

ASX Release

8 October 2018

APDC –Takeover Bid

NEXTDC Limited (ASX: NXT) (“**NEXTDC**” or “the **Company**”) is pleased to advise that it has agreed terms with the Asia Pacific Data Centre Group, being stapled securities of Asia Pacific Data Centre Holdings Limited and the Asia Pacific Data Centre Trust (ASX: “**AJD**” or “**APDC Group**”) to acquire the remaining 70.8% of AJD securities it does not own via an unconditional all cash, on market takeover bid (“**the Offer**”).

NEXTDC further advises that 360 Capital Group (“**360 Capital**”), which holds an interest of 67.3% of the AJD securities, has stated that it intends to accept the NEXTDC Offer in respect of all of the securities in APDC that it holds in the absence of a superior proposal. Following acceptance of the Offer by 360 Capital, NEXTDC would have an interest in 96.5% of the AJD securities at which time NEXTDC intends to proceed to compulsory acquisition of the outstanding AJD securities.

The Offer

Under the Offer, NEXTDC will pay AJD securityholders cash consideration of \$2.00 per security.

AJD securityholders will also be entitled to two separate distributions (“**Permitted Distributions**”):

- a) special distribution of \$0.02 per security, declared on 8 October 2018 and payable on 14 November 2018, with a record date of 12 October 2018 (“**Special Distribution**”); and
- b) quarterly distribution of \$0.02 per security, which was declared on 20 September 2018 and payable on 25 October 2018, with a record date of 28 September 2018.

APDC Group’s core assets comprise three data centre properties occupied by NEXTDC under long-term lease arrangements: Sydney (S1), Melbourne (M1) and Perth (P1), (together the “**Portfolio**”).

The Portfolio had an independent valuation of \$261 million at 30 June 2018.

The Offer of \$2.00, plus Special Distribution of \$0.02 per security is equivalent to APDC’s Net Tangible Assets per security of \$2.02 at 30 June 2018.

Further details of the Offer are included in a bidder’s statement issued by NEXTDC today and annexed to this announcement, together with the bid implementation agreement, which governs the implementation of the Offer.

Acceptance - On Market

The Offer is unconditional.

The Offer will only be open until 26 November 2018 and will not be extended in the absence of a competing proposal.

The Offer represents NEXTDC’s ‘*best and final*’ price, and the consideration will not be increased in the absence of a competing proposal.

NEXTDC intends to immediately commence buying AJD securities on market through its appointed broker, Citigroup Global Markets Australia Pty Limited.

AJD securityholders wishing to accept the Offer, simply need to sell their AJD securities on market before the Offer closes on 26 November 2018.

NEXTDC Rationale

NEXTDC considers there are benefits to owning the Portfolio of data centres it currently leases given the Company's expanded capital base. The proposed acquisition of APDC will provide NEXTDC with an additional \$14 million of recurring annual cash flow savings (before interest charges) and strengthen the balance sheet through the addition of further tangible assets.

NEXTDC Chief Executive Officer, Craig Scroggie commented:

"Completing this acquisition is in line with our longer-term strategy to own more of our data centre properties. This will provide the Company greater flexibility in its capital structure as the Company continues to build out its significant pipeline of data centre developments."

Transaction Funding

The overall funding requirement for the APDC acquisition is expected to be approximately \$200 million, comprising payments made to acquire the 70.8% of APDC securities not currently owned, repayment of APDC's debt and transaction and restructuring costs. NEXTDC will fund the APDC acquisition from its existing cash reserves.

NEXTDC had liquidity in excess of \$900 million at 30 September 2018, including unaudited cash reserves of over \$600 million and \$300 million of undrawn senior debt facilities.

Advisers

Cadence Advisory is acting as financial adviser and Herbert Smith Freehills as legal adviser to NEXTDC.

ENDS

For more information:

Alex Teo

Manager Investor Relations and Corporate Development
T: +61 2 8072 4976
E: investorrelations@nextdc.com

Sue Cato (Media)

cato & clegg
T: +61 419 282 319
E: cato@catoandclegg.com

NEXTDC Investor Centre: www.nextdc.com/our-company/investor-centre

About NEXTDC

NEXTDC is an ASX200-listed technology company enabling business transformation through innovative data centre outsourcing solutions, connectivity services and infrastructure management software.

As Australia's leading independent data centre operator with a nationwide network of Tier III and IV facilities, NEXTDC provides enterprise-class colocation services to local and international organisations. With a focus on sustainability and renewable energy NEXTDC is leading the industry with award-winning engineering solutions for energy efficiency and NABERS 4.5-star certification.

NEXTDC is extending its leadership in data centre services through the innovative DCIM-as-a-Service software platform, ONEDC®, which enables customers to centrally manage their on-premise and colocated infrastructure; and advanced connectivity services that deliver a range of secure, highspeed interconnections between racks, networks and cloud services.

NEXTDC's Cloud Centre is the online marketplace for the country's largest independent network of carriers, cloud and IT service providers, enabling customers to freely source best of breed suppliers within the NEXTDC Partner community.

NEXTDC is *where the cloud lives*®.

To learn more, visit www.nextdc.com



HERBERT
SMITH
FREEHILLS

Agreement

Bid implementation agreement

NEXTDC Limited

Asia Pacific Data Centre Limited as responsible
entity of Asia Pacific Data Centre Trust

Asia Pacific Data Centre Holdings Limited

For personal use only



Contents

Table of contents

1	Definitions, interpretation and agreement components	2
1.1	Definitions	2
1.2	Interpretation	7
1.3	Interpretation of inclusive expressions.....	7
1.4	Agreement components.....	8
2	The Takeover Bid	8
2.1	Making the Takeover Bid	8
2.2	Independent Directors' recommendation and acceptance	8
2.3	APDC Announcement.....	8
2.4	Bidder Announcement	8
3	Launch of Takeover Bid	9
4	Facilitating the Offer	9
4.1	Bidder's Statement and Target's Statement.....	9
4.2	Dispatch of Offers	9
4.3	Access to information	9
4.4	Promoting the Takeover Bid	9
4.5	Conduct of business during Offer Period.....	10
4.6	Permitted Distributions.....	11
4.7	Appointment of directors	11
4.8	Run off insurance.....	11
4.9	No independent expert	12
5	Takeover Bid – variation and waiver	12
5.1	Variation.....	12
5.2	Extension	12
6	Payment of costs	12
6.1	Background.....	12
6.2	Payment of costs incurred by Bidder.....	13
6.3	Basis of Break Fee.....	13
6.4	Calculation of Break Fee	14
6.5	Refund	14
6.6	Payment.....	14
6.7	Compliance with law	14
6.8	APDC Group limitation of liability.....	14
6.9	Break Fee payable only once	15
7	Exclusivity	15
7.1	No talk.....	15
7.2	No shop.....	15
7.3	Notification	16
7.4	Compliance with law	16
7.5	Cease existing discussions.....	16
8	Confidentiality	16
8.1	Confidentiality Agreement.....	16



Contents

	8.2 Survival of obligations	17
9	Warranties	17
	9.1 Mutual warranties.....	17
	9.2 APDC Group warranties	17
	9.3 Bidder warranties	19
	9.4 Reliance on representations and warranties	20
	9.5 Notification	20
10	Termination	20
	10.1 Termination rights	20
	10.2 Effect of termination	21
11	GST	21
	11.1 Interpretation.....	21
	11.2 GST gross up.....	21
	11.3 Reimbursements and indemnifications.....	21
	11.4 Tax invoice.....	21
12	Dealing with a responsible entity	22
	12.1 Dealing with a Responsible Entity	22
13	Notices	22
	13.1 Form of Notice	22
	13.2 How Notice must be given and when Notice is received.....	23
	13.3 Notice must not be given by electronic communication.....	23
14	General	23
	14.1 Governing law and jurisdiction	23
	14.2 Duty, costs and expenses.....	23
	14.3 Invalidity and enforceability.....	24
	14.4 Joint and several rights and obligations	24
	14.5 Waivers and variation	24
	14.6 Assignment of rights	24
	14.7 Further assurances.....	24
	14.8 Counterparts	24
	14.9 Severability	24
	14.10 Attorneys.....	25
	Schedules	
	Schedule 1	
	Notice details	27
	Schedule 2	
	Agreed Bid Terms	28



Contents

Schedule 3	
Timetable	29
Schedule 4	
APDC Group's capital structure	30
Schedule 5	
Directors' interests	31
Schedule 6	
APDC Announcement	32
Schedule 7	
Bidder Announcement	33
Signing page	34

Herbert Smith Freehills owns the copyright in this document and using it without permission is strictly prohibited.

For personal use only



Bid implementation agreement

Date ►

Between the parties

Bidder

NEXTDC Limited

ACN 143 582 521 of Level 6, 100 Creek Street
Brisbane QLD 4000
Australia

APDC Trust

Asia Pacific Data Centre Limited as responsible entity of Asia Pacific Data Centre Trust

ARSN 161 049 556 of Level 11, 20 Hunter Street
Sydney NSW 2000
Australia

APDC Holdings

Asia Pacific Data Centre Holdings Limited

ACN 159 621 735 of Level 13, 135 King Street
Sydney NSW 2000
Australia

Recitals

- 1 The Bidder is proposing to make a Takeover Bid for all the Stapled Securities it does not already own and the members of the IBC and the board of the Responsible Entity are proposing to recommend the Takeover Bid in the absence of a Superior Proposal in a manner consistent with the APDC Announcement.
 - 2 The parties have agreed to implement the Takeover Bid on the terms and conditions set out in this agreement.
-

The parties agree as follows:

For personal use only



1 Definitions, interpretation and agreement components

1.1 Definitions

The meanings of the terms used in this agreement are set out below.

Term	Meaning
Accounts	the audited balance sheet of APDC as at the Accounts Date and the audited profit and loss account of APDC for the year ending on the Accounts Date.
Accounts Date	30 June 2018.
Agreed Bid Terms	the terms and conditions set out in Schedule 2.
Announcement Date	8 October 2018.
APDC Announcement	the APDC Announcement set out in Schedule 6.
APDC Group	the Asia Pacific Data Centre Group, being the APDC Trust and APDC Holdings.
APDC Group Member	a subsidiary or controlled entity of the APDC Group.
APDC Indemnified Party	the current and previous directors, officers and employees of APDC Group and its subsidiaries.
ASIC	the Australian Securities and Investments Commission.
associate	has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this agreement.
ASX	ASX Limited ABN 98 008 624 691.



Term	Meaning
Bidder Announcement	the announcement set out in Schedule 7.
Bidder's Statement	the bidder's statement to be prepared by the Bidder in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.
Break Fee	\$1.0m.
Business Day	a day on which banks are open for business in Melbourne and Sydney, other than a Saturday, Sunday or public holiday.
Claim	<p>any claim, demand, legal proceedings or cause of action including any claim, demand, legal proceedings or cause of action:</p> <ol style="list-style-type: none">1 based in contract (including breach of any warranty);2 based in tort (including misrepresentation or negligence);3 under common law or equity; or4 under statute (including the Australian Consumer Law (being Schedule 2 of the <i>Competition and Consumer Act 2010</i> (Cth) (CCA)) or Part VI of the CCA, or like provisions in any state or territory legislation), <p>in any way relating to this agreement or the transaction contemplated by it.</p>
Competing Proposal	<p>a bona fide proposal, agreement, arrangement or offer that, if entered into or successfully completed, would result in a person (either alone or together with its associates) other than the Bidder or its associates:</p> <ol style="list-style-type: none">1 directly or indirectly acquiring a relevant interest or an economic interest in 50% or more of the Stapled Securities or of the share capital of any of the APDC Group's related bodies corporate;2 directly or indirectly acquiring control of the APDC Group;3 directly or indirectly acquiring or becoming the holder of any interest in all or a substantial part of the business or assets of the APDC Group or any of its related bodies corporate; or4 otherwise acquiring or merging with the APDC Group, <p>whether by way of takeover offer, scheme of arrangement, shareholder-approved acquisition, capital reduction, buy back, sale or purchase of Securities or assets, joint venture, dual listed company structure (or other synthetic merger) or other transaction or arrangement.</p>
Confidentiality	the confidentiality agreement dated 28 September 2018 between

For personal use only



Term	Meaning
Agreement	the Bidder and the APDC Group.
control	has the meaning given in section 50AA of the Corporations Act. References in this agreement to controlled entities of the APDC Group are to the control by either APDC Holdings or by the Asia Pacific Data Centre Trust (including for these purposes, APDC Trust).
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Data Room	the electronic data room established by the APDC Group in connection with the Takeover Bid.
Director	a director of the APDC Group.
Distribution	any dividend or distribution (or any issue or grant of rights or entitlements to receive or subscribe for stapled securities, notes, bonds, options or other securities) made by the APDC Group after the Announcement Date, other than the Permitted Distributions.
Exclusivity Period	the period from the date of this agreement until: 1 the end of the Offer Period; or 2 the date that is 2 months after the date of this agreement, whichever is earlier.
Government Agency	any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.
IBC	the independent board committee of the APDC Holdings, comprising Lawrence Gibbs and John Wilson established to assess the Takeover Bid.
Independent Directors	Lawrence Gibbs and John Wilson.
Listing Rules	the official listing rules of ASX.

For personal use only



Term	Meaning
Offer	each offer to acquire Stapled Securities made in connection with the Takeover Bid.
Offer Period	the period that the Offer is open for acceptance.
Permitted Distributions	each of: <ol style="list-style-type: none">1 the distribution of \$0.02 per Stapled Security declared on 20 September 2018 and payable on 25 October 2018, with a record date of 28 September 2018; and2 the Special Distribution.
Properties	the properties owned by the APDC Group located at: <ol style="list-style-type: none">1 826-846 Lorimer Street, Port Melbourne, Victoria;2 4 Eden Park Drive, Macquarie Park, New South Wales; and3 101 Malaga Drive, Malaga, Western Australia.
Public Authority	any government or any governmental, semi governmental, statutory or judicial entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any self regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange.
Related Person	<ol style="list-style-type: none">1 an APDC Group Member;2 an adviser of the APDC Group or an adviser of an APDC Group Member; or3 an officer or employee of any entity referred to in items 1 or 2 of this definition.
relevant interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Responsible Entity	means Asia Pacific Data Centre Limited in its capacity as responsible entity of Asia Pacific Data Centre Trust.
Run Off Policy	means any director and officer run off insurance policy obtained by the APDC Group prior to the end of the Offer Period.
Securityholder	a registered holder of Stapled Securities.

For personal use only



Term	Meaning
Special Distribution	The capital distribution of \$0.02 per Stapled Security to be declared on the Announcement Date and payable on 14 November 2018, with a record date of 12 October 2018.
Specified Costs	the costs (including invoiced costs and estimates) set out in the transaction costs breakdown schedule in the form agreed by the parties.
Stapled Security	an ordinary share in the capital of APDC Holdings and an ordinary unit in the Asia Pacific Data Centre Trust.
subsidiary	<p>has the meaning given in Division 6 of Part 1.2 of the Corporations Act.</p> <p>For purposes of this agreement, a trust (the first trust) will be a subsidiary of another trust (the second trust) if:</p> <ol style="list-style-type: none">1 the trustee of the second trust (in its capacity as trustee of the second trust) can remove and appoint the trustee of the first trust;2 a majority of the units in the first trust are held by the trustee of the second trust for the benefit of the second trust;3 the first trust is a subsidiary of another trust that is a subsidiary of the second trust as the result of the operation of this definition one or more times. <p>References in this agreement to subsidiaries of the APDC Group are to subsidiaries of either APDC Holdings or the Asia Pacific Data Centre Trust.</p>
Superior Proposal	<p>a Competing Proposal that is:</p> <ol style="list-style-type: none">1 reasonably capable of being valued and completed in a timely manner, taking into account all aspects of the Competing Proposal and the person making it; and2 more favourable to Securityholders as a whole than the Offer, taking into account all the terms and conditions of the Competing Proposal.
Takeover Bid	a takeover bid by the Bidder that satisfies the requirements in clause 2.
Target's Statement	the target's statement to be prepared by the APDC Group in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.

For personal use only



Term	Meaning
Timetable	the timetable set out in Schedule 3.
Unacceptable Circumstances	has the meaning set out in section 657A of the Corporations Act.

1.2 Interpretation

In this agreement:

- (a) Headings and bold type are for convenience only and do not affect the interpretation of this agreement.
- (b) The singular includes the plural and the plural includes the singular.
- (c) Other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning.
- (d) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual.
- (e) A reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement.
- (f) A reference to any thing (including, but not limited to, any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation.
- (g) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (h) A reference to a document includes all amendments or supplements to, or replacements or novations of, that document.
- (i) A reference to a party to a document includes that party's successors and permitted assignees.
- (j) A reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing.
- (k) A reference to '\$' or 'dollars' is to Australian currency unless denominated otherwise.
- (l) A reference to any time is a reference to the time in Sydney.
- (m) Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.3 Interpretation of inclusive expressions

Specifying anything in this agreement after the words 'including', 'includes', 'for example' or similar expression does not limit what else is included unless there is express wording to the contrary.

For personal use only



1.4 Agreement components

This agreement includes any schedule.

2 The Takeover Bid

2.1 Making the Takeover Bid

The Bidder agrees to:

- (a) make offers pursuant to a market takeover bid under Chapter 6 of the Corporations Act to acquire all the Stapled Securities that it does not already own on terms and conditions no less favourable to Securityholders than the Agreed Bid Terms;
- (b) stand in the market to acquire securities at \$2.00 per security from the date of this agreement; and
- (c) without limiting this clause 2.1, publicly announce a proposal to make offers under the Takeover Bid, in accordance with clause 3, immediately after both parties have executed this agreement in accordance with the Bidder Announcement.

2.2 Independent Directors' recommendation and acceptance

The APDC Group represents and warrants that all of the members of the IBC and the board of the Responsible Entity has informed the APDC Group that, if the Bidder makes a Takeover Bid as contemplated by clause 2.1, they will:

- (a) unanimously recommend that Securityholders accept the Offer to be made to them under the Takeover Bid in a manner consistent with the APDC Announcement; and
- (b) accept, or procure the acceptance of, the Offer in respect of any Stapled Securities that they, or their associates, own or control, including the Stapled Securities set out in Schedule 5,

in each case in the absence of a Superior Proposal.

2.3 APDC Announcement

The APDC Group represents and warrants that the APDC Announcement is accurate and complete in all respects and contains no misleading or deceptive statements or omissions.

2.4 Bidder Announcement

The Bidder represents and warrants that the Bidder Announcement is accurate and complete in all respects and contains no misleading or deceptive statements or omissions.

For personal use only



3 Launch of Takeover Bid

Immediately after the execution and exchange of this agreement:

- (a) the Bidder will announce the Takeover Bid by issuing the Bidder Announcement in the form set out in Schedule 7;
- (b) the Bidder will lodge its Bidder's Statement with the ASX and ASIC and will send a copy to the APDC Group; and
- (c) the APDC Group must issue the APDC Announcement in the form set out in Schedule 6.

4 Facilitating the Offer

4.1 Bidder's Statement and Target's Statement

- (a) The APDC Group will, to the extent practicable, give the Bidder a reasonable opportunity to review an advanced draft of the Target's Statement at least 2 Business Days before the APDC Group is required to lodge the Target's Statement with the ASX and ASIC, and will consult in good faith with the Bidder in relation to any comments the Bidder may have.

4.2 Dispatch of Offers

- (a) Each party agrees to use reasonable endeavours to implement the Takeover Bid in accordance with the Timetable.
- (b) The APDC Group agrees to release its Target's Statement within 14 days after the Bidder's Statement is lodged with ASX and ASIC and given to the APDC Group.
- (c) Provided that a Superior Proposal has not been received by the APDC Group in the interim, each party agrees to use reasonable endeavours to send the Bidder's Statement and Target's Statement to Securityholders together.

4.3 Access to information

- (a) Each party agrees to provide the other party, on a timely basis, with information that may be reasonably required to assist in the preparation of the Bidder's Statement, the Target's Statement or any supplementary Bidder's Statement or supplementary Target's Statement (as applicable) as reasonably requested in writing.
- (b) Each party acknowledges that all information that is provided pursuant to this clause 4.3 will be provided subject to the terms of the Confidentiality Agreement.

4.4 Promoting the Takeover Bid

The APDC Group agrees:

- (a) to make all public statements relating to the Takeover Bid (following the initial announcement of the Takeover Bid made pursuant to clause 3) consistent with the APDC Announcement;

For personal use only



- (b) not to make any public statement or take any other public action which would suggest that the Takeover Bid is not unanimously recommended by the members of the IBC and the board of the Responsible Entity in accordance with the APDC Announcement unless a Superior Proposal emerges; and
- (c) not to withdraw its recommendation subsequently unless a Superior Proposal emerges.

4.5 Conduct of business during Offer Period

Until 26 November 2018, without the Bidder's prior written consent, the APDC Group must, and must procure that each APDC Group Member:

- (a) conducts their business in the usual and ordinary course and on a basis consistent with past practice or as may be required in order to satisfy a specific requirement of a Government Agency; and
- (b) makes reasonable endeavours in the ordinary course to preserve and maintain the value of their business and assets, and their relationships with customers, suppliers, employees and others with whom they have business dealings;
- (c) does not sell, dispose of, encumber, or create any interest in (or in relation to) any of the Properties or other assets other than as required for an advance of \$3 million primarily for the purposes of funding the Special Distribution
- (d) does not acquire any interest (including any interest under a lease) in any assets to the extent that the aggregate value of all interests acquired in assets since 30 June 2018 exceeds \$10,000
- (e) does not incur any financial indebtedness in respect of any borrowing, loan, financial accommodation, or other financing or hedging arrangements other than an advance of \$3 million primarily for the purposes of funding the Special Distribution;
- (f) does not provide any loan to any third party;
- (g) does not engage any new director, officer, employee or consultant, or change the terms of employment or engagement (including in relation to remuneration) of any director, officer, employee or consultant, other than in respect of the appointment of directors pursuant to clause 4.7;
- (h) does not cancel any existing insurance policy unless a replacement policy (on terms no less favourable to the APDC Group or relevant APDC Group Member, if available in the market place) has been put in place;
- (i) does not buy-back, cancel, repurchase or redeem any securities of the APDC Group or any APDC Group Member, or agree to any buy-back, cancellation, repurchase or redemption;
- (j) does not issue any securities (including Stapled Securities) or agree to issue any securities;
- (k) does not alter their constituent documents;
- (l) keeps and maintain proper records and make true and complete entries of all its dealings and transactions relating to the business and Properties;
- (m) does not destroy any records maintained for the business and Properties;
- (n) does not:
 - (1) incur any costs or expenses in connection with any sale or expression of interest process in relation to any of the assets of any APDC Group Member announced before the date of this agreement, any strategic

For personal use only



review conducted before the date of this agreement, or any litigation conducted before the date of this agreement, other than the Specified Costs; or

- (2) agree to pay any redundancy or other payments to any director, officer or employee other than as expressly disclosed to the Bidder or its advisers before the date of this agreement, or incur any further costs (not set out in the Specified Costs) other than in good faith;
- (o) does not enter into or vary any material, long term, related party or onerous agreement, arrangement or obligation relating to the business other than in the usual and ordinary course of business;
- (p) does not provide any guarantee or indemnity; and

does not release, waive or compromise any claim, or undertake not to bring proceedings in relation to any claim.

4.6 Permitted Distributions

Until 26 November 2018, APDC Group must not, without the prior written consent of the Bidder, announce, pay or declare any Distribution other than the Permitted Distributions.

4.7 Appointment of directors

APDC Group must, as soon as practicable after the later of:

- (a) NEXTDC becoming the registered holder of more than 50% of the Securities; and
 - (b) the release of the APDC Group's Target Statement,
- take all actions necessary to:
- (c) cause the appointment of 3 nominees of the Bidder to the APDC Holdings Board;
 - (d) ensure that all directors on the APDC Holdings Board, other than the Bidder nominees:
 - (1) resign; and
 - (2) unconditionally and irrevocably release the APDC Group from any claims they may have against the APDC Group other than rights under existing deeds of access and indemnity or any other rights to be reimbursed or indemnified for liabilities incurred; and
 - (e) ensure that all directors on the boards of the APDC Group's Subsidiaries:
 - (1) resign; and
 - (2) unconditionally and irrevocably release the APDC Group and its relevant subsidiaries from any claims they may have against them other than rights under existing deeds of access and indemnity or any other rights to be reimbursed or indemnified for liabilities incurred,

and to cause the appointment of nominees of the Bidder to those boards.

4.8 Run off insurance

The Bidder must ensure after the Date on which it becomes the registered holder of more than 50% of the Securities that the APDC Group maintains the Run Off Policy and provides any APDC Indemnified Party with such evidence as the party may, from time to

For personal use only



time, require to satisfy itself that the Run Off Policy has been maintained. APDC Group receives and holds the benefit of this clause as it relates to each APDC Group Indemnified Party as trustee for each of them such that each of them may enforce this clause and claim against the Bidder and the parties must not agree to this clause being amended without the consent of each APDC Indemnified Party

4.9 No independent expert

The parties agree that, in the absence of a Superior Proposal, an independent expert's report for the Target's Statement is not required by section 640 of the Corporations Act. The parties acknowledge and agree that the APDC Group will not commission the preparation of an independent expert's report for the Target's Statement in the absence of a Superior Proposal.

5 Takeover Bid – variation and waiver

5.1 Variation

The Bidder may vary the terms of the Takeover Bid in any manner which is permitted by the Corporations Act, provided that the varied terms and conditions are not less favourable to Securityholders than the Agreed Bid Terms.

5.2 Extension

Subject to the Corporations Act, the Bidder may extend the Takeover Bid at any time.

6 Payment of costs

6.1 Background

- (a) The Bidder and the APDC Group acknowledge that, if they enter into this agreement and the Takeover Bid is subsequently not implemented, the Bidder will incur significant costs.
- (b) In the circumstances referred to in clause 6.1(a), the Bidder has requested that provision be made for the payments outlined in this clause 6, without which the Bidder would not have entered into this agreement or have otherwise agreed to implement the Takeover Bid.
- (c) The APDC Group confirms that the IBC:
 - (1) has received legal advice in relation to this agreement and the operation of this clause 6; and
 - (2) believes that the Takeover Bid will provide benefits to the APDC Group and Securityholders and that it is appropriate for the APDC Group to agree to the payments referred to in this clause 6 in order to secure the Bidder's participation in the Takeover Bid.

For personal use only



6.2 Payment of costs incurred by Bidder

The APDC Group must pay the Break Fee to the Bidder if at any time following the Bidder's announcement of the Takeover Bid:

- (a) a Competing Proposal is announced or made before the end of the Offer Period and within 12 months of the third party announcing or making the Competing Proposal:
- (1) directly or indirectly acquires a relevant interest or an economic interest in 50% or more of the APDC Group's Stapled Securities or the share capital of any of its related bodies corporate;
 - (2) directly or indirectly acquires control of the APDC Group or APDC Group Member;
 - (3) directly or indirectly acquires or becomes the holder of any interest in all or a substantial part of the business or assets of the APDC Group or APDC Group Member;
 - (4) directly or indirectly acquires any interest in any of the Properties (other than by virtue of acquiring any of APDC Stapled Securities); or
 - (5) otherwise acquires or merges with the APDC Group.
- (b) any member of the IBC or the board of the Responsible Entity fails to recommend that Securityholders accept the Takeover Bid in accordance with the APDC Announcement in the absence of a Superior Proposal or, having made such a recommendation, makes a public statement which withdraws, revises or qualifies that recommendation;
- (c) any member of the IBC or the board of the Responsible Entity recommends that Securityholders accept or support a Competing Proposal; or
- (d) the Bidder terminates this agreement in accordance with clauses 10.1(b) or 10.1(c) of this agreement.

6.3 Basis of Break Fee

The Break Fee has been calculated to reimburse the Bidder for:

- (a) fees for legal and financial advice in planning and implementing the Takeover Bid;
- (b) reasonable opportunity costs incurred in engaging in the Takeover Bid or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) costs of its management's and directors' time in planning and implementing the Takeover Bid;
- (d) out of pocket expenses incurred by the Bidder's employees, advisers and agents in planning and implementing the Takeover Bid;
- (e) any damage to the Bidder's reputation associated with a failed transaction and the implications of that damage if the Bidder seeks to execute alternative acquisitions in the future; and
- (f) losses associated with any damage to the Bidder's goodwill with its customers, suppliers or employees,

incurred by the Bidder directly or indirectly as a result of pursuing the Takeover Bid.



6.4 Calculation of Break Fee

The parties acknowledge and agree that:

- (a) the loss actually incurred by the Bidder under clause 6.3 will be of such nature that it cannot accurately be ascertained; and
- (b) the Break Fee is a genuine and reasonable pre-estimate of those fees, costs and losses.

6.5 Refund

Despite anything contrary in this agreement, the Break Fee will not be payable to the Bidder if the Bidder becomes the holder of more than 50% of the APDC Group's Stapled Securities as a result of the Takeover Bid, notwithstanding the occurrence of any event referred to in clause 6.2, and if the Break Fee or any part of the Break Fee has already been paid to the Bidder it must be refunded.

6.6 Payment

- (a) The Bidder may demand payment under this clause 6 by written notice to the APDC Group after the occurrence of the event referred to in clause 6.2 giving rise to the right to payment which sets out:
 - (1) the circumstances giving rise to payment; and
 - (2) the nominated account into which the APDC Group must pay the Break Fee.
- (b) If the APDC Group is obliged under the terms of this clause 6 to pay an amount to the Bidder, the APDC Group must pay that amount to the Bidder within 5 Business Days of receiving a valid demand for payment in accordance with clause 6.6(a).

6.7 Compliance with law

If:

- (a) it is found by the Takeovers Panel or a court that all or any part of the payment required to be made under this clause 6 is unlawful, involves a breach of director's duties or constitutes Unacceptable Circumstances and the period for lodging an application for review or a notice of appeal (as applicable) has expired without the application or notice having been lodged; or
- (b) following lodgment of an application for review or a notice of appeal with the Takeovers Panel or a court within the prescribed period, it is found by the relevant review panel or appeal court that all or any part of the payment required to be made this clause 6 is unlawful, involves a breach of directors' duties or constitutes Unacceptance Circumstances,

(Challenged Amount), then:

- (c) the parties' undertakings under this clause 6 do not apply to the extent of the Challenged Amount; and
- (d) any party that has already received an amount under this clause 6 must refund any Challenged Amount.

6.8 APDC Group limitation of liability

For personal use only



Notwithstanding any other provision of this agreement, except in relation to a wilful or intentional breach of or non-compliance with any provision of this agreement:

- (a) the maximum aggregate liability of APDC Group to all other parties under or in connection with this agreement, including in respect of any breach of this agreement, will be the amount of the Break Fee; and
- (b) a payment by APDC Group in accordance with this clause 6 represents the sole and absolute liability of APDC Group and any APDC Group Member under or in connection with this agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by APDC Group in connection with this agreement.

6.9 Break Fee payable only once

Notwithstanding any other provision of this agreement, where the Break Fee becomes payable to the Bidder under this clause 6 and is actually paid to the Bidder, the Bidder cannot make any claim against APDC Group for payment of any subsequent Break Fee.

7 Exclusivity

7.1 No talk

- (a) During the Exclusivity Period, the APDC Group must ensure that neither it nor any of its Related Persons:
 - (1) directly or indirectly participates in any negotiations or discussions or provide any non-public information to any person in relation to an actual Competing Proposal or any inquiry, expression of interest, offer or proposal by any person in relation to a Competing Proposal;
 - (2) accepts or enters into, or offers to accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal;
 - (3) discloses any non-public information about the business or affairs of the APDC Group to a third party with a view to obtaining, or which may reasonably be expected to lead to receipt of, a Competing Proposal, other than as required by any applicable law or the requirement of a Government Agency; or
 - (4) communicates any intention to do any of the things listed in clauses 7.1(a)(1), 7.1(a)(2) and 7.1(a)(3) in respect of or in response to any expression of interest, offer or proposal by any person in relation to any Competing Proposal.
- (b) Nothing in this clause 7.1 prevents the APDC Group from continuing to make normal presentations to brokers, portfolio investors and analysts in the ordinary course of business or promoting the merits of the Takeover Bid.

7.2 No shop

During the Exclusivity Period, the APDC Group must ensure that neither it nor any of its Related Persons:

- (a) solicits, facilitates, encourages, invites or initiates steps with the objective of receiving an offer or proposal by any person (other than the Bidder) which

For personal use only



would reasonably be expected to encourage or lead to the making of any actual Competing Proposal; or

- (b) communicates any intention to do any of the things listed in clause 7.2(a) in respect of or in response to any expression of interest, offer or proposal by any person in relation to any Competing Proposal.

7.3 Notification

During the Exclusivity Period, the APDC Group must promptly notify the Bidder (and in any event within 2 Business Days of becoming aware) if:

- (a) it receives an approach, enquiry or proposal is made, directly or indirectly, to the APDC Group or any of its Related Persons with respect to a Competing Proposal, whether solicited or otherwise; or
- (b) APDC Group or any of its Related Persons provide any non-public information relating to the APDC Group or any of its related bodies corporate or their businesses or operations in connection with a current or future Competing Proposal.

7.4 Compliance with law

Clauses 7.1 and 7.3 do not apply to the extent that they require the APDC Group or the IBC to take, or omit to take, any action in respect of a Competing Proposal (which was not solicited, facilitated, encouraged, invited or initiated by the APDC Group or any of its Related Persons in breach of clause 7.2) where the APDC Group, having regard to a recommendation from the IBC or the board of the Responsible Entity, has determined in good faith and acting reasonably after:

- (a) consultation with its advisers, that the Competing Proposal is, or could reasonably become a Superior Proposal; and
- (b) receiving written advice from external lawyers, that failing to respond to that Competing Proposal would constitute a breach of the directors' fiduciary or statutory obligations, or would otherwise be unlawful.

7.5 Cease existing discussions

The APDC Group warrants that it is not involved in any discussions or negotiations existing as at the date of this agreement relating to:

- (a) any Competing Proposal; or
- (b) any transaction that is reasonably likely to reduce the likelihood of the success of the Takeover Bid.

8 Confidentiality

8.1 Confidentiality Agreement

- (a) The APDC Group releases the Bidder from its confidentiality obligations owed to the APDC Group under the Confidentiality Agreement to the extent necessary for the Bidder to make the Takeover Bid.
- (b) Each party acknowledges and agrees that, except as provided for in clause 8.1(a), it continues to be bound by the Confidentiality Agreement in

For personal use only

respect of all information received by it from the other party before or after the date of this agreement.

8.2 Survival of obligations

The rights and obligations of the parties under the Confidentiality Agreement survive termination of this agreement.

9 Warranties

9.1 Mutual warranties

Each party represents and warrants to the other that, as at the date of this agreement and until the close of the Offer Period:

- (a) it is validly incorporated, organised and subsisting under the laws of the place of its incorporation;
- (b) it has full power and capacity to enter into and perform its obligations under this agreement;
- (c) this agreement has been duly executed and is a legal, valid and binding agreement, enforceable against the party in accordance with its terms;
- (d) all necessary authorisations for the execution, delivery and performance by it of this agreement in accordance with its terms have been obtained;
- (e) it is not bound by any agreement that would prevent or restrict it from entering into and performing its obligations under this agreement or the transaction contemplated by it;
- (f) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it, for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets; and
- (g) no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement.

9.2 APDC Group warranties

- (a) In addition to the warranties set out in clause 9.1, the APDC Group represents and warrants that, as at the date of this agreement:
 - (1) the information contained in Schedule 4 is complete and accurate, and there are no other securities on issue, or that might be issued as a result of the exercise of any options, convertible securities or other rights;
 - (2) it is not in breach of its continuous disclosure obligations under the Listing Rules;
 - (3) the Accounts have been prepared:
 - in accordance with the Accounting Standards;

For personal use only



- in accordance with the requirements of the Corporations Act and any other applicable laws;
- in the manner described in the notes to them; and
- on a consistent basis with the equivalent accounts for the previous corresponding accounting period,

and include an unqualified auditor's opinion;

- (4) the Accounts give a true and fair view of the financial position of the APDC Group (and the APDC Group Members) as at the Accounts Date and of their performance for the financial period ended on the Accounts Date;
- (5) the Accounts include all liabilities (whether actual or contingent) of the APDC Group (and the APDC Group Members) as at 30 June 2018 in accordance with the requirements of the warranty in clause 9.2(a)(4);
- (6) since 30 June 2018, the business of the APDC Group (and the APDC Group Members) has been conducted in all material respects in the ordinary and usual course of business and in a proper and efficient manner, other than for the transactions contemplated by this agreement and neither the APDC Group, nor any APDC Group Members:
 - has sold, disposed of or created a encumbrance over any of the Properties or its other assets other than as required for an advance of \$3 million primarily for the purposes of funding the Special Distribution;
 - has acquired any interest (including any interest under a lease) in any assets to the extent that the aggregate value of all interests acquired in assets since 30 June 2018 exceeds \$10,000;
 - has incurred any financial indebtedness in respect of any borrowing, loan, financial accommodation, or other financing or hedging arrangements other than an advance of \$3 million primarily for the purposes of funding the Special Distribution;
 - has provided any loan to any third party;
 - engaged any new director, officer, employee or consultant, or changed the terms of employment or engagement (including in relation to remuneration) of any director, officer, employee or consultant;
 - cancelled any existing insurance policy unless a replacement policy (on terms no less favourable to the APDC Group or relevant APDC Group Member, if available in the market place) has been put in place having value in aggregate in excess of \$25,000;
 - has bought-back, cancelled, repurchased or redeemed any securities of the APDC Group or any APDC Group Member, or agreed to any buy-back, cancellation, repurchase or redemption;
 - has issued any securities (including Stapled Securities) or agree to issue any securities;
 - has altered any constituent documents;

For personal use only



- has destroyed any records maintained for the business and Properties;
 - has entered into or varied any material, long term, related party, or onerous agreement, arrangement or obligation relating to the business other than in the usual and ordinary course of business;
 - has provided any guarantee or indemnity other than in the usual and ordinary course of business; or
 - has released, waived or compromised any claim, or undertaken not to bring proceedings in relation to any claim other than in the usual and ordinary course of business; and
- (7) the Specified Costs record the outstanding costs and expenses incurred as at the date of this agreement in connection with any sale or expression of interest process in relation to any of the assets of any APDC Group Member announced before the date of this agreement, any strategic review conducted before the date of this agreement, the Takeover Bid or any litigation conducted before the date of this agreement;
- (8) the Specified Costs are accurate in all material respects; and
- (9) it has, not knowingly withheld any material information which would be material to the Bidder deciding whether to make the Offer.
- (b) For the purposes of clause 9.2(a)(7):
- (1) the APDC Group will be deemed to know or be aware of a particular fact, matter or circumstance if the APDC Group or a Director or officer of the APDC Group is actually aware of that fact, matter or circumstance as at the date of this agreement or would be aware of that fact, matter or circumstance if they had made reasonable enquiries in relation to that fact, matter or circumstance; and
 - (2) a fact, matter or circumstance is 'fully and fairly disclosed' if sufficient information has been disclosed that a sophisticated investor, experienced in transactions of the nature of the Takeover Bid and familiar with the commercial property sector would be aware of the substance and significance of the information.

9.3 Bidder warranties

In addition to the warranties set out in clause 9.1, the Bidder represents and warrants that, as at the date of this agreement:

- (a) it will have available to it sufficient cash amounts to enable it to perform its obligations to pay the total cash consideration payable to Securityholders under the Takeover Bid;
- (b) other than as contemplated by the Agreed Bid Terms, no approvals are required to be obtained by the Bidder under any law, rule or regulation (including under the Listing Rules) to perform and observe its obligations under this agreement and to consummate the transaction contemplated by this agreement; and
- (c) it will comply during the Offer Period with its obligations under Part 6.9 of the Corporations Act.

For personal use only



9.4 Reliance on representations and warranties

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.
- (c) Each party acknowledges and confirms that clauses 9.4(a) and 9.4(b) do not prejudice any rights a party may have in relation to information which has been filed by the other party with ASIC or ASX.

9.5 Notification

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations and warranties given by it under this clause 9.

10 Termination

10.1 Termination rights

A party may terminate this agreement by written notice to the other party if at any time after the date on which the Offer is announced under clause 3 and before the end of the Offer Period:

- (a) any of the members of the IBC or the board of the Responsible Entity change their recommendation in relation to the Takeover Bid as a result of the IBC or the board of the Responsible Entity determining that it has received a Superior Proposal;
- (b) the other party is in material breach of this agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by that other party within 10 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
- (c) a representation or warranty given by the other party under clause 9 is or becomes untrue in any material respect provided that:
 - (1) the breach of the representation or warranty is of a kind that, had it been disclosed to the first party before its entry into this agreement, could reasonably be expected to have resulted in that first party either not entering into this agreement or entering into it on materially different terms; and
 - (2) the first party has given its notice to the other party setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 10 Business Days from the time that notice was received.
- (d) a court or Government Agency has issued an order, decree or ruling, or taken other action, that permanently restrains or prohibits the Takeover Bid, and the action is final and cannot be appealed or reviewed or the party, acting

For personal use only



reasonably, believes that there is no realistic prospect of a successful appeal or review; or

- (e) the Bidder withdraws the Takeover Bid or the Takeover Bid lapses for any reason.

10.2 Effect of termination

If this agreement is terminated by a party under this clause 10:

- (a) each party will be released from its obligations under this agreement, except its obligations under clauses , 8.1(b), 11 and 14.2;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and
- (c) in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including, without limitation, any further obligations in respect of the Takeover Bid.

11 GST

11.1 Interpretation

In this clause 11, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that Act.

11.2 GST gross up

- (a) Subject to clause 11.2(b), if a party makes a supply under or in connection with this agreement in respect of which GST is payable, the consideration for the supply but for the application of this clause 11.2 (**GST exclusive consideration**) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) Clause 11.2(a) does not apply to any consideration that is expressed in this agreement to be inclusive of GST.

11.3 Reimbursements and indemnifications

If a party must reimburse or indemnify another party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other party is entitled to for the loss, cost or expense, and then increased in accordance with clause 11.2.

11.4 Tax invoice

A party need not make a payment for a taxable supply made under or in connection with this agreement until it receives a tax invoice for the supply to which the payment relates.

For personal use only



12 Dealing with a responsible entity

12.1 Dealing with a Responsible Entity

The parties acknowledge and agree that:

This clause 12.1 applies in respect of the capacity of Asia Pacific Data Centre Limited as responsible entity of Asia Pacific Data Centre Trust. For the purposes of this clause 12.1:

Trust means Asia Pacific Data Centre Trust; and

Responsible Entity means Asia Pacific Data Centre Limited.

- (a) the Responsible Entity enters into this document in the capacity as Responsible Entity of the Trust and in no other capacity;
- (b) except in the case of any liability of the Responsible Entity under or in respect of this document resulting from the Responsible Entity's fraud, negligence or wilful default or where the Responsible Entity's right of indemnity is otherwise reduced by operation of the law (as the law currently stands as at the date of this agreement), the recourse for any person to the Responsible Entity in respect of any obligations and liabilities of the Responsible Entity under or in respect of this document is limited to the extent to which the obligations and liabilities can be satisfied out of the assets of the Trust. This limitation of the Responsible Entity's liability applies despite any other provisions of this document and extends to all liabilities and obligations of the Responsible Entity in any way connected with any representation, warranty, past and future conduct, omission, agreement or transaction related to this document; and
- (c) if any party (other than the Responsible Entity) does not recover the full amount of any money owing to it arising from non-performance by the Responsible Entity of any of its obligations, or non-payment by the Responsible Entity of any of its liabilities, under or in respect of this document by enforcing the rights referred to in clause 12.1(b) that party may not (except in the case of fraud, negligence or wilful default by the Responsible Entity) seek to recover the shortfall by:
 - (1) bringing proceedings against the Responsible Entity in its personal capacity;
 - (2) seeking to appoint a liquidator, an administrator, a receiver or any similar person to the Responsible Entity (except in relation to the assets of the Trust); or
 - (3) applying to have the Responsible Entity wound up.

13 Notices

13.1 Form of Notice

A notice or other communication to a party under this agreement (**Notice**) must be:

- (a) in writing and in English; and
- (b) addressed to that party in accordance with the details nominated in Schedule 1 (or any alternative details nominated to the sending party by Notice).

For personal use only



13.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.

13.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in clause 13.2).

14 General

14.1 Governing law and jurisdiction

- (a) This agreement is governed by the law in force in New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum

14.2 Duty, costs and expenses

- (a) The Bidder must pay all stamp duty in respect of the execution, delivery and performance of this agreement.
- (b) Except as otherwise provided in this agreement, each party must pay its own legal costs and expenses in respect of the negotiation, preparation, execution, delivery and completion of this agreement.

For personal use only



14.3 Invalidity and enforceability

- (a) If any provision of this agreement is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 14.3(a) does not apply where enforcement of the provision of this agreement in accordance with clause 14.3(a) would materially affect the nature or effect of the parties' obligations under this agreement.

14.4 Joint and several rights and obligations

- (a) Each of the rights of APDC Holdings and the APDC Trust under this agreement are held jointly and may only be exercised by them jointly.
- (b) Each of the obligations and liabilities of APDC Holdings and the APDC Trust under this agreement are owed jointly and severally.

14.5 Waivers and variation

- (a) A provision of, or a right, discretion or authority created under, this agreement may not be:
 - (1) waived except in writing signed by the party granting the waiver; and
 - (2) varied except in writing signed by the parties.
- (b) A failure or delay in exercise, or partial exercise, of a power, right, authority, discretion or remedy arising from a breach of, or default under this agreement does not result in a waiver of that right, power, authority, discretion or remedy.

14.6 Assignment of rights

- (a) Rights arising out of or under this agreement are not assignable by a party without the prior written consent of the other party.
- (b) A breach of clause 14.6(a) by a party entitles the other party to terminate this agreement.
- (c) Clause 14.6(b) does not affect the construction of any other part of this agreement.

14.7 Further assurances

Each party must do all things and execute all further documents necessary to give full effect to this agreement.

14.8 Counterparts

This agreement may be executed in any number of counterparts.

14.9 Severability

Any provision in this agreement that is invalid or unenforceable in any jurisdiction is to be read down for the purpose of that jurisdiction, if possible, so as to be valid and enforceable, and otherwise shall be severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this agreement or affecting the validity or enforceability of that provision in any other jurisdiction.

For personal use only



14.10 Attorneys

Each of the attorneys executing this agreement (if any) states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.

For personal use only



Schedules

Table of contents

Notice details	27
Agreed Bid Terms	28
Timetable	29
APDC Group's capital structure	30
Directors' interests	31

For personal use only



Schedule 1

Notice details

NEXTDC Limited

Address Level 6, 100 Creek Street
Brisbane QLD 4000
Australia

Attention Company Secretary

Phone +61 3 8672 0608

Email Michael.Helmer@nextdc.com

Asia Pacific Data Centre Limited as responsible entity of Asia Pacific Data Centre Trust

Address Level 11, 20 Hunter Street
Sydney NSW 2000
Australia

Attention Frank Tearle

Phone (02) 8277 0000

Email Frank.Tearle@oneinvestment.com.au

Asia Pacific Data Centre Holdings Limited

Address Level 13, 135 King Street
Sydney NSW 2000
Australia

Attention Lawrence Gibbs

Phone (02) 8985 2801

Email Lawrie.Gibbs@bgcapital.com.au

For personal use only



Schedule 2

Agreed Bid Terms

1 Consideration

The consideration under the Offer is \$2.00 per Stapled Security (less the amount (or value reasonably assessed by the Bidder) of any Distribution (which for the avoidance of doubt does not include Permitted Distributions) the benefit of which is received by Securityholders who accept the Offer which will be deducted from the consideration otherwise due to them under the Offer), subject to any improvement permitted by the Corporations Act.

The Bidder's Statement will include a statement from the Bidder that the consideration set out above is the Bidder's best and final offer and will not be increased in the absence of a Competing Proposal.

2 Offer Period

- (a) Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of the Offer and ending at 7pm on the later of:
 - (1) 26 November 2018; or
 - (2) any date to which the Offer Period is extended.
- (b) If, within the last 7 days of the Offer Period, the Bidder's voting power in the APDC Group increases to more than 50%, then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.
- (c) The Bidder's Statement will include a statement from the Bidder that the Offer Period set out above will not be extended in the absence of a Competing Proposal, other than as required by the Corporations Act.

For personal use only



Schedule 3

Timetable

Event	Date
NEXTDC announcement of Takeover Bid and stands in the market until completion of the Bid Period	8 October 2018
APDC Group announcement of response to Takeover Bid	8 October 2018
Bidder lodges Bidder's Statement with ASIC and serves it on the APDC Group and ASX	8 October 2018
Announcement of Special Dividend	8 October 2018
Ex-date for Special Dividend	11 October 2018
Record Date for Special Dividend	12 October 2018
The APDC Group lodges Target's Statement with ASIC and serves it on Bidder and ASX	On or before 19 October 2018
Completion of joint dispatch of Bidder's Statement and Target's Statement to Securityholders	22 October 2018
Offer Period commences	23 October 2018
Payment Date for Special Dividend	14 November 2018



Schedule 4

APDC Group's capital structure

115,000,100 fully paid Stapled Securities

For personal use only



Schedule 5

Directors' interests

Director	Securities
Justin Epstein	3,000 securities held in Egartibra Pty Ltd ATF Amalfi Trust

For personal use only



Schedule 6

APDC Announcement

For personal use only

ASX RELEASE

ASX Code: AJD

8 October 2018

Asia Pacific Data Centre Holdings Limited and Asia Pacific Data Centre Trust

NEXTDC Limited (ASX: NXT) On-Market Takeover Bid

Asia Pacific Data Centre Group (**ASX: AJD**) and NEXTDC Limited (**ASX: NXT**) have entered into a bid implementation agreement (**Bid Implementation Agreement**) relating to an, all-cash, on-market takeover bid by NEXTDC Limited (**NEXTDC**) to acquire all of the securities in AJD which it does not already own (**NEXTDC Offer**). NEXTDC currently holds an interest in 29.2% of the AJD securities.

The Bidder's Statement, which NEXTDC released via the ASX platform today, will be sent to AJD securityholders in the next 14 days. AJD will then issue its Target's Statement within 14 days.

The offer price under the NEXTDC Offer is \$2.00 cash per security (**Offer Price**).

AJD securityholders will also be entitled to a special distribution of \$0.02 per security payable on 14 November 2018, with a record date of 12 October 2018 (**Special Distribution**). To ensure they receive the Special Distribution, AJD securityholders must be on the AJD register of securityholders on 10 October 2018. Accordingly, AJD securityholders who wish to receive their Special Distribution, should not dispose of their AJD securities until the securities trade "ex" the Special Distribution. It is expected that the AJD securities will trade "ex" the Special Distribution on 11 October 2018.

AJD securityholders will be entitled to the Special Distribution irrespective of the NEXTDC Offer. The NEXTDC Offer will also have no impact on the September quarterly distribution of \$0.02 per security, which was declared on 20 September 2018 and is payable on 25 October 2018, with a record date of 28 September 2018.

NEXTDC has stated it will offer to buy on market all securities which it does not already hold at the Offer Price from today until the close of the NEXTDC Offer.

NEXTDC has stated that the NEXTDC Offer represents its *'best and final'* price, and the Offer Price will not be increased in the absence of a competing proposal. The NEXTDC Offer will be open until 26 November 2018 and will not be extended in the absence of a competing proposal.

360 Capital Group (**360 Capital**) (**ASX:TGP**) which holds an interest in 67.3% of the AJD securities, has stated that it will accept the NEXTDC Offer in respect of all of the securities in AJD that it holds in the absence of a superior proposal (**Intention Statement**). Accordingly, in the absence of a superior proposal emerging, 360 Capital will accept the NEXTDC Offer for its entire holding.

A copy of the full Bid Implementation Agreement is annexed to this announcement.

For personal use only

The Offer Price and Special Distribution in aggregate equate to \$2.02. This represents:

- a 8.0% premium to the \$1.87 closing price of securities as at 5 October 2018 being the last trading day before the release of the NEXTDC Offer;
- a 9.2% premium to the \$1.85 30-day VWAP of securities to 5 October 2018; and
- APDC's net tangible assets per security of \$2.02 at 30 June 2018.

The Board of Asia Pacific Data Centre Holdings Limited has established an Independent Board Committee (**IBC**) to consider and evaluate the terms of the NEXTDC Offer.

The IBC and the Board of Asia Pacific Data Centre Limited as the responsible entity of the Asia Pacific Data Centre Trust (**Responsible Entity**) recommend that AJD securityholders accept the NEXTDC Offer once 360 Capital sells its entire holding in AJD to NEXTDC.

If 360 Capital accepts the NEXTDC Offer, NEXTDC will be in a position to proceed to compulsory acquisition given it will own greater than 90 per cent of the AJD securities. Accepting the NEXTDC Offer will accelerate the time in which AJD securityholders receive their sale proceeds.

Should 360 Capital not accept the NEXTDC Offer due to a superior proposal emerging, the IBC and the Board of the Responsible Entity recommend that AJD securityholders do not accept the NEXTDC Offer given they may have the option of participating in any superior offer should one emerge. For this reason and subject to the individual financial position of each AJD securityholder, the IBC and the Board of the Responsible Entity recommend that securityholders defer accepting the NEXTDC Offer until after 360 Capital has accepted the NEXTDC Offer.

As at the date of this announcement, no member of the IBC or the Board of the Responsible Entity is aware of any potential competing or superior proposal that has emerged, and there is no guarantee that any such proposal will emerge.

AJD securityholders should read the Bidder's Statement and the Target's Statement (when available) and consult with their financial, legal and tax advisors before taking any action in respect of the NEXTDC Offer.

An announcement will be made when 360 Capital accepts the NEXTDC Offer or where a superior proposal emerges.

For further information, please contact:

Lawrence Gibbs
Chairman – Independent Board Committee
Asia Pacific Data Centre Holdings Limited

Frank Tearle
Executive Director
Asia Pacific Data Centre Limited as responsible
entity of Asia Pacific Data Centre Trust

For personal use only



Schedule 7

Bidder Announcement

For personal use only

ASX Release

8 October 2018

APDC –Takeover Bid

NEXTDC Limited (ASX: NXT) (“**NEXTDC**” or “the **Company**”) is pleased to advise that it has agreed terms with the Asia Pacific Data Centre Group, being stapled securities of Asia Pacific Data Centre Holdings Limited and the Asia Pacific Data Centre Trust (ASX: “**AJD**” or “**APDC Group**”) to acquire the remaining 70.8% of AJD securities it does not own via an unconditional all cash, on market takeover bid (“**the Offer**”).

NEXTDC further advises that 360 Capital Group (“**360 Capital**”), which holds an interest of 67.3% of the AJD securities, has stated that it intends to accept the NEXTDC Offer in respect of all of the securities in APDC that it holds in the absence of a superior proposal. Following acceptance of the Offer by 360 Capital, NEXTDC would have an interest in 96.5% of the AJD securities at which time NEXTDC intends to proceed to compulsory acquisition of the outstanding AJD securities.

The Offer

Under the Offer, NEXTDC will pay AJD securityholders cash consideration of \$2.00 per security.

AJD securityholders will also be entitled to two separate distributions (“**Permitted Distributions**”):

- a) special distribution of \$0.02 per security, declared on 8 October 2018 and payable on 14 November 2018, with a record date of 12 October 2018 (“**Special Distribution**”); and
- b) quarterly distribution of \$0.02 per security, which was declared on 20 September 2018 and payable on 25 October 2018, with a record date of 28 September 2018.

APDC Group’s core assets comprise three data centre properties occupied by NEXTDC under long-term lease arrangements: Sydney (S1), Melbourne (M1) and Perth (P1), (together the “**Portfolio**”).

The Portfolio had an independent valuation of \$261 million at 30 June 2018.

The Offer of \$2.00, plus Special Distribution of \$0.02 per security is equivalent to APDC’s Net Tangible Assets per security of \$2.02 at 30 June 2018.

Further details of the Offer are included in a bidder’s statement issued by NEXTDC today and annexed to this announcement, together with the bid implementation agreement, which governs the implementation of the Offer.

Acceptance - On Market

The Offer is unconditional.

The Offer will only be open until 26 November 2018 and will not be extended in the absence of a competing proposal.

The Offer represents NEXTDC’s ‘*best and final*’ price, and the consideration will not be increased in the absence of a competing proposal.

NEXTDC intends to immediately commence buying AJD securities on market through its appointed broker, Citigroup Global Markets Australia Pty Limited.

AJD securityholders wishing to accept the Offer, simply need to sell their AJD securities on market before the Offer closes on 26 November 2018.

NEXTDC Rationale

NEXTDC considers there are benefits to owning the Portfolio of data centres it currently leases given the Company's expanded capital base. The proposed acquisition of APDC will provide NEXTDC with an additional \$14 million of recurring annual cash flow savings (before interest charges) and strengthen the balance sheet through the addition of further tangible assets.

NEXTDC Chief Executive Officer, Craig Scroggie commented:

"Completing this acquisition is in line with our longer-term strategy to own more of our data centre properties. This will provide the Company greater flexibility in its capital structure as the Company continues to build out its significant pipeline of data centre developments."

Transaction Funding

The overall funding requirement for the APDC acquisition is expected to be approximately \$200 million, comprising payments made to acquire the 70.8% of APDC securities not currently owned, repayment of APDC's debt and transaction and restructuring costs. NEXTDC will fund the APDC acquisition from its existing cash reserves.

NEXTDC had liquidity in excess of \$900 million at 30 September 2018, including unaudited cash reserves of over \$600 million and \$300 million of undrawn senior debt facilities.

Advisers

Cadence Advisory is acting as financial adviser and Herbert Smith Freehills as legal adviser to NEXTDC.

ENDS

For more information:

Alex Teo

Manager Investor Relations and Corporate Development
T: +61 2 8072 4976
E: investorrelations@nextdc.com

Sue Cato (Media)

cato & clegg
T: +61 419 282 319
E: cato@catoandclegg.com

NEXTDC Investor Centre: www.nextdc.com/our-company/investor-centre

About NEXTDC

NEXTDC is an ASX200-listed technology company enabling business transformation through innovative data centre outsourcing solutions, connectivity services and infrastructure management software.

As Australia's leading independent data centre operator with a nationwide network of Tier III and IV facilities, NEXTDC provides enterprise-class colocation services to local and international organisations. With a focus on sustainability and renewable energy NEXTDC is leading the industry with award-winning engineering solutions for energy efficiency and NABERS 4.5-star certification.

NEXTDC is extending its leadership in data centre services through the innovative DCIM-as-a-Service software platform, ONEDC®, which enables customers to centrally manage their on-premise and colocated infrastructure; and advanced connectivity services that deliver a range of secure, highspeed interconnections between racks, networks and cloud services.

NEXTDC's Cloud Centre is the online marketplace for the country's largest independent network of carriers, cloud and IT service providers, enabling customers to freely source best of breed suppliers within the NEXTDC Partner community.

NEXTDC is *where the cloud lives*®.

To learn more, visit www.nextdc.com



Signing page

Executed as an agreement

Signed by
NEXTDC Limited
by

sign here ► 
Company Secretary/Director

print name **MICHAEL HELMER**
COMPANY SECRETARY

sign here ► 
Director

print name **CRAIG SEEGER**

Signed by
Asia Pacific Data Centre Limited
as responsible entity of Asia
Pacific Data Centre Trust
by

sign here ► _____
Company Secretary/Director

print name _____

sign here ► _____
Director

print name _____

Signed by
Asia Pacific Data Centre
Holdings Limited
by

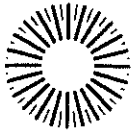
sign here ► _____
Company Secretary/Director

print name _____

sign here ► _____
Director

print name _____

For personal use only



Signing page

Executed as an agreement

Signed by
NEXTDC Limited
by

sign here ► _____
Company Secretary/Director


sign here ► _____
Director

print name _____

print name _____

Signed by
Asia Pacific Data Centre Limited
as responsible entity of Asia
Pacific Data Centre Trust
by

sign here ►  _____
Company Secretary/Director


sign here ►  _____
Director

print name Sarah Wiesener

print name FRANK JOHN TEARLE

Signed by
Asia Pacific Data Centre
Holdings Limited
by

sign here ►  _____
Company Secretary/Director

sign here ►  _____
Director

print name John Wilson

print name LAWRENCE GIBBS

For personal use only



N E X T D C where the cloud lives®

Bidder's Statement

for an unconditional, on-market takeover bid
by

NEXTDC Limited

ACN 143 582 521

to purchase all of Your Securities in

Asia Pacific Data Centre Group

ACN 159 621 735

for \$2.00 cash per Security

Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832), AFSL No. 240992 has been appointed as the broker for NEXTDC Limited and will stand in the market and accept Securities offered to it at the Offer Price from 11.00 am on 8 October 2018

THIS OFFER HAS NO CONDITIONS AND IS ABLE TO BE ACCEPTED IMMEDIATELY

This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document or the Offer, you should contact your broker, financial adviser or legal adviser immediately.

This Offer opens on 23 October 2018 and will close at the end of trading (4pm, Sydney time) on 26 November 2018, unless withdrawn or extended.

Financial Adviser



Legal Adviser



For personal use only

Key dates

Announcement of NEXTDC Offer	8 October 2018
Bidder's Statement lodged with ASIC and ASX	8 October 2018
Asia Pacific Data Centre Group Securityholders able to sell Securities to NEXTDC	11.00am, 8 October 2018
Special Distribution Record Date	12 October 2018
NEXTDC Offer Period officially commences	23 October 2018
NEXTDC Offer closes (unless extended or withdrawn)	4.00 pm (Sydney time) on 26 November 2018

Key Contacts

Share registrar for the Offer	NEXTDC Offer Information Line*
Link Market Services Limited Level 15, 324 Queen St Brisbane QLD 4000	1300 853 816 (within Australia) +61 1300 853 816 (outside Australia)
	* Calls to these numbers may be recorded

Contents

Chairman's letter

Why you should accept the NEXTDC Offer

- 1 Frequently Asked Questions
- 2 Overview of the NEXTDC Offer
- 3 Information on NEXTDC
- 4 Information on APDC
- 5 Information on APDC's Securities
- 6 Sources of consideration
- 7 NEXTDC's intentions in relation to APDC
- 8 Tax considerations
- 9 Other material information
- 10 Definitions and interpretation
- 11 Approval of Bidder's Statement

Corporate directory

Important information

This Bidder's Statement is issued by NEXTDC Limited ACN 143 582 521 (**NEXTDC**) under Part 6.5 of the Corporations Act and sets out certain disclosures required by the Corporations Act, together with the terms of the NEXTDC Offer to acquire your Securities.

This Bidder's Statement is dated 8 October 2018.

A copy of this Bidder's Statement was lodged with ASIC and given to ASX on 8 October 2018. Neither ASIC, nor ASX, nor any of their respective officers take any responsibility for the content of this Bidder's Statement.

The NEXTDC Offer relates to all Securities that exist or will exist during the Offer Period.

You should read the entire Bidder's Statement, and the target's statement that Asia Pacific Data Centre (**APDC**) will shortly be sending to you, before deciding whether to accept the NEXTDC Offer.

Investment advice

In preparing this Bidder's Statement, NEXTDC has not taken into account the individual objectives, financial situation or needs of individual Securityholders. Accordingly, before making a decision whether or not to accept the NEXTDC Offer, you should consider consulting your financial or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements, including statements of current intention or expectation. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which APDC, NEXTDC and the members of the NEXTDC Group operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of NEXTDC, the officers of NEXTDC, any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the

accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forwarding looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to APDC information

The information on APDC, APDC's Securities and the APDC Group contained in this Bidder's Statement has been prepared by NEXTDC using publicly available information.

Information in this Bidder's Statement concerning APDC's business has not been independently verified by NEXTDC. Accordingly NEXTDC does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to APDC's business may be included in APDC's target's statement which APDC must provide to its securityholders in response to this Bidder's Statement.

Responsibility statement

The information in this Bidder's Statement has been prepared by NEXTDC and is the sole responsibility of NEXTDC, except for the Tax Considerations section prepared by Greenwoods & Herbert Smith Freehills which is the sole responsibility of Greenwoods & Herbert Smith Freehills.

No member of NEXTDC or any director, officer, employee or adviser of NEXTDC assumes any responsibility for the accuracy or completeness of the Tax Considerations section.

Non-IFRS financial measures

NEXTDC's results are reported under International Financial Reporting Standards (**IFRS**). However, this Bidder's Statement includes certain financial information that are non-IFRS financial measures for the purposes of providing a more comprehensive understanding of the performance of NEXTDC. These non-IFRS financial measures include EBITDA and other measures which provide useful information for measuring the underlying performance of NEXTDC. Such non-IFRS information is unaudited, however the numbers

For personal use only

have been extracted from audited financial statements.

Privacy

NEXTDC has collected your information from the APDC register of securityholders for the purpose of making this NEXTDC Offer and, if accepted, administering a record of your acceptance of the NEXTDC Offer for your holding of Securities. The Corporations Act requires the name and address of securityholders to be held in a public register. Your information may be disclosed on a confidential basis to NEXTDC's related bodies corporate and external service providers, and may be required to be disclosed to regulators such as ASIC. In accordance with the Privacy Act 1988 (Cth), APDC Securityholders may request access to personal information about them held by the NEXTDC and its agents. APDC Securityholders may contact NEXTDC on the Offer Information Line if they have questions about their personal information. The registered address of NEXTDC is Level 6, 100 Creek Street, Brisbane, QLD 4000.

Foreign Jurisdictions

The distribution of this Bidder's Statement and the making of the NEXTDC Offer may, in some jurisdictions, be restricted by law or regulation. The NEXTDC Offer is not being made, directly or indirectly, in or into, and will not be capable of acceptance from, any jurisdiction in which the making of the NEXTDC Offer, or acceptance of the NEXTDC Offer, would not be in compliance with the laws of that jurisdiction. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, any of those restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any of these jurisdictions. NEXTDC does not assume any responsibility for any violation by any person of any of these restrictions.

Diagrams and rounding

Any diagrams and tables appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams and tables is based on information available at the date of this Bidder's Statement.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Bidder's Statement.

Websites are not part of this Bidder's Statement

Any website links in this Bidder's Statement (including www.nextdc.com), are for your reference only. Information contained in, or otherwise accessible from, those websites does not form part of this Bidder's Statement.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 10 of this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

How to accept

To accept the NEXTDC Offer you should follow the instructions set out in section 2.2 of this Bidder's Statement.

For personal use only



Chairman's letter

8 October 2018

Dear Securityholders,

Takeover Bid for Asia Pacific Data Centre Group

On behalf of the Board of NEXTDC Limited (**NEXTDC**), I am pleased to present to you this attractive offer to acquire all of your Securities in Asia Pacific Data Centre Group (**APDC**).

NEXTDC is offering \$2.00 cash for each Security you own in APDC (the **NEXTDC Offer**).

Securityholders who are registered holders of Securities on the relevant record dates will also be entitled to receive two separate distributions (**Permitted Distributions**):

- special distribution of \$0.02 per Security, declared on 8 October 2018 and payable on 14 November 2018, with a record date of 12 October 2018 (**Special Distribution**); and
- September quarterly distribution of \$0.02 per Security, which was declared on 20 September 2018 and is payable on 25 October 2018, with a record date of 28 September 2018 (**September Quarterly Distribution**).

The Offer Price of \$2.00, plus the Special Distribution of \$0.02, per Security is equivalent to:

- APDC's net tangible assets per Security of \$2.02 at 30 June 2018; and
- an 8.0% premium to the closing price of \$1.87 per Security on 5 October 2018, the last Trading Day before the date of this Bidder's Statement.

APDC's assets include three data centre properties occupied by NEXTDC under long-term lease arrangements: Sydney (S1), Melbourne (M1) and Perth (P1), (**Properties**).

The Properties had an independent valuation of \$261 million at 30 June 2018, which was reflected in the net tangible assets referenced above.

The NEXTDC Offer may only be accepted by selling Your Securities on-market on the ASX. NEXTDC has appointed Citi to act as its on-market broker and accept Securities offered to it at the Offer Price from 11.00am (Sydney time) on 8 October 2018 until 4.00 pm (Sydney time) on 26 November 2018. A summary of how to sell Your Securities is set out in section 2.2 of this Bidder's Statement.

The NEXTDC Offer is free of all conditions allowing you to receive your cash within two Trading Days of accepting the NEXTDC Offer (that is, on a T+2 basis).

360 Capital, which holds a Relevant Interest in 67.3% of the Securities has stated that it intends to accept the NEXTDC Offer in respect of all of the securities in APDC that it holds in the absence of a superior proposal. Following acceptance of the Offer by TGP, NEXTDC would have an interest in 96.5% of the stapled securities in AJD at which time NEXTDC intends to proceed to compulsory acquisition of the outstanding AJD securities. Accordingly, the Independent Directors of APDC have recommended that Securityholders accept the NEXTDC Offer once 360 Capital accepts.

Details of the NEXTDC Offer, including its terms, are set out in this Bidder's Statement. I strongly encourage Securityholders to read all of this Bidder's Statement and the target's statement that APDC will shortly be sending to you carefully, and then to accept the NEXTDC Offer at the appropriate time by selling Your Securities on-market on the ASX. APDC Securityholders should be aware that if you accept the NEXTDC Offer before the

For personal use only



ex-date of 11 October 2018, for the Special Distribution, you will not receive the Special Distribution.

This is NEXTDC's '*best and final*' offer and the Offer Price will not be increased in the absence of a competing proposal. NEXTDC will also not extend the Offer Period beyond the scheduled closing date of 4.00 pm (Sydney time) on 26 November 2018, unless required under the Corporations Act or in response to a competing proposal.

If you have any questions in relation to the NEXTDC Offer, or how to accept it, please contact the NEXTDC Offer Information Line on 1300 853 816 from within Australia or +61 1300 853 816 from outside Australia.

Yours sincerely

Doug Flynn
Independent Chairman

For personal use only

Why you should accept the NEXTDC Offer

A. The NEXTDC Offer represents a fair price for your Securities

The Offer Price of \$2.00, plus the Special Distribution of \$0.02, per Security is equivalent to:

- APDC's net tangible assets per Security of \$2.02 at 30 June 2018; and
- a 8.0% premium to the closing price of \$1.87 per Security on 5 October 2018, the last Trading Day before the date of this Bidder's Statement.

B. The NEXTDC Offer has major Securityholder endorsement

360 Capital, which holds a Relevant Interest in 67.3% of the Securities, has publicly stated that it intends to accept the NEXTDC Offer in respect of all of the securities in APDC that it holds in the absence of a superior proposal.

On 360 Capital accepting the NEXTDC Offer, NEXTDC will have a Relevant Interest in at least 96.5% of the Securities, taking into account NEXTDC's existing Relevant Interest in 29.2% of the Securities. This will allow NEXTDC to proceed with compulsory acquisition of outstanding Securities in accordance with Part 6A.1 of the Corporations Act. NEXTDC intends to proceed with compulsory acquisition as soon as practicable after it obtains a Relevant Interest in more than 90% of the Securities. Refer to section 7.2 for further details.

C. The NEXTDC Offer provides cash certainty and enables you to realise immediate value for your Securities

The Offer Price of \$2.00 per Security is payable in cash.

The NEXTDC Offer is free of all conditions and provides you the opportunity for a certain cash payment for Your Securities, allowing you to receive your cash proceeds within two Trading Days (that is, on a T+2 basis) of accepting the NEXTDC Offer by selling Your Securities on market.

This gives Securityholders certainty about the value of consideration being offered and enables Securityholders to sell their holding in an orderly manner at the Offer Price.

D. Depending on when you accept the NEXTDC Offer, you will retain your entitlement to the Permitted Distributions

Securityholders who are registered holders of Securities on the relevant record dates will also be entitled to receive two separate Permitted Distributions:

- the Special Distribution of \$0.02 per Security; and
- the September Quarterly Distribution of \$0.02 per Security.

Securityholders who accept the NEXTDC Offer **on or after** the ex-date of 11 October 2018 will receive the Special Distribution, in addition to the Offer Price of \$2.00 cash per Security.

Securityholders who accept the NEXTDC Offer **before** the ex-date of 11 October 2018 will **not** receive the Special Distribution in addition to the Offer Price of \$2.00 cash per Security.

APDC Securityholders should consider this timing when determining when to accept the NEXTDC Offer.

E. The NEXTDC Offer is ‘best and final’

This is NEXTDC’s ‘best and final’ offer and the Offer Price will not be increased in the absence of a competing proposal. NEXTDC will not extend the Offer Period beyond the scheduled closing date 4.00 pm (Sydney time) on 26 November 2018, unless required under the Corporations Act or in response to a competing proposal.

F. Two separate sales processes have failed to attain a higher value

NEXTDC currently has a Relevant Interest in 29.2% of the Securities.

As one of the largest Securityholders in APDC, NEXTDC has taken an active interest in the two comprehensive sales processes that have been pursued by two separate boards of APDC over the past 15 months.

In July 2017, the then independent board of APDC undertook a wide-ranging process to ascertain the level of third-party interest in acquiring Securities or APDC’s underlying assets in response to confidential approaches from undisclosed third parties. NEXTDC and 360 Capital were the only parties to ultimately put forward offers to Securityholders. All offers made to Securityholders at the time were at a discount to the current NEXTDC Offer.

Similarly, shortly after 360 Capital attained effective control of APDC, APDC’s new board announced that it was seeking expressions of interest in respect of the sale of APDC’s assets.

Despite running a global sales process for approximately nine months, APDC was not able to secure any binding offers for any of APDC’s assets.

APDC put three separate pre-emptive offers to NEXTDC in relation to APDC’s portfolio at \$300 million (28 December 2017), \$280 million (15 February 2018) and \$265 million (5 April 2018), all of which were rejected by NEXTDC. The NEXTDC Offer values APDC’s portfolio at \$261 million.

It is NEXTDC’s view that, with APDC now having conducted two comprehensive sales processes over the past 15 months without achieving a binding offer at a higher value to the NEXTDC Offer, a superior offer for Your Securities is unlikely to emerge.

G. NEXTDC intends to compulsorily acquire any Securities that it does not own

As soon as practicable after it obtains a Relevant Interest in more than 90% of the Securities, NEXTDC intends to proceed with compulsory acquisition of outstanding Securities in accordance with the Part 6A.1 of the Corporations Act. Refer to section 7.2 for further details.

If you accept the NEXTDC Offer, you will be paid the Offer Price for Your Securities within two Trading Days (that is, on a T+2 basis).

For personal use only

Where NEXTDC proceeds with compulsory acquisition, Securityholders who do not accept the NEXTDC Offer will still receive the same price for their Securities as if they had accepted the NEXTDC Offer, although on a delayed basis at completion of the compulsory acquisition process.

For personal use only

1 Frequently Asked Questions

What is NEXTDC offering to buy?	NEXTDC is offering to buy all of Your Securities, including Securities that exist or will exist during the Offer Period, for \$2.00 cash per Security on the terms set out in this Bidder's Statement.
What you will receive if you accept the NEXTDC Offer?	<p>If you accept the NEXTDC Offer you will be paid \$2.00 cash for each of Your Securities.</p> <p>NEXTDC will not increase the Offer Price in the absence of a competing proposal.</p> <p>Securityholders who are registered holders of Securities on the relevant record dates will also be entitled to receive two Permitted Distributions:</p> <ul style="list-style-type: none">• Special Distribution of \$0.02 per Security, declared on 8 October 2018 and payable on 14 November 2018, with a record date of 12 October 2018; and• September Quarterly Distribution of \$0.02 per Security, which was declared on 20 September 2018 and is payable on 25 October 2018, with a record date of 28 September 2018.
Can the Offer Price be increased?	This is NEXTDC's <i>'best and final'</i> offer and NEXTDC will NOT increase the Offer Price, in the absence of a competing proposal.
When can you sell Your Securities to NEXTDC?	<p>You can sell Your Securities to NEXTDC immediately.</p> <p>Citi will stand in the market on behalf of NEXTDC and accept Securities offered to it at the Offer Price from 11am 8 October 2018 until the end of the Offer Period.</p> <p>However, Securityholders who sell before the ex-date of 11 October 2018 will not be entitled to receive the Special Distribution of \$0.02 per Security.</p>
When you will be paid	The usual rules for settlement of transactions which occur on-market on ASX will apply in respect of NEXTDC's purchase of Securities under the NEXTDC Offer. This means that, if you accept the NEXTDC Offer and sell Your Securities on market, you will be paid within two Trading Days of accepting the NEXTDC Offer (that is, on a T+2 basis).
Will Securityholders who accept the NEXTDC Offer be entitled to any distributions?	<p>Yes.</p> <p>In addition to the Offer Price of \$2.00 cash per Security:</p> <ul style="list-style-type: none">• Securityholders who were registered as holders of Securities on 28 September 2018 will receive the September Quarterly Distribution of \$0.02 per Security scheduled for payment on 25 October 2018 regardless of when they accept the NEXTDC

Offer.

- Securityholders who accept the NEXTDC Offer on or after the ex-date of 11 October 2018 will receive the Special Distribution of \$0.02 per Security.
- If you accept the NEXTDC Offer before the ex-date of 11 October 2018 you will NOT receive the Special Distribution.

APDC Securityholders should consider this timing when determining when to accept the NEXTDC Offer.

Are there any conditions to the NEXTDC Offer?

No.

How do you accept the NEXTDC Offer?

You may sell Your Securities to NEXTDC on-market by offering to sell some or all of Your Securities on ASX at the Offer Price on and from 11am on 8 October 2018 until the end of the Offer Period.

Citi will stand in the market to acquire, on behalf of NEXTDC, all Securities offered at the Offer Price during normal trading on ASX on and from 11am on 8 October 2018 until the end of the Offer Period.

If you hold your Securities in an Issuer Sponsored Holding (your SRN starts with an "I"), to sell Your Securities to NEXTDC, you must instruct a broker (which may include Citi where Citi is your existing broker) to sell your Securities at the Offer Price during the Offer Period.

If you hold your Securities in a CHES Holding (your HIN starts with an "X"), to sell Your Securities to NEXTDC, you must instruct your Controlling Participant (for example, your broker) to sell Your Securities at the Offer Price during the Offer Period.

If you are a broker or Controlling Participant, acceptances of the NEXTDC Offer must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

If you are a beneficial owner whose Securities are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the NEXTDC Offer.

You are not required to complete any forms in order to accept the NEXTDC Offer.

Can you accept the NEXTDC Offer for part of your holdings?

Yes. You are not required to sell all of Your Securities and may elect to sell only some of them.

When does the NEXTDC Offer close?

The NEXTDC Offer closes at 4.00pm (Sydney time) on 26 November 2018. NEXTDC will not extend the Offer Period beyond this time in the absence of a competing proposal unless required under the Corporations Act.

Why should you accept the NEXTDC Offer?

The reasons to accept NEXTDC's NEXTDC Offer are set out in detail in the previous section. In summary, these are:

- The Offer Price represents compelling value for Your Securities.
- It has been endorsed by APDC's major securityholder.
- It provides cash certainty.
- APDC has conducted two sales processes over the past 15 months which have failed to attain a higher value.
- The NEXTDC Offer is final and in the absence of a competing proposal, will not be increased or extended (other than as required by the Corporations Act).
- NEXTDC intends to compulsorily acquire outstanding securities in any event.

What happens if you do not accept the NEXTDC Offer?

You will remain a Securityholder and will not receive the cash consideration under the NEXTDC Offer.

If NEXTDC becomes entitled to compulsorily acquire Your Securities, it intends to proceed with the compulsory acquisition. If Your Securities are compulsorily acquired by NEXTDC, it will be on the same terms (including the same consideration for each Security acquired) as the NEXTDC Offer. However, you will receive the money later than Securityholders who chose to accept the NEXTDC Offer.

Can you revoke your acceptance?

No, once you accept the NEXTDC Offer by selling on market, you will be unable to revoke your acceptance.

Will you need to pay brokerage on acceptances?

As the NEXTDC Offer is being made pursuant to an on-market takeover bid, offers will be made during normal trading on ASX. Any brokerage or other fees charged by your broker will be the sole responsibility of the accepting Securityholder.

NEXTDC will bear its own brokerage fees, if any, in respect of transfers of Securities acquired through acceptances of the NEXTDC Offer.

What if you are a foreign Securityholder?

Foreign Securityholders will be paid the cash consideration as stipulated under the NEXTDC Offer. However, the tax implications under the NEXTDC Offer for those foreign Securityholders may be different from those relating to Australian resident Securityholders.

Where can you get further information?

For all queries in relation to the NEXTDC Offer, please contact the NEXTDC Offer Information Line on 1300 853 816 (within Australia); +61 1300 853 816 (outside Australia).

Please note that calls to the above numbers may be recorded. Inquiries in relation to the NEXTDC Offer will not be received on any other telephone numbers of NEXTDC or its advisers.

Important notice

The information in this section 1 is a **summary only** of the NEXTDC Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement.

You should read the entire Bidder's Statement and the target's statement that APDC will shortly be sending to you, before deciding whether to accept the NEXTDC Offer.

2 Overview of the NEXTDC Offer

2.1 Summary of the terms of the NEXTDC Offer

(a) **NEXTDC Offer**

As disclosed in the Announcement made by NEXTDC on 8 October 2018, NEXTDC will make offers under an on-market takeover bid to acquire all of the Securities that exist or will exist at any time during the Offer Period for \$2.00 cash per Security.

A copy of the Announcement is annexed to this Bidder's Statement.

(b) **How offers will be made**

Citi will stand in the market on behalf of NEXTDC and accept Securities offered to it at the Offer Price from 11am on 8 October 2018 until the end of the Offer Period.

(c) **Offer Period**

The Offer Period will officially commence at the start of trading on ASX on 23 October 2018 and finish at the close of trading on 26 November 2018, unless extension is required under the Corporations Act or in response to a competing proposal.

(d) **Extension of Offer Period**

In the absence of a competing proposal, NEXTDC will not extend the Offer Period, unless required to do so by the Corporations Act.

The Offer Period will be automatically extended if NEXTDC's voting power in APDC increases to more than 50% in the last 7 days of the Offer Period. If this occurs, the Offer Period will be extended to end 14 days after NEXTDC's voting power in APDC increases to more than 50%.

(e) **Payment Date**

The usual rules for settlement of transactions which occur on-market on ASX will apply in respect of NEXTDC's purchase of Securities under the NEXTDC Offer. This means that, if you accept the NEXTDC Offer, you will be paid on a T+2 basis (being within 2 Trading Days after your acceptance).

(f) **Conditions**

The NEXTDC Offer is unconditional.

(g) **Brokerage and other costs**

As the NEXTDC Offer is being made pursuant to an on-market takeover bid, offers will be made during normal trading on ASX. Any brokerage or other fees charged by your broker will be the sole responsibility of the accepting Securityholder.

NEXTDC will bear its own brokerage fees, if any, in respect of transfers of Securities acquired through acceptances of the NEXTDC Offer.

No stamp duty or GST will be payable on the transfer of Securities pursuant to the NEXTDC Offer (other than GST payable in respect of any brokerage fees charged by your broker).

(h) **Withdrawal of NEXTDC Offer**

NEXTDC may withdraw the NEXTDC Offer at any time:

- with the consent of ASIC and subject to the conditions (if any) specified in such consent;
- where a Prescribed Occurrence occurs, if at the time of the Prescribed Occurrence, NEXTDC's voting power in APDC is at or below 50%; or
- upon the occurrence of any Insolvency Event in relation to APDC, regardless of NEXTDC's voting power in APDC.

If the NEXTDC Offer is withdrawn, notice of the withdrawal will be given to ASX.

(i) **Variation of NEXTDC Offer**

NEXTDC may vary the NEXTDC Offer in accordance with the Corporations Act. However, the Offer Price represents NEXTDC's *'best and final'* offer and will not be increased in the absence of a competing proposal, and NEXTDC will not extend the Offer Period in the absence of a competing proposal, unless required to do so by the Corporations Act.

2.2 How to accept the NEXTDC Offer

Securityholders may sell their Securities to NEXTDC on-market by offering to sell some or all of their Securities on ASX at the Offer Price on and from 11am on 8 October 2018 until the end of the Offer Period.

Citi will stand in the market to acquire, on behalf of NEXTDC, all Securities offered at the Offer Price during normal trading on ASX on and from 11am on 8 October 2018 until the end of the Offer Period.

If you hold your Securities in an Issuer Sponsored Holding (your SRN starts with an "I"), to sell Your Securities to NEXTDC, you must instruct a broker (which may include Citi where Citi is your existing broker) to sell your Securities at the Offer Price during the Offer Period.

If you hold your Securities in a CHESS Holding (your HIN starts with an "X"), to sell Your Securities to NEXTDC, you must instruct your Controlling Participant (for example, your broker) to sell your Securities at the Offer Price during the Offer Period.

If you are a broker or Controlling Participant, acceptances of the NEXTDC Offer must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

If you are a beneficial owner whose Securities are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the NEXTDC Offer.

You are not required to complete any forms in order to accept the NEXTDC Offer.

3 Information on NEXTDC

3.1 Overview of NEXTDC

NEXTDC (ASX: NXT) is an S&P/ASX 200-listed technology company enabling business transformation through innovative data centre outsourcing solutions, connectivity services and infrastructure management software. As at the date of this Bidder's Statement, the market capitalisation of NEXTDC is \$2.1 billion.

NEXTDC has its head office in Brisbane, Australia and was established in 2010 to develop and operate independent data centres in Australia, with a national network operating in Sydney, Melbourne, Brisbane, Perth and Canberra.

NEXTDC focuses on providing scalable, on-demand services to support outsourced data centre infrastructure and cloud connectivity.

3.2 Directors of NEXTDC

Brief profiles of the directors of NEXTDC as at the date of this Bidder's Statement are as follows:

Director	Profile
Douglas Flynn Chairman & Independent Non-Executive Director	Douglas (Doug) was appointed as an Independent Non-Executive Director in September 2013 and subsequently appointed as Chairman in April 2014. Doug has over 30 years of international experience in the media and information and communication technology industries. Doug is also the Chairman of ASX-listed companies, APN Outdoor and Konekt Limited.
Craig Scroggie Chief Executive Officer	Craig was appointed as Chief Executive Officer in June 2012. Prior to this, he served as a Non-Executive Director of NEXTDC and as Chairman of the Audit & Risk Management Committee for 18 months. Craig has substantial leadership experience within the IT and telecommunications industries, having held senior positions with Symantec, Veritas Software, Computer Associates, EMC Corporation and Fujitsu.
Stuart Davis Independent Non-Executive Director	Stuart was appointed as an Independent Non-Executive Director in September 2013. He is currently the Chairman of the Audit & Risk Management Committee. Stuart was an international banker with over 30 years with HSBC Group, including roles in Hong Kong, New York, Taiwan, India, and Australia.

Director	Profile
<p>Dr Gregory Clark Independent Non-Executive Director</p>	<p>Gregory (Greg) was appointed as an Independent Non-Executive Director in April 2014.</p> <p>Dr Clark is a world-renowned technologist, businessman and scientist with extensive corporate and board experience in Australia, the USA and Europe. Dr Clark brings to the Board international business experience and a distinguished career in micro-electronics, computing and communications.</p>
<p>Sharon Warburton Independent Non-Executive Director</p>	<p>Sharon was appointed as an Independent Non-Executive Director in April 2017. She is a Fellow of the Chartered Accountants Australia & New Zealand.</p> <p>Sharon is currently the Co-Deputy Chairman of ASX-listed Fortescue Metals Group and a Non-Executive Director of ASX-listed Gold Road Resources. Sharon is also a part-time Member of the Commonwealth Government's Takeovers Panel.</p>

3.3 Principal activities

NEXTDC is a technology company providing data centre outsourcing solutions, connectivity services and infrastructure management software.

It is a leading Australian independent data centre operator with a nationwide network of Tier III and Tier IV facilities, providing enterprise class colocation services to local and international organisations.

3.4 History of NEXTDC

NEXTDC was established in May 2010 to build and operate carrier and vendor neutral data centres in Australia and New Zealand.

In December 2010 NEXTDC listed on ASX after acquiring properties in Brisbane and Melbourne. In 2011, NEXTDC acquired further properties in Sydney and Perth, and entered into a long-term operating lease for a data centre facility in Canberra.

In 2012 NEXTDC joined the S&P/ASX300 whilst also announcing the release of ONEDC customer portal and app. In July 2012, NEXTDC announced the intention to launch Australia's first listed data-centre property fund, APDC, and in January 2013, the sale of the S1, M1 and P1 property assets to APDC as well as its admission to the ASX was completed.

Over the next few years NEXTDC continued to grow, achieving UTI Tier III certificates for its Sydney, Melbourne and Perth data centres. In July 2014, NEXTDC launched Cloud Centre and its Partner Program. This steady growth and innovation continued into late 2014 and 2015 with the launches of Quarter Rack, Fast Start, Azure ExpressRoute and AXON Systems to deliver the AXONVX (Virtual Exchange) platform.

In November 2015, NEXTDC announced the intention to develop second facilities in Melbourne (M2) and Brisbane (B2), which were opened in the first half of FY2018. UTI Tier IV certifications have since been received for these facilities.

In September 2016, NEXTDC entered the S&P ASX200 Index, and announced the intention to develop a second facility in Sydney (S2), due to open in the first half of FY2019

In April 2018, NEXTDC announced plans to purchase three new commercial property sites for data centre developments in Sydney (S3), Melbourne (M3) and Perth (P2).

In the year ended 30 June 2018, NEXTDC generated underlying EBITDA of \$62.6 million on revenue from continuing operations of \$161.5 million.

3.5 Ownership

As at the date of this Bidder's Statement, the following entities have a substantial interest in NEXTDC:

- Unisuper, which has an interest in 8.30% of NEXTDC's shares.

As a publicly traded company, NEXTDC's investors comprise a wide variety of institutions and individuals. So far as the directors are aware, no organisation or individual exercises control over NEXTDC.

3.6 Publicly available information about NEXTDC

NEXTDC is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, NEXTDC is subject to the listing rules of ASX which require continuous disclosure of any information NEXTDC has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. NEXTDC's file is available for inspection at ASX during normal business hours.

In addition, NEXTDC is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by NEXTDC may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about NEXTDC is available in electronic form from: <https://www.nextdc.com>.

4 Information on APDC

4.1 Overview of APDC

The Asia Pacific Data Centre Group is a stapled real estate investment trust (REIT) listed on ASX (ASX:AJD) which has been established to own properties (land and buildings) that are operated or being developed as data centres. Its head office is in Sydney and it owns properties in Sydney, Melbourne and Perth.

4.2 Directors of APDC

As at the date of this Bidder's Statement, there are three directors of APDC Holdings and three directors of APDC Limited. The Directors of APDC Holdings and APDC Limited are as follows:

Director	Profile
APDC Holdings	
David van Aanholt Chairman, Non-executive Director	David was appointed to the board of APDC Holdings in November 2017. He has 20 years' experience in the property and funds management industry. He is also the chairman of 360 Capital Group and Kennards Self Storage.
Lawrence Gibbs Non-executive Director	Lawrence was appointed to the board of APDC Holdings in November 2017. He is the managing director of BG Capital Corporation Limited with over 42 years' experience in the financial services industry.
John Wilson Non-executive Director	John was appointed to the board of APDC Holdings in November 2017. He has over 30 years of experience leading businesses principally in the data and technology space. He is currently an advisor at Basiq, senior advisor at Avaloq and a non-executive director at Active Pipe.
APDC Limited	
Frank Tearle Executive Director	Frank was appointed to the board of APDC Limited in January 2018. He is a founding director of One Investment Group.
Justin Epstein Executive Director	Justin was appointed to the board of APDC Limited in January 2018. He is a founding director of One Investment Group.

Elizabeth Reddy
Non-Executive Director

Elizabeth was appointed to the board of APDC Limited in January 2018. She is an experienced corporate and commercial lawyer with more than 10 years' experience.

4.3 Principal activities of the APDC Group

The APDC Group was established to own properties (land and buildings) that are developed and operated as data centres. At inception, APDC contracted to acquire three data centre properties from NEXTDC located in Melbourne, Sydney and Perth. The business structure was that of sale and lease-back. NEXTDC remains as the sole existing tenant of the three data centre properties.

(a) APDC Group entities

The APDC Group comprises APDC Holdings, its wholly owned subsidiary, Asia Pacific Data Centre SPV Pty Limited (**APDC SPV**) and the APDC Trust.

APDC SPV provides investment management services to One Investment Group in relation to the APDC Trust. These services include administering and managing the APDC Trust's assets and liabilities, preparing financial reports, compliance with the Listing Rules and preparing communications to members. The management agreement has a 5 year term and can be terminated if APDC Limited ceases to be the responsible entity of the APDC Trust, at the direction of a holder of more than 50% of the units in the APDC Trust or on APDC SPV giving 3 months' notice.

APDC Trust is a registered managed investment scheme which was established for the purpose of acquiring and owning the APDC Group's data centre real estate portfolio, including the Properties.

APDC Limited, the responsible entity of the APDC Trust, was a subsidiary of APDC Holdings until January 2018, when APDC Holdings sold APDC Limited to One Investment Group and, at the same time as it acquired APDC Limited, One Investment Group appointed APDC SPV as investment manager of the APDC Trust.

(b) Properties

APDC Trust owns the following data centre facilities which form its real estate portfolio:

(1) Sydney (S1)

This property is a 19,467m² data centre facility located in Macquarie Park, Sydney. It is leased to NEXTDC for the initial term of 15 years expiring in 2028, with options to renew for up to another 25 years.

(2) Melbourne (M1)

This property is a 17,354m² data centre facility located in Port Melbourne. It opened in July 2012. It is leased to NEXTDC for an initial term of 15 years expiring in 2027, with options to renew for up to another 25 years.

(3) Perth (P1)

This property is a 9,603m² data centre facility located in Malaga, Perth. It is leased to NEXTDC for an initial term of 15 years expiring in 2028, with options to renew for up to another 25 years.

4.4 History

APDC Holdings and APDC Limited were both registered as companies in July 2012. The APDC Trust was established on 1 November 2012. The APDC Group was established on 3 December 2012 and was quoted on ASX from 9 January 2013.

Between July and November 2017, APDC was the subject of two takeover bids by NEXTDC and 360 Capital.

On 21 December 2017, NEXTDC issued a notice of meeting and explanatory memorandum calling an extraordinary general meeting of members of the APDC Trust (**EGM**) to be held on 31 January 2018 to vote on an extraordinary resolution to wind-up the APDC Trust (**Resolution**) because the APDC Trust was no longer fit for purpose.

On 24 January 2018, 360 Capital commenced legal proceedings in the Supreme Court of New South Wales to determine its eligibility to vote on the Resolution. 360 Capital, NEXTDC and APDC Limited undertook to the Court to adjourn the EGM until the legal proceedings were determined by Court judgment at first instance or otherwise settled. Accordingly, the EGM was adjourned on 31 January 2018.

On 7 September 2018 the Supreme Court of New South Wales decided that 360 Capital was entitled to vote on the Resolution. NEXTDC issued a notice of intention to appeal the decision of the Supreme Court on 18 September 2018.

NEXTDC, 360 Capital and APDC Limited agreed to cancel the EGM, on the basis that should NEXTDC's appeal be successful, a new meeting could be held.

NEXTDC withdrew its notice of intention to appeal on 8 October 2018 on the basis that winding up of the APDC Trust is inconsistent with the NEXTDC Offer.

4.5 Ownership

As at the date of this Bidder's Statement, the following entities have a substantial interest in APDC:

- NEXTDC, which has a Relevant Interest in 29.2% of the Securities;¹ and
- 360 Capital, which has a Relevant Interest in 67.3% of the Securities.²

4.6 Publicly available information about the APDC Group

APDC is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, APDC is subject to the listing rules of ASX which require continuous disclosure of any information APDC has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. APDC's file is available for inspection at ASX during normal business hours.

In addition, APDC is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by APDC may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about APDC is available in electronic form from: <http://asiapacificdc.com>.

¹ Based on the announcement lodged by NEXTDC with ASX on 18 September 2017.

² Based on the substantial holding notice lodged with ASX on 21 November 2017.

5 Information on APDC's securities

5.1 APDC's issued securities

According to documents provided by APDC to ASX, as at the date of this Bidder's Statement, the issued securities in APDC consisted of:

- 115,000,100 fully paid ordinary shares in APDC Holdings; and
- 115,000,100 fully paid ordinary units in APDC Trust.

Each fully paid ordinary share in APDC Holdings is stapled to one fully paid ordinary unit in the APDC Trust. The stapled securities trade together on ASX under the code 'AJD'.

5.2 Interests in Securities

As at the date of this Bidder's Statement:

- NEXTDC's voting power in APDC was 29.2%; and
- NEXTDC had a Relevant Interest in 33,588,501 Securities.

5.3 Dealings in Securities

Neither NEXTDC nor any associate of NEXTDC has provided, or agreed to provide, consideration for Securities under any purchase or agreement during the four months before the date of this Bidder's Statement.

5.4 No pre-NEXTDC Offer benefits

During the period of four months before the date of this Bidder's Statement, neither NEXTDC nor any associate of NEXTDC gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the NEXTDC Offer; or
- dispose of Securities,

and which is not offered to all holders of Securities under the NEXTDC Offer.

5.5 No escalation agreements

Neither NEXTDC nor any associate of NEXTDC has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

6 Sources of consideration

6.1 Total cash consideration

The consideration for the acquisition of the Securities to which the NEXTDC Offer relates will be satisfied wholly in cash.

The maximum amount of cash that NEXTDC would be required to pay under the NEXTDC Offer if acceptances are received in respect of all Securities as at the date of this Bidder's Statement (other than those Securities in which NEXTDC has a Relevant Interest) would be \$162,823,198.

Accordingly, the maximum amount that NEXTDC could be required to pay under the NEXTDC Offer is \$162,823,198, excluding transaction costs.

6.2 Sources of cash consideration

The cash consideration payable under the NEXTDC Offer will be provided from the internal cash resources and term deposit reserves of NEXTDC, which is available to meet its obligations under the NEXTDC Offer.

NEXTDC had liquidity in excess of \$900 million at 30 September 2018, including unaudited cash reserves of over \$600 million and \$300 million of undrawn senior debt facilities via a syndicated senior secured debt facility.

6.3 APDC Group's existing debt

The Offer may trigger an obligation for the APDC Group to refinance some or all its existing debt. To the extent that a refinancing obligation for any of that debt is triggered prior to the Bidder acquiring 100% of all Securities, then the APDC Group will need to refinance that debt.

The APDC Group's borrowings as at 30 June 2018 adjusted for other significant transactions and events that have occurred post 30 June 2018 are approximately \$29 million.

The existing cash reserves and undrawn senior debt of NEXTDC will be sufficient to cover any repayment of the APDC Group's borrowings that may be required.

7 NEXTDC's intentions in relation to APDC

7.1 Introduction

The intentions of NEXTDC are set out in this section of the Bidder's Statement. Those intentions have been formed on the basis of facts and information concerning APDC, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by NEXTDC in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section 7 are statements of current intention only and accordingly may vary as new information becomes available or circumstances change.

7.2 Intentions for APDC as a wholly owned controlled entity

This section 7.2 describes NEXTDC's intentions if NEXTDC has a Relevant Interest in 90% or more of the Securities during or at the end of the Offer Period, and so becomes entitled to proceed to compulsory acquisition of outstanding Securities in accordance with Part 6A.1 of the Corporations Act.

360 Capital has stated its intention to accept the NEXTDC Offer in respect of all of its Securities, in the absence of a superior proposal. If 360 Capital accepts the NEXTDC Offer, NEXTDC will have a Relevant Interest in at least 96.5% of Securities, and will be entitled to proceed to compulsory acquisition.

In that circumstance, NEXTDC's current intentions are as follows.

(a) Corporate matters

Promptly after acquiring 360 Capital's Securities, and once APDC has dispatched its Target's Statement, NEXTDC intends to replace the APDC Holdings board, with NEXTDC nominees. The replacement board members will be Craig Scroggie, Douglas Flynn and Stuart Davis.

As soon as practicable after it becomes entitled to do so, NEXTDC also intends to proceed with compulsory acquisition of the outstanding Securities in accordance with the provisions of Part 6A.1 of the Corporations Act and arrange for APDC to be removed from the official list of ASX.

(b) APDC's business, assets and employees

Following completion of compulsory acquisition, NEXTDC intends to:

- integrate APDC's three Properties and other assets into NEXTDC's business;
- review the continuing registration of the APDC Trust as a registered scheme under the Corporations Act, and the ongoing arrangements for APDC Limited to act as trustee of the APDC Trust; and
- review APDC's structure and operations with a view to maximising the efficiency with which APDC's assets are held and managed as part of NEXTDC's business, and maximising operating synergies between APDC's assets and NEXTDC's business.

Having regard to the nature of APDC's assets and operations, it is expected that the positions of APDC's current employees would become redundant, and their employment would be terminated. If redundancies do occur, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

NEXTDC has not yet conducted its review of APDC's structure and operations and accordingly does not currently have other specific intentions in relation to APDC or the continuation or removal of APDC Limited as responsible entity of the APDC Trust.

7.3 Intentions for APDC if not controlled by NEXTDC

This section 7.3 describes NEXTDC's intentions if 360 Capital does not sell its Securities to NEXTDC, for example because a competing proposal emerges, and APDC does not become a controlled entity of NEXTDC.

In that circumstance:

- NEXTDC does not expect to be in a position to give effect to the intentions set out in section 7.2 above; and
- NEXTDC's investment in APDC will be reviewed by NEXTDC in accordance with the interests of its shareholders.

7.4 Other intentions

Subject to the matters described above in this section 7 and elsewhere in this Bidder's Statement and, in particular, the completion of a review of APDC's operations and structure, it is the intention of NEXTDC, on the basis of the facts and information concerning APDC that are known to it and the existing circumstances affecting the assets and operations of APDC at the date of this Bidder's Statement, to:

- continue the operation of APDC; and
- not make any major changes to the operation of APDC and not to redeploy any of APDC's property.

7.5 Current intentions based on current information

The intentions described in this section 7 have been formed on the basis of facts and information concerning APDC, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be made by NEXTDC in light of information and circumstances at the relevant time. Accordingly, the statements set out in this section 7 are statements of current intention only and may vary as new information becomes available or circumstances change.

8 Tax considerations

8.1 Introduction

The following is a general description of the Australian income and capital gains tax consequences for Securityholders who accept the NEXTDC Offer. The comments set out below are relevant only to those Securityholders who hold their Securities on capital account. Securityholders who hold their Securities for the purposes of speculation or a business of dealing in securities (eg as trading stock) should seek their own advice.

Securityholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of acceptance of the NEXTDC Offer.

The following description is based upon the Australian law and administrative practice in effect at the date of this Bidder's Statement, but it is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of every Securityholder. Securityholders should seek independent professional advice in relation to their own particular circumstances.

The following description refers to Securities for simplicity. However, for tax purposes shares in APDC Holdings and units in APDC Trust are separate assets, and the tax consequences of disposal of shares in APDC Holdings and units in APDC Trust are worked out separately.

8.2 Australian resident securityholders

(a) Securityholders who accept the NEXTDC Offer

Acceptance of the NEXTDC Offer will involve the disposal by Securityholders of their Securities by way of transfer to NEXTDC. This change in the ownership of the Securities will constitute a CGT event for Australian CGT purposes.

The date of disposal for CGT purposes will be the date the contract to dispose of the Securities is formed. The date the contract to dispose of the Securities is formed will be the date that the NEXTDC Offer is accepted.

(b) Compulsory acquisition

If a Securityholder does not dispose of their Securities under the NEXTDC Offer and their Securities are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, those Securityholders will also be treated as having disposed of their Securities for CGT purposes.

The date of disposal for CGT purposes will be the date when NEXTDC becomes the owner of the Securities.

(c) Calculation of capital gain or capital loss

Securityholders may make a capital gain on the transfer of Securities, to the extent that the capital proceeds from the disposal of the Securities are more than the cost base of those Securities. Conversely, Securityholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those Securities.

The cost base of the Securities generally includes the cost of acquisition and any incidental costs of acquisition and disposal that are not deductible to the Securityholder, and in respect of units in APDC Trust reduced by any non-assessable distributions.

The aggregate capital proceeds of the capital gains tax event in respect of the Securities will include the consideration price of \$2.00 cash per Security received by the Securityholder in respect of the disposal of the Securities. As mentioned above, tax consequences of disposal of shares in APDC Holdings and units in APDC Trust are worked out separately.

Individuals, complying superannuation entities or trustees that have for the purposes of the capital gains tax provisions held Securities for at least 12 months should be entitled to discount the amount of any capital gain (after application of capital losses) from the disposal of Securities by 50% in the case of individuals and trusts or by 33 1/3 % for complying superannuation entities. For trusts, the ultimate availability of the discount may depend on a beneficiary's entitlement to the discount.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains.

(d) **Special Distribution and September Quarterly Distribution**

It is considered that the September Quarterly Distribution will not form part of the capital proceeds received in respect of the disposal of each Security. In particular, the Offer is not conditional on payment of the September Quarterly Distribution and the distribution will be funded from APDC's own resources without any participation of NEXTDC or its Related Bodies Corporate. This conclusion is consistent with the reasoning of the Australian Taxation Office in Tax Ruling TR 2010/4.

The Special Distribution may form part of the capital proceeds of the disposal of the APDC units if NEXTDC is considered to have assisted in funding the distribution. As NEXTDC understands that the Special Distribution will be a distribution of trust capital, it will also cause CGT event E4 to occur, which would reduce the cost base of each Security. Where more than one CGT event could apply to a transaction or circumstances, the most relevant CGT event applies. Accordingly were the Special Distribution to otherwise be considered to form part of the capital proceeds for sale of the Securities it should only be taken into account once. CGT event E4 may reasonably be considered the most specific event in respect of the Special Distribution in which case the cost base of each Security would be reduced by the amount of the Special Distribution but it should not be included in the capital proceeds.

NEXTDC understands that the Special Distribution and September Quarterly Distribution are to be paid by ADPC Trust and not ADPC Holdings. Accordingly, the 'related payment rules' in relation to franked dividends will not be relevant.

8.3 Non-resident Securityholders

(a) **Australian capital gains tax implications**

For a Securityholder who:

- is not a resident of Australia for Australian tax purposes; and
- does not hold their Securities in carrying on a business through a permanent establishment in Australia,

the disposal of Securities will generally only result in Australian CGT implications if the Securities are 'indirect Australian real property interests' as that term is defined in section 855-25 of the *Income Tax Assessment Act 1997* (Cth). In this respect, the unit in APDC

Trust or a share in APDC Holdings will qualify as 'indirect Australian real property interests' if:

- that Securityholder together with its associates, holds, or has held, 10% or more of the Securities at the time of disposal or for any continuous 12 month period within 2 years preceding the disposal; and
- more than 50% of the value of ADPC Trust (in respect of the unit) or ADPC Holdings (in respect of the share) is referable to direct or indirect interests in Australian real property, which is defined to include mining and exploration leases and licences.

A Securityholder whose Securities qualify as indirect Australian real property interests should obtain independent advice as to the tax implications of sale, and whether any protection will be available under a relevant double tax treaty.

A non-resident Securityholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident will be subject to Australian CGT consequences on disposal of the Securities as set out in section 8.2.

(b) Special Distribution and September Quarterly Distribution

If during FY19 NEXTDC acquires a sufficient number of Securities so that 75% or more of the Securities are held by 20 or fewer persons, then APDC may not qualify as a Managed Investment Trust for tax purposes and foreign resident Securityholders may be subject to higher withholding tax rates on the Special Distribution and September Quarterly Distribution.

8.4 Non-resident CGT withholding rules

The foreign resident capital gains withholding tax in Subdivision 14-D of Schedule 1 of the TAA 1953 (Subdivision 14-D) applies to any transaction involving the acquisition from a "relevant foreign resident" of:

- (1) an 'indirect Australian real property interest'; or
- (2) an option or right to acquire such property or such an interest.

However these provisions do not apply to acquisitions that occur on an approved stock exchange such as the ASX. Accordingly these provisions will not apply to Securityholders who sell their Securities to NEXTDC on-market by offering to sell some or all of their Securities on the ASX.

8.5 Goods and services tax

Securityholders should not be liable to GST in respect of a disposal of those Securities.

Securityholders may be charged GST on costs (such as advisor fees) that relate to their participation in the NEXTDC Offer. Securityholders may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

9 Other material information

9.1 Bid Implementation Agreement

After conducting negotiations with an independent board committee established by APDC Holdings, on 8 October 2018, NEXTDC entered into a Bid Implementation Agreement (**BIA**) with APDC, that provided for NEXTDC to make the NEXTDC Offer on the terms set out in this Bidder's Statement.

(a) Warranties and undertakings

The BIA contains warranties from APDC, including:

- (1) customary warranties that the information provided about APDC's capital structure is complete and accurate, that APDC is not in breach of its continuous disclosure obligations under the Listing Rules, that APDC's published financial statements are accurate and complete, and that it has, so far as it is aware, fully and fairly disclosed to NEXTDC all material information in relation to the APDC Group and its business, and has not knowingly withheld any material information;
- (2) a warranty that since 30 June 2018, the business of the APDC Group has been conducted in all material respects in the ordinary and usual course of business and in a proper and efficient manner;
- (3) a warranty that certain costs incurred by the APDC Group before the date of this Bidder's Statement in relation to the Takeover Bid and its implementation, plus recent litigation activities are not in excess of the details disclosed to NEXTDC.

The BIA also contains restrictions on APDC's conduct during the Offer Period where the conduct would cause APDC to breach the above warranties.

(b) Exclusivity and cost reimbursement

The BIA also contains customary terms in relation to exclusivity including no-talk undertakings (subject to standard fiduciary exemptions), no-shop undertakings, obligations to notify NEXTDC of any competing proposal, as well as providing for NEXTDC to have a 3 Business Day period to match the competing proposal.

Recognising the considerable costs that NEXTDC is incurring in making the NEXTDC Offer, the BIA provides for APDC to pay a break fee of \$1.0 million. The break fee will be payable if:

- (1) a competing proposal is announced before the end of the Offer Period and is successfully implemented within 12 months;
- (2) if any Independent Director does not recommend the NEXTDC Offer in accordance with the terms of the announcement published by APDC on 8 October 2018 (or revises or qualifies their recommendation, or recommends a competing proposal); or
- (3) if NEXTDC terminates the BIA for material breach.

9.2 360 Capital's intention statement

360 Capital is a property investment and funds management company that invests in direct property assets, property securities and various corporate real estate acquisitions within Australian real estate markets on a private equity basis.

360 Capital, which holds a Relevant Interest in 67.3% of the Securities, has publicly stated that it intends to accept the NEXTDC Offer for its entire holding in the absence of a superior proposal.

On 360 Capital accepting the NEXTDC Offer, NEXTDC will have a Relevant Interest in at least 96.5% of the Securities taking into account NEXTDC's existing Relevant Interest in 29.2% of the Securities).

9.3 On market purchases

For the purposes of rule 5.13.1 of the *ASIC Market Integrity Rules (Securities Markets) 2017*, NEXTDC confirms that it may purchase APDC Securities on market during the Bid Period for prices at or below \$2.00 cash per Security.

9.4 Consents

(a) NEXTDC's advisors

Cadence (90) Investments No. 1 Pty Limited ACN 152 487 351 (**Cadence Advisory**), Herbert Smith Freehills, Citi and Link Market Services Limited have each given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, their consent to be named in this Bidder's Statement. Neither Cadence Advisory, Herbert Smith Freehills, Citi or Link Market Services Limited has caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement (or any statement on which a statement in this Bidder's Statement is based) and takes no responsibility for any part of this Bidder's Statement, other than any reference to their name.

Greenwoods & Herbert Smith Freehills has given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as preparer of section 8 (Tax Considerations) of this Bidder's Statement. Greenwoods & Herbert Smith Freehills has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

(b) Public statements

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, (free of charge), during the Offer Period, please contact the NEXTDC Offer Information Line on 1300 853 816 (within Australia) or +61 1300 853 816 (outside Australia) Calls to this number may be recorded.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 (**Corporations Instrument 2016/72**), this Bidder's Statement may include or be accompanied by certain statements:

- which fairly represent what purports to be a statement by an official person; or
- which are a correct and fair copy of, or extract from, what purports to be a public official document; or
- which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable document; or

- from a public official document or a published book, journal or comparable publication.

Further, as permitted by Corporations Instrument 2016/72, this Bidder's Statement contains trading data sourced from Capital IQ provided without their consent.

9.5 Social security and superannuation implications of NEXTDC Offer

Acceptance of the NEXTDC Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

9.6 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- material to the making of a decision by a Securityholder whether or not to accept the NEXTDC Offer; and
- known to NEXTDC,

which has not previously been disclosed to Securityholders.

For personal use only

10 Definitions and interpretation

10.1 Definitions

In this Bidder's Statement unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
360 Capital	360 Capital FM Limited, where applicable, in its capacity as trustee for the 360 Capital Diversified Property Fund, a subsidiary of ASX-listed 360 Capital Group Limited (ASX: TGP).
Announcement	the announcement issued by NEXTDC on 8 October 2018 in respect of the NEXTDC Offer.
APDC	Asia Pacific Data Centre Group, being the 'stapled group' comprising APDC Holdings and APDC Trust whose shares and units are stapled together, and where appropriate, any of its subsidiaries, and/or APDC Limited acting as responsible entity of APDC Trust.
APDC Group	APDC and its Subsidiaries.
APDC Holdings	Asia Pacific Data Centre Holdings Limited ACN 159 621 735.
APDC Limited	Asia Pacific Data Centre Limited ACN 159 624 585.
APDC SPV	Asia Pacific Data Centre SPV Pty Limited ACN 623 667 238.
APDC Trust	Asia Pacific Data Centre Trust ARSN 161 049 556.
ASIC	the Australian Securities and Investments Commission.
ASX	as the context requires, ASX Limited ABN 98 008 624 691 or the securities market conducted by it.
ASX Settlement	ASX Settlement Pty Limited ABN 49 008 504 532.

Term	Meaning
ASX Settlement Operating Rules	the operating rules of ASX Settlement which govern the administration of the Clearing House Electronic Sub register System.
ATO	Australian Taxation Office.
Bidder's Statement	this document, being the statement of NEXTDC under Part 6.5 Division 2 of the Corporations Act relating to the NEXTDC Offer.
Business Day	a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday.
Citi	Citigroup Global Markets Australia Pty Limited.
CGT	capital gains tax.
CGT Withholding Amount	the amount (if any) that NEXTDC is liable to pay to the Commissioner under section 14-200 of Schedule 1 to the TAA 1953. A Variation Notice provided to NEXTDC at the time of acceptance of the NEXTDC Offer will be taken into account in determining that liability and amount.
CHESS Holding	a number of Securities which are registered on the Security register being a register administered by ASX Settlement Pty Limited and which records uncertificated holdings of Securities.
Commissioner	the Commissioner of Taxation.
Controlling Participant	in relation to Your Securities, has the same meaning as in the ASX Settlement Operating Rules.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
EBITDA	earnings before interest, taxes, depreciation and amortisation.

Term	Meaning
FY19	the financial year ending 30 June 2019.
Holder Identification Number	has the same meaning as in the ASX Settlement Operating Rules.
Independent Directors	Lawrence Gibbs, John Wilson, Frank Tearle, Justin Epstein and Elizabeth Reddy.
Insolvency Event	any of the events set out in section 652C(2) of the Corporations Act.
Issuer Sponsored Holdings	a holding of Securities on APDC issuer sponsored subregister.
Listing Rules	the Official Listing Rules of ASX, as amended and waived by ASX from time to time.
NEXTDC	NEXTDC Limited (ACN 143 582 521) (ASX:NXT).
NEXTDC Offer	the offer for Securities under the terms and conditions contained in this Bidder's Statement.
Offer Period	the period during which the NEXTDC Offer will remain open for acceptance in accordance with section 2.1(c) of this Bidder's Statement.
Offer Price	the consideration offered under the NEXTDC Offer as described in section 2.1(a).
One Investment Group	One Investment Group Pty Ltd ACN 136 507 241.
Participant	an entity admitted to participate in the Clearing House Electronic Sub-register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.
Permitted Distributions	the September Quarterly Distribution and the Special Distribution.

Term	Meaning
Prescribed Occurrence	any of the events set out in section 652C(1) of the Corporations Act.
Properties	the properties directly or indirectly owned by APDC as at the date of this Bidder's Statement, being three data centre properties occupied by NEXTDC under long-term lease arrangements: Sydney (S1), Melbourne (M1) and Perth (P1).
Relevant Foreign Resident Declaration Form	the form to be sent with this Bidder's Statement to each Securityholder which NEXTDC has determined is a 'relevant foreign resident' for the purposes of Division 14-D of Schedule 1 of the TAA 1953.
Relevant Interest	has the meaning in section 9 of the Corporations Act.
Rights	all accreditations, rights or benefits of whatever kind attaching or arising from Securities directly or indirectly at or after the date of this Bidder's Statement (including, but not limited to, all dividends and distributions and all rights to receive them or rights to receive or subscribe for Securities, notes, bonds, options or other securities declared, paid or issued by APDC or any of its subsidiaries).
Security	a stapled security comprising a fully paid share in the capital of APDC Holdings and a fully paid unit in the capital of the APDC Trust.
Securityholder	a holder of Securities.
Securityholder Reference Number	has the same meaning as in the ASX Settlement Operating Rules.
September Quarterly Distribution	the distribution of \$0.02 per Security declared by APDC on 20 September 2018 and payable on 25 October 2018, with a record date of 28 September 2018.
Special Distribution	the distribution of \$0.02 per Security declared by APDC on 8 October 2018 and payable on 14 November 2018, with a record date of 12 October 2018.

Term	Meaning
subsidiary	<p>has the meaning given to that term in the Corporations Act, provided that:</p> <ol style="list-style-type: none"> 1 an entity will also be deemed to be a subsidiary of a body corporate if it is controlled (within the meaning of that term provided by Pt 1.2, Div 6 of the Corporations Act) by that body corporate; and 2 a trust may be a subsidiary (for the purposes of which a unit or other beneficial interest will be deemed to be a share in the capital of a body corporate) and a body corporate or a trust may be a subsidiary of a trust.
TAA 1953	the <i>Taxation Administration Act 1953</i> (Cth).
Trading Day	has the same meaning as in the Listing Rules.
Variation Notice	a notice issued by the Commissioner under section 14-235 of Schedule 1 to the TAA 1953.
Your Securities	the Securities in respect of which you are registered, or entitled to be registered, as holder in the register of securityholders of APDC during the Offer Period.

10.2 Interpretation

In this Bidder's Statement, unless the context otherwise appears:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section, attachment and schedule is a reference to a section of and an attachment and schedule to this Bidder's Statement as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (h) a reference to time is a reference to time in Sydney, Australia;

- (i) a reference to writing includes facsimile transmissions and emails;
- (j) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia; and
- (k) specifying anything in this Bidder's Statement after the words 'includes' or 'for example' or similar expressions does not limit what else is included

11 Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution passed by the directors of NEXTDC.

Dated 8 October 2018

Signed for and on behalf of

NEXTDC Limited

by

A handwritten signature in black ink, appearing to read 'DFlynn', with a long horizontal stroke extending to the right.

Doug Flynn

Independent Chairman

For personal use only

For personal use only

Announcement

ASX Release

8 October 2018

APDC –Takeover Bid

NEXTDC Limited (ASX: NXT) (“**NEXTDC**” or “the **Company**”) is pleased to advise that it has agreed terms with the Asia Pacific Data Centre Group, being stapled securities of Asia Pacific Data Centre Holdings Limited and the Asia Pacific Data Centre Trust (ASX: “**AJD**” or “**APDC Group**”) to acquire the remaining 70.8% of AJD securities it does not own via an unconditional all cash, on market takeover bid (“**the Offer**”).

NEXTDC further advises that 360 Capital Group (“**360 Capital**”), which holds an interest of 67.3% of the AJD securities, has stated that it intends to accept the NEXTDC Offer in respect of all of the securities in APDC that it holds in the absence of a superior proposal. Following acceptance of the Offer by 360 Capital, NEXTDC would have an interest in 96.5% of the AJD securities at which time NEXTDC intends to proceed to compulsory acquisition of the outstanding AJD securities.

The Offer

Under the Offer, NEXTDC will pay AJD securityholders cash consideration of \$2.00 per security.

AJD securityholders will also be entitled to two separate distributions (“**Permitted Distributions**”):

- a) special distribution of \$0.02 per security, declared on 8 October 2018 and payable on 14 November 2018, with a record date of 12 October 2018 (“**Special Distribution**”); and
- b) quarterly distribution of \$0.02 per security, which was declared on 20 September 2018 and payable on 25 October 2018, with a record date of 28 September 2018.

APDC Group’s core assets comprise three data centre properties occupied by NEXTDC under long-term lease arrangements: Sydney (S1), Melbourne (M1) and Perth (P1), (together the “**Portfolio**”).

The Portfolio had an independent valuation of \$261 million at 30 June 2018.

The Offer of \$2.00, plus Special Distribution of \$0.02 per security is equivalent to APDC’s Net Tangible Assets per security of \$2.02 at 30 June 2018.

Further details of the Offer are included in a bidder’s statement issued by NEXTDC today and annexed to this announcement, together with the bid implementation agreement, which governs the implementation of the Offer.

Acceptance - On Market

The Offer is unconditional.

The Offer will only be open until 26 November 2018 and will not be extended in the absence of a competing proposal.

The Offer represents NEXTDC’s ‘*best and final*’ price, and the consideration will not be increased in the absence of a competing proposal.

NEXTDC intends to immediately commence buying AJD securities on market through its appointed broker, Citigroup Global Markets Australia Pty Limited.

AJD securityholders wishing to accept the Offer, simply need to sell their AJD securities on market before the Offer closes on 26 November 2018.

NEXTDC Rationale

NEXTDC considers there are benefits to owning the Portfolio of data centres it currently leases given the Company's expanded capital base. The proposed acquisition of APDC will provide NEXTDC with an additional \$14 million of recurring annual cash flow savings (before interest charges) and strengthen the balance sheet through the addition of further tangible assets.

NEXTDC Chief Executive Officer, Craig Scroggie commented:

"Completing this acquisition is in line with our longer-term strategy to own more of our data centre properties. This will provide the Company greater flexibility in its capital structure as the Company continues to build out its significant pipeline of data centre developments."

Transaction Funding

The overall funding requirement for the APDC acquisition is expected to be approximately \$200 million, comprising payments made to acquire the 70.8% of APDC securities not currently owned, repayment of APDC's debt and transaction and restructuring costs. NEXTDC will fund the APDC acquisition from its existing cash reserves.

NEXTDC had liquidity in excess of \$900 million at 30 September 2018, including unaudited cash reserves of over \$600 million and \$300 million of undrawn senior debt facilities.

Advisers

Cadence Advisory is acting as financial adviser and Herbert Smith Freehills as legal adviser to NEXTDC.

ENDS

For more information:

Alex Teo

Manager Investor Relations and Corporate Development
T: +61 2 8072 4976
E: investorrelations@nextdc.com

Sue Cato (Media)

cato & clegg
T: +61 419 282 319
E: cato@catoandclegg.com

NEXTDC Investor Centre: www.nextdc.com/our-company/investor-centre

About NEXTDC

NEXTDC is an ASX200-listed technology company enabling business transformation through innovative data centre outsourcing solutions, connectivity services and infrastructure management software.

As Australia's leading independent data centre operator with a nationwide network of Tier III and IV facilities, NEXTDC provides enterprise-class colocation services to local and international organisations. With a focus on sustainability and renewable energy NEXTDC is leading the industry with award-winning engineering solutions for energy efficiency and NABERS 4.5-star certification.

NEXTDC is extending its leadership in data centre services through the innovative DCIM-as-a-Service software platform, ONEDC®, which enables customers to centrally manage their on-premise and colocated infrastructure; and advanced connectivity services that deliver a range of secure, highspeed interconnections between racks, networks and cloud services.

NEXTDC's Cloud Centre is the online marketplace for the country's largest independent network of carriers, cloud and IT service providers, enabling customers to freely source best of breed suppliers within the NEXTDC Partner community.

NEXTDC is *where the cloud lives*®.

To learn more, visit www.nextdc.com

Corporate directory

NEXTDC Limited

Level 6, 100 Creek Street
Brisbane QLD 4000
Australia

Financial Adviser

Cadence Advisory
Level 18, 420 George Street
Sydney NSW 2000

Legal Adviser

Herbert Smith Freehills
ANZ Tower, 161 Castlereagh Street
Sydney NSW 2000
Australia

Broker to the Offer

Citigroup Global Markets Australia Pty Limited
Citigroup Centre
2 Park Street
Sydney NSW 2000

NEXTDC Offer Information Line

1300 853 816 (within Australia)
+61 1300 853 816 (outside Australia)

For personal use only