

CyrusOne Inc.  
Form DEF 14A  
March 15, 2019  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of**  
**the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**CyrusOne Inc.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

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No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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CYRUSONE INC.

2101 Cedar Springs Road, Suite 900

Dallas, Texas 75201

Notice of Annual Meeting of Stockholders

| <b>Date</b>    | <b>Time</b> | <b>Place</b>                           |
|----------------|-------------|--|
| Monday         | 10:30 a.m., | Ritz Carlton Hotel                     |
| April 29, 2019 | local time  | 2121 McKinney Ave.<br>Dallas, TX 75201 |

To our Stockholders:

You are cordially invited to attend the 2019 annual meeting of stockholders of CyrusOne Inc., a Maryland corporation (the Company or CyrusOne ). The purposes of the Annual Meeting are as follows:

1. To elect eight directors, each to hold office until our 2020 annual meeting of stockholders and until his or her respective successor is duly elected and qualifies;
  2. To consider and vote upon, on an advisory basis, the compensation of the Company's named executive officers as disclosed in this proxy statement;
  3. To consider and vote upon the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2019; and
  4. To transact such other business as may properly come before the annual meeting.
- Only stockholders of record at the close of business on March 8, 2019 will be entitled to notice of, and to vote at, the annual meeting and any postponement or adjournment thereof.

**Your vote is important.** Whether or not you plan to attend the meeting, we want to make sure your shares are represented at the meeting. You may cast your vote and submit your proxy in advance of the meeting by internet, telephone or mail.

**By Internet**

**By Phone**

**By Mail**

**In Person**

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(if you received a paper  
copy in the mail)

| Visit   | Call         | Complete, sign, date and | Attend         |
|---|--------------|--------------------------|----------------|
| <a href="http://www.proxypush.com">www.proxypush.com</a><br>By Order of the Board of Directors: | 866-509-1053 | return proxy card        | Annual Meeting |

ROBERT M. JACKSON

*Executive Vice President, General Counsel and Secretary*

March 15, 2019

**Important Notice Regarding the Availability of Proxy Materials for the  
Annual Stockholder Meeting to be held on April 29, 2019:**

The Company's Proxy Statement and Annual Report are available at:

[www.proxypush.com/CONE](http://www.proxypush.com/CONE)

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2019 Proxy Statement at a Glance

Proxy Statement Summary

| Proposal   | Board Voting Recommendation | Page Reference |
|--|-----------------------------|----------------|
| Election of 8 directors  | FOR EACH DIRECTOR NOMINEE   | 4              |
| Advisory vote on executive compensation  | FOR                         | 9              |
| Ratification of appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2019 | FOR                         | 11             |
| Corporate Governance Highlights  |                             |                |

**Independent Oversight**

7 of 8 director nominees are independent

Independent Chairman of the Board

Regular executive sessions of independent directors at Board and Committee meetings

Active Board oversight of the Company's strategy and risk management, including cybersecurity and annual enterprise risk assessments

**Board Composition and Diversity**

Focus on diversity - 25% of directors are women or ethnically diverse, including Chairman of the Board and Audit Committee Chair

Commitment to actively seeking out additional highly qualified women and minority candidates to include in the pool from which Board nominees are chosen

Annual Board and Committee self-evaluations

Mandatory retirement age of 72

Ongoing director education

**Shareholder**

Annual election of all directors

**Rights**

Majority-vote director resignation policy for directors in uncontested elections

One class of shares with each share entitled to one vote

Our Bylaws may be amended by our stockholders

We have opted out of the Maryland control share acquisition statute

No stockholders rights plan in effect

**Stockholder  
Engagement**

Governance trends

Compensation practices

Board composition, diversity and succession planning

Sustainability

**Sustainability**

Environmentally-friendly and energy efficient waterless cooling

Utilization of solar and other renewable, zero-emission power

Data centers London I and London II run on a 100% renewable energy tariff; annually this is energy usage equivalent to 52,000 households from zero-emissions sources

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2019 Proxy Statement at a Glance

**Strategic and Operational Highlights**

2018 was a year of continued strong growth, record leasing, and successful expansion of the Company's reach and portfolio. Specific highlights include:

signed Company-record leases totaling \$153 million in annualized GAAP revenue, up 45% from 2017

leased Company-record 103 megawatts ( MW ) and 686,000 colocation square feet ( CSF ), 77% & 32% higher, respectively, than 2017

since our initial public offering in January 2013 (the IPO ), our CSF has grown 326% (from 0.9 million at September 30, 2012 to 3.8 million at December 31, 2018)

completed construction on 115 MW of capacity

for perspective, this is roughly equivalent to the Company's total MW capacity at the time of its IPO (125 MW as of September 30, 2012) and brings our total MW capacity to 703 MW at December 31, 2018.

continued international expansion to enable us to meet customer demand globally

completed acquisition of Zenium data centers in London and Frankfurt and 16 acres of land for development of data center campus at PolanenPark, outside Amsterdam

completed strategic investment in Odata Brasil SA, a leading hyper-scale data center provider in Brazil

these transactions, together with our strategic investment in December 2017 in GDS Holdings Ltd, a leading hyperscale data center operator in China, have added solutions for our customers on three new continents in less than 18 months

continued to acquire land for future expansion domestically, including in Santa Clara, California, a key West Coast market and positioning the Company to serve all key U.S. markets, and completed construction of 350-foot telecommunications tower at the Company's Aurora (Illinois) facility

ended 2018 with backlog of \$54 million in annualized GAAP revenue, representing nearly \$550 million in total contract value

Performance Highlights

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## 2019 Proxy Statement at a Glance

## 2018 Compensation Snapshot

|  | Base<br>Salary | Bonus     | Stock Awards | Option<br>Awards | All<br>Other<br>Comp. | Total     |
|--|----------------|-----------|--------------|------------------|-----------------------|-----------|
| Named Executive Officers   | (\$)           | (\$)      | (\$)         | (\$)             | (\$)                  | (\$)      |
| Gary J. Wojtaszek, President & Chief Executive Officer                   | 800,000        | 1,683,101 | 4,376,808    | -                | 11,949                | 6,871,858 |
| Diane M. Morefield, Executive Vice President & Chief Financial Officer   | 463,462        | 610,147   | 1,221,438    | -                | 13,888                | 2,308,935 |
| Venkatesh Durvasula, Executive Vice President & President, Europe(1)     | 472,116        | 527,117   | 1,221,438    | -                | 18,229                | 2,238,900 |
| Kevin L. Timmons, Executive Vice President & Chief Technology Officer    | 419,231        | 468,071   | 1,221,438    | -                | 13,019                | 2,121,759 |
| Robert M. Jackson, Executive Vice President, General Counsel & Secretary | 344,616        | 453,686   | 716,671      | -                | 14,088                | 1,529,061 |

(1) Effective December 1, 2018, Mr. Durvasula was promoted to Executive Vice President & President, Europe and his base salary was increased to \$550,000. Mr. Durvasula previously served as our Executive Vice President & Chief Commercial Officer.

**DESIGN PRINCIPLES**

WHAT WE DO:

WHAT WE DON'T DO:

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We link pay to performance; we reward our NEOs based upon the value they create

We do not target pay above the market median but rather use it as an initial reference point

The vast majority of NEO pay is variable based on performance

We do not encourage unnecessary or excessive risk taking as a result of our compensation policies

We place significant emphasis on multi-year, total stockholder return performance - 75% of each NEO's annual long-term incentive award is performance-based and tied to our TSR vs. the MSCI US REIT Index

We do not guarantee incentive compensation under our annual cash bonus or long-term incentive plan

We compensate fairly and competitively, but not excessively

We do not have uncapped bonus amounts under our incentive plans.

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## Proposal 1: Election of Eight Directors

## Proposal 1: Election of Eight Directors

At the 2019 annual meeting, we are asking our stockholders to elect the eight directors named below (the Nominees ) to serve until the 2020 annual meeting and until their respective successors are duly elected and qualified.

| Name                | Age | Occupation  | Director Since | Independent | Board Committees |   |   |   |     |
|---------------------|-----|---|----------------|-------------|------------------|---|---|---|-----|
|                     |     |   |                |             | A                | C | N | T | E   |
| Alex Shumate*       | 68  | Managing Partner, North America, Squire Patton Boggs (US) LLP                             | 2013           | Yes         |                  |   |   |   | (C) |
| David H. Ferdman    | 51  | Founder and former President & Chief Executive Officer, CyrusOne                          | 2013           | Yes         |                  |   |   |   |     |
| John W. Gamble, Jr. | 56  | Corporate Vice President & Chief Financial Officer, Equifax Inc.                          | 2014           | Yes         |                  |   |   |   |     |
| Michael A. Klayko   | 64  | Chief Executive Officer, MKA Capital; and Operating Executive at Marlin Equity Partners   | 2016           | Yes         |                  |   |   |   | (C) |
| T. Tod Nielsen      | 53  | President & Chief Executive Officer, Financial Force                                      | 2013           | Yes         |                  |   |   |   | (C) |
| William E. Sullivan | 64  | Chief Financial Officer & Treasurer, Purdue University                                    | 2013           | Yes         |                  |   |   |   | (C) |
| Lynn A. Wentworth   | 60  | Former Senior Vice President, Chief Financial Officer & Treasurer, BlueLinx Holdings Inc. | 2014           | Yes         |                  |   |   |   | (C) |
| Gary J. Wojtaszek   | 52  | President & Chief Executive Officer, CyrusOne Inc.  | 2012           | No          |                  |   |   |   |     |

\* Chairman of the Board and  
Lead Independent Director

A = Audit

C = Compensation

N = Nominating/Governance

T = Transaction

E = Executive

(C) Denotes committee chair

Biographical information about the Nominees and the experience, qualifications, attributes, and skills considered by our Nominating and Corporate Governance Committee and the Board of Directors in determining that the Nominee should serve as a director appears below. All of the Nominees currently serve as directors. The Board of Directors anticipates that each of the Nominees will serve, if elected, as a director. However, if any Nominee is unable to serve or declines to do so, the discretionary authority provided in the proxy will be exercised by the proxy holders to vote for a substitute or substitutes nominated by the Board of Directors, or the Board of Directors, on the recommendation of the Nominating and Corporate Governance Committee, may reduce the size of the Board and number of nominees.

The Board of Directors recommends  
a vote **FOR** each Nominee.



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Proposal 1: Election of Eight Directors

Nominees for Election to the Board of Directors

The biographical descriptions below set forth certain information with respect to each of the eight Nominees for election as a director at the annual meeting.

|   |  |
|---|--|
| <p><b>Alex Shumate</b></p>  | <p><b>Mr. Shumate</b> has served as the Managing Partner, North America, of Squire Patton Boggs (US) LLP, an international law firm, since 2009. He joined Squire Patton Boggs in 1988 and he has served as the Managing Partner of its Columbus, Ohio office since 1991. He is a member of the Board of Trustees of The Ohio State University, where he is chairman of the board’s Governance Committee; he currently is serving his third term as a trustee and has twice served as Chairman of the Board. Mr. Shumate is the lead independent director of The J.M. Smucker Company and chairman of the board’s Nominating, Governance and Corporate Responsibility Committee. He previously served as a director of the Wm. Wrigley Jr. Company from 1998 until its acquisition in 2008, of Nationwide Financial Services from 2002 until its acquisition in 2009, and of Cincinnati Bell from 2005 to January 2013. Prior to joining Squire Patton Boggs, Mr. Shumate served as chief counsel and deputy chief of staff to the Governor of the State of Ohio and as assistant attorney general, State of Ohio.</p> |
| <p><b>Chairman of the Board &amp; Lead Independent Director</b></p>                                 |  |
| <p><b>Board Committees:</b></p> <p><b>Nominating and Corporate Governance Executive (Chair)</b></p> | <p><b>Qualifications</b></p> <p>Mr. Shumate brings to our Board of Directors demonstrated managerial ability and a thorough understanding of the principles of good corporate governance.</p>  |

|  |   |
|--|---|
|  | <p><b>Mr. Ferdman</b> was the founder of CyrusOne and served as President &amp; Chief Executive</p> |
|--|---|

**David H. Ferdman**

**Board Committees:**

**Transaction**

Officer from 2000 until its acquisition by Cincinnati Bell in June 2010. Mr. Ferdman served as the President until August 2011 and served as the Chief Strategy Officer until January 2013. Upon consummation of our initial public offering, Mr. Ferdman resigned from his employment with the Company. Prior to founding CyrusOne, Mr. Ferdman was the Chief Operating Officer and co-founder of UWI Association Programs (d/b/a Eclipse Telecommunications), a facilities-based telecommunications service provider. As Chief Operating Officer of UWI, Mr. Ferdman was instrumental in the company's rapid growth, which culminated in its acquisition by IXC Communications (now part of Level 3 Communications Inc.) in 1998. Mr. Ferdman is also a director of Circuit of the Americas, Quality Uptime Services and Cybraics, Inc.

**Qualifications**

Mr. Ferdman brings to our Board of Directors a comprehensive understanding of our business coupled with extensive experience in the data center industry.

**John W. Gamble, Jr.**

**Board Committees:**

**Audit**

**Mr. Gamble** is Corporate Vice President & Chief Financial Officer of Equifax Inc., where he is responsible for corporate finance, accounting, treasury, tax, internal audit and investor relations. From September 2005 to May 2014, Mr. Gamble was Executive Vice President & Chief Financial Officer for Lexmark International, Inc. In addition to corporate finance functions, he was responsible for Lexmark's investor relations, information technology, strategy and development, and internal audit and security functions. Prior to joining Lexmark, Mr. Gamble was executive vice president and chief financial officer of Agere Systems, Inc. Mr. Gamble also served in finance leadership roles with AlliedSignal, Inc., and then Honeywell International, Inc., following the merger of the two entities. Earlier, Mr. Gamble served in a variety of finance capacities with General Motors. Mr. Gamble began his career as an electrical engineer with Bethlehem Steel Corporation.

**Qualifications**

Mr. Gamble brings to our Board of Directors extensive knowledge regarding financial management and the information technology market.

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Proposal 1: Election of Eight Directors

|  |   |
|--|---|
| <p><b>Michael A. Klayko</b></p>  | <p><b>Mr. Klayko</b> has been Chief Executive Officer of MKA Capital, an investment company focusing on technology investments, since January 2013. He has also been an Operating Executive at Marlin Equity Partners, a global investment firm, since March 2018. From January 2005 until January 2013, Mr. Klayko served as Chief Executive Officer and served on the board of directors of Brocade Communications Systems, Inc., a comprehensive network solutions provider ( Brocade ). Previously, Mr. Klayko was Vice President of Worldwide Sales at Brocade and also served as its Vice President of Marketing and Support and Vice President of OEM Sales. Additionally, Mr. Klayko has held management positions at Rhapsody Networks, McDATA, EMC, Hewlett-Packard Company and IBM. Mr. Klayko serves on the board of directors of Allscripts Healthcare Solutions, Inc., a healthcare information technology provider, and previously served on the board of directors of Brocade Communications Systems, Inc. (2005 through 2013), PMC-Sierra, Inc. (2012 through January 2016) and Bally Technologies (2014).</p> |
| <p><b>Board Committees:</b></p> <p style="padding-left: 20px;"><b>Transaction (Chair)</b></p> <p style="padding-left: 20px;"><b>Compensation</b></p> <p style="padding-left: 20px;"><b>Nominating and</b></p> <p style="padding-left: 20px;"><b>Corporate</b></p> <p><b>Governance</b></p> | <p><b>Qualifications</b></p> <p>Mr. Klayko brings to our Board of Directors a comprehensive understanding of the technology and network solutions industry coupled with extensive experience as a director of other publicly-held technology companies.</p>   |

|                                 |   |
|---------------------------------|---|
| <p><b>T. Tod Nielsen</b></p>    | <p><b>Mr. Nielsen</b> has served as the President &amp; Chief Executive Officer and a member of the board of directors of FinancialForce, a private cloud ERP vendor, since January 2017. Mr. Nielsen served as Chief Executive Officer of Heroku, a cloud application development company that was acquired by Salesforce in 2011, and as Executive Vice President of Platform at Salesforce from June 2013 to June 2016. Prior to that, Mr. Nielsen was Co-President, Applications Platform Group at VMware, Inc. Mr. Nielsen served as VMware’s Chief Operating Officer from January 2009 to January 2013. Prior to that, he served as President and Chief Executive Officer of Borland Software Corporation</p> |
| <p><b>Board Committees:</b></p> |   |

**Compensation  
(Chair)**

from November 2005 to December 2008. From June 2005 to November 2005, Mr. Nielsen served as Senior Vice President, Marketing and Global Sales Support for Oracle Corporation, an enterprise software company. From August 2001 to August 2004, Mr. Nielsen served in various positions at BEA Systems, Inc., a provider of application infrastructure software, including Chief Marketing Officer and Executive Vice President, Engineering. Mr. Nielsen also spent 12 years with Microsoft Corporation in various roles, including General Manager of Database and Developer Tools, Vice President of Developer Tools, and at the time of his departure, Vice President of Microsoft's platform group. Mr. Nielsen is a current director of BTI Systems, and former director of MyEdu Corp., Fortify Software and Club Holdings, LLC.

**Qualifications**

Mr. Nielsen brings to our Board of Directors a strong technical background in software development, coupled with extensive management experience and knowledge of the information technology market.

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Proposal 1: Election of Eight Directors

|                            |
|----------------------------|
| <b>William E. Sullivan</b> |
| <b>Board Committees:</b>   |
| Nominating and             |
| Corporate Governance       |
| (Chair)                    |
| Audit                      |

**Mr. Sullivan** has served as the Chief Financial Officer & Treasurer for Purdue University in Indiana since June 2014. Mr. Sullivan served as the Chief Financial Officer of ProLogis Inc., a real estate investment trust ( REIT ) operating as an owner, manager and developer of distribution facilities, from March 2007 to May 2012. Prior to joining ProLogis, Mr. Sullivan was the founder and President of Greenwood Advisors, Inc., a private financial consulting and advisory firm, from 2005 to 2007. Prior to that, Mr. Sullivan served as the Chairman (2001 to 2007) & Chief Executive Officer (2001 to 2005) of SiteStuff, Inc., a procurement solutions company specializing in real estate property and facility management. Mr. Sullivan worked for Jones Lang LaSalle, and its predecessor, LaSalle Partners, in a variety of positions from 1984 to 2001, including as Chief Financial Officer from 1997 to 2001 and as a member of the Board of Directors from 1997 to 1999. Prior to joining Jones Lang LaSalle, Mr. Sullivan was a member of the Communications Lending Group of the First National Bank of Chicago and also served as a member of the tax division of Ernst & Ernst LLP, a predecessor to Ernst & Young LLP. Mr. Sullivan has also served as a director and audit committee chairman of Jones Lang LaSalle Income Property Trust, Inc. since September 2012 and served as a director of Club Corp. from August 2013 until September 2017.

**Qualifications**

Mr. Sullivan brings to our Board of Directors a comprehensive understanding of the commercial real estate industry coupled with extensive REIT management experience.

|                          |
|--------------------------|
| <b>Lynn A. Wentworth</b> |
| <b>Board Committees:</b> |
| Audit (Chair)            |

**Ms. Wentworth** served as Senior Vice President, Chief Financial Officer & Treasurer of BlueLinx Holdings Inc. (a building products distributor) from 2007 until her retirement in 2008. Prior to joining BlueLinx, Ms. Wentworth served as Vice President and Chief Financial Officer for BellSouth Corporation's Communications Group and held various other positions at BellSouth from 1985 to 2007. Ms. Wentworth began her career at Coopers & Lybrand, where she served in both the audit and tax divisions. Ms. Wentworth is a certified public accountant licensed in the state of Georgia. Ms. Wentworth is a director and chair of the Audit and Finance Committee of Cincinnati Bell Inc., and has been elected chair of the board effective May 2019. Ms. Wentworth also serves as a director and chair of the Audit Committee of Graphic Packaging Holding Company.

**Compensation**

**Transaction**

**Executive**

**Qualifications**

Ms. Wentworth brings to our Board of Directors extensive knowledge regarding complex financial, accounting and corporate governance matters affecting large corporations.

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Proposal 1: Election of Eight Directors

|                                      |
|--------------------------------------|
| <b>Gary J. Wojtaszek</b>             |
| <b>Board Committees:</b>             |
| <b>Executive</b>                     |
| <b>Education:</b>                    |
| <b>BA - Rutgers<br/>University</b>   |
| <b>MBA - Columbia<br/>University</b> |

**Gary J. Wojtaszek** is our President & Chief Executive Officer and has served as a member of our Board of Directors since July 2012. Prior to becoming the President of CyrusOne in August 2011, Mr. Wojtaszek served as Chief Financial Officer of Cincinnati Bell Inc., where he had responsibility for the data center business and oversaw CyrusOne's successful spin-off and IPO. Prior to joining Cincinnati Bell in July 2008, he was Senior Vice President, Treasurer and Chief Accounting Officer for the Laureate Education Corporation in Baltimore, Maryland from 2006 to 2008. Prior to that, Mr. Wojtaszek worked from 2001 to 2008 at Agere Systems, the semiconductor and optical electronics communications division of Lucent Technologies, which was subsequently spun-off through an initial public offering. While at Agere Systems, Mr. Wojtaszek worked in a number of finance positions, ultimately serving as the Vice President of Corporate Finance, overseeing all Controllershship, Tax and Treasury functions. Mr. Wojtaszek started his career in General Motors Company's New York treasury group and joined Delphi Automotive Systems as the regional European treasurer in connection with the initial public offering and spin-off of Delphi Automotive Systems from General Motors. Mr. Wojtaszek serves on the foundation board of directors of the Baylor Health Care System, the Executive Board of the Lyle School of Engineering at Southern Methodist University, and the Advisory Board of the Lyle School of Engineering's Datacenter Systems Engineering (DSE) Program at Southern Methodist University. Mr. Wojtaszek is a director of GDS Holdings Ltd. and previously served as a director of Cincinnati Bell Inc.

Under Mr. Wojtaszek's leadership, CyrusOne's revenue has more than tripled and it has been one of the best performing publicly-traded real estate companies in the United States since its initial public offering and Nasdaq-listing in January 2013. With a focus on delivering innovative solutions for CyrusOne's customers' global growth, Mr. Wojtaszek is overseeing CyrusOne's international expansion, including in Europe and Asia.

**Qualifications**

Mr. Wojtaszek is our Chief Executive Officer and brings to our Board of Directors critical knowledge and understanding of the data center industry coupled with an in-depth understanding of the Company's business and capital structure.





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Proposal 2: Say-on-Pay

Proposal 2: Advisory Vote on Executive Compensation

Pursuant to Section 14A of the Securities Exchange Act, we are asking our stockholders to consider and approve, on an advisory basis, the compensation of the Company's named executive officers (NEOs) as described in this proxy statement (Say-on-Pay).

Our executive compensation program rewards performance, supports our business strategies, discourages excessive risk-taking, makes us competitive for top talent among our peers and other relevant enterprises, while at the same time creates an ownership culture that aligns our executives' interests with the long-term interests of our stockholders. Our Compensation Discussion and Analysis and the related compensation tables describe in detail the components of our executive compensation program and the process by which our Compensation Committee makes executive compensation decisions. Highlights of our program include the following:

We support a culture committed to paying for performance where compensation is commensurate with the results achieved

We cap individual payouts under our executive compensation plans

We do not guarantee incentive compensation under our annual cash bonus plan or long-term incentive plan

Clawback policies allow recovery of certain compensation payments and proceeds from executives in the event of a significant restatement of financial results

We do not provide single-trigger change-in-control vesting provisions

We do not provide gross-ups to cover personal income taxes that pertain to executive or severance benefits

We do not provide special executive retirement programs

**PERFORMANCE-BASED COMPENSATION**

At our 2018 annual meeting of stockholders, approximately 86% of the votes were cast in favor of the advisory vote on the 2017 compensation of our NEOs.

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Proposal 2: Say-on-Pay

We are asking our stockholders to approve the following non-binding advisory resolution:

**RESOLVED**, that the stockholders of CyrusOne Inc. approve, on an advisory basis, the compensation of CyrusOne Inc.'s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K of the rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, Summary Compensation Table and other related tables and disclosures.

While the vote is non-binding, we highly value the opinions of our stockholders and the Compensation Committee will consider the outcome of this advisory vote in connection with future executive compensation decisions.

The Board has adopted a policy of providing annual advisory votes on the compensation of our NEOs. The next advisory vote is expected to occur at the 2020 Annual Meeting of Stockholders.

The Board of Directors recommends  
a vote **FOR** the approval of the advisory  
resolution on executive compensation.

**Table of Contents****Proposal 3: Ratification of Appointment of Independent Registered Public Accounting Firm****Proposal 3: Ratification of Appointment of Independent Registered Public Accounting Firm**

The Audit Committee of the Board of Directors has appointed Deloitte & Touche LLP ( Deloitte ) to serve as the Company's independent registered public accounting firm for the year ending December 31, 2019, and the Board of Directors is asking stockholders to ratify this appointment. Although current law, rules and regulations, as well as the Audit Committee Charter, require the Company's independent registered public accounting firm to be engaged, retained and supervised by the Audit Committee, the Board of Directors considers the selection of the independent registered public accounting firm to be an important matter of stockholder concern and is submitting the appointment of Deloitte for ratification by stockholders as a matter of good corporate practice. If the stockholders fail to ratify the appointment, the Audit Committee may reconsider whether or not to retain Deloitte in the future. Deloitte has served as the Company's independent registered public accounting firm since 2011. Even if the appointment is ratified, the Audit Committee may, in its discretion, appoint a different independent registered public accounting firm.

**Fee Disclosure**

The following is a summary of the fees billed by Deloitte for professional services rendered for the years ended December 31, 2018 and December 31, 2017:

|                    | Year Ended<br>December 31, 2018 | Year Ended<br>December 31, 2017 |
|--------------------|---------------------------------|---------------------------------|
|                    | (\$)                            | (\$)                            |
| Audit Fees         | 1,486,603                       | 1,622,564                       |
| Audit Related Fees | 168,050                         | 60,700                          |
| Tax Fees           | 12,222                          | 91,464                          |
| All Other Fees     | 2,020                           |                                 |
| <b>Total</b>       | <b>1,668,895</b>                | <b>1,774,728</b>                |
| <b>Audit Fees</b>  |                                 |                                 |

Audit Fees consist of fees and related expenses billed for professional services rendered for the audit of the financial statements and services that are normally provided by Deloitte in connection with statutory and regulatory filings or engagements. For example, audit fees include fees for professional services rendered in connection with quarterly and annual reports, and the issuance of consents by Deloitte to be named in our registration statements and to the use of their audit report in the registration statements.

**Audit-Related Fees**

Audit-Related Fees consist of fees and related expenses for products and services other than services described under Audit Fees, Tax Fees and All Other Fees. These services included, among others, due diligence related to completed and potential acquisitions, accounting consultations that were not required by statute or regulation and consultations concerning financial accounting and reporting.

**Tax Fees**

Tax Fees consist of fees and related expenses billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal and state tax compliance and tax planning and structuring.

**Pre-Approval Policy**

All audit, tax and other services provided to us were reviewed and pre-approved by the Audit Committee or a member of the Audit Committee designated by the full committee to pre-approve such services.

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**Proposal 3: Ratification of Appointment of Independent Registered Public Accounting Firm**

Generally, the scope of the work to be performed by Deloitte, and the proposed fees associated with the work, are reviewed by management. The proposed work and associated fees are then presented to the Audit Committee for review, and if deemed appropriate, approved. The Audit Committee in its discretion meets with both Deloitte and with management together and, if needed, separately, prior to giving its approval. For approval of minor adjustments to the scope of work or fees, the Audit Committee in its discretion may delegate approval to its chair. The Audit Committee or designated member concluded that the provision of such services by Deloitte was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

A representative of Deloitte will be present at the annual meeting, will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

The Board of Directors recommends  
a vote **FOR** the ratification of the appointment  
of Deloitte & Touche LLP as the Company's  
independent registered public accounting firm for 2019.

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**Audit Committee Report**

**Audit Committee Report**

The following is a report by the Audit Committee regarding the responsibilities and functions of the Audit Committee.

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors, in accordance with the Audit Committee Charter adopted by the Board. All members of the Audit Committee are independent under SEC rules and NASDAQ listing standards applicable to service on audit committees, and all three members of the Audit Committee are audit committee financial experts as defined by SEC rules. Management is responsible for the preparation of the Company's financial statements and the financial reporting process, including implementing and maintaining effective internal control over financial reporting and for the assessment of, and reporting on, the effectiveness of internal control over financial reporting. The Company's independent registered public accounting firm, Deloitte, is responsible for expressing an opinion on the conformity of the Company's audited financial statements and financial statement schedules with accounting principles generally accepted in the United States of America.

The Audit Committee is responsible for the appointment, compensation and oversight of our independent auditor. Deloitte has served as the Company's independent auditor since 2011. In fulfilling its oversight responsibilities, the Audit Committee reviewed with management and Deloitte the audited financial statements for the year ended December 31, 2018 contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, and discussed with management the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Audit Committee also reviewed and discussed with management and Deloitte the disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations and Controls and Procedures included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

In addition, the Audit Committee received and discussed the written disclosures and the letter from Deloitte that are required by applicable requirements of the Public Company Accounting Oversight Board regarding the firm's communications with the Audit Committee concerning independence, discussed with Deloitte the firm's independence from management and the Audit Committee, and discussed with Deloitte the matters required to be discussed by Auditing Standard No. 16, Communications with Audit Committees (as codified, AS 1301). In reviewing the independence of Deloitte, the Audit Committee considers the non-audit fees paid to Deloitte, if any, during the year.

In reliance on the reviews and discussions referred to above, prior to the filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2018 with the SEC, the Audit Committee recommended to the Board of Directors (and the Board approved) that the audited financial statements be included in such Annual Report for filing with the SEC.

Submitted by the Audit Committee

of the Board of Directors

Lynn A. Wentworth (Chair)

John W. Gamble, Jr.

William E. Sullivan

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Executive Officers

Executive Officers

| Name                   | Position(s)   | Age |
|------------------------|---|-----|
| Gary J. Wojtaszek      | President, Chief Executive Officer & Director         | 52  |
| Diane M. Morefield     | Executive Vice President & Chief Financial Officer    | 60  |
| Venkatesh S. Durvasula | Executive Vice President & President, Europe          | 52  |
| Kevin L. Timmons       | Executive Vice President & Chief Technology Officer   | 55  |
| Robert M. Jackson      | Executive Vice President, General Counsel & Secretary | 51  |

For biographical information about Gary J. Wojtaszek, see Proposal 1: Election of Eight Directors Nominees for Election to the Board of Directors above.

**Diane M. Morefield****Executive Vice  
President****& Chief Financial  
Officer****Education:****BS - University of  
Illinois****MBA University of****Chicago**

**Diane M. Morefield** has served as our Executive Vice President & Chief Financial Officer since November 2016. Prior to joining CyrusOne, from 2010 until 2015, Ms. Morefield served as the Executive Vice President & Chief Financial Officer of Strategic Hotels & Resorts, a NYSE listed REIT, where she was responsible for the company's accounting, finance, capital markets, tax, investor relations and IT. Ms. Morefield was also a member of Strategic Hotels' Executive Management Committee that oversaw the strategy and investment activity for the company. Prior to joining Strategic Hotels, Ms. Morefield served in a variety of financial, operating and investor relations roles for leading real estate organizations. From 2007 to 2009, Ms. Morefield was the Chief Financial Officer of Equity International, a private equity firm controlled by Sam Zell, which invests in international real estate companies. From 1997 to 2006, Ms. Morefield was a senior officer with Equity Office Properties Trust, a publicly traded REIT, where she served as Regional Senior Vice President for EOP's Midwest region. Previously, Ms. Morefield was Senior Vice President-Investor Relations at EOP, and was responsible for all investor and public relations. Ms. Morefield is a CPA. Ms. Morefield previously served as a director and chair of the Audit Committee of Spirit Realty Capital, a triple-net lease REIT listed on the NYSE.

**Venkatesh S. Durvasula** was appointed Executive Vice President & President, Europe effective December 1, 2018. He previously served as our Executive Vice President &

**Venkatesh S.  
Durvasula**

**Executive Vice  
President & President,  
Europe**

**Education:**

**Syracuse University**

Chief Commercial Officer, overseeing strategy, marketing and sales from October 2012 through November 2018. Prior to joining CyrusOne, Mr. Durvasula served as the Chief Marketing and Business Officer of Quality Technology Services ( QTS ) from March 2010 through April 2012. Prior to QTS, he was a co-founder and Chief Operating Officer of NYC-Connect, a privately-held interconnection business that was sold to Digital Realty Trust, Inc. and Telx in 2007. Following that sale, Mr. Durvasula served as the Chief Marketing Officer at Telx until August 2009. Prior to NYC-Connect, Mr. Durvasula served as Vice President of Sales at AboveNet, Inc.

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## Executive Officers

**Kevin L. Timmons****Executive Vice  
President &****Chief Technology  
Officer****Education:****BS - University of****Illinois, Urbana-****Champaign**

**Kevin L. Timmons** has served as our Executive Vice President & Chief Technology Officer since October 2011. Prior to joining CyrusOne, Mr. Timmons led Microsoft's global data center team as General Manager, Data Center Services from 2009 to 2011. Prior to that, Mr. Timmons held several positions between 1999 and 2009 within the operations team at Yahoo! Inc. Mr. Timmons originally joined Yahoo! via the GeoCities acquisition in 1999 as Director of Operations, he was then promoted to Senior Director in 2000, and assumed the role of Vice President, Operations in 2006.

**Robert M. Jackson****Executive Vice  
President,****General Counsel &  
Secretary**

**Robert M. Jackson** has served as our Executive Vice President, General Counsel & Secretary since August 2015. Prior to joining CyrusOne, Mr. Jackson served as Executive Vice President & Chief Administrative Officer of Storage Post, a privately held owner and operator of self-storage facilities, from April 2014 to July 2015, where he was responsible for legal, accounting, human resources and risk management. Prior to that, from December 2004 to September 2012, Mr. Jackson was Senior Vice President, General Counsel & Corporate Secretary of Cousins Properties Incorporated, a NYSE-listed REIT, where he was responsible for legal, human resources, information technology and risk management. Mr. Jackson was previously a partner at Troutman Sanders LLP, an international law firm headquartered in Atlanta, Georgia.

**Education:**

**BS - Indiana  
University**

**JD - University of  
Missouri-Kansas  
City**

**LLM - University of  
Florida**

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Corporate Governance

Corporate Governance

Notable features of our corporate governance structure include the following:

the Board of Directors is not classified; instead, each of our directors is subject to election annually

as a condition to being nominated, each director nominee must agree to offer to resign if he or she receives a greater number of votes withheld than votes for his or her election as a director in an uncontested election

the Board has a mandatory retirement age (72)

the Board has separated the positions of Chairman and Chief Executive Officer ( CEO ), with an independent director serving as Chairman

we have opted out of the control share acquisition statute of the Maryland General Corporation Law

we have no stockholder rights plan in effect

our Bylaws may be amended by our shareholders by the affirmative vote of a majority of the votes entitled to be cast on the matter

each director is independent within the meaning of the NASDAQ listing standards, other than Mr. Wojtaszek, who is our president & CEO

our independent directors meet regularly in executive sessions without the presence of management

each of the members of the Audit Committee and Compensation Committee meet the heightened independence standards within the meaning of the federal securities laws and NASDAQ listing standards for service on those committees

each member of the Audit Committee qualifies as an Audit Committee financial expert as defined by the SEC  
**Role of the Board in Risk Oversight**

One of the key functions of the Board of Directors is informed oversight of our enterprise risk management process. The Board administers this oversight function directly, with support from the other standing committees of the Board, each of which addresses risks specific to their respective areas of oversight. In particular, among other things, the Audit Committee has the responsibility to consider and discuss our major financial and regulatory risk exposures (including cybersecurity) and the steps our management has taken to identify, assess, monitor and mitigate these exposures, including the process by which risk assessment and management is undertaken. The Audit Committee also oversees and monitors the performance of our internal audit function and the annual internal audit plan and budget, compliance with the Company's policy on related party transactions, our executives' compliance with the Company's code of business conduct and ethics, and the Company's ethics and compliance reporting helpline. The Compensation Committee oversees succession planning for our executive officers and assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. The Nominating and Corporate Governance Committee monitors the effectiveness of our corporate governance guidelines and trends and developments in corporate governance. The Transaction Committee assists the Board with its oversight function in reviewing strategic transactions and capital allocations that arise between regularly scheduled Board meetings, as delegated by the Board.

### Board Leadership

The Board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide independent oversight of management. The Board understands that there is no single, generally accepted approach to providing Board leadership and the right Board leadership structure may vary as circumstances warrant. Consistent with this understanding, the Board of Directors considers its leadership structure on an annual basis.

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## Corporate Governance

The Board of Directors may designate a chairman of the Board, who may or may not be an executive chairman. Since June 2014, Alex Shumate has served as our Chairman of the Board of Directors. Based on its most recent review of our leadership structure and the needs of the Company, the Board continues to believe that having Mr. Shumate serving in this position is optimal because it provides our Company with strong, effective and consistent leadership. Furthermore, our corporate governance guidelines provide that it is the Board's general policy that the positions of Chairman of the Board and CEO should be separate persons as an aid to the Board's oversight of management. The corporate governance guidelines also require a lead independent director, which since June 2014 has been Mr. Shumate.

In considering its leadership structure, the Board has taken a number of factors into account. The Board, which consists solely of independent directors, other than Mr. Wojtaszek, exercises a strong, self-governing oversight function. Further, the Audit, Compensation, Nominating and Corporate Governance, and Transaction Committees are each comprised entirely of independent directors, enhancing the Board's oversight function. A number of Board and committee processes and procedures, including regular executive sessions of independent directors and a regular review of our executive officers' performance, provide substantial independent oversight of our management's performance. Finally, under our Bylaws and corporate governance guidelines, the Board has the ability to change this structure, should it deem doing so to be appropriate and in the best interests of our Company. The Board believes that these factors provide the appropriate balance between the independent authority of those who oversee our Company and those who manage it on a day-to-day basis.

The Chairman of the Board presides at all meetings of the Board of Directors, unless otherwise prescribed. The Chairman performs such other duties, and exercises such powers, as from time to time shall be prescribed in our Bylaws or by the Board of Directors.

**Director Independence**

In accordance with the corporate governance listing standards of NASDAQ and our corporate governance guidelines, the Board, upon the recommendation of the Nominating and Corporate Governance Committee that is comprised solely of independent members, affirmatively evaluates and determines the independence of each director and each nominee for election. Based on an analysis of information supplied by the directors, and other information including the matters set forth in Certain Relationships and Related Transactions, the Board evaluates whether any director has any relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Based on these standards, the Board affirmatively determined that each of the following directors is independent: Alex Shumate, David H. Ferdman, John W. Gamble, Jr., Michael A. Klayko, T. Tod Nielsen, William E. Sullivan and Lynn A. Wentworth. In determining Mr. Klayko's independence, the Board has considered the Company's employment of Mr. Klayko's son-in-law as an account director in the Company's sales organization, which is permissible under applicable NASDAQ standards for independence and our independence standards, and determined that such employment did not interfere with the exercise of independent judgment by Mr. Klayko in carrying out his responsibilities as a director of the Company. Mr. Klayko's son-in-law is not an officer of the Company and his employment was reviewed and approved by the Audit Committee of the Board pursuant to the Company's Policy on Related Party Transactions. For 2018, Mr. Klayko's son-in-law's compensation was approximately \$126,000 and is disclosed below in Certain Relationships and Related Transactions - Review and Approval of Transactions with

Related Persons .

The Board determined that Gary J. Wojtaszek is not independent because he is our President & CEO.

Board Meetings

In 2018, the Board of Directors held eight meetings, the Audit Committee held seven meetings, the Compensation Committee held five meetings, and the Nominating and Corporate Governance Committee



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Corporate Governance

held four meetings. The Transaction Committee and the Executive Committee did not meet during 2018. Each director attended over 75% of the meetings of the Board and his or her respective committee(s) in 2018.

Although we do not have a policy requiring directors' attendance at annual meetings of stockholders, they are expected to do so. Each of our directors attended our 2018 annual meeting of stockholders, except Mr. Shumate who was unable to attend due to travel conflicts.

The Board of Directors regularly meets in executive session, without management present. In addition, the independent directors of the Board and the committees meet regularly in independent sessions without management or non-independent directors present. Generally, these executive sessions follow after each quarterly meeting of the Board and each committee. Alex Shumate, our Chairman and lead independent director, presides over such independent, non-management sessions of the Board. In 2018, the independent directors met at least four times in such independent sessions. As deemed necessary, directors also discuss matters informally between Board and committee meetings.

Board Committees

**Audit Committee**

The Audit Committee helps ensure the integrity of our accounting and financial reporting processes and our financial statements, the qualifications and independence of our independent auditor, the performance of our internal audit function and independent auditors, as well as our compliance with legal and regulatory requirements and our overall risk profile. The Audit Committee selects, approves compensation of, assists and meets with the independent auditor, oversees each annual audit and quarterly review, discusses with management disclosures relating to our internal controls over financial reporting and prepares the report that federal securities laws require be included in our annual proxy statement.

**Members:**

Ms. Wentworth  
(chair)\*

Mr. Gamble\*

Mr. Sullivan\*

\*Audit Committee

Financial Expert

**Compensation Committee**

The Compensation Committee evaluates and approves the compensation and benefits of our executive officers, administers and makes recommendations to our Board of Directors regarding our base compensation and short- and long-term incentive compensation,

**Members:**

Mr. Nielsen (chair)

oversees CEO and management performance and succession planning, and produces an annual report on executive compensation for inclusion in our proxy statement.

Mr. Klayko

Ms. Wentworth

### Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee oversees an annual evaluation of our Board of Directors and its committees, develops and recommends to our Board of Directors a set of corporate governance guidelines, a code of business conduct and ethics and related policies and periodically reviews and recommends updates and changes to the Board of Directors, monitors our compliance with applicable corporate governance requirements and the rules and regulations of NASDAQ, establishes criteria for prospective members of our Board of Directors, conducts candidate searches and interviews and recommends individuals to fill vacant director and committee positions to our Board of Directors.

**Members:**

Mr. Sullivan (chair)

Mr. Klayko

Mr. Shumate

### Transaction Committee

The Transaction Committee has the authority to assist our Board of Directors in fulfilling its oversight responsibility with the review and monitoring of strategic transactions or capital allocations that may arise between regularly scheduled meetings of the Board.

**Members:**

Mr. Klayko (chair)

Mr. Ferdman

Ms. Wentworth

### Executive Committee

The Executive Committee has the authority and power to exercise all duties of the Board between meetings, except as prohibited by law, when urgent action is required and such other functions which from time to time may be assigned to it by the Board. The Executive Committee is responsible for reporting to the full Board at its next regular meeting all actions taken or items discussed at any Executive Committee meetings.

**Members:**

Mr. Shumate (chair)

Ms. Wentworth

Mr. Wojtaszek

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Corporate Governance

Each of the committees, other than the Executive Committee, operates pursuant to a written charter which is available on our website at [www.cyrusone.com](http://www.cyrusone.com) in the Corporate Governance section.

Under our corporate governance guidelines, the composition of each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee must comply with the rules of the SEC and listing standards and other rules and regulations of NASDAQ. Our corporate governance guidelines define independent director by reference to the rules of the SEC and rules, regulations and listing standards of NASDAQ, which generally deem a director to be independent if the director has no relationship that may interfere with the exercise of independent judgment in carrying out such director's responsibilities, and which further impose heightened requirements of independence for members of the Audit and Compensation Committees.

Each of our committees, other than the Executive Committee, consists entirely of independent directors, and each of the members of the Audit Committee and the Compensation Committee meet applicable heightened requirements for service on such committees.

**Board and Committee Evaluations**

The Board and each of its committees perform an annual performance evaluation, with each director performing a self-evaluation of his or her Board and committee experiences. The Nominating and Corporate Governance Committee oversees the annual performance evaluation process and considers various methods of performing the same. For 2018, the self-evaluations were conducted through questionnaires prepared by the Corporate Secretary. Generally, the evaluation process described below is managed by the Corporate Secretary's office with oversight by the Nominating and Corporate Governance Committee to ensure the process remains as thorough and transparent as possible. The annual evaluation includes a review of each Committee's charter.

**Our Board and Committee evaluations cover the following general topics:**

- Organization & Membership
- Key Responsibilities
- Accountability & Independence
- Meetings, Information & Resources

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Corporate Governance

Nomination of Directors

Before each annual meeting of stockholders, the Nominating and Corporate Governance Committee considers the nomination of all incumbent directors, and also considers new candidates whenever there is a vacancy on the Board or whenever a vacancy is anticipated due to a change in the size or composition of the Board, a retirement of a director or for any other reason. In addition to considering incumbent directors, the Committee may identify director candidates based on recommendations from any qualified individual or group, including, but not limited to, stockholders, the incumbent directors and members of management. The Committee has, and may in the future, engage the services of third-party search firms to assist in identifying or evaluating director candidates.

The Committee evaluates annually the effectiveness of the Board as a whole, its committees, and of each individual director and identifies any areas in which the Board would be better served by adding new members with different skills, backgrounds or areas of experience.

**The Board of Directors considers director candidates based on a number of attributes, including:**

- Established leadership reputation in his/her field
- Reputation for good business judgment
- Active in business or academia
- Knowledge of business on a national/global basis
- Meets high ethical standards
- Commitment to regular Board/committee meeting attendance
- Familiarity with data center facilities and operations
- Whether the candidate would contribute to Board's diversity of experience, profession, expertise, skills and background (including with respect to race and gender)

Candidates also are evaluated based on their understanding of our business and willingness to devote adequate time to carrying out their duties. The Committee also monitors the mix of skills, experience and background to assure that the Board has the necessary composition to effectively perform its oversight function. As listed above, diversity characteristics of the board as a whole and of a particular candidate are one of several factors considered by the Committee when evaluating director candidates. However, a candidate will neither be included nor excluded from consideration solely based on his or her diversity traits. The Committee conducts regular reviews of current directors in light of the considerations described above and their past contributions to the Board of Directors.

The Committee will consider appropriate director candidates recommended by a stockholder, evaluating such candidates on the same basis as any other candidates. We did not receive any recommendations of director candidates or director nominations by stockholders for the 2019 annual meeting.

## Edgar Filing: CyrusOne Inc. - Form DEF 14A

Recommendations for nominations should be addressed to CyrusOne Inc., 2101 Cedar Springs Road, Suite 900, Dallas, Texas 75201, Attention: Corporate Secretary, indicating the candidate's qualifications and other relevant biographical information and providing confirmation of the candidate's consent to serve as a director, if elected. Stockholders may also nominate qualified individuals for election to the Board by complying with the advance notice and other requirements of our current Bylaws regarding director nominations. These requirements are also described under Stockholder Proposals.

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Corporate Governance

**Majority Voting Resignation Policy for Election of Directors**

Our corporate governance guidelines provide that, as a condition to nomination, each director will agree to offer to resign if at a meeting of the stockholders relating to an uncontested election, the director receives a greater number of votes withheld than votes for such election. The Nominating and Corporate Governance Committee will consider the offer and recommend to the Board whether to accept or reject the offer to resign within 60 days following the certification of the stockholder vote. No later than 90 days following the certification of the stockholder vote, the Board will decide whether to accept the offer to resign. Any director who offers to resign is prohibited from participating in the Nominating and Corporate Governance Committee's deliberations or recommendation, or in the Board's deliberations and determination, regarding whether to accept his or her offer of resignation.

**Compensation Committee Interlocks and Insider Participation**

No member of the Compensation Committee has been an officer or employee of the Company. None of our executive officers serves on the board of directors or compensation committee of a company that has an executive officer that serves on our board of directors or the Compensation Committee.

**Corporate Governance Materials Available on Website**

We have adopted corporate governance guidelines and a code of business conduct and ethics that applies to all of our executive officers and employees, and each member of the Board of Directors. We anticipate that any amendments or waivers of our code of business conduct and ethics will be posted on our website. The following documents are available on our website at [www.cyrusone.com](http://www.cyrusone.com) in the Corporate Governance area of the Investors tab:

Corporate Governance Guidelines

Compensation Committee Charter

Code of Business Conduct and Ethics

Nominating and Corporate Governance Committee  
Charter

Audit Committee Charter

Transaction Committee Charter

Copies of the documents listed above are also available in print to any stockholder who requests them. Requests should be sent to CyrusOne Inc., 2101 Cedar Springs Road, Suite 900, Dallas, Texas 75201, Attention: Corporate Secretary.

**Contacting the Board of Directors**

Any party may contact the Board of Directors, any committee of the Board, the independent directors as a group, or any individual director(s), via mail at the address listed below.

Edgar Filing: CyrusOne Inc. - Form DEF 14A

[Board of Directors / independent directors / committee / individual director name]

c/o Corporate Secretary

CyrusOne Inc.

2101 Cedar Springs Road, Suite 900

Dallas, Texas 75201

Any party may contact the Board of Directors via e-mail at: [boardofdirectors@cyrusone.com](mailto:boardofdirectors@cyrusone.com)

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Corporate Governance

The Audit Committee has adopted a process for anyone to send communications to the Audit Committee with concerns or complaints concerning our Company's regulatory compliance, accounting, audit or internal controls. Any party may contact the Audit Committee via mail or email at the address listed below:

Chair

Audit Committee

CyrusOne Inc.

2101 Cedar Springs Road, Suite 900

Dallas, Texas 75201

[auditcommittee@cyrusone.com](mailto:auditcommittee@cyrusone.com)

Alternatively, anyone may call our toll-free ethics and compliance helpline at 1-844-348-5823 or visit [www.cyrusone.ethicspoint.com](http://www.cyrusone.ethicspoint.com).

Relevant communications are distributed to the Board, or to any individual director or directors, as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, the Board of Directors has requested that certain items unrelated to the duties and responsibilities of the Board should be excluded or redirected, as appropriate, such as: business solicitations or advertisements; junk mail and mass mailings; resumes and other forms of job inquiries; spam; and surveys.

In addition, material that is unduly hostile, threatening, potentially illegal or similarly unsuitable will be excluded.

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## Board Compensation for 2018

## Board Compensation for 2018

We use a combination of cash and equity compensation to attract and retain qualified candidates to serve on the Board. The Compensation Committee periodically reviews non-employee director compensation with the advice of its independent compensation consultant and makes recommendations to the Board for any changes it considers appropriate. During 2017, our Compensation Committee reviewed non-employee director compensation benchmarking data provided by its independent compensation consultant and determined not to make any changes to the program for 2018. The Compensation Committee conducted a similar review during 2018 and determined not to make any change to the program for 2019.

**Non-Employee Director Compensation Program**

| Compensation Component   | <b>Amount</b>           |
|--|-------------------------|
| <b>ANNUAL BOARD RETAINER:</b>  |                         |
| Cash   | \$ 75,000               |
| Equity (restricted stock with 1-year vesting requirement)  | \$125,000               |
| <b>CHAIRPERSON RETAINERS:</b>  |                         |
| Independent Chairperson of the Board   | \$100,000               |
| Audit Committee Chair  | \$ 25,000               |
| Compensation Committee Chair   | \$ 20,000               |
| Nominating and Corporate Governance Committee & Transaction Committee Chairs   | \$ 15,000               |
| <b>COMMITTEE MEMBER RETAINERS:</b>   |                         |
| Audit Committee Member   | \$ 10,000               |
| Compensation Committee Member  | \$ 10,000               |
| Nominating and Corporate Governance Committee & Transaction Committee Members  | \$ 7,500                |
| <b>PER-MEETING FEES</b>  | \$ 0                    |
| <b>BOARD COMPOSITION:</b>  |                         |
| Number of Board Members  | 8                       |
| Number of Independent Members  | 7                       |
| Independent Chairperson of the Board   | Yes                     |
| <b>BOARD STOCK OWNERSHIP POLICIES:</b>   |                         |
| Director Stock Ownership Guidelines  | 5x Annual Cash Retainer |
| Pledging and Hedging   | Prohibited              |
| Our non-employee directors have five years from the time they are elected to meet the minimum stock ownership requirements. Directors are also covered by our written policy that prohibits hedging and pledging of Company securities, as described under <b>Other Compensation-Related Policies</b> of this proxy statement. |                         |

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## Board Compensation for 2018

The following table summarizes the compensation that we paid to our non-employee directors in 2018. Our CEO does not receive compensation for his service as a director, and his compensation for service as our CEO is disclosed in the Summary Compensation Table.

**2018 Director Compensation Table**

| Name                | Fees Earned or<br>Paid in Cash | Stock Awards | Total   |
|---------------------|--------------------------------|--------------|---------|
|                     | (\$)                           | \$(1)        | (\$)    |
| Alex Shumate        | 182,500                        | 124,991      | 307,491 |
| William E. Sullivan | 100,000                        | 124,991      | 224,991 |
| Lynn A. Wentworth   | 117,500                        | 124,991      | 242,491 |
| T. Tod Nielsen      | 95,000                         | 124,991      | 219,991 |
| John W. Gamble, Jr. | 85,000                         | 124,991      | 209,991 |
| David H. Ferdman    | 82,500                         | 124,991      | 207,491 |
| Michael A. Klayko   | 107,500                        | 124,991      | 232,491 |

(1) Reflects the aggregate grant date fair value of the restricted stock awards granted in 2018, determined in accordance with Financial Accounting Standards Board ASC Topic 718 Stock Compensation (FASB ASC 718).

The assumptions used in the calculation of the grant date fair value are set forth in Note 19 to the financial statements in our annual report on Form 10-K filed with the SEC on February 22, 2019.

As of December 31, 2018, each of our non-employee directors held 2,436 shares of unvested restricted stock and no stock options.

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Executive Compensation

Executive Compensation

**Compensation Discussion and Analysis**

The Compensation Committee is responsible for the Company’s executive compensation philosophy and policies, as well as the annual executive compensation program that flows from them. This section of the Proxy Statement contains a detailed explanation of the compensation arrangements for our Named Executive Officers ( NEOs ) for 2018.

**CyrusOne’s Named Executive Officers**

Gary J. Wojtaszek

President & Chief Executive Officer

Diane M. Morefield

Executive Vice President & Chief Financial

Officer

Venkatesh S. Durvasula

Executive Vice President & President, Europe(1)

Kevin L. Timmons

Executive Vice President & Chief Technology Officer

Robert M. Jackson

Executive Vice President, General Counsel

& Secretary

(1) Mr. Durvasula was appointed Executive Vice President & President, Europe effective December 1, 2018. He previously served as Executive Vice President & Chief Commercial Officer.

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## **Executive Summary**

Our long-term success depends on our ability to attract, motivate, focus and retain highly talented individuals who are committed to our vision and strategy. A key objective of our executive compensation program is to create an ownership culture that aligns pay to performance that advances our business strategies and overall stockholder value creation. Other objectives include encouraging high-performing executives to remain with us over the course of their careers. We believe that the amount of compensation for each of our NEOs reflects extensive management experience, continued high performance and exceptional service to CyrusOne. We also believe that our compensation strategies have been effective in attracting executive talent and promoting performance and retention.

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Executive Compensation

**Performance Highlights**

**Cumulative Total Return since January 2013 IPO of CyrusOne<sup>(1)</sup>**

(1) Assumes \$100 investment in each on January 18, 2013 and reinvestment of dividends, if any.

(2) Coresite, Digital Realty Trust, Equinix Inc. and QTS

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2019 Proxy Statement

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## Executive Compensation

**Compensation Objectives and Governance Highlights**

Our fundamental objective is to be outstanding stewards of our stockholders' capital by creating value on a consistent, long-term basis. Our compensation philosophy is to incentivize thoughtful capital allocation and value creation for our stockholders by attracting and retaining talented executives with competitive pay packages intended to cultivate an ownership culture, to align the compensation for our executive officers with sustainable, consistent, balanced growth and to achieve specific short- and long-term goals set by the Compensation Committee. We use a combination of compensation programs to incent our executive officers to achieve growth and value creation over the short- and long-term. We supplement our pay for performance program with a number of compensation policies intended to encourage an ownership culture and align the interests of management with those of our stockholders. These include:

**DESIGN PRINCIPLES****WHAT WE DO:**

We link pay to performance; we reward our NEOs based upon the value they create

The vast majority of NEO pay is variable based on performance

We set rigorous and measurable performance goals at the beginning of the performance period across our short-term incentive and long-term incentive plans, placing significant emphasis on multi-year, total stockholder return performance

We compensate fairly and competitively, but not excessively

**WHAT WE DON'T DO:**

We do not target pay above the market median but rather use it as an initial reference point

We do not encourage unnecessary or excessive risk taking as a result of our compensation policies

We do not guarantee incentive compensation under our annual cash bonus or long-term incentive plan

We do not have uncapped bonus amounts under our incentive plans.

## GOVERNANCE PRACTICES

### WHAT WE DO:

### WHAT WE DON'T DO:

We have robust stock ownership guidelines for our CEO (6x base salary) and directors (5x cash retainer)

We do not provide NEOs with tax gross-ups upon a change in control

We maintain a clawback policy whereby we can recoup incentive compensation in the event of certain financial restatements

We do not re-price outstanding stock options, whether vested or unvested

We prohibit pledging and hedging of our common stock

We do not pay dividends or dividend equivalents on unvested performance awards rather, such amounts are paid only if and to the extent that the applicable performance targets are in fact met

The Compensation Committee retains an independent compensation consultant. The consultant does not work for the Company other than advising the Compensation Committee

We do not provide separate benefit plans for our NEOs; our NEOs participate in the same benefit plans available to salaried employees

We perform an annual compensation risk assessment

We do not provide pension benefits or supplemental retirement plans

We engage with our stockholders on compensation and governance matters

We do not provide excessive perquisites to our NEOs





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### Executive Compensation

#### **Alignment of Pay with Performance**

Our executive compensation program provides significant alignment between pay and performance by linking a meaningful portion of our NEOs' total target compensation to the achievement of pre-established financial and strategic goals under our annual incentive bonus program and the Company's relative total shareholder return (TSR) under our long-term incentive grants. The following charts present the allocation of total pay among different components for our CEO and for our other NEOs as a group, in 2018.

#### **How We Make Compensation Decisions**

##### **Role of the Compensation Committee and Management**

All compensation for the NEOs (including the CEO) is set by the Compensation Committee annually. The Committee also determines measurements and targets, and performance relative to them, under our annual and long-term incentives for the NEOs. Individual base salaries, and annual and long-term incentive targets, are determined by the Committee after taking into consideration a number of internal and external factors, including the external marketplace and peer group data, the executive's position and responsibility, the demand for executive talent in the marketplace, the Company's performance, and the individual's performance and future potential. The Committee also considers the CEO's self-performance evaluation when setting the CEO's compensation and, with respect to each of the other NEOs, the CEO's recommendations for base salary and annual and long-term incentive targets, as well as actual awards, based on his assessment of their individual performance.

##### **Role of Compensation Consultant and Market Data**

For 2018, the Compensation Committee engaged FPL Associates, L.P. ( FPL ) to assist it in the performance of its duties and to make recommendations to the Committee with respect to NEO and director compensation. FPL assisted the Committee in development of the peer group framework for 2018 and advised the Committee on the 2018 base salaries, target bonuses and LTI awards for our NEOs, and benchmarking for our non-employee director compensation program. The Committee also worked with FPL to update our peer group composition and methodology for 2018, taking into account feedback received through our stockholder engagement, and to conduct a competitive market assessment of the compensation elements for each of our executive officers, compared to our peer groups. An FPL consultant attends certain Compensation Committee meetings as requested by the Compensation Committee. FPL has not been engaged by management to perform any other work for the Company. We paid FPL approximately \$107,000 in 2018 for their service as a compensation consultant. In 2018, management engaged Ferguson Partners, an executive search firm and an affiliate of FPL, to assist in the search for a chief accounting officer. Ferguson Partners was paid \$145,600 in 2018 for their services.



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Executive Compensation

**Compensation Consultant Independence Assessment**

FPL has served as the Compensation Committee's compensation consultant since July 2017.

In connection with the engagement of FPL, the Committee requested and received information from FPL addressing its independence and potential conflicts of interest. Information provided by FPL included a description of the Company's engagement of Ferguson Partners described above. Based on an assessment of these factors, as well as information gathered from directors and executive officers addressing business or personal relationships between directors or executive officers and the consulting firm or the individual consultants, the Committee concluded that FPL is independent and that the work of the consultant, including services provided by Ferguson Partners, did not raise any conflict of interest. The Committee evaluates the independence of FPL at least annually.

**Use of Data**

The Compensation Committee believes that data plays an important role in the design and implementation of optimal compensation programs. The Committee considers a number of types of internal and external data in making both individual and plan-level compensation decisions. Peer group data plays an important role in our compensation decision making, enabling the Committee to evaluate whether the Company's compensation policies are aligned with Company performance and providing the Committee a market check of its compensation program design and features. The Committee uses peer groups to maintain an awareness of market data and pay practices, but considers various factors—each as discussed in greater detail below in this Compensation Discussion and Analysis and does not target any element of compensation at a particular percentile or percentile range of the peer group data. Rather, the Committee uses data and the market median as an initial reference point and their judgment in its decision-making process.

**Use of Judgment**

The Compensation Committee believes that the application of its collective experiences and judgment is as important to excellence in compensation as the use of data and formulae, and the Company's compensation policies and practices as described herein reflect this belief. Market data provides an important tool for analysis and decision-making. However, the Committee believes that over-reliance on data can give a false illusion of precision. Consequently, the Committee also gives consideration and emphasis to an individual's personal contributions to the organization, as well as his skill set, qualifications and experience. The Committee also values and seeks to reward performance that develops talent within the Company, embraces the sense of urgency that we believe distinguishes the Company and demonstrates the qualities of imagination and drive that enables a Company executive to resolve longer-term challenges and address important new issues. The Committee believes these and similar qualities and attributes are not easily correlated to typical compensation data, but also deserve consideration and weight in reaching compensation decisions.

**Peer Groups**

The Compensation Committee evaluates the members of our peer group each year to ensure that they continue to be appropriate. Prior to 2018, our Compensation Committee used three different peer groups in making compensation decisions: a direct competitor peer group, which included competitors against which the company competes for

colocation customers; a size based peer group, which included real estate investment trusts that are comparable in size and against which the Company's financial performance is measured by the real estate investors; and a cloud based technology group, which included companies that provide thought leadership on products which drive colocation decisions for companies such as ours.

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Executive Compensation

In the second half of 2017, after considering feedback from our stockholders received as part of our outreach efforts, the Compensation Committee, with the assistance of FPL, determined to revise our compensation peer groups to take into account our size and our complex business model. Based on a review of market data, with the assistance of FPL, the Compensation Committee determined to use two peer groups for purposes of 2018 compensation decisions:

a size-based peer group, comprised of high growth REITs of similar size (0.5x to 2x of our total capitalization) and asset focus (such as data center/industrial or specialty); and

a technology real estate peer group.

The table below identifies the companies in each of these peer groups:

**SIZE-BASED REIT PEER GROUP**

Alexandria Real Estate Equities, Inc.  
American Campus Communities, Inc.  
Camden Property Trust  
DCT Industrial Trust Inc.\*  
Duke Realty Corporation  
DuPont Fabros Technology, Inc.\*  
First Industrial Realty Trust, Inc.  
Gramercy Property Trust\*  
Healthcare Trust of America, Inc.\*  
Hudson Pacific Properties, Inc.\*  
Invitation Homes Inc.  
Iron Mountain Incorporated  
Liberty Property Trust  
Medical Properties Trust, Inc.\*  
STAG Industrial, Inc.  
STORE Capital Corporation\*  
Sun Communities, Inc.

TECHNOLOGY REAL ESTATE PEER GROUP

American Tower Corporation  
CoreSite Realty Corporation\*  
Crown Castle International Corp.  
Digital Realty Trust, Inc.\*  
DuPont Fabros Technology, Inc.\*  
Equinix, Inc.\*  
QTS Realty Trust, Inc.\*  
SBA Communications Corporation  
Uniti Group Inc.  
Zayo Group Holdings Inc.

\*Included in prior year Peer Group

**Stockholder Engagement & Say on Pay Vote**

We hold annual Say on Pay votes. At our 2018 annual meeting, approximately 86% of the votes cast were in favor of the Company's executive compensation for fiscal 2017. We continue to maintain an active dialogue with our stockholders regarding our executive compensation program. In 2018, our Compensation Committee chair held individual meetings with five of our top 10 largest stockholders. Since the beginning of 2017, our Board, primarily through the Compensation Committee, has held individual meetings with stockholders who collectively owned approximately 60% of our outstanding stock. We remain committed to listening to feedback from our stockholders and will continue to actively engage with our investors to solicit feedback on our executive compensation program (such as questions about our peer groups, which led to the peer group changes described above) and governance practices generally.

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Executive Compensation

**2018 Executive Compensation Components**

| Component                     | Objective   | Key features   |
|-------------------------------|---|--|
| <b>Base Salary</b>            | To provide salary levels sufficient to attract and retain NEOs.   | <p>Fixed cash salary that is both market-derived and market-driven.</p> <p>Year-to-year based on NEO performance as well as Company performance.</p> <p>Adjustments considered yearly based on median salaries of peer company NEOs.</p> |
| <b>Annual Incentive Bonus</b> | To encourage NEOs to pursue annual goals that will benefit the Company and stockholders in both the short- and long-term.                 | <p>80% of our annual cash bonus awards are tied to achievement of financial goals-30% is tied to revenue and 50% is tied to Normalized FFO.</p> <p>20% of our annual cash bonus awards are tied to individual performance.</p>           |
| <b>Long-Term Incentive</b>    | To promote NEO retention and to create an ownership culture that closely aligns the interests of the NEOs with those of our stockholders. | 75% of our LTI awards consist of a performance-based restricted stock unit component, which vests over a three-year period contingent upon achievement of relative TSR goals.  |



25% of our LTI awards consist of a time-based restricted stock unit component, which vests ratably over three years.

## Base Salary

**Policy and Process.** Base salary, which under our compensation program is market-derived and market-driven, represents the fixed component of our executive officer compensation program paid in cash. The main purpose of base salary compensation is to provide cash compensation levels sufficient to attract and retain executive officers. Base salary is targeted to be approximately 10% to 30% or less of total target annual compensation opportunity for each of the NEOs. The actual percentages will vary from year to year based on each NEO's performance, as well as the Company's performance, within that year. Because one of the primary objectives of our executive compensation program is to instill an ownership mentality, the base salary component constitutes a smaller percentage of total compensation than incentive-based compensation. On an annual basis, the Compensation Committee reviews the base salary of each of the NEOs and considers adjustments to place executive officer base salary in a position approximately equal to the median base salary paid to similarly situated executives of the peer group companies, subject to further adjustment for individual performance and personal contributions.

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## Executive Compensation

**2018 Base Salaries.** The table below summarizes the base salaries approved for each of our NEOs. The Compensation Committee reviews base salaries annually as part of its annual compensation review. In February 2018, the Committee approved an increase for all of our NEOs other than our CEO, based on a review of market and benchmarking data.

|                  | 2018<br>Base Salary | 2017<br>Base Salary | 2016<br>Base Salary | 2018 vs. 2016<br>Change |
|------------------|---------------------|---------------------|---------------------|-------------------------|
|                  | (\$)                | (\$)                | (\$)                | (%)                     |
| Mr. Wojtaszek    | 800,000             | 800,000             | 800,000             | 0.0%                    |
| Ms. Morefield    | 475,000             | 425,000             | 425,000             | 11.8%                   |
| Mr. Durvasula(1) | 475,000             | 450,000             | 450,000             | 5.6%                    |
| Mr. Timmons      | 425,000             | 400,000             | 400,000             | 6.3%                    |
| Mr. Jackson      | 352,000             | 320,000             | 320,000             | 10.0%                   |

(1) Effective December 1, 2018, Mr. Durvasula received a base salary increase to \$550,000 in connection with his promotion to Executive Vice President & President, Europe.

**Annual Incentive Bonus Opportunity**

**Policy and Process.** Our annual incentive bonus awards are designed to encourage our executive officers to pursue annual goals that will inure to the benefit of our Company and stockholders in both the short- and long-term. Annual incentive bonus award opportunities are intended to reward NEOs whose contributions improve the operational performance of our existing portfolio and the Company, enhance short-term strategic goals and generate new business opportunities and investments, all of which are intended to create stockholder value over the long-term.

Each of our NEOs participated in our annual incentive bonus plan for 2018, pursuant to which each NEO had an opportunity to earn additional cash compensation based on achievement of pre-established financial goals (weighted 80%) and individual performance (weighted 20%).

The Compensation Committee reviewed the bonus targets, as a percentage of base salary, of our NEOs in February 2018 as part of its annual compensation review and determined no adjustments were necessary for 2018. The annual incentive target remained 175% of base salary for our CEO and 100% of base salary for other NEOs.

The table below depicts the annual incentive bonus opportunity for each NEO for 2018:

|      | Threshold       | Target | Maximum          |
|------|-----------------|--------|------------------|
|      | (25% of Target) |        | (200% of Target) |
| Name | (\$)            | (\$)   | (\$)             |

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|               |         |           |           |
|---------------|---------|-----------|-----------|
| Mr. Wojtaszek | 350,000 | 1,400,000 | 2,800,000 |
| Ms. Morefield | 118,750 | 475,000   | 950,000   |
| Mr. Durvasula | 118,750 | 475,000   | 950,000   |
| Mr. Timmons   | 106,250 | 425,000   | 850,000   |
| Mr. Jackson   | 88,000  | 352,000   | 704,000   |

Amounts in table above assume annualized 2018 base salary rates. Each NEO's actual bonus is calculated using actual salary earned for 2018, as reported in the Salary Column of the 2018 Summary Compensation Table.

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## Executive Compensation

**Financial Goals.** The following graphs show the threshold, target, maximum and actual performance levels for each financial component of the 2018 bonus opportunities for our NEOs, in millions:

*Revenue:* The Compensation Committee considers revenue to be an important indicator of financial performance. It also is a metric typically evaluated by investors and analysts and is used by many of our peers to evaluate performance. The revenue target established for 2018 was approximately 20% higher than the actual revenue for 2017 (\$809.5M vs. \$672M). Actual revenue for 2018 was \$821.4 million.

*Normalized FFO<sup>(1)</sup>:* The Compensation Committee considers Normalized FFO, or NFFO, to be an important indicator of the Company's overall financial performance. It also is a metric typically used by investors and analysts, as well as many of our peers, to evaluate performance. The Normalized FFO target established for 2018 was approximately 16% higher than the actual Normalized FFO results for 2017 (\$324M vs. \$278.9M). Actual Normalized FFO for 2018 was \$332.3 million.

(1) Normalized NFFO is calculated from the Company's financial statements as set forth in Appendix A.

The Compensation Committee exercised discretion and determined to adjust the original revenue and Normalized FFO targets to exclude budgeted revenue from the planned acquisition of Zenium due to the delayed closing date of the acquisition as a result of the timing of required regulatory review.

In determining payouts, the following sliding scale is applied to the financial performance targets, with data between points interpolated on a straight-line basis.

| Performance Percentage of Target | Payout Percentage |
|----------------------------------|-------------------|
| <80%                             | 0%                |
| 80%                              | 25%               |
| 90%                              | 50%               |
| 100%                             | 100%              |
| 115%                             | 200%              |

Based on this, the Company's performance relative to the financial goals resulted in a weighted payout of 91.7% of target on the financial component, which accounts for 80% of each NEO's target bonus opportunity.

**Individual Performance.** The remaining 20% of each NEO's annual bonus opportunity relates to his or her individual performance and contributions relative to the Company's achievement of the financial performance measures. Based on the Company's above-target performance on the financial goals, the Compensation Committee approved the payout of the individual performance component for Mr. Wojtaszek at above-target, and at or above-target for the other NEOs, as reflected in the table below.

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## Executive Compensation

**2018 Annual Incentive Bonus Payouts.** Actual payouts to the named executive officers reflect the Company's attainment of the financial goals and a qualitative assessment of each NEO's individual accomplishments and contributions to the Company's performance. The following table sets forth the award earned by each NEO under the 2018 annual incentive bonus plan (and, for reference, under the 2017 annual incentive bonus plan):

| Name          | 2018      |                | 2017      |                |
|---------------|-----------|----------------|-----------|----------------|
|               | (\$)      | % of Target(1) | (\$)      | % of Target(1) |
| Mr. Wojtaszek | 1,683,101 | 120.2          | 1,769,601 | 126.4          |
| Ms. Morefield | 610,147   | 131.7          | 537,200   | 126.4          |
| Mr. Durvasula | 527,117   | 111.7          | 568,800   | 126.4          |
| Mr. Timmons   | 468,071   | 111.7          | 505,600   | 126.4          |
| Mr. Jackson   | 453,686   | 131.7          | 404,480   | 126.4          |

(1) Target bonus and % of Target are based on actual salary earned during the fiscal year as presented in the Summary Compensation Table.

**Long-Term Incentives**

**Policy and Process.** The third component of NEO compensation is targeted toward providing rewards for long-term stockholder value creation. The Compensation Committee believes that long-term incentive awards are the component of executive compensation best suited to promote retention and create an ownership culture that closely aligns the interests of the executive officers with those of our stockholders. Accordingly, at the target level, long-term incentive awards constitute the highest targeted percentage of any of the compensation components paid to each of our NEOs.

**Long-Term Incentive Compensation Program.** We believe that outstanding long-term performance is achieved through an ownership culture that encourages a focus on long-term stockholder value creation by our executive officers through the use of equity-based awards. In particular, the Compensation Committee and the Board feel that one way to align the Company's strategy with the executive long-term incentive compensation is to tie the awards directly to the returns provided to our stockholders. As such, long-term incentive ( LTI ) awards are made annually under our long-term incentive compensation programs.

**2018 LTI Awards.** The LTI awards granted to our NEOs in 2018 consisted of a performance-based restricted stock unit component (75%), which vests based upon achievement of specified TSR goals as compared to the MSCI US REIT Index over a three-year performance period (2018-2020), and a time-based restricted stock unit component (25%), which vests ratably over three years.

**Long-Term Incentive Program**

In selecting relative TSR as the sole performance metric for the 2018 (and 2017) awards, the Compensation Committee considered relevant peer data as well as market practices. The Compensation Committee believes TSR is widely accepted by investors and demonstrates the strong alignment between executive pay and performance. LTI awards granted in 2015 and 2016 also included a return on assets ( ROA ) metric. In that regard, the Compensation Committee believes that TSR is more directly focused on stockholder returns, and the elimination of the ROA metric also removes volatility associated with acquisitions that remain part of the Company s growth strategy.

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## Executive Compensation

The Compensation Committee determined the 2018 LTI award values for the NEOs based on the market and peer data provided by FPL, individual and Company performance in 2017, and the value of the other components that make up each NEO's target total direct compensation. The Compensation Committee increased the target dollar value of 2018 LTI awards by approximately 20% for Mr. Wojtaszek, based primarily on market data, individual and Company performance and strong demand for executive talent, and by approximately 10% to 50% for each of the other NEOs, in each case based primarily on market data and strong demand for executive talent. There were no off-cycle or special retention grants made in 2018 or 2017 to any of the NEOs.

The grant date fair value of the LTI awards to our NEOs made in February 2018, as determined in accordance with FASB ASC 718, was:

|               | Total Target<br>LTI Award Value | Performance Shares<br>(at target) | Time-Based<br>Restricted Stock |
|---------------|---------------------------------|-----------------------------------|--------------------------------|
|               | (\$)                            | (\$)                              | (\$)                           |
| Mr. Wojtaszek | 4,376,808                       | 3,301,761                         | 1,075,047                      |
| Ms. Morefield | 1,221,438                       | 921,429                           | 300,010                        |
| Mr. Durvasula | 1,221,438                       | 921,429                           | 300,010                        |
| Mr. Timmons   | 1,221,438                       | 921,429                           | 300,010                        |
| Mr. Jackson   | 716,671                         | 540,626                           | 176,045                        |

**LTI Payout Determinations**

In February 2019, the Compensation Committee certified the performance results under outstanding performance awards granted in 2016, 2017 and 2018 that vested based upon the performance period ending December 31, 2018, as described below. Our performance awards vest over a three year period contingent upon TSR achievement relative to the MSCI US REIT Index for the applicable one, two and three-year performance period(s), or, with respect to half of the 2016 award, achievement of specified ROA goals. However, even if our TSR achievement exceeds the index performance, if absolute TSR achievement is negative, then the vesting amount is reduced by 50%. For purposes of our LTI awards, TSR is defined as (1) the trailing one month average adjusted closing stock price at the end of the performance period minus the trailing one month average adjusted closing stock price at the beginning of the performance period, divided by (2) the trailing one month average adjusted closing stock price at the beginning of the performance period.

**2016 LTI Performance Awards - Final Vesting Determination**

The performance awards granted in 2016 vested in February 2019. These awards consisted of restricted stock which vested over a three-year performance period ending December 31, 2018 based upon achievement of specified performance metrics. 50% of the performance awards were tied to the achievement of relative TSR goals and 50% were tied to the achievement of return on asset (ROA) goals. If cumulative TSR over the three-year performance period exceeds the MSCI US REIT index by more than 2%, up to 200% of the target award subject to TSR performance may vest. If at the end of the third year ROA meets or exceeds 19.5%, up to 200% of the target award subject to ROA performance may vest. Up to one-third of the total target award can be earned after each of the first



year and first two-years of the performance period if actual performance over such periods meets or exceeds the target performance. Actual shares that vested for each NEO as a result of 2018 performance are as follows: Mr. Wojtaszek-34,205; Mr. Duvasula-14,367; Mr. Timmons-10,945; and Mr. Jackson-4,378. Additional information about the 2016 performance awards is disclosed in the Outstanding Equity Awards at 2018 Fiscal Year End table.

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## Executive Compensation

**2016 Awards Performance:**

| Performance Measure         | Target             | Maximum            | Actual Cumulative Performance | Payout% |
|-----------------------------|--------------------|--------------------|-------------------------------|---------|
| TSR                         | <sup>3</sup> Index | > 2.0% above Index | 52.9% above Index             | 200.0%  |
| ROA (2)                     | 16.0%              | 19.5%              | 16.4%                         | 113.4%  |
| Earned Award as % of Target |                    |                    |                               | 156.7%  |

(1) 2018 is the third year for this performance award, in which up to 200% of the total target award may be earned. ROA payout was based on an average earned payout for each of the three years. TSR payout was based on the three-year performance period from January 1, 2016 through December 31, 2018.

(2) ROA is calculated from the Company's financial statements as set forth in Appendix A. The Compensation Committee exercised discretion and determined to adjust the ROA calculation for the 2016 Awards to exclude acquisitions, including the acquisition of Zenium, that were not contemplated when the ROA goals were established in February 2016.

**2017 LTI Performance Awards**

The performance awards granted in 2017 vest solely upon achievement of TSR targets compared to the MSCI US REIT Index. Up to one-third of the total target award can be earned after each of the first year and first two-years of the performance period if actual performance over such periods meets or exceeds the target performance. Actual TSR for 2017 awards for the 2018 performance period (the two-years ending December 31, 2018) was 35.5%, resulting in achievement at 200%. Payouts for the 2018 performance period were capped at 100%. Actual shares that vested for each NEO as a result of 2018 performance are as follows: Mr. Wojtaszek-18,699; Ms. Morefield-4,415; Mr. Duvasula-4,674; Mr. Timmons-4,160; and Mr. Jackson-3,324. Additional information about the 2017 performance award is disclosed in the Outstanding Equity Awards at 2018 Fiscal Year End table.

**2017 Awards Performance:**

| Performance Measure | Target             | Maximum            | Actual Cumulative Performance (1) | Payout% |
|---------------------|--------------------|--------------------|-----------------------------------|---------|
| TSR                 | <sup>3</sup> Index | > 2.0% above Index | 28.6% above Index                 | 100.0%  |

(1) Based on the two-year performance period of January 1, 2017 through December 31, 2018.

**2018 LTI Performance Awards**

The performance awards granted in 2018 vest solely upon achievement of TSR targets compared to the MSCI US REIT Index. Up to one-third of the total target award can be earned after each of the first year and first two-years of the performance period if actual performance over such periods meets or exceeds the target performance. Actual TSR

for 2018 awards for the 2018 performance period was -2.2%, which underperformed the MSCI US REIT Index, and, as a result, no shares vested. The target and maximum number of shares that may be earned by the NEOs under the 2018 performance awards over the full three year performance period are disclosed in the Grants of Plan-Based Awards Table for 2018.

***2018 Awards Performance:***

| Performance Measure | Target             | Maximum            | Actual Cumulative Performance (1) | Payout% |
|---------------------|--------------------|--------------------|-----------------------------------|---------|
| TSR                 | <sup>3</sup> Index | > 2.0% above Index | -2.0% below Index                 | 0.0%    |

(1) Based on performance period of January 1, 2018 through December 31, 2018.

**Other Elements of Compensation**

***Retirement and Other Benefits***

Benefits are established based upon a determination of what is needed to aid in attracting and retaining a talented and motivated work force. The Compensation Committee does not view benefits and perquisites for our NEOs as a key component of our executive compensation program. Our NEOs participate in benefit plans on the same terms as our other participating employees and their total value remains a negligible percentage of each executive officer's total compensation package.

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## Executive Compensation

We provide no perquisites or other personal benefits to our NEOs that are not available to all employees of the Company other than a cell phone allowance and, for Mr. Durvasula, a car allowance. In connection with Mr. Durvasula's promotion to President, Europe, effective December 1, 2018 he is also eligible to receive additional benefits available to employees under our long-term international assignment policy, including tax equalization benefits, education assistance, relocation, and a one-time resettlement allowance of \$20,000. See [Employment Agreements](#) below for additional information. We provide the following benefits to all employees of the Company: medical, dental, vision and disability insurance, parking at our corporate offices or public transportation credit, 401(k) employer match and group life insurance premiums. We do not maintain any defined benefit or supplemental retirement plans.

The Compensation Committee periodically reviews the levels of perquisites and other personal benefits provided to our NEOs and may revise, amend or add to any such benefits and perquisites in the future if it deems advisable.

***Severance Benefits***

In order to achieve our compensation objective of attracting, retaining and motivating qualified executives, we believe that we need to provide the NEOs with severance protection provided in an employment agreement. Each NEO is entitled to certain severance benefits based on the nature of their termination. See [Employment Agreements](#) and [Executive Compensation Tables Potential Payments Upon Termination of Employment or Change in Control](#) below for complete details of severance benefits payable to the NEOs upon certain terminations of employment.

**Other Compensation-Related Policies**

*Stock Ownership Guidelines.* The Company's corporate governance guidelines specify that the CEO is expected to hold shares worth at least six times his or her annual base pay, and each other NEO is expected to hold at least one and a half times his or her annual base pay. As of December 31, 2018, each of our NEOs has met the minimum requirements for stock ownership.

*Hedging and Pledging.* The Company has a written policy prohibiting employees, including officers and directors, from owning or trading in derivative financial instruments, short-selling, or engaging in hedging transactions that enable continued ownership of the Company's securities without the full risks and rewards of ownership. Executive officers and directors, and certain other employees, are also prohibited from pledging Company securities, absent specific preapproval. No such preapprovals have been requested or provided.

*Clawback.* The Company has a written clawback policy allowing it to recover incentive payments and equity awards realized by our NEOs in the preceding three years in the event of a material restatement of the Company's financial statements, if the incentive payments or amount of equity awards received would have been lower if calculated based on the restated financials, and the executive engaged in actual fraud or willful unlawful misconduct that materially contributed to the need for the restatement.

*Repricing Prohibition.* The Company maintains prohibitions on the re-pricing of underwater stock options, and cash buyouts of underwater stock options.

*Double-trigger change-in-control.* Severance benefits under an executive's employment agreement are not payable and equity awards do not vest upon a change of control unless the executive is terminated without cause or experiences a constructive termination, in each case, within 12 months following the change in control.

### **Employment Agreements**

The Company has entered into written employment agreements with each of our NEOs. Employment agreements allow the Company the flexibility to make changes in key positions with or without cause, and minimize the potential for disagreements or litigation, by establishing separation terms in advance,

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### **Executive Compensation**

including arbitration provisions and the execution of appropriate releases, and perpetuation of important confidentiality and non-competition restrictions. The benefits specified in the employment agreements, including the severance and change in control payments, are important provisions designed to ensure the recruitment and retention of quality executive talent.

Information regarding the severance payable to our NEOs pursuant to their employment agreements and treatment of outstanding equity awards can be found in Executive Compensation Tables Potential Payments Upon Termination of Employment or Change in Control.

Effective December 1, 2018, Mr. Durvasula was promoted to Executive Vice President & President, Europe. In connection with his promotion, Mr. Durvasula's base salary was increased to \$550,000. Mr. Durvasula remains eligible to receive a target annual bonus of 100% of his base salary and equity awards under our long-term incentive program, with a target annual equity award of 300% of base salary. Mr. Durvasula is entitled to payment for his relocation to London, England. The Company has agreed to pay for his relocation costs, including moving expenses, a housing allowance and settling-in assistance (in addition to a one-time payment of \$20,000, subject to tax withholding). Mr. Durvasula is also eligible to receive a goods and services differential, a transportation allowance (or use of a leased automobile while on assignment abroad), and financial assistance with the cost of his children's school attendance. While on international assignment, Mr. Durvasula will be tax equalized, to ensure that his tax costs are approximately equivalent to the tax that would have arisen had he remained in the United States.

If Mr. Durvasula resigns or is terminated for cause within 12 months of December 1, 2018, he will be responsible for repaying the Company a percentage of relocation costs (100% if termination occurs within the first six months and 50% if termination occurs thereafter, up to 12 months). Under certain circumstances, including a change in the Chief Executive Officer position at the Company, a material adverse change in the duties and responsibilities of Mr. Durvasula's employment, or a change in control of the Company, the Company has agreed to pay for Mr. Durvasula's relocation back to the U.S. within 30 days of any of those events.

### **Compensation Committee Analysis of Risk**

The Compensation Committee engaged FPL to perform an annual assessment for the Compensation Committee to determine whether the Company's compensation practices, plans and policies encourage unnecessary risk taking or create risks that are reasonably likely to have a material adverse effect on the Company. These assessments reviewed the material elements of executive and non-executive employee compensation. Based on these assessments, the Compensation Committee concluded these policies and practices do not encourage unnecessary risk taking or create risk that is reasonably likely to have a material adverse effect on CyrusOne.

### **2019 Compensation Decisions**

In November 2018, the Compensation Committee approved compensation for Mr. Durvasula in conjunction with his promotion to Executive Vice President & President, Europe, effective December 1, 2018, as described above in 2018 Executive Compensation Components Employment Agreements. In February 2019, the Compensation Committee approved the 2019 target compensation for the other NEOs, along with the performance goals for the 2019 annual incentive bonus plan and 2019 LTI awards. For 2019, the Compensation Committee did not make any changes to the design of our annual or LTI plans, including emphasis on performance requirements. The 2019 base salary and annual

incentive bonus opportunity for our CEO and other NEOs remained unchanged from 2018, while the total dollar value of our CEO's target 2019 LTI award was increased by approximately 6% based primarily on market data and individual and Company performance. The Compensation Committee did not grant any special one-time retention awards.

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Compensation Committee Report

Compensation Committee Report

The Compensation Committee has the overall responsibility of evaluating the performance and determining the compensation of the Chief Executive Officer and approving the compensation structure for the Company's other named executive officers. In fulfilling its responsibilities, the Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management. Based on such review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement for the 2019 Annual Meeting of Stockholders for filing with the SEC.

*Compensation Committee:*

T. Tod Nielsen (Chair)

Michael A. Klayko

Lynn A. Wentworth



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## Executive Compensation Tables

## Executive Compensation Tables

## Summary Compensation Table

The following table sets forth information concerning compensation paid to or earned by the Company's NEOs for the years indicated.

| Name and Principal Position   | Year | Salary<br>(\$) | Bonus<br>(\$) | Stock/Unit<br>Awards<br>(\$)(1) | Option Awards<br>(\$)(2) | Non-Equity<br>Incentive<br>Plan<br>Compensation<br>(\$)(3) | All Other<br>Compensation<br>(\$)(4) | Total(\$) |
|---|------|----------------|---------------|---------------------------------|--------------------------|--|--------------------------------------|-----------|
|   |      |                |               |                                 |                          |  | 11,949                               | 6,871,858 |
| Gary J. Wojtaszek<br>President and Chief<br>Executive Officer                             | 2018 | 800,000        |               | 4,376,808                       |                          | 1,683,101  |                                      |           |
|   | 2017 | 800,000        |               | 4,447,111                       |                          | 1,769,600  | 9,092                                | 7,025,803 |
|   | 2016 | 772,000        |               | 5,270,972                       | 624,997                  | 1,979,757  | 11,675                               | 8,659,401 |
| Diane M.<br>Morefield(5)<br>Executive Vice<br>President<br>and Chief Financial<br>Officer | 2018 | 463,462        |               | 1,221,438                       |                          | 610,147  | 13,888                               | 2,308,935 |
|   | 2017 | 425,000        |               | 1,049,975                       |                          | 537,200  | 11,152                               | 2,023,327 |
|   | 2016 | 40,865         |               | 1,099,992                       |                          | 58,818   | 150,300                              | 1,349,975 |
| Venkatesh S.<br>Durvasula(6)<br>Executive Vice<br>President<br>and President, Europe      | 2018 | 472,116        |               | 1,221,438                       |                          | 527,117  | 18,229                               | 2,238,900 |
|   | 2017 | 450,000        |               | 1,111,645                       |                          | 568,800  | 13,840                               | 2,144,285 |
|   | 2016 | 436,231        | 300,000       | 3,353,153                       | 262,502                  | 647,685  | 14,116                               | 5,013,687 |
| Kevin L. Timmons  | 2018 | 419,231        |               | 1,221,438                       |                          | 468,071  | 13,019                               | 2,121,759 |
|   | 2017 | 400,000        |               | 989,446                         |                          | 505,600  | 9,455                                | 1,904,501 |

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|  |      |         |         |           |         |         |        |           |
|--|------|---------|---------|-----------|---------|---------|--------|-----------|
| Executive Vice<br>President<br>and Chief Technology<br>Officer | 2016 | 393,923 |         | 2,349,173 | 199,998 | 575,720 | 8,106  | 3,526,920 |
| Robert M. Jackson  | 2018 | 344,616 |         | 716,671   |         | 453,686 | 14,088 | 1,529,061 |
| Executive Vice<br>President,                                   | 2017 | 320,000 |         | 790,514   |         | 404,480 | 11,832 | 1,526,826 |
| General Counsel and<br>Secretary                               | 2016 | 320,000 | 138,880 | 257,100   | 80,001  | 322,403 | 14,178 | 1,132,562 |

(1) Reflects the aggregate grant date fair value of stock/unit awards, determined in accordance with FASB ASC 718. The assumptions used in the calculation of the grant date fair values of these awards are set forth in Note 19 to the financial statements in our Annual Report on Form 10-K filed with the SEC on February 22, 2019.

The amount shown consists of time-based and performance-based restricted stock/unit awards at target in the following amounts:

|               | Grant Date Fair Value Performance-Based<br>Restricted Stock/Units |           |           | Grant Date Fair Value Time-Based<br>Restricted Stock/Units |         |           |
|---------------|---|-----------|-----------|--|---------|-----------|
|               | (\$)  |           |           | (\$)   |         |           |
|               | Fiscal  | Fiscal    | Fiscal    | Fiscal   | Fiscal  | Fiscal    |
|               | 2018  | 2017      | 2016      | 2018   | 2017    | 2016      |
| Mr. Wojtaszek | 3,301,761   | 3,547,128 | 1,531,837 | 1,075,047  | 899,983 | 3,739,134 |
| Ms. Morefield | 921,429   | 837,481   |           | 300,010  | 212,494 | 1,099,992 |
| Mr. Durvasula | 921,429   | 886,685   | 643,376   | 300,010  | 224,960 | 2,709,776 |
| Mr. Timmons   | 921,429   | 789,225   | 490,130   | 300,010  | 200,221 | 1,859,043 |
| Mr. Jackson   | 540,626   | 630,530   | 196,066   | 176,045  | 159,984 | 61,034    |

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## Executive Compensation Tables

Assuming performance at maximum levels, the performance-based restricted stock/unit awards valued at the closing stock price on grant date are shown below:

|               | Value of Performance-Based Restricted<br>Stock/Unit Assuming Maximum<br>Performance<br>(\$) |           |           |
|---------------|---|-----------|-----------|
|               | Fiscal  |           | Fiscal    |
|               | 2018  | 2017      | 2016      |
| Mr. Wojtaszek | 6,450,077   | 5,399,993 | 2,810,648 |
| Ms. Morefield | 1,800,057   | 1,274,964 |           |
| Mr. Durvasula | 1,800,057   | 1,349,950 | 1,180,499 |
| Mr. Timmons   | 1,800,057   | 1,201,421 | 899,375   |
| Mr. Jackson   | 1,056,062   | 959,905   | 359,765   |

- (2) Reflects the aggregate grant date fair value of stock options granted to the NEOs in 2016, computed in accordance with FASB ASC 718. No option awards were granted in 2017 or 2018. The assumptions used in the calculation of the grant date fair values of the awards are set forth in Note 19 to the financial statements in our Annual Report on Form 10-K filed with the SEC on February 22, 2019.
- (3) Reflects annual incentive plan awards earned for the year indicated. For a detailed discussion regarding our annual incentive plan, see [Executive Compensation 2018 Executive Compensation Components Annual Incentive Bonus Opportunity](#).
- (4) The components of the [All Other Compensation](#) column for 2018 include the following:

|               | 401(k) Match | Insurance | Perquisites | Total  |
|---------------|--------------|-----------|-------------|--------|
|               | (\$)         | \$(a)     | \$(b)       |        |
| Mr. Wojtaszek | 8,410        | 1,739     | 1,800       | 11,949 |
| Ms. Morefield | 10,622       | 1,466     | 1,800       | 13,888 |
| Mr. Durvasula | 6,567        | 1,529     | 10,133      | 18,229 |
| Mr. Timmons   | 9,795        | 1,424     | 1,800       | 13,019 |
| Mr. Jackson   | 10,925       | 1,363     | 1,800       | 14,088 |

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- (a) Reflects employer-paid life, long-term disability, short-term disability, and accidental death and dismemberment insurance.
- (b) Consists of a cell phone allowance in the amount of \$1,800 per year for each NEO, and a car-allowance of \$8,333 for Mr. Durvasula.

(5) Ms. Morefield joined the Company in November 2016.

(6) Effective December 1, 2018, Mr. Durvasula was promoted to Executive Vice President and President, Europe and his base salary was increased to \$550,000. Mr. Durvasula previously served as our Executive Vice President and Chief Commercial Officer.

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## Executive Compensation Tables

## Grants of Plan-Based Awards

The following table presents information concerning plan-based awards granted to each of the NEOs during 2018.

**2018 Grants of Plan-Based Awards Table**

| Name          | Grant Date | Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1) |             |              | Estimated Future Payouts Under Equity Incentive Plan Awards(2) |            |             | All Other Stock/Unit Awards: Number of Shares of | Grant Date Fair Value of Stock/Unit Awards (\$)(3) |
|---------------|------------|--|-------------|--------------|--|------------|-------------|--|--|
|               |            | Threshold (\$)   | Target (\$) | Maximum (\$) | Threshold (#)  | Target (#) | Maximum (#) | Stock/Units (#)                                  |  |
| Mr. Wojtaszek | 2/26/2018  | 350,000  | 1,400,000   | 2,800,000    | 31,427   | 62,854     | 125,708     | 20,952   | 4,376,808  |
| Ms. Morefield | 2/26/2018  | 118,750  | 475,000     | 950,000      | 8,771  | 17,541     | 35,082      | 5,847  | 1,221,438  |
| Mr. Durvasula | 2/26/2018  | 118,750  | 475,000     | 950,000      | 8,771  | 17,541     | 35,082      | 5,847  | 1,221,438  |
| Mr. Timmons   | 2/26/2018  | 106,250  | 425,000     | 850,000      | 8,771  | 17,541     | 35,082      | 5,847  | 1,221,438  |
| Mr. Jackson   | 2/26/2018  | 88,000   | 352,000     | 704,000      | 5,146  | 10,291     | 20,582      | 3,431  | 716,671  |

(1) Reflects each NEO's threshold, target and maximum incentive opportunity under the Short Term Incentive Plan for 2018. Actual payouts are calculated using actual salary earned for 2018, as opposed to annualized base salary rate.

(2) Reflects performance-based restricted stock unit awards granted in 2018.

(3) Reflects the grant date fair value of time-based restricted stock units and performance-based restricted stock units at target (the most probable outcome as of the grant date), computed in accordance with FASB ASC 718 without regard to estimated forfeitures. The assumptions used in the calculation of the grant date fair values of the awards are set forth in Note 19 to the financial statements in our Annual Report on Form 10-K filed with the SEC on February 22, 2019.

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## Executive Compensation Tables

## Outstanding Equity Awards at Fiscal Year End

The following table presents information concerning outstanding equity awards held by the NEOs as of December 31, 2018.

**Outstanding Equity Awards at 2018 Fiscal Year End**

| Name                          | Grant Date | Exercise Date | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) | Equity Incentive Plan Awards: Number of Securities Underlying Exercisable Options (#) | Option Exercise Price (\$) | Option Expiration Date | Option Awards   |   | Stock/Unit Awards   |   |   |   |
|-------------------------------|------------|---------------|---|---|----------------------------|------------------------|---|---|---|---|---|---|
|                               |            |               |   |   |                            |                        | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested (\$)(1) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(1) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(1) |
| Mr. Wojtaszek                 |            |               |   |   |                            |                        |   |   |   |   |   |   |
| 2013                          |            |               |   |   |                            |                        |   |   |   |   |   |   |
| LTI Options(2)                | 4/17/2013  |               | 27,550  |   | 23.58                      | 4/17/2023              |   |   |   |   |   |   |
| 2015                          |            |               |   |   |                            |                        |   |   |   |   |   |   |
| LTI Options(3)                | 2/10/2015  |               | 67,038  |   | 28.42                      | 2/10/2025              |   |   |   |   |   |   |
| 2016                          |            |               |   |   |                            |                        |   |   |   |   |   |   |
| LTI Options(5)                | 2/1/2016   |               | 59,609  | 29,804  | 36.99                      | 2/1/2026               |   |   |   |   |   |   |
| 2016                          |            |               |   |   |                            |                        |   |   |   |   |   |   |
| LTI Restricted Stock(6)       | 2/1/2016   |               |   |   |                            |                        | 92,492  | 4,890,977   | 12,664  |   | 669,672   |   |
| 2017                          |            |               |   |   |                            |                        |   |   |   |   |   |   |
| LTI Restricted Stock Units(8) | 2/13/2017  |               |   |   |                            |                        | 12,466  | 659,202   | 37,398  |   | 1,977,606   |   |
| 2018                          |            |               |   |   |                            |                        |   |   |   |   |   |   |
| LTI Restricted Stock Units(9) | 2/26/2018  |               |   |   |                            |                        | 20,952  | 1,107,942   | 62,854  |   | 3,323,720   |   |

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**Ms. Morefield**

|                |            |  |  |  |  |       |         |        |         |
|----------------|------------|--|--|--|--|-------|---------|--------|---------|
| 2016           |            |  |  |  |  |       |         |        |         |
| LTI Restricted |            |  |  |  |  |       |         |        |         |
| Stock(7)       | 11/14/2016 |  |  |  |  | 9,056 | 478,881 |        |         |
| 2017           |            |  |  |  |  |       |         |        |         |
| LTI Restricted |            |  |  |  |  |       |         |        |         |
| Stock Units(8) | 2/13/2017  |  |  |  |  | 2,943 | 155,626 | 8,830  | 466,930 |
| 2018           |            |  |  |  |  |       |         |        |         |
| LTI Restricted |            |  |  |  |  |       |         |        |         |
| Stock Units(9) | 2/26/2018  |  |  |  |  | 5,847 | 309,189 | 17,541 | 927,568 |

**Mr. Durvasula**

|                |           |        |        |       |           |        |           |        |         |
|----------------|-----------|--------|--------|-------|-----------|--------|-----------|--------|---------|
| 2013           |           |        |        |       |           |        |           |        |         |
| LTI Options(2) | 4/17/2013 | 13,775 |        | 23.58 | 4/17/2023 |        |           |        |         |
| 2015           |           |        |        |       |           |        |           |        |         |
| LTI Options(3) | 2/10/2015 | 43,317 |        | 28.42 | 2/10/2025 |        |           |        |         |
| 2016           |           |        |        |       |           |        |           |        |         |
| LTI Options(5) | 2/1/2016  | 25,036 | 12,518 | 36.99 | 2/1/2026  |        |           |        |         |
| 2016           |           |        |        |       |           |        |           |        |         |
| LTI Restricted |           |        |        |       |           |        |           |        |         |
| Stock(6)       | 2/1/2016  |        |        |       |           | 69,648 | 3,682,986 | 5,319  | 281,269 |
| 2017           |           |        |        |       |           |        |           |        |         |
| LTI Restricted |           |        |        |       |           |        |           |        |         |
| Stock Units(8) | 2/13/2017 |        |        |       |           | 3,116  | 164,774   | 9,349  | 494,375 |
| 2018           |           |        |        |       |           |        |           |        |         |
| LTI Restricted |           |        |        |       |           |        |           |        |         |
| Stock Units(9) | 2/26/2018 |        |        |       |           | 5,847  | 309,189   | 17,541 | 927,568 |

**Mr. Timmons**

|                |           |        |       |       |           |        |           |        |         |
|----------------|-----------|--------|-------|-------|-----------|--------|-----------|--------|---------|
| 2013           |           |        |       |       |           |        |           |        |         |
| LTI Options(2) | 4/17/2013 | 10,455 |       | 23.58 | 4/17/2023 |        |           |        |         |
| 2015           |           |        |       |       |           |        |           |        |         |
| LTI Options(3) | 2/10/2015 | 33,003 |       | 28.42 | 2/10/2025 |        |           |        |         |
| 2016           |           |        |       |       |           |        |           |        |         |
| LTI Options(5) | 2/1/2016  | 19,075 | 9,537 | 36.99 | 2/1/2026  |        |           |        |         |
| 2016           |           |        |       |       |           |        |           |        |         |
| LTI Restricted |           |        |       |       |           |        |           |        |         |
| Stock(6)       | 2/1/2016  |        |       |       |           | 47,508 | 2,512,223 | 4,053  | 214,323 |
| 2017           |           |        |       |       |           |        |           |        |         |
| LTI Restricted |           |        |       |       |           |        |           |        |         |
| Stock Units(8) | 2/13/2017 |        |       |       |           | 2,773  | 146,636   | 8,320  | 439,962 |
| 2018           |           |        |       |       |           |        |           |        |         |
| LTI Restricted |           |        |       |       |           |        |           |        |         |
| Stock Units(9) | 2/26/2018 |        |       |       |           | 5,847  | 309,189   | 17,541 | 927,568 |

**Mr. Jackson**

|                |           |        |  |       |           |  |  |  |  |
|----------------|-----------|--------|--|-------|-----------|--|--|--|--|
| 2015           |           |        |  |       |           |  |  |  |  |
| LTI Options(4) | 7/31/2015 | 12,719 |  | 30.74 | 7/31/2025 |  |  |  |  |

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|                |           |       |       |       |          |       |         |
|----------------|-----------|-------|-------|-------|----------|-------|---------|
| 2016           |           |       |       |       |          |       |         |
| LTI Options(5) | 2/1/2016  | 7,630 | 3,815 | 36.99 | 2/1/2026 |       |         |
| 2016           |           |       |       |       |          |       |         |
| LTI Restricted |           |       |       |       |          |       |         |
| Stock(6)       | 2/1/2016  |       |       |       |          | 550   | 29,084  |
|                |           |       |       |       |          |       | 1,621   |
|                |           |       |       |       |          |       | 85,718  |
| 2017           |           |       |       |       |          |       |         |
| LTI Restricted |           |       |       |       |          |       |         |
| Stock Units(8) | 2/13/2017 |       |       |       |          | 2,216 | 117,182 |
|                |           |       |       |       |          |       | 6,648   |
|                |           |       |       |       |          |       | 351,546 |
| 2018           |           |       |       |       |          |       |         |
| LTI Restricted |           |       |       |       |          |       |         |
| Stock Units(9) | 2/26/2018 |       |       |       |          | 3,431 | 181,431 |
|                |           |       |       |       |          |       | 10,291  |
|                |           |       |       |       |          |       | 544,188 |

(1) Based on the closing price of the Company's common stock on December 31, 2018 of \$52.88.

(2) Reflects the number of performance-based stock options granted on April 17, 2013, which vested in 2014, 2015, and 2016. The target number of stock options granted was 20,911 for Mr. Wojtaszek and 10,455 for each Messrs. Durvasula and Timmons.



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## Executive Compensation Tables

Vesting was based on applicable criteria, as set forth in the award agreement, during the 2013-2015 performance periods as follows: (i) up to 50% of the maximum number of such options vest in cumulative installments on March 31, 2014, 2015 and 2016, based on the Company achieving certain cumulative EBITDA targets; and (ii) up to 50% of the maximum number of such stock options vest on March 31, 2014, 2015 and 2016 based on the Company achieving certain TSR goals as measured against an index. The maximum number of stock options that may be earned assuming the highest level of performance over the entire 3-year performance period was 200% of the target number.

- (3) Reflects shares underlying time-based stock options granted on February 10, 2015, which vested ratably over three years on the anniversary date of the grant, subject generally to the executive's continued employment on such vesting date.
- (4) Reflects shares underlying time-based stock options granted on July 31, 2015, which vested ratably over three years on the anniversary date of the grant, subject generally to the executive's continued employment on such vesting date.
- (5) Reflects shares underlying time-based stock options granted on February 1, 2016, which vest ratably over three years on the anniversary date of the grant, subject generally to the executive's continued employment on such vesting date.
- (6) Reflects time-based and performance-based restricted stock awards, granted on February 1, 2016, that have not vested. The performance-based restricted stock vest in cumulative installments February 28, 2017, 2018 and 2019 based on the achievement of the applicable performance criteria, as set forth in the award agreement, during the 2016-2018 performance period as follows: (i) up to 50% of the maximum number of shares will vest based on the Company achieving certain relative TSR goals; and (ii) up to 50% of the maximum number of such shares will vest based on the Company achieving certain ROA goals. The maximum number of shares of restricted stock that may be earned assuming the highest level of performance over the entire 3-year performance period would be 200% of the target number.
- (7) In connection with her employment by the Company, on November 14, 2016, Ms. Morefield received a time-based restricted stock award that vests ratably over three years on the anniversary date of the grant.
- (8) Reflects time-based and performance-based restricted stock unit awards, granted on February 13, 2017, that have not vested. The performance-based restricted stock vest in cumulative installments February 28, 2018, 2019 and 2020 based on the achievement certain relative TSR goals, as set forth in the award agreement, during the 2017-2019 performance period. The maximum number of shares of restricted stock units that may be earned assuming the highest level of performance over the entire 3-year performance period would be 200% of the target number.

- (9) Reflects time-based and performance-based restricted stock unit awards, granted on February 26, 2018, that have not vested. The performance-based restricted stock vest in cumulative installments February 28, 2019, 2020 and 2021 based on the achievement certain relative TSR goals, as set forth in the award agreement, during the 2018-2020 performance period. The maximum number of shares of restricted stock units that may be earned assuming the highest level of performance over the entire 3-year performance period would be 200% of the target number.

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## Executive Compensation Tables

## Option Exercises and Stock Vested

The following table presents information concerning amounts realized by our NEOs upon the vesting of stock awards and stock options in 2018. The value realized on vesting represents the number of shares that vested in 2018 and the aggregate value of such shares based upon the closing price of our common stock on the applicable vesting date.

| Name                | Number of<br>Shares Acquired<br>on<br>Vesting | Stock Awards                 | Stock Options                                 |                              |
|---------------------|---|------------------------------|---|------------------------------|
|                     |   | Value Realized<br>on Vesting | Number of<br>Shares Acquired<br>on<br>Vesting | Value Realized<br>on Vesting |
|                     | (#)   | (\$)                         | (#)   | (\$)                         |
| Mr. Wojtaszek       | 76,857  | 3,905,587                    |   |                              |
| Ms. Morefield       | 14,942  | 792,169                      |   |                              |
| Mr. Durvasula       | 35,947  | 1,821,757                    |   |                              |
| Mr. Timmons         | 28,187  | 1,428,733                    | 7,374   | 321,343                      |
| Mr. Jackson         | 12,968  | 732,264                      |   |                              |
| No Pension Benefits |   |                              |   |                              |

In the year ended December 31, 2018, our NEOs received no pension benefits and had no accumulated pension benefits.

## No Nonqualified Deferred Compensation

In the year ended December 31, 2018, our NEOs received no nonqualified deferred compensation and had no deferred compensation balances.

## Potential Payments Upon Termination of Employment or Change in Control

Each of the employment agreements with our NEOs specify the payments and benefits to which such executives are entitled upon a termination of employment for specified reasons, as described below. In addition, certain of our award agreements under our long-term incentive plan provide for certain treatment of outstanding equity awards upon a termination of employment for specified reasons, as described below.

*Without Cause or Constructive Termination.* If the Company terminates the executive's employment for any reason other than for cause or the executive's death or disability or the executive terminates his or her employment as a result of a constructive termination (as defined below) in circumstances not involving a change in control, then the executive will be entitled to:

a lump-sum cash severance payment equal to two times (for Messrs. Wojtaszek, Durvasula and Timmons and one times for Ms. Morefield and Mr. Jackson), the sum of her or his (i) then-current annual base salary, and (ii) annual incentive bonus target, pro-rated to the date of termination (or, in the case of Ms. Morefield and Mr. Jackson, her or his annual incentive bonus target), subject to the executive signing and not revoking a release of claims ( Cash Severance );

certain vesting of outstanding equity awards, including:

immediate vesting of the portion of any outstanding time-based awards that would otherwise have vested on or prior to the end of the one-year period beginning at the time of such termination (the Severance Period ), or for Ms. Morefield, immediate vesting of the pro-rata portion of any outstanding time-based awards from the grant date through the end of the Severance Period.

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Executive Compensation Tables

for Ms. Morefield, immediate vesting of the restricted stock granted to her in connection with her hiring in November 2016, and, for Messrs. Wojtaszek, Durvasula and Timmons, immediate vesting of the 3-year cliff vesting retention awards granted in February 2016 (which vested in February 2019).

performance-based equity awards will remain outstanding until the end of the applicable performance period (or, if earlier, the executive's death or disability or a change in control) and the vesting will be determined based on actual level of performance attained and pro-rated based on the number of days employed during the applicable performance period.

if applicable, an amount equal to the sum of (a) any forfeitable benefits of the executive under any nonqualified pension, profit sharing, savings or deferred compensation plan that would have vested if the term of his or her employment had not been terminated prior to the end of the Severance Period, plus (b) any additional vested benefits which would have accrued for the executive under any nonqualified defined benefit pension plan if the term of his or her employment had not been terminated prior to the end of the Severance Period, and if the executive's base salary and bonus target had not increased or decreased after such termination, payable to the executive at the same time and in the same manner as such benefits would have been paid under such plan or plans had such benefits vested and accrued under such plan or plans at the time of the termination of his or her employment (the Nonqualified Benefit );

if applicable, an amount equal to the sum of (a) any forfeitable benefits of the executive under any qualified pension, profit sharing, 401(k) or deferred compensation plan that would have vested prior if the term of his or her employment had not been terminated prior to the end of the Severance Period, plus (B) any additional vested benefits which would have accrued for the executive under any qualified defined benefit pension plan if the term of his or her employment had not been terminated prior to the end of the Severance Period, and if the executive's base salary and bonus target had not increased or decreased after such termination, payable by the Company in one lump sum 60 days after such termination of employment, subject to the Company's receipt of an executed and irrevocable release from the applicable executive (the Qualified Benefit ) (the Company does not currently offer any Qualified Benefits); and

continued medical, dental, vision and group term life coverage for the remainder of the Severance Period, comparable to the medical, dental, vision and group term life coverage in effect for the executive immediately prior to such termination (the Medical Benefit ). To the extent that the executive would have been eligible for any post-retirement medical, dental, vision or group term life benefits from the Company if the executive's employment had continued through the end of the Severance Period, the Company will provide such post-retirement benefits to the executive after the end of the Severance Period (the Post-Retirement Medical Benefit ) (the Company does not currently offer any Post-Retirement Medical Benefits other than subsidized COBRA).

For purposes of the employment agreements, cause generally means an act of fraud, misappropriation, embezzlement or misconduct constituting serious criminal activity on the part of the executive. For the purposes of each of the

employment agreements, constructive termination will generally be deemed to have occurred if, without the executive's consent, (a) there is a material adverse change in the reporting responsibilities set forth in his or her employment agreement or there is otherwise a material reduction in his or her authority, reporting relationship or responsibilities, (b) there is a material reduction in his or her base salary or bonus target or (c) the applicable executive is required to relocate more than 50 miles from his or her designated office in effect as of the effective date of the agreement.

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Executive Compensation Tables

*Change of Control.* If within one year following a change in control: (a) the executive terminates his or her employment with the Company as a result of a constructive termination or (b) the Company terminates the executive's employment for any reason other than for cause or the executive's death or disability, then the executive will be entitled to:

a lump-sum cash severance payment in an amount equal to two times the sum of his or her (i) annual base salary and (ii) annual incentive bonus target, in each case, as then in effect, subject to the executive signing and not revoking a release of claims;

immediate vesting of any outstanding time-based equity awards, and immediate vesting of any outstanding performance-based equity awards at the maximum level; and

the Nonqualified Benefit, the Qualified Benefit, the Medical Benefit, and, to the extent applicable, the Post-Retirement Medical Benefit.

In the event that Section 280G of the Internal Revenue Code of 1986, as amended, applies to the payments and benefits set forth above, the aggregate amount of such payments and benefits payable to the executive will not exceed the amount which produces the greatest after-tax benefit to the executive after taking into account any applicable excise tax to be payable by the executive. Each executive is fully responsible for his or her own personal income taxes and the Company has no obligation to reimburse or otherwise provide a tax gross-up to the executive in connection with any change of control payments.

*Disability and Death.* In the event of an executive's death or disability, the Company will pay the executive or his or her estate, as applicable, his or her accrued compensation (base salary, bonus or otherwise) as of the date of termination and, in the case of disability, will provide the executive with disability benefits and all other benefits in accordance with the provisions of the applicable disability plans and other applicable plans. In addition, time-based equity awards will vest on a pro-rata basis and performance-based equity awards will vest at the target level on a pro-rata basis.

*Voluntary Resignation.* If an executive voluntarily resigns, other than for a constructive termination, then the executive will be entitled only to accrued compensation.

*Restrictive Covenants.* Pursuant to the employment agreements, each of the executives is subject to confidentiality and intellectual property covenants during the term of his or her employment and thereafter. In addition, each of the executives is subject to non-competition, non-solicitation and non-interference covenants during the term of his or her employment and for a period of one year following the cessation of his or her employment for any reason.

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## Executive Compensation Tables

## Estimated Payments in Connection with a Termination of Employment or Change in Control

The table below presents estimates of the amounts of compensation that would have been payable to the NEOs upon their termination of employment or upon a change in control, in each case as of December 31, 2018. The amounts in the table exclude: (i) 401(k) retirement plan contributions and distributions that are generally available to all salaried employees, (ii) payments pursuant to awards originally scheduled to vest on or before such date by their terms, and (iii) any amounts that may be due at the time of payment for accrued and unpaid salary, bonuses, vacation or interest on payments (if any) delayed as a result of Section 409A of the Code. The actual amounts payable upon such terminations may be different and will only be determined upon the actual occurrence of any such event.

| Name   | Termination for Cause or Resignation without Good Reason | No Change in Control: Termination without Cause or Resignation For Good Reason | Death or Disability | Change in Control: Termination without Cause or Resignation For Good Reason | Change in Control: (no termination of employment) |
|--|--|--|---------------------|---|---|
|  | (\$)   | (\$)(4)  | (\$)(5)             | (\$)(6)   | (\$)  |
| Mr. Wojtaszek  |  |  |                     |   |   |
| Cash Severance(1)                                    |  | 4,400,000  |                     | 4,400,000   |   |
| Medical Benefit(2)                                   |  | 15,404   |                     | 15,404  |   |
| Life Insurance(2)                                    |  | 9,216  |                     |   |   |
| Unvested Time Based Restricted Stock/Units(3)        |  | 5,453,726  | 5,472,181           | 6,658,121   |   |
| Unvested Performance-Based Restricted Stock/Units(3) |  | 3,905,717  | 2,821,994           | 14,270,091  |   |



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|  |           |           |           |
|--|-----------|-----------|-----------|
| Unvested Time Based Stock Options(3)                 | 1,576,036 | 1,530,030 | 1,576,036 |
| Ms. Morefield  |           |           |           |
| Cash Severance(1)                                    | 950,000   |           | 1,900,000 |
| Medical Benefit(2)                                   | 17,527    |           | 17,527    |
| Life Insurance(2)                                    | 19,836    |           |           |
| Unvested Time Based Restricted Stock/Units(3)        | 818,054   | 523,829   | 943,696   |
| Unvested Performance-Based Restricted Stock/Units(3) | 542,654   | 552,860   | 3,022,462 |
| Unvested Time Based Stock Options(3)                 |           |           |           |
| Mr. Durvasula  |           |           |           |
| Cash Severance(1)                                    | 2,200,000 |           | 2,200,000 |
| Medical Benefit(2)                                   | 17,527    |           | 17,527    |
| Life Insurance(2)                                    | 8,448     |           |           |
| Unvested Time Based Restricted Stock/Units(3)        | 3,736,734 | 3,765,479 | 4,156,950 |
| Unvested Performance-Based Restricted Stock/Units(3) | 1,316,183 | 843,119   | 4,216,175 |
| Unvested Time-Based Stock Options(3)                 | 661,952   | 642,651   | 661,952   |

Mr. Timmons

|  |           |           |           |
|--|-----------|-----------|-----------|
| Cash Severance(1)                                    | 1,700,000 |           | 1,700,000 |
| Medical Benefit(2)                                   | 17,527    |           | 17,527    |
| Life Insurance(2)                                    | 6,528     |           |           |
| Unvested Time Based Restricted Stock/Units(3)        | 2,617,401 | 2,617,613 | 2,968,049 |
| Unvested Performance-Based Restricted Stock/Units(3) | 1,108,206 | 744,022   | 3,812,172 |
| Unvested Time-Based Stock Options(3)                 | 504,317   | 489,616   | 504,317   |

Mr. Jackson

|  |         |         |           |
|--|---------|---------|-----------|
| Cash Severance(1)                                    | 704,000 |         | 1,408,000 |
| Medical Benefit(2)                                   | 9,413   |         | 9,413     |
| Life Insurance(2)                                    | 5,407   |         |           |
| Unvested Time Based Restricted Stock/Units(3)        | 148,170 | 152,559 | 327,697   |
| Unvested Performance-Based Restricted Stock/Units(3) | 716,577 | 456,196 | 2,310,116 |
| Unvested Time Based Stock Options(3)                 | 201,737 | 195,868 | 201,737   |

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Executive Compensation Tables

- (1) Represents an amount equal to one times (or two times in the case of Messrs. Wojtaszek, Durvasula and Timmons) the sum of (i) base salary plus (ii) target bonus (pro-rated to the date of termination in the case of Messrs. Wojtaszek, Durvasula and Timmons), in each case as specified in the employment agreement for each NEO. If the termination occurs in connection with a change in control, amounts represent two times the sum of (i) base salary plus (ii) target bonus for each NEO. All cash payments are payable in a lump sum within 60 days following the termination, subject to the executive's execution of an irrevocable release.
- (2) Represents the cost for continuation of benefits as specified in the employment agreement for each NEO. The amounts shown for this item are calculated based upon the Company's current actual costs of providing benefits and are not discounted for the time value of money.
- (3) Based on the closing price of the Company's common stock on December 31, 2018 of \$52.88.
- (4) Represents time-based equity awards and stock options that would become vested within one year from the termination date, or for Ms. Morefield, the pro-rata portion from the grant date through the first anniversary of termination. Ms. Morefield's amount also includes the unvested portion of her new-hire grant in 2016. Performance-based equity awards will remain outstanding until the end of the applicable performance period (or, if earlier, the executive's death or disability or a change in control) and the vesting will be determined based on actual level of performance attained and pro-rated based on the number of days employed during the applicable performance period. Amounts shown represent actual amounts for completed performance periods and pro-rata amount for performance periods ending after 2018, assuming target performance is achieved.
- (5) Represents vesting of time-based and performance-based awards on a pro-rata basis from grant date to the date of termination; performance awards vest at target.
- (6) Represents vesting of time-based and performance-based awards; performance awards vest at maximum level (200% of target).

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## Equity Compensation Plan Information

## Equity Compensation Plan Information

The following table provides information as of December 31, 2018 regarding securities of the Company to be issued and remaining available for issuance under the equity compensation plans of the Company:

| Plan Category   | Number of securities to be<br>issued upon<br>exercise of<br>stock options,<br>awards,<br>warrants and<br>rights(a)(1) | Weighted-average exercise<br>price of<br>outstanding<br>stock<br>options,<br>awards,<br>warrants<br>and<br>rights(\$)(2) | Number of securities<br>remaining available for<br>future issuance under<br>equity compensation plans<br>(excluding securities<br>reflected in column(a)) |
|---|---|--|---|
| Equity compensation plans approved by<br>security holders     | 1,617,145   | 31.96  | 5,051,021   |
| Equity compensation plans not approved by<br>security holders |   |  |   |
| Total   | 1,617,145   | 31.96  | 5,051,021   |

(1) Represents outstanding stock options granted in 2013, 2015 and 2016 but not yet exercised, and unvested performance awards assuming the maximum awards that can be earned if the performance conditions are achieved.

(2) Represents weighted average exercise price of outstanding stock options.



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CEO Pay Ratio Disclosure

CEO Pay Ratio Disclosure

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our median employee and the annual total compensation of Mr. Gary J. Wojtaszek, our President and Chief Executive Officer (our CEO). This relationship is referred to as the CEO pay ratio. The CEO pay ratio included in this information is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K.

To identify the median employee, the annual total compensation of the median employee and to determine the CEO pay ratio, we took the following steps:

We selected December 31, 2018, the last day of our 2018 payroll year, as the date upon which we would identify the median employee because it enabled us to make such identification in a reasonably efficient and economical manner.

As permitted by SEC rules, we also excluded 34 employees of Zenium Data Centers, which we acquired in a transaction that closed in August 2018. Excluding these employees, we determined that, as of December 31, 2018, our employee population consisted of approximately 415 employees, all of whom are located in the United States. This population consisted of our full-time, part-time and temporary employees.

To identify the median employee from our 2018 employee population, we compared the amount of salary and wages of our employees as reflected in our payroll records as reported to the Internal Revenue Service on Form W-2 (for 2018). In making this determination, we annualized the compensation of approximately 83 full-time employees who were hired in 2018 but did not work for us the entire fiscal year. Other than the foregoing, we did not make any assumptions, adjustments or estimates with respect to our employees' salary and wages as reflected in our payroll records, and used this consistently applied compensation measure to identify our median employee.

Once we identified our median employee, we combined all the elements of the median employee's compensation for 2018 in accordance with the requirements of Item 402(c)(2)(x) of regulation S-K, resulting in annual total compensation of \$106,193.

With respect to the annual total compensation of our CEO, we used the amount reported in the Total column of our 2018 Summary Compensation Table included in this Proxy Statement. For 2018, our last completed fiscal year:

the annual total compensation of the median employee was \$106,193; and

the annual total compensation of our CEO, as reported in the 2018 Summary Compensation Table, was \$6,879,371. Based on this information, for 2018 the ratio of the annual total compensation of our CEO to the annual total compensation of our median employee was 65 to 1.

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## Security Ownership of Certain Beneficial Owners and Management

## Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information regarding the beneficial ownership of our common stock as of March 8, 2019, the record date, by (i) each person or group who is known by us to be beneficial owner of 5% or more of our common stock, (ii) each of our directors and director nominees, (iii) each of our NEOs and (iv) our directors and executive officers as a group.

Beneficial ownership of shares is determined under rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. Except as indicated by footnote, we believe based on the information provided to us that each person and entity named in the table has sole voting and investment power with respect to all of the shares of our common stock shown as beneficially owned by such person or entity. Applicable percentage of beneficial ownership is based on 108,329,509 shares of common stock outstanding on the record date. Shares of common stock subject to options currently exercisable or exercisable within 60 days after the record date are deemed to be outstanding and beneficially owned by the person holding the options for the purpose of computing the percentage of beneficial ownership of that person and any group of which that person is a member, but are not deemed outstanding for the purpose of computing the percentage of beneficial ownership for any other person. Unless otherwise indicated, the address of each named person is c/o CyrusOne Inc., 2101 Cedar Springs Road, Suite 900, Dallas, Texas 75201.

| Name of Beneficial Owner | Number of Shares<br>of Common Stock<br>Beneficially Owned | Percent of<br>Common<br>Shares |
|--------------------------|---|--------------------------------|
|--------------------------|---|--------------------------------|

**Beneficial owners of 5% or more of our common stock:**

|                       |            |       |
|-----------------------|------------|-------|
| The Vanguard Group(1) | 14,853,370 | 13.7% |
| BlackRock, Inc.(2)    | 13,400,331 | 12.4% |



|   |            |       |
|---|------------|-------|
| Cohen & Steers, Inc.(3)                 | 11,497,438 | 10.6% |
| <b>Directors and executive officers</b> |            |       |
| Gary J. Wojtaszek(4)                    | 729,538    | *     |
| Diane M. Morefield(4)                   | 68,533     | *     |
| Venkatesh S. Durvasula(4)               | 289,188    | *     |
| Kevin L. Timmons(4)                     | 193,439    | *     |
| Robert M. Jackson(4)                    | 65,919     | *     |
| David H Ferdman(5)                      | 106,490    | *     |
| Alex Shumate(5)                         | 30,299     | *     |
| John W. Gamble, Jr.(5)                  | 20,289     | *     |
| Michael A. Klayko(5)                    | 11,972     | *     |

|  |           |      |
|--|-----------|------|
| T. Tod Nielsen(5)  | 30,299    | *    |
| William E. Sullivan(5)                                       | 31,299    | *    |
| Lynn A. Wentworth(5)   | 20,651    | *    |
| All directors and executive officers as a group (12 persons) | 1,566,617 | 1.4% |

\* Less than 1%.

(1) As disclosed on Schedule 13G/A filed on February 11, 2019, the holdings of The Vanguard Group ( Vanguard ) consist of an aggregate of 14,853,370 shares, of which: (i) 14,689,617 shares Vanguard retains sole dispositive power, (ii) 143,276 shares Vanguard retains sole voting power, (iii) 123,649 shares Vanguard retains shared voting power and (iv) 163,753 shares Vanguard retains shared dispositive power. Vanguard s address is 100 Vanguard Blvd., Malvern, PA 19355.

(2) As disclosed on Schedule 13G/A filed on January 24, 2019, the holdings of BlackRock Inc. ( BlackRock ) consist of an aggregate of 13,400,331 shares for which BlackRock retains sole dispositive power and 12,845,260 of such shares for which BlackRock retains sole voting power. BlackRock s address is 55 East 52nd Street, New York, NY 10055.

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Security Ownership of Certain Beneficial Owners and Management

- (3) As disclosed on Schedule 13G/A filed on February 14, 2019, Cohen & Steers, Inc. retains sole dispositive power over all shares reported and sole voting power over 7,845,904 shares. Cohen & Steers address is 280 Park Avenue, 10th Floor, New York, NY 10017.
- (4) Includes the following number of options that are currently exercisable or will become exercisable within 60 days of the record date: Mr. Wojtaszek-184,001; Ms. Morefield-0; Mr. Durvasula-94,646; Mr. Timmons-68,016; and Mr. Jackson-24,164. For Mr. Wojtaszek, includes 114,617 shares of stock held by the Wendy C. Wojtaszek 2018 Irrevocable Trust, and Mr. Wojtaszek disclaims beneficial ownership of these shares.
- (5) Includes, for each director, 2,383 shares of restricted stock.

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### Certain Relationships and Related Transactions

### Certain Relationships and Related Transactions

### Indemnification of Officers and Directors

We have entered into indemnification agreements with each of our directors and executive officers that provide for indemnification to the maximum extent permitted by Maryland law.

To the extent permitted by applicable law, under the Partnership Agreement, our Operating Partnership also indemnifies us, our directors, officers and employees, the general partner and its trustees, officers and employees, employees of the Operating Partnership and any other persons whom the general partner may designate from and against any and all claims arising from or that relate to the operations of the Operating Partnership in which any indemnitee may be involved, or is threatened to be involved, as a party or otherwise unless:

it is established that the act or omission of the indemnitee constituted fraud, intentional harm or gross negligence on the part of the indemnitee;

the claim is brought by the indemnitee (other than to enforce the indemnitee's rights to indemnification or advance of expenses); or

the indemnitee is found to be liable to the Operating Partnership, and then only with respect to each such claim.

### Review and Approval of Transactions with Related Persons

The Board of Directors has adopted a written policy for the review and approval of related person transactions. The policy provides that the Audit Committee is responsible for reviewing and approving or disapproving all interested transactions, meaning any transaction, arrangement or relationship in which (i) the amount involved may be expected to exceed \$120,000 in any fiscal year, (ii) the Company will be a participant and (iii) a Related Party has a direct or indirect material interest. A Related Party means (i) any person who is, or at any time since the beginning of the Company's last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company; (ii) any person who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities; (iii) any immediate family member of any of the foregoing persons; and (iv) any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest. An immediate family member of a Related Party means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Related Party, and any person (other than a tenant or employee) sharing the household of such Related Party. Generally, a potential transaction that may be a Related Party Transaction is brought first to the General Counsel for review. If the General Counsel determines that a potential transaction involves a Related Party Transaction requiring approval under the policy or disclosure under Rule 404(a) of Regulation S-K, the transaction will be brought to the Audit Committee, which will review the transaction under several criteria, including but not limited to the Related Party's interest in the transaction, the benefits to the Company, the availability of commercial alternatives, and whether it is in the best interests of the Company to enter into the

transaction. Subject to limited exceptions, the Audit Committee or the Chair of the Audit Committee must approve all Related Party Transactions. During 2018, there were no Related Party Transactions requiring review under the policy that were not so reviewed or disclosure under Rule 404(a) of Regulation S-K, except as disclosed below.

A son-in-law of one of our directors, Michael A. Klayko, is employed by the Company as an Account Director in the Company's sales organization. This son-in-law is not an officer of the Company and his employment was reviewed and approved by the Audit Committee of the Board pursuant to the Company's Policy on Related Party Transactions. The son-in-law's compensation for 2018 was approximately \$126,000.

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Stockholder Proposals

Stockholder Proposals

Stockholder proposals intended to be included in our proxy statement and form of proxy relating to the 2020 annual meeting pursuant to Rule 14a-8 under the Exchange Act ( Rule 14a-8 ) must be received by us no later than November 16, 2019. Such proposals must comply with the requirements established by the SEC for such proposals.

A stockholder who wishes to submit a business proposal at the 2020 annual meeting that is not intended to be included in our proxy statement and form of proxy or who wishes to nominate a director for election at the meeting must, in accordance with our current Bylaws, notify us between October 17, 2019, and 5:00 p.m., Eastern Time, on November 16, 2019. If the stockholder fails to give timely notice, the nominee or proposal will be excluded from consideration at the meeting. In addition, our current Bylaws include other requirements for nomination of candidates for director and proposals of other business with which a stockholder must comply to make a nomination or business proposal.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers, and persons who beneficially own more than ten percent of our common stock to file reports of ownership of, and changes in ownership of, our securities with the SEC, and to file copies of such reports with us. We believe that no director, executive officer or person who beneficially owns more than ten percent of our common stock failed to file, on a timely basis, the reports required by Section 16(a) of the Exchange Act, except the withholding of shares for taxes upon the vesting of restricted stock awards on February 13, 2018 was reported on a late Form 4 filing for each of Messrs. Wojtaszek, Durvasula, Timmons and Jackson.

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General Information about the Meeting

General Information about the Meeting

**Q: Why did I receive a Notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?**

A: The Board of Directors is soliciting proxies to be voted at our 2019 Annual Meeting of Stockholders. This year we have again elected to distribute proxy materials to many stockholders via the Internet under the Securities and Exchange Commission's (SEC's) Notice and Access rules. On or about March 15, 2019 we mailed a Notice Regarding the Availability of Proxy Materials ( Notice ) that contains information about our 2019 Annual Meeting of Stockholders and instructions on how to view all proxy materials online. Also included are instructions on how to request a paper copy of the proxy materials.

**Q: Who is entitled to vote?**

A: All common stockholders of record as of the close of business on March 8, 2019, the record date, are entitled to notice of and to vote at the annual meeting and any postponement or adjournment of the meeting. As of the close of business on the record date, 108,329,509 shares of our common stock were outstanding and entitled to vote. Each share of common stock is entitled to one vote at the annual meeting. There is no cumulative voting.

**Q: What is the quorum for the annual meeting?**

A: A quorum at the annual meeting will consist of the presence, in person or by proxy, of stockholders entitled to cast a majority of all the votes entitled to be cast on any matter. No business may be conducted at the meeting if a quorum is not present, but the meeting may be adjourned to another date not more than 120 days after the original record date without notice other than announcement at the meeting.

**Q: How do I vote?**

A: If your shares are registered in your name with our transfer agent, Computershare Trust Company N.A., ( Computershare ), you are the stockholder of record of those shares and you may authorize a proxy to vote your shares by following the instructions listed on the Notice of Internet Availability. If you received a proxy card, please complete, date, sign and promptly return the proxy card in the self-addressed stamped envelope provided. You may also authorize your proxy to vote your shares by telephone as described on the proxy card. In addition, you can always come to the meeting and vote your shares in person.

If your shares are held through a broker, bank or other nominee (held in street name), you will receive instructions from such entity that you must follow in order to have your shares voted. Most brokers, banks and other holders of record allow you to submit voting instructions by mail, telephone and on the internet. If you want to vote in person, you must obtain a legal proxy from your broker, bank or other nominee and bring it to the meeting, and submit it with your vote.

Whichever method you select to transmit your instructions, the proxies will vote your shares in accordance with those instructions. If you sign and return a proxy card without giving specific voting instructions, your shares will be voted as recommended by the Board of Directors: for each director nominee, for ratification of the appointment of the independent registered public accounting firm, and for the advisory vote to approve named executive officer compensation.

*Important: Only stockholders of record as of the close of business on the record date or their duly authorized proxy are entitled to attend the annual meeting and vote in person.*

**Q: What am I voting on?**

A: The purpose of the annual meeting is to consider the following three proposals:

Proposal 1: To elect eight directors, each to hold office until our 2020 annual meeting of stockholders and until his or her successor has been duly elected and qualifies;



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**General Information about the Meeting**

Proposal 2: To consider and vote upon, on an advisory basis, the compensation of the Company's named executive officers as described in this proxy statement ( " Say-on-Pay "); and

Proposal 3: To consider and vote upon the ratification of the appointment of Deloitte & Touche LLP ( " Deloitte ") as our independent registered public accounting firm for the year ending December 31, 2019.

We are not aware of any matters to be presented at the annual meeting other than those described in this proxy statement. If any matters not described in this proxy statement are properly presented at the meeting, the person named in the accompanying proxy will vote all proxies in their discretion. If the meeting is postponed or adjourned, the proxies can vote your shares at the postponement or adjournment as well.

**Q: What vote is required to approve the proposals assuming that a quorum is present at the annual meeting?**

A: Proposal 1: Election of Eight Directors: The election of the eight director nominees must be approved by a plurality of the votes cast. However, as a condition to being nominated, each director nominee has agreed to offer to resign if he or she receives a greater number of votes withheld than votes for his or her election.

Proposal 2: Say-on-Pay: The approval, on a non-binding, advisory basis, of the compensation of the Company's named executive officers requires the affirmative vote of a majority of the votes cast on the matter.

Proposal 3: Ratification of Independent Registered Public Accounting Firm: Ratification of the appointment of Deloitte as our independent registered public accounting firm requires the affirmative vote of a majority of the votes cast on the matter.

If you hold your shares in street name, and you do not submit voting instructions to your broker, bank or other nominee, your broker, bank or other nominee will not be permitted to vote your shares in their discretion on the election of directors or the advisory vote to approve executive compensation, but may still be permitted to vote your shares in their discretion on the ratification of the independent registered public accounting firm.

**Q: How are abstentions and broker non-votes treated?**

A: Pursuant to Maryland law, abstentions and broker non-votes are counted as present for purposes of determining the presence of a quorum. However, broker non-votes and abstentions will have no impact on the outcome of any of the three proposals, as they are not counted as votes cast. A broker non-vote is a vote that is not cast on a non-routine matter by a broker that is present (in person or by proxy) at the meeting because the shares entitled to cast the vote are held in street name, the broker lacks discretionary authority to vote the shares and the broker has not received voting instructions from the beneficial owner.

**Q: Who has paid for this proxy solicitation?**

A: We are providing these proxy materials in connection with the solicitation by the Company's Board of Directors of proxies to be voted at our Annual Meeting. We will pay the cost of this proxy solicitation. In addition to soliciting proxies by mail, we expect that a number of our employees will solicit stockholders personally, electronically and by telephone. None of these employees will receive any additional compensation for doing this. We have retained Okapi Partners to assist in the solicitation of proxies for a fee of \$9,500 plus reimbursement of expenses. We will, on request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

**Q: May stockholders ask questions at the annual meeting?**

A Yes. There will be time allotted at the end of the meeting when our representatives will answer appropriate questions from the floor.

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General Information about the Meeting

**Q: How many copies should I receive if I share an address with another stockholder?**

A: The SEC has adopted rules that permit companies and intermediaries, such as a broker, bank or other nominee, to implement a delivery procedure called *householding*. Under this procedure, multiple stockholders who reside at the same address may receive a single copy of our proxy materials, unless the affected stockholder has provided us with contrary instructions. This procedure provides extra convenience for stockholders and cost savings for companies.

Our Company and some brokers, banks or other nominees may be *householding* our proxy materials. A single set of our proxy materials, including the proxy statement and our annual report will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Separate proxy cards will be included for each stockholder at the address. Once you have received notice from your broker, bank or other nominee that it will be *householding* communications to your address, *householding* will continue until you are notified otherwise or until you revoke your consent. If you did not respond that you did not want to participate in *householding*, you were deemed to have consented to the process. Stockholders of record may revoke their consent at any time by contacting Robert M. Jackson, Executive Vice President, General Counsel & Secretary, either by calling toll-free (855) 564-3198 or by writing to 2101 Cedar Springs Road, Suite 900, Dallas, Texas 75201, Attention: Corporate Secretary. If you hold your shares through a broker, bank or other nominee holder of record, you should contact your holder of record to revoke your consent.

Upon written or oral request, we will promptly deliver a separate copy of our proxy materials to any stockholder at a shared address to which a single copy of any of those documents was delivered. To receive a separate copy of the proxy materials, you may either call (855) 564-3198 or send a written request to CyrusOne Inc., 2101 Cedar Springs Road, Suite 900, Dallas, Texas 75201, Attention: Corporate Secretary. In addition, if you are receiving multiple copies of our proxy materials, you can request *householding* by contacting our secretary in the same manner.

**Q: What does it mean if I receive more than one set of proxy materials?**

A: It means that you have multiple accounts with our transfer agent or with brokers. Please submit all of your proxies over the internet, following the instructions provided on your proxy cards, by mail or by telephone to ensure that all of your shares are voted.

**Q: Can I change my vote after I have voted?**

A: If you hold your shares in street name, you must follow the instructions of your broker, bank or other nominee to revoke your voting instructions. If you are a holder of record and wish to revoke your proxy instructions, you must deliver later-dated proxy instructions, advise the Corporate Secretary in writing before the proxies vote your

shares at the meeting, or attend the meeting and vote your shares in person.

**Q: Can I find additional information on the Company's website?**

A: Yes. Our website is located at *www.cyrusone.com*. Although the information contained on our website is not part of this proxy statement, you can view additional information on the website, such as our corporate governance guidelines, our code of business conduct and ethics, charters of our Board committees and reports that we file with the SEC. A copy of our corporate governance guidelines, our code of business conduct and ethics and each of the charters of our Board committees may also be obtained by writing to CyrusOne Inc., 2101 Cedar Springs Road, Suite 900, Dallas, Texas 75201, Attention: Corporate Secretary.

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## Appendix A

## Appendix A Non-GAAP Financial Measures

## Definitions

**Funds From Operations ( FFO )**

We calculate FFO as net income (loss) computed in accordance with GAAP before real estate depreciation and amortization and asset impairments and loss on disposal. While it is consistent with the definition of FFO promulgated by the National Association of Real Estate Investment Trusts ( NAREIT ), our computation of FFO may differ from the methodology for calculating FFO used by other REITs. Accordingly, our FFO may not be comparable to others.

**Normalized FFO ( NFFO )**

We calculate Normalized FFO as FFO plus loss on early extinguishment of debt; unrealized (gain) loss on marketable equity investment; new accounting standards and regulatory compliance and the related system implementation costs; amortization of trade names; transaction, acquisition and other integration expenses; severance and management transition costs; legal claim costs and other special items as appropriate. The Company believes its Normalized FFO calculation provides a comparable measure between different periods. Other REITs may not calculate Normalized FFO in the same manner. Accordingly, our Normalized FFO may not be comparable to others.

**Return on Assets ( ROA )**

ROA is defined as 1) net operating income from properties (fourth quarter revenues less property operating expenses annualized) for the performance evaluation period, divided by 2) total gross investment in real estate less construction in progress on the Company's balance sheet for the last day of the fiscal year. The Compensation Committee exercised discretion and determined to adjust the ROA calculation for the 2016 Awards to exclude acquisitions, including the acquisition of Zenium.

## Reconciliations

**FFO and NFFO**

| (\$ Millions)   | December 31, 2018 | Twelve Months Ended<br>December 31, 2017 |
|---|-------------------|--|
| <b>Reconciliation to GAAP net income to FFO and Normalized FFO:</b> |                   |  |
| Net income (loss)   | \$ 1.2            | \$(83.5)                                 |
| Real estate depreciation and amortization(1)                        | 325.5             | 250.6                                    |
| Impairment losses(1)  |                   | 58.0                                     |
| <b>Funds from Operations ( FFO ) NAREIT defined</b>                 | <b>\$326.7</b>    | <b>\$225.1</b>                           |
| Loss on early extinguishment of debt                                | 3.1               | 36.5                                     |
| Unrealized (gain) loss on marketable equity investment              | (9.9)             |  |

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|  |                |                |
|--|----------------|----------------|
| New accounting standards and regulatory compliance and the related system implementation costs | 3.0            | 2.4            |
| Amortization of tradenames(1)  | 1.7            | 1.4            |
| Transaction, acquisition, integration and other related expenses(1)                            | 4.8            | 11.9           |
| Severance and management transition costs  | 2.3            | 0.5            |
| Legal claim costs  | 0.6            | 1.1            |
| <b>Normalized Funds from Operations ( Normalized FFO )</b>                                     | <b>\$332.3</b> | <b>\$278.9</b> |

(1) Reflects certain reclassifications of previously reported amortization of customer intangibles and transaction costs to conform with the current presentation.

2019 Proxy Statement

A-1

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**ANNUAL MEETING OF CYRUSONE INC.**

**Date:** Monday, April 29, 2019  
**Time:** 10:30 A.M. (Central Daylight Time)  
**Place:** Ritz Carlton Hotel, 2121 McKinney Ave., Dallas,  
 TX 75201

See Voting Instruction on Reverse Side.

**Please make your marks like this: Use dark black pencil or pen only**

Board of Directors Recommends a Vote **FOR** the election of the director nominees in proposal 1 and **FOR** proposals 2 and 3.

| 1: Election of Directors  |            |                 |                  | Directors  |
|---|------------|-----------------|------------------|------------|
|   | <b>For</b> | <b>Withhold</b> | <b>Recommend</b> |            |
| 01 David H. Ferdman   |            |                 | <b>For</b>       |            |
| 02 John W. Gamble, Jr.  |            |                 | <b>For</b>       |            |
| 03 Michael A. Klayko  |            |                 | <b>For</b>       |            |
| 04 T. Tod Nielsen   |            |                 | <b>For</b>       |            |
| 05 Alex Shumate   |            |                 | <b>For</b>       |            |
| 06 William E. Sullivan  |            |                 | <b>For</b>       |            |
| 07 Lynn A. Wentworth  |            |                 | <b>For</b>       |            |
| 08 Gary J. Wojtaszek  |            |                 | <b>For</b>       |            |
|   |            |                 |                  |            |
|   | <b>For</b> | <b>Against</b>  | <b>Abstain</b>   |            |
| 2: Advisory vote to approve the compensation of the Company's named executive officers.   |            |                 |                  | <b>For</b> |
|   |            |                 |                  |            |
|   | <b>For</b> | <b>Against</b>  | <b>Abstain</b>   |            |
| 3: Ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the year ending December 31, 2019. |            |                 |                  | <b>For</b> |

**To attend the meeting and vote your shares in person, please mark this box.**

**Authorized Signatures - This section must be completed for your  
Instructions to be executed.**

Please Sign Here

Please Date Above

Please Sign Here

Please Date Above

Please sign exactly as your name(s) appears on your stock certificate. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy.

**Annual Meeting of CyrusOne Inc.  
to be held on Monday, April 29, 2019  
for Holders as of March 8, 2019**

**This proxy is being solicited on behalf of the Board of Directors**

**VOTE BY:**

**INTERNET**

**TELEPHONE**

Call

Go To

**866-509-1053**

**[www.proxypush.com/CONE](http://www.proxypush.com/CONE)**

Cast your vote online.

**OR**

Use any touch-tone telephone.

View Meeting Documents.

**Have your Proxy Card/Voting Instruction  
Form ready.**

Follow the simple recorded instructions.

**MAIL**

**OR**

Mark, sign and date your Proxy Card/Voting Instruction Form.



Detach your Proxy Card/Voting Instruction Form.  
Return your Proxy Card/Voting Instruction Form in the  
postage-paid envelope provided.

Gary J. Wojtaszek, Diane M. Morefield and Robert M. Jackson, and each of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the 2019 Annual Meeting of Stockholders of CyrusOne Inc. to be held on April 29, 2019 at 10:30 a.m., Central Daylight Time, or at any postponement or adjournment thereof. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of Stockholders and the accompanying proxy statement, the terms of which are incorporated by reference, and revokes any proxy previously given with respect to such meeting or any postponement or adjournment thereof.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, SHARES WILL BE VOTED FOR THE ELECTION OF THE DIRECTOR NOMINEES IN PROPOSAL 1, AND FOR PROPOSALS 2 AND 3.

**PROXY TABULATOR FOR**

**CYRUSONE INC.**

**P.O. BOX 8016  
CARY, NC 27512-9903**





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**Revocable Proxy   CyrusOne Inc.**

**Annual Meeting of Stockholders**

**April 29, 2019 10:30 a.m. (Central Daylight Time)**

**This Proxy is Solicited on Behalf of the Board of Directors**

Gary J. Wojtaszek, Diane M. Morefield and Robert M. Jackson, and each of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the 2019 Annual Meeting of Stockholders of CyrusOne Inc. to be held on April 29, 2019 at 10:30 a.m., Central Daylight Time, or at any postponement or adjournment thereof. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of Stockholders and the accompanying proxy statement, the terms of which are incorporated by reference, and revokes any proxy previously given with respect to such meeting or any postponement or adjournment thereof.

This proxy is revocable and will be voted as directed. However, if no instructions are specified, the proxy will be voted FOR the election of the director nominees specified in Proposal 1 and FOR Proposals 2 and 3.

**(CONTINUED AND TO BE SIGNED ON REVERSE SIDE)**