

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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(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

| Date | Time | Place |
|----------------|-------------|--|
| Monday | 10:30 a.m., | Ritz Carlton Hotel |
| April 29, 2019 | local time | 2121 McKinney Ave. 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

(if you received a paper
copy in the mail)

| Visit | Call | Complete, sign, date and | Attend |
|---|--------------|--------------------------|----------------|
| www.proxypush.com 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

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Proxy Statement Summary

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| 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

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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 Salary | Bonus | Stock Awards | Option Awards | All Other 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 |