

KEPPEL DC REIT

MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF THE UNITHOLDERS OF KEPPEL DC REIT HELD BY ELECTRONIC MEANS¹ ON 2 DECEMBER 2021 AT 10.30 A.M.

PRESENT

Ms Christina Tan	Chairman of the Board (“ Board Chairman ”)
Ms Lee Meng Hoon Anthea	Chief Executive Officer
Mr Kenny Kwan	Lead Independent Director (“ Chairman of the EGM ”)
Mr Lee Chiang Huat	Independent Director and Chairman of the Audit and Risk Committee
Dr Tan Tin Wee	Independent Director and Chairman of the Nominating and Remuneration Committee
Mr Dileep Nair	Independent Director
Mr Low Huan Ping	Independent Director
Mr Thomas Pang Thieng Hwi	Non-Executive Director

IN ATTENDANCE (VIA LIVE WEBCAST OR AUDIO CONFERENCE)

As per attendance lists.

1. INTRODUCTION

Board Chairman extended a warm welcome to all Unitholders and attendees who had joined the virtual EGM by webcast and audio means. She proceeded to introduce the board of directors (“**Board**”) and chief executive officer (“**CEO**”) of Keppel DC REIT Management Pte. Ltd., the manager of Keppel DC REIT (the “**Manager**”).

Board Chairman added that representatives from Perpetual (Asia) Limited, acting in its capacity as the trustee of Keppel DC REIT (“**Trustee**”); Deloitte & Touche Corporate Finance Pte Ltd, the independent financial adviser to the independent directors, Audit and Risk Committee and the Trustee; Allen & Gledhill LLP, the legal adviser to the Trustee; and Baker McKenzie.Wong & Leow, the legal adviser to the Manager in relation to the NetCo Bonds and Preference Shares Investment, were also in attendance.

Unitholders were informed that the EGM was convened to seek the approval of Unitholders for: (i) the proposed NetCo Bonds and Preference Shares Investment (as defined in the Circular dated 10 November 2021 (“**Circular**”)), which is an interested person transaction under Chapter 9 of the Listing Manual, as well as an interested party transaction under

¹ The EGM of Keppel DC REIT was convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 1 October 2020 titled “Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation”.

Appendix 6 of the Code on Collective Investment Schemes, referred to as the Property Funds Appendix; and (ii) the proposed Fee Supplement (as defined in the Circular), to provide for a one-off acquisition fee payable to the Manager in connection with the NetCo Bonds and Preference Shares Investment under the trust deed constituting Keppel DC REIT ("**Trust Deed**").

As Board Chairman is a non-independent director of the Manager due to her positions as Chief Executive Officer of Keppel Capital, Deputy Chairman of Alpha Investment Partners Limited and non-executive director of the trustee-manager of Keppel Infrastructure Trust, for the purposes of good corporate governance, it was explained that the Trustee had, in accordance with paragraph 8 of the Schedule of the Trust Deed, nominated Mr Kenny Kwan, who is the Lead Independent Director, to chair the proceedings as Chairman of the EGM.

2. QUORUM AND CEO PRESENTATION

As there was a quorum, Chairman of the EGM called the meeting to order. He informed Unitholders that the live Q&A function whereby Unitholders may ask questions, was open and that the Manager would endeavour to answer all substantial and relevant questions received during the EGM.

Chairman of the EGM then invited the CEO, Ms Anthea Lee, to share the presentation on the proposed transactions. A copy of the presentation by CEO has been uploaded onto SGXNet and the website of Keppel DC REIT.

CEO Presentation

In the course of CEO's presentation, she provided an overview of the proposed investment including an illustration of the assets to be transferred (the "**Network Assets**") from M1 Limited ("**M1**") to M1 Network Private Limited ("**NetCo**"), highlighting that M1 is one of the largest and more well-established telecommunications operators in Singapore. It was also explained to Unitholders that Keppel DC REIT would be subscribing for bonds and preference shares issued by NetCo for S\$89.7 million and Keppel DC REIT would receive from NetCo a fixed amount of S\$11.0 million per annum (comprising principal and interest payments) for 15 years. NetCo would be taking up external financing of up to S\$493 million to part finance NetCo's acquisition of the Network Assets from M1.

In connection with Keppel DC REIT's investment, the proposed fee supplement has been proposed to seek Unitholders' approval for the one-time acquisition fee payable to the Manager. It was explained that Keppel DC REIT would be reimbursed by NetCo for professional and other fees and expenses incurred of approximately S\$2.7 million if the resolution was approved. In the scenario that the Resolution is not approved, Keppel DC REIT will seek reimbursement of approximately \$1.8 million from NetCo. Unitholders were informed that the acquisition fees will be paid in Units of Keppel DC REIT and that such Units will not be sold by the Manager within one year from their issuance. No divestment fee would be payable to the Manager at the maturity of the NetCo Bonds.

CEO next shared that the investment would be DPU accretive at 3.8% despite the proposed investment comprising less than 3% of Keppel DC REIT's portfolio. Keppel DC REIT's application to the Monetary Authority of Singapore to seek confirmation on whether the NetCo Bonds qualify as Qualifying Project Debt Securities ("**QPDS**") and the alternate

scenario DPU accretion of 3.1%, was also shared. She added that the proposed investment will bring regular and stable cash flow to Keppel DC REIT for 15 years, translating to an effective yield of 9.17% per annum. At the same time, there would be no operational management risks or capex obligations for Keppel DC REIT as M1 will perform the day-to-day operation and maintenance of, as well as capex works for the Network Assets. The payback period for the initial investment of S\$89.7 million is approximately 8 years. Another merit to the investment for Keppel DC REIT is that it would further strengthen the income resilience of Keppel DC REIT's portfolio through a diversification of income streams. Next, CEO said that the AUM of Keppel DC REIT will increase by 2.8% to S\$3.3 billion and this enlarged portfolio will create a stronger platform for acquisition growth via better access to capital and debt markets.

CEO also emphasized that the Manager will continue to focus on and capitalise on growth opportunities in the data centre industry to strengthen Keppel DC REIT's global presence, and will ensure that at least 90% of Keppel DC REIT's AUM is in data centre assets.

The CEO's presentation came to a close and she handed the time back to the Chairman of the EGM.

3. CONDUCT OF THE EGM

The Chairman of the EGM took the documents circulated to the Unitholders, being the Notice of EGM and the Circular, as read. He explained that in accordance with the COVID-19 (Temporary Measures) Act 2020 and the related order on the alternative arrangements for general meetings, all votes on the resolutions tabled at the EGM would be by proxy and only the Chairman of the EGM could be appointed as a proxy.

Chairman of the EGM further informed the meeting that he had been appointed as proxy by a number of Unitholders to vote on their behalf and voting would be conducted by poll. As all proxy forms had been submitted 72 hours before the EGM, the number of votes for and against each motion had been verified by the scrutineers, RHT Governance, Risk & Compliance (Singapore) Pte. Ltd., and the poll results would be announced after the Q&A session.

Before commencing the Q&A session proper, the Chairman of the EGM went through the two resolutions which were set out before Unitholders at the meeting:

Ordinary Resolution 1: The Proposed Netco Bonds and Preference Shares Investment, as an Interested Person Transaction

Resolution 1 is an ordinary resolution to seek Unitholders' approval for the proposed subscription by Keppel DC REIT for bonds issued by NetCo for a subscription amount of S\$88.7 million, on the terms and conditions set out in the bond subscription deed made between the Trustee and NetCo. As part of the transaction, Keppel DC REIT, through its wholly-owned subsidiary KDCR Singapore 2, will also subscribe for 100% of the preference shares to be issued by NetCo for a subscription amount of S\$1.0 million, on the terms and conditions set out in the Subscription and Shareholders' Agreement. This is an interested person transaction and the Resolution has to be carried by the affirmative votes of more than 50% of the total votes cast on the Resolution.

Keppel Corporation Limited ("**KCL**"), through its interests in Keppel Telecommunications & Transportation Ltd ("**Keppel T&T**") and Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**"), is a controlling Unitholder of Keppel DC REIT. Keppel Capital and Keppel T&T are both subsidiaries of KCL.

As at the Latest Practicable Date, KCL holds an effective 83.8% of the shares of M1, and M1 in turn holds 100% of the ordinary shares of NetCo. Accordingly, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST and Paragraph 5 of the Property Funds Appendix, NetCo is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Keppel DC REIT. Accordingly, Unitholders were informed that KCL, Keppel T&T and their associates would abstain from voting on this Resolution.

Further, Chairman of the EGM notified Unitholders that, through Temasek's shareholding interests in KCL, Temasek has a deemed interest in approximately 22.43% of the total number of Units in Keppel DC REIT as at the Latest Practicable Date. Accordingly, Temasek and its associates would also abstain from voting on the Resolution.

In addition, as Ms Christina Tan is the CEO and a member of the board of directors of Keppel Capital and Mr Thomas Pang is a director and the CEO of Keppel T&T, for purposes of good corporate governance, they would each abstain from voting on the Resolution in relation to the proposed NetCo Bonds and Preference Shares investment in respect of the Units held by them.

Extraordinary Resolution 2: The Proposed Fee Supplement

Chairman of the EGM next went through the second resolution. Unitholders were informed that Resolution 2 is an extraordinary resolution to seek Unitholders' approval to supplement the Trust Deed constituting Keppel DC REIT in the manner set out in the Circular, to provide for a one-off acquisition fee payable to the Manager in connection with the NetCo Bonds and Preference Shares Investment, which is a non-real estate investment. The Resolution has to be carried by the affirmative votes of 75.0% or more of the total votes cast on the Resolution.

Given that the Proposed Fee Supplement directly affects the Manager's fees, the Manager is considered an interested person for the purposes of Chapter 9 of the Listing Manual and the Manager and its associates would abstain from voting on Resolution 2.

As per Resolution 1, Ms Christina Tan and Mr Thomas Pang would each also abstain from voting on Resolution 2 in respect of the Units held by them.

4. Q&AS IN CONNECTION TO THE PROPOSED TRANSACTIONS

Having covered the two resolutions, the Chairman of the EGM informed the meeting that responses to all substantial and relevant questions submitted by Unitholders have been published on SGXNet and Keppel DC REIT's corporate website in the previous evening, in addition to the transcript of the SIAS-Keppel DC REIT Virtual Dialogue Session which was published on SGXNet and Keppel DC REIT's corporate website on 23 November 2021. He then moved to the live Q&A session.

- 4.1 *The first question received was whether the proposed investment is strategic or tactical. If it is strategic, what is Keppel DC REIT's new strategy in relation to such asset class? If it is tactical, why is 3.8% DPU accretion attractive compared to other opportunities?*

In response, CEO explained that this is not a new strategy. The proposed investment is in line with Keppel DC REIT's investment mandate, and it is an opportunistic investment. She reiterated that the high yield of 9.17% is attractive and would also provide Keppel DC REIT with stable and regular cash flow for 15 years without having to assume operational management risk and capex obligations. Regarding the second part of the Unitholder's query, CEO replied that the 3.8% DPU accretion is attractive particularly in light of the investment forming less than 3% of Keppel DC REIT's portfolio.

- 4.2 *The next query sought clarification as to why the gearing of NetCo is considered irrelevant for Keppel DC REIT.*

CEO explained that from an accounting perspective, Keppel DC REIT's investment into NetCo would be treated as a joint venture, therefore NetCo's accounts would not be consolidated into Keppel DC REIT's books. Hence, given the nature of the transaction, the gearing of NetCo does not impact Keppel DC REIT's aggregate leverage.

- 4.3 *A question was raised regarding the repayment schedule for the NetCo Bonds.*

In response to this query, CEO replied that Keppel DC REIT will be receiving a fixed amount of S\$11.0 million per year, comprising principal and interest, for 15 years. This translates to an interest income of 9.17% per annum. The initial investment amount of S\$89.7 million would be progressively repaid over approximately 8 years.

- 4.4 *The next query relates to the percentage breakdown of Network Assets that would be held by NetCo based on 3G, 4G and 5G technology and whether the 3G and 4G assets would remain relevant after 15 years.*

CEO informed the meeting that the Manager was not able to disclose the exact percentages of 3G, 4G and 5G based assets due to confidentiality. However, she shared that the Network Assets comprise 3G, 4G and non-standalone 5G equipment as well as assets that are utilised independent of the type of mobile technology. CEO further elaborated that close to half of the value of the Network Assets are assets that are independent of mobile technology. She also added that some of the 3G and 4G equipment could be upgraded to serve higher mobile technology.

- 4.5 *The final question received from Unitholders pertained to Keppel DC REIT's board representation at the NetCo level. The Unitholder noted that Keppel DC REIT had 50% board representation and wanted to know whether Keppel DC REIT's board representation would progressively decline as the principal and interest is paid on the NetCo Bonds.*

It was clarified by CEO that Keppel DC REIT will retain its 50% board representation on NetCo over the entire 15 year investment period.

The Chairman of the EGM and CEO thanked all Unitholders for their participation in the "live" Q&A session and in the absence of further queries from Unitholders, closed the Q&A session.

5. CONDUCT OF THE VOTING

Chairman of the EGM proceeded with the conduct of the voting.

Ordinary Resolution 1: The Proposed Netco Bonds and Preference Shares Investment, as an Interested Person Transaction

Chairman of the EGM proposed Resolution 1 and put the motion to a vote. Chairman of the EGM casted his votes in accordance with voting instructions received. Based on the scrutineers' report, the voting results were as follows.

Votes FOR the resolution: 470,985,125 votes or 95.20 per cent.
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Votes AGAINST the resolution: 23,728,551 votes or 4.80 per cent.
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Chairman of the EGM declared the resolution carried.

It was resolved as an Ordinary Resolution that the proposed NetCo Bonds and Preference Shares Investment, as an interested person transaction, be approved.

Extraordinary Resolution 2: The Proposed Fee Supplement

Chairman of the EGM proposed Resolution 2 and put the motion to a vote. Chairman of the EGM casted his votes in accordance with voting instructions received. Based on the scrutineers' report, the voting results were as follows.

Votes FOR the resolution: 476,772,125 votes or 96.38 per cent.
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Votes AGAINST the resolution: 117,908,151 votes or 3.62 per cent.

Chairman of the EGM declared the resolution carried.

It was resolved as an Extraordinary Resolution that the proposed Fee Supplement, be approved.

6. CLOSURE

There being no other business, the EGM ended at 11.00 a.m. with a vote of thanks to Chairman of the EGM.

Confirmed by:
Mr Kenny Kwan
Chairman of the EGM