

Under Listing Rule 10.14, the Company must seek shareholder approval to issue securities to a Director under an employee incentive scheme. The Company proposes to invite Mr Khuda to acquire 571,428 ordinary shares in the Company in accordance with the Share Plan (as summarised in section 6.1 above) subject to Shareholder approval.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rules 7.1 and 10.11 is not required.

Specific information which must be provided to Shareholders in accordance with Listing Rule 10.15 is set out below.

## **7.2 Chapter 2E of the Corporations Act**

Section 208(1) of the Corporations Act provides that for the Company to give a financial benefit to a related party of the Company, the Company must:

- (n) obtain the approval of Shareholders to grant the financial benefit; and
- (o) give the benefit within 15 months following such approval,

unless the giving of the benefit falls within one of the exceptions set out in the Corporations Act.

For the purposes of Chapter 2E of the Corporations Act, Mr Khuda is a related party of the Company and the proposed issue of Shares to him under the Share Plan and the provision of a loan to assist in the subscription of the Plan Shares constitute the giving of a financial benefit.

Accordingly, the Company must seek Shareholder approval of the issue of Plan Shares to Mr Khuda and the provision of the loan.

Specific information which must be provided to Shareholders in accordance with section 219 of the Corporations Act is set out below.

## **7.3 Information required under Listing Rule 10.15 and section 219 of the Corporations Act**

Listing Rule 10.15 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval for the proposed issue of Shares to Mr Khuda under the Share Plan and the provision of a loan to assist Mr Khuda in the subscription of the Plan Shares:

- (a) the Plan Shares will be issued to Mr Khuda (or his nominee) indirectly through a trust established under the Share Plan (**Trust**);

- (b) the maximum number of Plan Shares to be issued to Mr Khuda (or his nominee) is 571,428;
- (c) the issue price of the Plan Shares will be \$1.75 in line with NEXTDC's recent institutional placement;
- (d) there have not been any Plan Shares issued or acquired under the Share Plan to date;
- (e) Directors, full-time or permanent part-time employees of the Company or any other person as determined by the Directors may participate, at the Directors' invitation, in the Share Plan. Mr Khuda is eligible to participate in the Share Plan;
- (f) a voting exclusion statement in relation to Resolutions 7.1 and 7.2 is included in the Notice of Meeting;
- (g) the related party to whom Resolution 7.1 and 7.2 would permit a financial benefit being given is Mr Khuda;
- (h) the Company will offer an interest free loan to Mr Khuda (**Borrower** for the purposes of the loan) for the total value of the issue price of the Plan Shares to assist Mr Khuda to subscribe for the Plan Shares. The material terms of the loan are:
  - (i) the loan must be repaid within 5 years of the date of the loan;
  - (ii) the Borrower must use the loan solely for the purpose of assisting in financing the acquisition of the Plan Shares;
  - (iii) the Borrower may direct the Trustee to sell a quarter of the Plan Shares issued to the Borrower under the Share Plan every 12 months over 4 tranche periods. The proceeds of any sale of the Plan Shares must be first applied to repay a quarter of the loan granted by the Company less the value of any repayments made by the Borrower at the time of that sale;
  - (iv) the Borrower agrees to grant the Company security over the Plan Shares to secure repayment of the loan to the Company; and
  - (v) the Borrower may only dispose of the Plan Shares if the loan is repaid in full to the Company or disposal occurs in accordance with paragraph 7.3(h)(iii).

A copy of the loan agreement will be available for inspection at the Meeting;

- (i) subject to Shareholder approval, the Company intends to make an Offer to Mr Khuda on or about 31 October 2011 and in any event within 12 months after the date of Shareholder approval;
- (j) the nature of the financial benefit to be given to Mr Khuda is the grant of 571,428 Plan Shares and the provision of the loan in the amount of \$1,000,000 to assist in the subscription of the Plan Shares;
- (k) if Shareholders approve Resolutions 5, 6, 7.1 and 7.2, and all Plan Shares and options are granted as contemplated by this Notice of Meeting, the Directors will have the following interest in Shares and options:

Director	Shares (excluding Plan Shares)	Shares (including Plan Shares)	Options
Mr Roger Clarke	280,000	280,000	250,000 options at \$1.00 exercise price
Mr Ted Pretty	Nil	Nil	750,000 options at \$1.40 exercise price
Mr Greg Baynton	260,714	260,714	250,000 options at \$1.00 exercise price
Mr Craig Scroggie	260,714	260,714	250,000 options at \$1.00 exercise price 250,000 options at \$1.40 exercise price
Mr Bevan Slattery	40,135,714	40,135,714	Nil
Mr Robin Khuda	214,286	785,714	500,000 options at \$1.50 exercise price 500,000 options at \$1.00 exercise price

- (l) as at the date of this Notice of Meeting, Mr Khuda had an interest in 214,286 Shares and 1,000,000 options to acquire Shares. That represents 0.1493% of the total Shares in the Company;
- (m) if all of the options previously granted to Mr Khuda were exercised and Resolutions 7.1 and 7.2 are approved, Mr Khuda will acquire an additional 1,571,428 Shares. If these were newly issued shares, Mr Khuda would have an interest in 1.2306% of the total issued ordinary shares in the Company as at the date of this Notice of Meeting;
- (n) the issue of the Plan Shares to Mr Khuda as outlined in Resolution 7.1 will result in a dilution of all other Shareholders' holdings in the Company of 0.3981% based on the number of Shares issued as at the date of this Notice of Meeting;
- (o) the granting of the loans may have an effect on the value of the Company. Under the Company's current circumstances, the Board considers that the incentive to Mr Khuda which would be represented by loans allowing the subscription of the Plan Shares would be a cost-effective and efficient incentive for the Company to provide, as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure executives and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The financial benefit is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging Mr Khuda to acquire and retain significant shareholdings in the Company which will align his interests with those of other Shareholders.

As the loan funds are used for payment by the Trustee of the issue price of the Plan Shares, the funds will be immediately returned to the Company in the form of subscription money. The granting of the loans will therefore have no effect on the Company's cashflow (other than in respect of any costs associated with the granting of the loans which are not expected to be material).

If Mr Khuda does not repay the loan within 5 years of the grant of the loan, the Company may request the Trustee to sell the Plan Shares relating to the outstanding loan on the share market for a price equal to the current market price of the Shares at the relevant time. The proceeds of that sale will be first set-off against the amount of any outstanding loan owing by Mr Khuda to the Company.

Any surplus proceeds from that sale will be paid to Mr Khuda. In this event, Mr Khuda would have received a financial benefit as he was able to earn a capital gain on the Plan Shares without having to fund the acquisition of the Plan Shares with his own funding or alternatively with a loan from a third party at commercial interest rates. Mr Khuda will also have held voting rights in the Plan Shares and associated rights for the duration of the loan.

In the event that there is a shortfall after that sale, Mr Khuda will only be required to repay the loan to the extent of the sale proceeds (in proportion to the number of Shares sold). The Company will have no other recourse against Mr Khuda in respect of the balance of the loan not met by those sale proceeds. In this event, Mr Khuda would receive a financial benefit in the form of the Company forgiving the amount of the loan not repaid using the sale proceeds.

The Board does not consider that the giving of the financial benefit will be likely to materially prejudice the interests of the Company or its Shareholders or the Company's ability to pay its creditors.

The Board considers that the limited recourse nature of the loan is appropriate to enable the Company to adequately incentivise Mr Khuda and encourage him to increase his shareholdings in the Company to align his interests with those of other Shareholders. The Board considers that the benefits achieved by offering a limited recourse loan exceeds the potential detriment to the Company of the loan not being fully repaid.

Other than as described in this Explanatory Memorandum, the Board does not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or material taxation consequences for the Company or benefits foregone by the Company in granting the loan pursuant to Resolution 7.2;

- (p) the details of Mr Khuda's remuneration for the financial year ended 30 June 2011 is as follows:

<b>Director</b>	<b>Shares (including Plan Shares)</b>	<b>Options</b>	<b>Salary</b>
Mr Robin Khuda	194,286	500,000 options at \$1.50 exercise price 500,000 options at \$1.00 exercise price	\$210,000

In addition, along with other Directors, he is entitled to reimbursement of reasonable expenses incurred in undertaking his duties for the Company;

- (q) Mr Robin Khuda has a material personal interest in the outcome of Resolutions 7.1 and 7.2 as the recipient of the Plan Shares proposed to be issued and the loan proposed to be provided;

- (r) the highest, lowest and last sale price of the Company's Shares on ASX, in the period from admission to the official list of ASX on 9 December 2010 to the date immediately preceding this Notice of Meeting, are contained in section 5.4 of this Explanatory Memorandum; and
- (s) other than the material set out in this Explanatory Memorandum, the Board is not aware of any other information which members of the Company would reasonably require in order to decide whether or not it is in the Company's interest to pass Resolutions 7.1 and 7.2.

#### **7.4 Recommendation**

Mr Khuda has an interest in the outcome of Resolutions 7.1 and 7.2 (as he is the recipient of the Shares and the loan) and therefore believes it is inappropriate to make a recommendation on those resolutions. All Directors (with Mr Khuda abstaining) recommend that Shareholders approve the issue of Plan Shares and the granting of the loan. No Director making this recommendation has an interest in the outcome of Resolutions 7.1 or 7.2.

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### **8. Resolution 8 - Appointment of Auditor**

Following the Company's formation on 11 May 2010 the Board appointed the Company's existing Auditor, PricewaterhouseCoopers, as Auditor of the Company pursuant to section 327A of the Corporations Act. However, an Auditor so appointed only holds office until the Company's first Annual General Meeting.

Section 327B of the Corporations Act requires a public company to appoint an Auditor at the first Annual General Meeting of the Public Company.

The Directors have considered the matter and now recommend that PricewaterhouseCoopers continue as Auditor of the Company and that Shareholders consider this resolution at the first Annual General Meeting. PricewaterhouseCoopers has consented in writing to its appointment as the Company's Auditor pursuant to section 328A(1) of the Corporations Act and has not withdrawn its consent.

In accordance with Section 328B of the Corporations Act, Bevan Slattery, a Shareholder, has nominated PricewaterhouseCoopers to be appointed Auditor of the Company and a copy of the notice of nomination of PricewaterhouseCoopers as Auditor accompanies the Notice of Meeting.

In the opinion of the Board, PricewaterhouseCoopers is a highly regarded firm of accountants, well-qualified to be Auditor of the Company and report to Shareholders.

#### **8.1 Recommendation**

The Board unanimously recommends that the Shareholders vote in favour of appointing PricewaterhouseCoopers as the Auditor of the Company.

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### **9. 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:

**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.

**Equity Interests** has the meaning ascribed to that term in the Listing Rules and as set out in the latest accounts provided to the ASX under the Listing Rules.

**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 at Regus, Level 18, Riverside Centre, 123 Eagle Street, Brisbane QLD 4000 on Monday, 31 October 2011 commencing at 10:00 am (Brisbane time).

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

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

**Offer** means an invitation made under the Share Plan to an eligible employee (as determined by the Directors) to subscribe for or acquire Shares under the Share Plan in accordance with the terms and conditions of that invitation.

**Option Plan** means the Company's Executive Share Option Plan.

**Plan Shares** means the Shares issued under the Share Plan to be approved by Shareholders under Resolution 6.

**Prospectus** means the Company's prospectus dated 9 November 2010.

**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.

**Share Plan** means the NEXTDC Loan Funded Share Plan.

**Trading Day** means a day on which the ASX is open for trading.

**Trustee** means NEXTDC Share Plan Pty Ltd ACN 153 214 325.

**30 Day VWAP** means the volume weighted average price of the Shares in the 30 Trading Day period ending on the Trading Day immediately prior to the determination of the issue price of the Shares to be issued under the Share Plan by the Directors.



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



**By fax:** +61 2 9287 0309



**All enquiries to: Telephone:** 1300 554 474 **Overseas:** +61 2 8280 7454



N E X T D C

**SHAREHOLDER VOTING FORM**

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

**STEP 1**

**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 (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00am (Brisbane time) on Monday, 31 October 2011, at Regus, Level 18, Riverside Centre, 123 Eagle Street, Brisbane, Queensland and at any adjournment or postponement of the meeting.

The Chairman of the Meeting intends to vote all available proxies in favour of all resolutions.

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 **X**

**STEP 2**

**VOTING DIRECTIONS**

**Resolutions**

	For	Against	Abstain*		For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of the NEXTDC Loan Funded Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Roger Clarke as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.1 Approval of acquisition of Shares by Mr Robin Khuda under the Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Greg Baynton as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.2 Approval to provide loan to Mr Robin Khuda for acquisition of Shares under the Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Mr Ted Pretty as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of the grant of options to Mr Craig Scroggie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**i** \* 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.

**Important for Resolutions 1, 5, 6, 7.1 and 7.2 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default**

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with his voting intentions on Resolutions 1, 5, 6, 7.1 and 7.2 as set out above and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Resolutions 1, 5, 6, 7.1 and 7.2, the Chairman of the Meeting will not cast your votes on Resolutions 1, 5, 6, 7.1 and 7.2 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. If you appoint the Chairman of the Meeting as your proxy you can direct him how to vote by either marking the boxes on any or all of the items in Step 2 above (for example if you wish to vote 'for', 'against' or 'abstain' from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Resolutions 1, 5, 6, 7.1 and 7.2).

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 1, 5, 6, 7.1 and 7.2.

I/we direct the Chairman of the Meeting to vote in accordance with his voting intentions on Resolutions 1, 5, 6, 7.1 and 7.2 (except where I/we have indicated a different voting intention above) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolutions 1, 5, 6, 7.1 and 7.2 are connected directly or indirectly with the remuneration of a member of the key management personnel and even if the Chairman of the Meeting has an interest in the outcome of that item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest.

**STEP 3**

**SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

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).



## HOW TO COMPLETE THIS 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 a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### 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.
- (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.

## 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 **10:00am (Brisbane time) on Saturday, 29 October 2011**, 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, Level 12, 680 George Street, Sydney NSW 2000.

**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.**