Digital Realty Trust, Inc.
Form DEF 14A
March 20, 2013
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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 x 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))

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under §240.14a-12

DIGITAL REALTY TRUST, 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):

x 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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¨ Fee paid previously with preliminary materials

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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DIGITAL REALTY TRUST, INC.

Four Embarcadero Center, Suite 3200

San Francisco, California 94111

March 20, 2013

DEAR STOCKHOLDER:

You are invited to attend the 2013 Annual Meeting of Stockholders (the Annual Meeting) of Digital Realty Trust, Inc., a Maryland corporation (the Company), to be held on Wednesday, May 1, 2013, at 11:00 a.m., local time, at Four Embarcadero Center, Third Floor, Promenade Level conference center (Stanford Room), San Francisco, CA 94111.

The purposes of this year s Annual Meeting are to:

(i) consider and vote upon the election of Dennis E. Singleton, Michael F. Foust, Laurence A. Chapman, Kathleen Earley, Ruann F. Ernst, Ph.D., Kevin J. Kennedy, William G. LaPerch and Robert H. Zerbst as members of the Company s Board of Directors, each to serve until the 2014 Annual Meeting of Stockholders and until a successor for each is duly elected and qualifies;

(ii) consider and vote upon ratifying the selection of KPMG LLP as the Company s independent registered public accounting firm for the year ending December 31, 2013;

(iii) consider and vote upon a resolution to approve, on a non-binding, advisory basis, the compensation of the Company s named executive officers, as more fully described in the accompanying Proxy Statement; and

(iv) transact such other business as may properly come before the meeting or any adjournment(s) or postponement(s) thereof.

The accompanying Notice of 2013 Annual Meeting of Stockholders and Proxy Statement describe these matters. We urge you to read this information carefully.

It is important that your shares be represented and voted whether or not you plan to attend the Annual Meeting in person. If you choose not to attend and vote at the Annual Meeting in person, you may authorize your proxy via the Internet, or if you are receiving a paper copy of the Proxy Statement, by telephone or by completing and mailing a proxy card. Authorizing your proxy over the Internet, by telephone or by mailing a proxy card will ensure that your shares are represented at the Annual Meeting. Please review the instructions contained in the Notice of Internet Availability of Proxy Materials regarding each of these options.

Sincerely,

Michael F. Foust
Chief Executive Officer

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DIGITAL REALTY TRUST, INC.

Four Embarcadero Center, Suite 3200

San Francisco, California 94111

NOTICE OF 2013 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 1, 2013

TO THE STOCKHOLDERS OF DIGITAL REALTY TRUST, INC.

NOTICE IS HEREBY GIVEN that the 2013 Annual Meeting of Stockholders (the Annual Meeting) of Digital Realty Trust, Inc., a Maryland corporation (the Company), will be held on Wednesday, May 1, 2013, at 11:00 a.m., local time, at Four Embarcadero Center, Third Floor, Promenade Level conference center (Stanford Room), San Francisco, CA 94111, for the following purposes:

to consider and vote upon the election of Dennis E. Singleton, Michael F. Foust, Laurence A. Chapman, Kathleen Earley, Ruann F. Ernst, Ph.D., Kevin J. Kennedy, William G. LaPerch and Robert H. Zerbst as members of the Company s Board of Directors (the Board), each to serve until the 2014 Annual Meeting of Stockholders and until a successor for each is duly elected and qualifies;

to consider and vote upon ratifying the selection of KPMG LLP as the Company s independent registered public accounting firm for the year ending December 31, 2013;

to consider and vote upon a resolution to approve, on a non-binding, advisory basis, the compensation of the Company s named executive officers, as more fully described in the accompanying Proxy Statement; and

to transact such other business as may properly come before the Annual Meeting or any adjournment(s) or postponement(s) thereof. The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice of 2013 Annual Meeting of Stockholders.

Your proxy to vote your shares at the Annual Meeting is solicited by the Board, which recommends that the Company s stockholders vote:

FOR the election of the Board s nominees named herein;

FOR ratifying the selection of KPMG LLP as the Company s independent registered public accounting firm for the year ending December 31, 2013; and

FOR the resolution approving, on a non-binding, advisory basis, the compensation of the Company s named executive officers.

Please refer to the attached Proxy Statement, which forms a part of this Notice of 2013 Annual Meeting of Stockholders and is incorporated herein by reference, for further information with respect to the business to be transacted at the Annual Meeting.

STOCKHOLDERS ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING IN PERSON. YOUR VOTE IS IMPORTANT. If you are viewing the Proxy Statement on the Internet, you may authorize your proxy electronically via the Internet by following the instructions on the Notice of Internet Availability of Proxy Materials mailed to you and the instructions listed on the Internet site. If you are receiving a paper copy of the Proxy Statement, you may authorize your proxy by completing and mailing the proxy card enclosed with the Proxy Statement, or you may authorize your proxy electronically via the Internet or by telephone by following the instructions on the proxy card. If your shares are held in street name, which means shares held of record by a broker, bank or other nominee, you should review the Notice of Internet Availability of Proxy Materials used by that firm to determine whether and how you will be able to authorize your proxy by telephone or over the Internet. Authorizing a proxy over the Internet, by telephone or by mailing a proxy card will ensure that your shares are represented at the Annual Meeting.

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The Board has fixed the close of business on March 8, 2013 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and at any postponement(s) or adjournment(s) thereof.

By Order of Our Board of Directors,

A. William Stein
Chief Financial Officer,
Chief Investment Officer and Secretary

San Francisco, California

March 20, 2013

Whether or not you expect to attend the Annual Meeting in person, we urge you to vote your shares at your earliest convenience. This will ensure the presence of a quorum at the meeting. Promptly authorizing your proxy via the Internet, by telephone or by mailing a proxy card will save us the expenses and extra work of additional solicitation. An addressed envelope for which no postage is required if mailed in the United States will be provided if you wish to authorize your proxy by mail. For specific instructions on authorizing a proxy, please refer to the instructions on the Notice of Internet Availability of Proxy Materials. Even if you have authorized your proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote in person at the meeting, you must obtain a proxy issued in your name from such broker, bank or other nominee.

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PROXY STATEMENT

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DIGITAL REALTY TRUST, INC.

Four Embarcadero Center, Suite 3200

San Francisco, California 94111

PROXY STATEMENT

INFORMATION CONCERNING VOTING AND SOLICITATION

General

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors (the Board) of Digital Realty Trust, Inc., a Maryland corporation (the Company), of proxies to be exercised at the 2013 Annual Meeting of Stockholders (the Annual Meeting) to be held on Wednesday, May 1, 2013, at 11:00 a.m., local time, or at any postponement(s) or adjournment(s) thereof, for the purposes discussed in this Proxy Statement and in the accompanying Notice of 2013 Annual Meeting of Stockholders. Proxies are solicited to give all stockholders of record at the close of business on March 8, 2013 (the Record Date) an opportunity to vote on matters properly presented at the Annual Meeting. The Annual Meeting will be held at Four Embarcadero Center, Third Floor, Promenade Level conference center (Stanford Room), San Francisco, CA 94111.

Pursuant to the rules of the United States Securities and Exchange Commission (the SEC), we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (a Notice) to our stockholders of record, while brokers and other nominees who hold shares on behalf of beneficial owners will be sending their own similar Notice. All stockholders will have the ability to access proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to request a printed copy by mail or electronically may be found on the Notice and on the website referred to in the Notice, including an option to request paper copies on an ongoing basis. We intend to make this Proxy Statement available on the Internet on or about March 20, 2013 and to mail the Notice to all stockholders entitled to vote at the Annual Meeting on or about March 20, 2013. We intend to mail this Proxy Statement, together with a proxy card, to those stockholders entitled to vote at the Annual Meeting who have properly requested paper copies of such materials, on or about March 20, 2013 or within three business days of such request.

Who Can Vote

You are entitled to vote if you were a stockholder of record of the Company s Common Stock, par value $.01 per share (the Common Stock), as of the Record Date. Your shares can be voted at the Annual Meeting only if you are present in person or represented by a valid proxy.

Quorum

A majority of the outstanding shares of Common Stock as of the Record Date represented in person or by proxy will constitute a quorum at the Annual Meeting. As of the Record Date, 128,411,856 shares of Common Stock were outstanding.

Voting of Shares

Stockholders of record as of the Record Date are entitled to one vote for each share of Common Stock held on all matters to be voted upon at the meeting. You may vote by attending the Annual Meeting and voting in person. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote in person at the meeting, you must obtain a proxy issued in your name from such broker, bank or other nominee. If you choose not to attend the Annual Meeting, you may still authorize your proxy via the Internet, by telephone or by mailing a proxy card.

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All shares entitled to vote and represented by properly executed proxies received before the polls are closed at the Annual Meeting, and not revoked or superseded, will be voted at the Annual Meeting in accordance with the instructions indicated on those proxies. YOUR VOTE IS IMPORTANT.

Proxy Card and Revocation of Proxy

If you sign a proxy card but do not specify how you want your shares to be voted, your shares will be voted by the proxy holders named in the enclosed proxy:

FOR the election of all of the director nominees;

FOR ratifying the selection of KPMG LLP as the Company s independent registered public accounting firm for the year ending December 31, 2013; and

FOR the resolution approving, on a non-binding, advisory basis, the compensation of the Company s named executive officers.

In their discretion, the proxy holders named in the enclosed proxy are authorized to vote on any other matters that may properly come before the Annual Meeting and at any postponement(s) or adjournment(s) thereof. The Board knows of no other items of business that will be presented for consideration at the Annual Meeting other than those described in this Proxy Statement.

If you vote your shares by authorizing a proxy, you may revoke your proxy authorization at any time before it is voted at the Annual Meeting. You may revoke your proxy by sending to the Company s Secretary at the Company s principal executive office at Four Embarcadero Center, Suite 3200, San Francisco, CA 94111, a written notice of revocation, or by delivering by mail, by telephone, via the Internet or in person a duly executed proxy bearing a later date, or by attending the Annual Meeting in person and voting in person. Attendance at the meeting will not, by itself, revoke a proxy.

Counting of Votes

All votes will be tabulated by the inspector of election appointed for the Annual Meeting, who will separately tabulate affirmative and negative votes and abstentions. Shares held by persons attending the Annual Meeting but not voting, shares represented by proxies that reflect abstentions as to a particular proposal and broker non-votes will be counted as present for purposes of determining a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner has not received instructions from the beneficial owner and does not have or chooses not to exercise discretionary authority to vote the shares.

The affirmative vote of a majority of the votes cast at the Annual Meeting at which a quorum is present is required for the election of each director nominee. For purposes of the election of directors, a majority of the votes cast means that the number of votes cast for a nominee for election as a director exceeds the number of votes cast against that nominee. For purposes of calculating votes cast in the election of directors, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote on the election of the directors. The affirmative vote of a majority of the votes cast at the Annual Meeting at which a quorum is present is required for ratifying the selection of KPMG LLP as our independent registered public accounting firm. For purposes of the vote on ratifying the selection of KPMG LLP as our independent registered public accounting firm, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote. The affirmative vote of a majority of the votes cast at the Annual Meeting at which a quorum is present is required to adopt a resolution approving, on a non-binding, advisory basis, the compensation of our named executive officers. For purposes of the vote on the resolution approving the compensation of our named executive officers, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote.

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Solicitation of Proxies

We will bear the entire cost of soliciting proxies. We may reimburse banks, brokerage houses, fiduciaries and custodians holding shares of our Common Stock in their names for their expenses incurred in forwarding the solicitation materials to beneficial owners. Solicitation of proxies may be supplemented by telephone, facsimile, electronic mail or personal solicitation by directors, officers or employees of the Company. No additional compensation will be paid to directors, officers or employees for such services.

Attendance at the Annual Meeting

In order to attend the Annual Meeting, you will need proof of ownership of our Common Stock as of the Record Date. If you hold your shares in street name (such as through a bank, broker or other nominee), you should bring your statement showing your beneficial ownership of our Common Stock in order to be admitted to the meeting and you must obtain a proxy issued in your name from such bank, broker or other nominee if you wish to vote in person at the meeting.

NO PERSON IS AUTHORIZED ON BEHALF OF THE COMPANY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE PROPOSALS OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS PROXY STATEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION AND/OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THE DELIVERY OF THIS PROXY STATEMENT SHALL UNDER NO CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

The Company s principal executive office is located at Four Embarcadero Center, Suite 3200, San Francisco, CA 94111, our telephone number is (415) 738-6500 and our website is www.digitalrealty.com.* References herein to the Company refer to Digital Realty Trust, Inc. and its subsidiaries, unless the context otherwise requires.

The date of this Proxy Statement is March 20, 2013.

* Website addresses referred to in this Proxy Statement are not intended to function as hyperlinks, and the information contained on our website is not a part of this Proxy Statement.

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ITEM 1. ELECTION OF DIRECTORS

Effective as of March 1, 2013, the size of our Board is eight members. Under the Company s charter and Fourth Amended and Restated Bylaws (the Bylaws), each member of the Board serves until the next annual meeting of stockholders and until his or her successor is duly elected and qualifies or until his or her earlier death, resignation or removal. Vacancies on the Board may be filled only by individuals elected by the affirmative vote of a majority of the remaining directors, even if the remaining directors do not constitute a quorum. A director elected by the Board to fill a vacancy (including a vacancy created by an increase in the size of the Board) will serve for the remainder of the full term of the directorship and until such director s successor is duly elected and qualifies, or until such director s earlier death, resignation or removal.

Our Bylaws provide that directors are required to be elected by the majority of votes cast by holders of the shares present in person or represented by proxy with respect to such director in uncontested elections at a meeting at which a quorum is present. A majority of the votes cast means that the number of shares voted for a director must exceed the number of votes against that director. In a contested election (where a determination is made that the number of director nominees is expected to exceed the number of directors to be elected at a meeting), directors will be elected by a plurality of the votes cast, which means the eight nominees who receive the largest number of properly cast votes will be elected as directors.

Any director who fails to be elected by a majority vote shall tender his or her resignation to the Board, subject to acceptance. The Nominating and Corporate Governance Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will then act on the Nominating and Corporate Governance Committee s recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of election results. If the resignation is not accepted, the director will continue to serve until the next annual meeting and until the director s successor is duly elected and qualifies. The director who tenders his or her resignation will not participate in the Board s decision regarding whether to accept or reject such director s resignation.

Each share of Common Stock is entitled to one vote for each of the eight director nominees. Cumulative voting is not permitted. It is the intention of the proxy holders named in the enclosed proxy to vote the proxies received by them for the election of the nominees named below unless instructed otherwise. If any nominee should become unavailable for election prior to the Annual Meeting, an event which currently is not anticipated by the Board, the proxies will be voted for the election of a substitute nominee or nominees proposed by the Board.

Dennis E. Singleton, Michael F. Foust, Laurence A. Chapman, Kathleen Earley, Ruann F. Ernst, Ph.D., Kevin J. Kennedy, William G. LaPerch and Robert H. Zerbst are all of our nominees for election to the Board. Each nominee has consented to be named in this Proxy Statement and to serve as a director if elected, and management has no reason to believe that any nominee will be unable to serve. The information below relating to the nominees for election as director has been furnished to the Company by the respective individuals.

Nominees for Election for a One-Year Term Expiring at the 2014 Annual Meeting

The following table sets forth the names and ages as of March 8, 2013 of the individuals who are our nominees for election as directors of the Company, all of whom are current directors of the Company:

Name	Age	Position	Director Since
Dennis E. Singleton	68	Director and Chairman of the Board	2004
Michael F. Foust	57	Chief Executive Officer and Director	2004
Laurence A. Chapman	63	Director	2004
Kathleen Earley	61	Director	2004
Ruann F. Ernst, Ph.D.	66	Director	2004
Kevin J. Kennedy	57	Director	2013
William G. LaPerch	57	Director	2013
Robert H. Zerbst	66	Director	2009

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The following are biographical summaries for our nominees for election as directors of the Company:

Dennis E. Singleton has served as a director since 2004 and as our Chairman of the Board since 2012. Mr. Singleton is currently a member of our Compensation Committee. Mr. Singleton was a founding partner of Spieker Partners, the predecessor of Spieker Properties, Inc., one of the largest owners and operators of commercial property on the west coast prior to its $7.2 billion acquisition by Equity Office Properties Trust in 2001. Mr. Singleton served as Chief Financial Officer and Director of Spieker Properties, Inc. from 1993 to 1995, Chief Investment Officer and Director from 1995 to 1997 and Vice Chairman and Director from 1998 until his retirement in 2001. During his tenure, Mr. Singleton was involved in identifying and analyzing strategic portfolio acquisition and operating opportunities and oversaw the acquisition and development of more than 20 million square feet of commercial property. From 2001 to the present, Mr. Singleton has managed personal investments in real estate. Mr. Singleton is currently a member of the board of directors and serves on the audit and compensation committees of BRE Properties, Inc., which is listed on the New York Stock Exchange. Mr. Singleton received a Bachelor of Science degree from Lehigh University and a Master of Business Administration degree from Harvard Business School. Our Board selected Mr. Singleton to serve as a director because it believes he possesses valuable financial and real estate industry expertise, including extensive experience with the acquisition, financing and operation of commercial property.

Michael F. Foust has served as our Chief Executive Officer and as a director since our inception. Mr. Foust is a founder of GI Partners and served as a managing director of GI Partners advisor from its inception in February 2001 until our initial public offering. During his tenure at GI Partners, Mr. Foust directed technical property acquisitions and portfolio management. Mr. Foust has over 27 years of experience in institutional real estate investments and portfolio management. Prior to the founding of GI Partners, from 1999 to 2001, he was a senior director at CB Richard Ellis Investors. From 1995 to 1999, Mr. Foust was a Senior Vice President at CB Richard Ellis, where he managed regional asset services operations. During the period from 1985 to 1995, Mr. Foust held senior portfolio management and investment positions at UBS Asset Management, Karsten Realty Advisors and Trammell Crow Company. Prior to his real estate career, from 1979 to 1985, Mr. Foust participated in the origination of two related international telecommunications companies, Consortium Communications International and Progressive Systems Inc. The companies provided message switching and turn-key networks for multinational corporations. Mr. Foust received a Bachelor of Arts degree *magna cum laude* from Harvard University and a Master of Business Administration degree from Harvard Business School. Our Board selected Mr. Foust to serve as a director because it believes he possesses valuable financial and real estate industry expertise, including extensive experience with property acquisition, operations, development and management.

Laurence A. Chapman has served as a director since 2004. Mr. Chapman is currently Chair of our Audit Committee and a member of our Nominating and Corporate Governance Committee. Mr. Chapman served as Senior Vice President and Chief Financial Officer of Goodrich Corp. from 1999 until his retirement in 2000. Mr. Chapman served as Senior Vice President and Chief Financial Officer of Rohr, Inc., an aerospace company, from 1994 until 1999, when Rohr, Inc. merged with Goodrich Corp. His responsibilities at both companies included accounting, treasury, tax, insurance, investor relations, financial planning and information technology functions. Prior to his service at Rohr, Inc., Mr. Chapman was employed at Westinghouse Electric Corporation from 1981 through 1994. From 1991 through 1994, Mr. Chapman was the Vice President and Treasurer of Westinghouse Electric Corporation and, from 1988 through 1991, Mr. Chapman served as Chief Financial Officer of Westinghouse Credit Corp. and Westinghouse Financial Services Inc. His responsibilities included supervising corporate finance, cash and short-term funding, project finance, bank relations and international treasury. Mr. Chapman received a Bachelor of Commerce degree (Accounting and Finance) with Great Distinction from McGill University and a Master of Business Administration degree from Harvard Business School. He is a fellow of the Institute of Canadian Bankers. Our Board selected Mr. Chapman to serve as a director because it believes he possesses valuable financial and accounting expertise, including at companies with extensive real estate interests and his extensive experience in his prior positions of Chief Financial Officer.

Kathleen Earley has served as a director since 2004. Ms. Earley is currently Chair of our Nominating and Corporate Governance Committee and a member of our Audit Committee and Compensation Committee. Ms. Earley is the former President and Chief Operating Officer of TriZetto Group, Inc. where she worked from

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November 2004 until she retired in September 2008 when it was sold to Apax Partners, a private equity firm. From 1994 through September 2001, Ms. Earley was employed at AT&T Corporation. While at AT&T Corporation, Ms. Earley served as Senior Vice President of Enterprise Networking and Chief Marketing Officer, where she oversaw all AT&T Corporation business-related brand, image and advertising and marketing strategy. One of Ms. Earley s largest contributions was as President of AT&T Data & Internet Services, a business unit that provided Internet Protocol (IP), web hosting, data and managed network services. Under her leadership, AT&T s network became one of the largest Internet backbones in the industry. Prior to joining AT&T Corporation, Ms. Earley was employed by IBM Corporation for 17 years with positions in sales, marketing, planning and strategy development. Ms. Earley previously served on the board of directors of a privately-held company, Gateway EDI, as well as on the boards of Switch & Data Facilities Company and Vignette Corp. prior to their sale. Ms. Earley received a Bachelor of Science degree in Accounting and a Master of Business Administration degree, both from the University of California, Berkeley. Our Board selected Ms. Earley to serve as a director because it believes she possesses valuable expertise in the data communications, hosting and colocation industries, as well as in strategic planning and operations, including extensive experience with sales, marketing and technology-related operations.

Ruann F. Ernst, Ph.D. has served as a director since 2004. Ms. Ernst is currently a member of our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. Ms. Ernst served as Chief Executive Officer of Digital Island, Inc., an e-business delivery network company, from June 1998 until her retirement in January 2002. Ms. Ernst was Chairperson of the Board of Digital Island from December 1999 through July 2001, when the company was acquired by Cable & Wireless, Plc. From 1988 through 1998, Ms. Ernst worked for Hewlett Packard Company, an electronics equipment and computer company, in various management positions, most recently as General Manager, Financial Services Business Unit, and also worked as a Vice President for General Electric Information Services Company. Prior to her work in the technology industry, Ms. Ernst served on the faculty of The Ohio State University, was Director of Medical Research and Computing and served as a Congressional Fellow in the Office of Technology Assessment. Ms. Ernst is a member of the board of directors and serves on the compensation committee of IHS Inc., which is listed on the New York Stock Exchange. She also serves on the board of directors of two non-profit entities: Healthy LifeStars and The Ohio State University Foundation. Ms. Ernst received Bachelor of Science, Master of Science and Ph.D. degrees from The Ohio State University. Our Board selected Ms. Ernst to serve as a director because it believes she possesses valuable expertise in the telecommunications and colocation industries, including extensive experience working with and leading technology companies.

Kevin J. Kennedy has served as a director since 2013. Mr. Kennedy has been President, Chief Executive Officer and a member of the board of directors of Avaya Inc., a global provider of real-time business collaboration and communications solutions, since December 2008. Previously, Mr. Kennedy served as Chief Executive Officer of JDS Uniphase Corporation, a provider of optical communications products, from September 2003 to December 2008, as President from March 2004 to December 2008 and as a member of the board of directors from November 2001 to August 2012, including as Vice Chairman of the board of directors from December 2008 to August 2012. Prior to joining JDS Uniphase Corporation, Mr. Kennedy held product development and operations positions with Openwave Systems, Inc., Cisco Systems, Inc. and AT&T Corporation. Mr. Kennedy is a member the board of directors and serves on the compensation committee of KLA-Tencor Corporation, a supplier of process control and yield management solutions for the semiconductor industry, which is listed on The NASDAQ Stock Market LLC. Mr. Kennedy previously served on the boards of directors of Rambus Inc., a developer of high-speed chip-to-chip interface technology, from 2003 to 2008, and Polycom Inc., a provider of telepresence, voice and video conferencing solution, from 2008 to 2009. Mr. Kennedy is also currently a Presidential Advisory Member of the National Security Telecommunications Advisory Committee. Mr. Kennedy received a Bachelor of Science in Mechanical Engineering degree from Lehigh University and a Master of Science, Master of Philosophy and Ph.D. degrees from Rutgers University. Our Board selected Mr. Kennedy to serve as a director because it believes he possesses valuable expertise in the communications and technology industries, including extensive experience working with and leading public companies in these industries as well as his experience on the boards of directors of public companies.

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William G. LaPerch has served as a director since 2013. Previously, from January 2004 to July 2012, Mr. LaPerch was Chief Executive Officer, President and a member of the board of directors at AboveNet, Inc., a provider of bandwidth infrastructure services. Prior to AboveNet, Inc., Mr. LaPerch served as President, Network Services from 2001 to 2003 and as President, Enterprise Services from 2000 to 2001of Metromedia Fiber Network, a provider of metro fiber services. From 1989 to 2000, Mr. LaPerch held various operations and engineering positions at MCI Worldcom, Inc., a global communications company, including most recently as Vice President, Network Services. Prior to joining MCI Worldcom, Inc., Mr. LaPerch held sales and operations positions with NYNEX Corporation, a communications company. Mr. LaPerch is a member of the board of directors and serves on the audit and compensation committees of Imation Corp., a global scalable storage and data security company, which is listed on the New York Stock Exchange. Mr. LaPerch also serves on the board of directors of Net Conference, a privately held provider of virtual meeting services. Mr. LaPerch is a graduate of the U.S. Military Academy at West Point and received a Master of Business Administration degree from Columbia University. Our Board selected Mr. LaPerch to serve as a director because it believes he possesses valuable expertise in the bandwidth, colocation, interconnection and communications industries, including extensive experience working with and leading public companies in these industries.

Robert H. Zerbst has served as a director since October 2009. Mr. Zerbst is currently Chair of our Compensation Committee and a member of our Nominating and Corporate Governance Committee. Mr. Zerbst is currently a private real estate investor. Mr. Zerbst joined CBRE Global Investors (formerly CB Richard Ellis Investors) as President in 1997, and served as Chief Executive Officer from 1998 through 2007, Chairman during 2007 and 2008 and Special Advisor to the Chief Executive Officer from 2009 to 2010. In 1981, Mr. Zerbst founded and served as Chief Executive Officer of Piedmont Realty Advisors, a San Francisco-based real estate investment manager. In 1991, Piedmont merged with The RREEF Funds. While a partner at RREEF, Mr. Zerbst was responsible for all investments in the western United States and opportunistic investments nationally. Mr. Zerbst was the Chairman and member of the audit and compensation committees of the board of directors of CBRE Realty Trust, a public company, from 2004 through 2009. Mr. Zerbst is past Chairman of the National Association of Real Estate Investment Managers (NAREIM), past board member of the National Council of Real Estate Investment Fiduciaries (NCREIF), a member of The Asia Society, Northern California Council of Foreign Affairs and the Policy Advisory Board of the Fisher Center at the Haas School of Business, University of California, Berkeley and a Trustee of the San Francisco Conservatory of Music. Mr. Zerbst received a Bachelor of Arts degree from Miami University and a Master of Arts in Economics, Master of Business Administration and Ph.D. degrees in Finance and Real Estate Economics from The Ohio State University. He has also earned the CRE and MAI professional designations. Our Board selected Mr. Zerbst to serve as a director because it believes he possesses valuable financial and real estate industry expertise, including extensive experience with real estate acquisition and investment.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF MESSRS. SINGLETON, FOUST, CHAPMAN, KENNEDY, LAPERCH AND ZERBST AND MSES. EARLEY AND ERNST TO SERVE ON OUR BOARD OF DIRECTORS UNTIL THE 2014 ANNUAL MEETING AND UNTIL A SUCCESSOR FOR EACH IS DULY ELECTED AND QUALIFIES.

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Executive Officers

The following table sets forth the names, ages as of March 8, 2013 and positions of our Chief Executive Officer, our Chief Financial Officer and the other three most highly compensated officers of the Company for the year ended December 31, 2012 (the named executive officers):

Name	Age	Position	Officer Since
Michael F. Foust	57	Chief Executive Officer and Director (principal executive officer)	2004
A. William Stein	59	Chief Financial Officer, Chief Investment Officer and Secretary (principal financial officer)	2004
Scott E. Peterson	51	Chief Acquisitions Officer	2004
David J. Caron	57	Senior Vice President, Portfolio Management	2004
Kris Kumar	52	Senior Vice President and Regional Head, Asia Pacific	2010

The following are biographical summaries for our named executive officers other than Mr. Foust, for whom a biographical summary can be found in the preceding section.

A. William Stein joined GI Partners as a consultant in April 2004 and has served as our Chief Financial Officer, Chief Investment Officer and Secretary since July 2004. Mr. Stein has over 31 years of investment, financial and operating management experience in both large company environments and small, rapidly growing companies. Prior to joining our Company, Mr. Stein provided turnaround management advice to both public and private companies. From 2000 to 2001, Mr. Stein served as Co-Head of VentureBank@PNC and Media and Communications Finance at The PNC Financial Services Group where he was responsible for directing the delivery of PNC s products and services to VentureBank s high technology and emerging growth client base. Before joining PNC, Mr. Stein was President and Chief Operating Officer of TriNet Corporate Realty Trust, a real estate investment trust, or REIT, that was acquired by Starwood Financial Trust (now called iStar Financial) in late 1999. Prior to being named President of TriNet, Mr. Stein was Executive Vice President, Chief Financial Officer and Secretary. TriNet s portfolio consisted of office, industrial and retail properties throughout the U.S. Before joining TriNet in 1995, Mr. Stein held a number of senior investment and financial management positions with Westinghouse Electric, Westinghouse Financial Services and Duquesne Light Company. Mr. Stein practiced law for eight years, specializing in financial transactions and litigation. Mr. Stein is a member of the board of directors and serves on the audit committee and the compensation committee of Wesdome Gold Mines LTD, a public company traded on the Toronto Stock Exchange. Mr. Stein received a Bachelor of Arts degree from Princeton University, a Juris Doctor degree from the University of Pittsburgh and a Master of Science degree with Distinction from the Graduate School of Industrial Administration at Carnegie Mellon University.

Scott E. Peterson is our Chief Acquisitions Officer responsible for acquisition activities and has served in such role since November 2010. Prior to this role, Mr. Peterson served as our Senior Vice President, Acquisitions since October 2004. Mr. Peterson was a managing director of GI Partners from August 2002 until October 2004. While at GI Partners, Mr. Peterson was responsible for property acquisitions with an emphasis on technical properties. Mr. Peterson has over 26 years of real estate experience and, prior to joining GI Partners, was a Senior Vice President with GIC Real Estate, the real estate investment entity for the Government of Singapore Investment Corporation, from May 1994 to August 2002. Previously, Mr. Peterson was active in investments, development and asset management with LaSalle Partners, a real estate services company, and Trammell Crow Company, a real estate developer. Mr. Peterson received a Bachelor of Arts degree from Northwestern University and a Master of Business Administration degree from Northwestern University.

David J. Caron has served as our Senior Vice President of Portfolio Management since February 2009. Mr. Caron joined our Company in October 2004 as Vice President of Portfolio Management responsible for the performance of our eastern region. Mr. Caron has over 31 years of experience managing extensive portfolios of commercial properties. From 1992 until joining our Company, Mr. Caron was Vice President of Asset Management at Bank of Boston, where he specialized in the management and disposition of a national portfolio of commercial office and retail properties. Previously, Mr. Caron spent 12 years at John Hancock, where he had various roles in real estate finance for its Tucker Anthony subsidiary and in his last role he was the Vice President of Operations for John Hancock Investment Services. In that role he structured private and public real estate funds and oversaw SEC filings for the funds. Mr. Caron received a Bachelor of Science degree from Northeastern University.

Kris Kumar has served as our Senior Vice President and Regional Head of Asia Pacific since March 2012 and is responsible for overseeing our Company s corporate and operational activities in the Asia Pacific region. Prior to this role, Mr. Kumar served as our Vice President, Regional Head of Asia Pacific Corporate Development from May 2010 to March 2012. Mr. Kumar has over 30 years of experience in the IT/data center infrastructure, real estate and maritime industries. From 2004 until joining our Company, Mr. Kumar was the President and co-founder of Global DC, a specialized consulting and project implementation business that conceptualized, business-planned and delivered move-in ready data center projects for major corporate enterprises and international telecom and IT companies across the Asia Pacific region. Prior to that, Mr. Kumar was Founder of CFM Group, a company engaged in business planning, project advisory/management, data center design/build and managed services across the Asia Pacific region. CFM Group was sold in 2000 to Nortel Networks, where Mr. Kumar was the head of Data Centre Strategy for Asia Pacific until 2004. Previously, Mr. Kumar also served as a Marine Engineer in the Indian, British and American Merchant Navy for 10 years. As a Chief Engineer he developed his extensive experience and expertise in critical engineering systems, planning and design engineering for uptime and reliability as well as maintenance systems, processes and procedures. Mr. Kumar received a Bachelor s degree in Marine Engineering (Distinction) and a Postgraduate degree in Facilities Management & Finance from Sydney University.

Board Governance Documents

The Board maintains charters for all committees. In addition, the Board has adopted a written set of corporate governance guidelines, as well as a code of business conduct and ethics that applies to the Company s employees, officers and directors, including our principal executive officer and principal financial officer. To view our committee charters, corporate governance guidelines and code of business conduct and ethics, please visit our website at www.digitalrealty.com. Each of these documents is also available, free of charge, in print to any stockholder who sends a written request to such effect to A. William Stein, Secretary, Digital Realty Trust, Inc., Four Embarcadero Center, Suite 3200, San Francisco, CA 94111.

Independent Directors

New York Stock Exchange (NYSE) listing standards require NYSE-listed companies to have a majority of independent board members and an audit committee, compensation committee and nominating and corporate governance committee each composed solely of independent directors. Under the NYSE listing standards, no director of a company qualifies as independent unless the board of directors of such company affirmatively determines that the director has no material relationship with such company (either directly or as a partner, stockholder or officer of an organization that has a relationship with such company).

In addition, the NYSE listing standards provide that a director is not independent if:

(i) the director is, or has been within the last three years, an employee of the listed company, or an immediate family member is, or has been within the last three years, an executive officer of the listed company;

(ii) the director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than $120,000 in direct compensation from the listed company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

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(iii) (A) the director is a current partner or employee of a firm that is the company s internal or external auditor; (B) the director has an immediate family member who is a current partner of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on the listed company s audit; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the listed company s audit within that time;

(iv) the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the listed company s present executive officers at the same time serves or served on that company s compensation committee; or

(v) the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million or 2% of such other company s consolidated gross revenues.

The Board by resolution has affirmatively determined that, based on the standards set forth in the NYSE rules and our corporate governance documents, all nominees for election to the Board at the Annual Meeting are independent (the Independent Directors), except for Mr. Foust.

Board Meetings

The Board held six meetings and the Independent Directors met in executive session four times during 2012. At each executive session of our Independent Directors until our 2012 Annual Meeting of Stockholders, a presiding director was selected by a majority of the directors present in their discretion after consideration of the subject matter of the discussion. Following our 2012 Annual Meeting of Stockholders, the Board selected Mr. Singleton to serve as the Chairman of the Board, and since such time, Mr. Singleton has served as the presiding director of the executive sessions of the Independent Directors. The number of meetings for each Board committee is set forth below under the heading Board Committees. During the year ended December 31, 2012, all of the directors attended at least 75% of the total number of meetings of the Board and of the committees on which they served. All of the then-current directors attended the 2012 Annual Meeting, and the Board expects all current directors to attend the 2013 Annual Meeting barring unforeseen circumstances or irresolvable conflicts.

Board Leadership Structure

We separate the roles of Chief Executive Officer and Chairman of the Board in recognition of the differences between the two roles. The Chief Executive Officer is responsible for setting the strategic direction for the Company and the day-to-day leadership and performance of the Company, while the Chairman of the Board provides guidance to the Chief Executive Officer and sets the agenda for Board meetings and presides over meetings of the full Board. This separation of the roles of Chairman and Chief Executive Officer also allows for greater oversight of the Company by the Board. Prior to the 2012 Annual Meeting of Stockholders, because our then current Chairman, Richard A. Magnuson, was an employee of the Company within the previous three years and was therefore not independent, at each executive session of our Independent Directors, a presiding director was selected by a majority of the directors present in their discretion after consideration of the subject matter of the discussion. Following our 2012 Annual Meeting of Stockholders, the Board selected Mr. Singleton to serve as the Chairman of the Board, and since such time, Mr. Singleton has served as the presiding director of the executive sessions of the Independent Directors. The Board has determined that our Board leadership structure is the most appropriate at this time, given the specific characteristics and circumstances of the Company, and the skills and experience of Mr. Singleton and Mr. Foust, based on the experienced leadership afforded by a Chairman (currently Mr. Singleton) and a full-time Chief Executive Officer (currently Mr. Foust).

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Board Committees

Audit Committee

Our Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act). The function of the Audit Committee is to assist the Board with its oversight responsibilities regarding: (i) the integrity of the Company s financial statements; (ii) the Company s compliance with legal and regulatory requirements; (iii) the qualifications, engagement, compensation, and independence of the registered public accounting firm that shall audit the Company s financial statements (the independent auditor); and (iv) the performance of the Company s internal audit function and independent auditor. The Audit Committee appoints, oversees and meets with the independent auditor, oversees each annual audit and quarterly review, oversees our internal audit controls and prepares the report that federal securities laws require be included in our annual Proxy Statement. The Audit Committee carries out its responsibilities in accordance with the terms of our Audit Committee Charter, which is located on our website at www.digitalrealty.com and is available in print to any stockholder who requests it by writing to our Secretary, as provided for in Board Governance Documents. Mr. Chapman is Chair and Ms. Earley and Ms. Ernst are members of the Audit Committee. The Board has determined that Mr. Chapman is an audit committee financial expert as defined by the SEC. The Audit Committee meets the NYSE composition requirements, including the requirements dealing with financial literacy and financial sophistication. The Audit Committee is composed of Independent Directors under the current NYSE listing standards. Such directors also satisfy the independence requirements of Section 10A-3(m) of the Exchange Act and Rule 10A-3(b)(i). During 2012, the Audit Committee met four times.

Before the Company s independent auditor is engaged by the Company or its subsidiaries to render audit or non-audit services, the Audit Committee is required to pre-approve the engagement. Audit Committee pre-approval of audit and non-audit services will not be required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Audit Committee regarding the Company s engagement of the independent auditor, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each service provided and such policies and procedures do not include delegation of the Audit Committee s responsibilities under the Exchange Act to the Company s management. Audit Committee pre-approval of non-audit services (other than review and attest services) also will not be required if such services fall within available exceptions established by the SEC. The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to grant pre-approvals, provided such approvals are presented to the Audit Committee at a subsequent meeting. The Audit Committee delegated the authority to grant pre-approvals to Mr. Chapman, the Chair of the Audit Committee.

Information regarding the specific functions performed by the Audit Committee is set forth below in Audit Matters Audit Committee Report.

Compensation Committee

Our Compensation Committee establishes, reviews, modifies and approves the compensation and benefits of our named executive officers, administers the First Amended and Restated Digital Realty Trust, Inc., Digital Services, Inc. and Digital Realty Trust, L.P. 2004 Incentive Award Plan, as amended (the Incentive Award Plan), and any other incentive compensation programs and produces an annual report on executive compensation for inclusion in our Proxy Statement. Our Compensation Committee Charter is located on our website at www.digitalrealty.com and is available in print to any stockholder who requests it by writing to our Secretary, as provided for in Board Governance Documents. Mr. Zerbst is Chair and Ms. Earley, Ms. Ernst and Mr. Singleton are members of the Compensation Committee. All members of the Compensation Committee are Independent Directors. During 2012, the Compensation Committee met five times.

The Compensation Committee exercises all powers delegated to it by the Board related to compensation matters, including approval of incentive compensation and oversight of benefit plans for employees of the

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Company. The Compensation Committee has authority to grant awards under our Incentive Award Plan. The Compensation Committee is primarily responsible for determining cash and non-cash compensation for our Chief Executive Officer, Chief Financial Officer and other named executive officers.

In fulfilling its responsibilities, the Compensation Committee may delegate any or all of its responsibilities to a subcommittee of the Compensation Committee, except for:

- the review and approval of compensation for our Chief Executive Officer and all other named executive officers;
- the recommendations to the Board with respect to non-CEO compensation, incentive compensation plans and equity-based plans and the review and approval of all officers employment agreements and severance arrangements;
- the management and review of all annual bonus, long-term incentive compensation, equity compensation and employee benefit plans; and
- any matters that involve executive compensation or any matters where the Compensation Committee has determined such compensation is intended to comply with Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), by virtue of being approved by a committee of outside directors or is intended to be exempt from Section 16(b) under the Exchange Act pursuant to Rule 16b-3 by virtue of being approved by a committee of non-employee directors.

To aid the Compensation Committee in making its determinations, management provides recommendations annually to the Compensation Committee regarding the compensation of all named executive officers. Each named executive officer participates in an annual performance review either with the Compensation Committee, with input from the Board, in the case of our Chief Executive Officer, or with our Chief Executive Officer, in the case of all other named executive officers, to obtain input about their contributions to our success for the period being assessed. The performance of our named executive officers is also reviewed annually by the Compensation Committee.

For 2012, the Compensation Committee retained the services of Towers Watson & Co. (Towers Watson), a human capital consulting firm, to serve as the Compensation Committee s independent compensation consultant. Towers Watson was engaged to assist the Compensation Committee, among other things, in conducting and presenting the annual review of the total compensation packages for our executive officers, including base salary, total cash compensation, target bonuses, long-term incentives and total direct compensation; reviewing market data on compensation; understanding industry trends; performing equity dilution and overhang analysis; reviewing and assessing the current annual incentive plan; reviewing and assessing the long-term incentives currently provided to executives and future awards; understanding trends to carry out the Compensation Committee s duties; aligning and testing performance-related pay; reviewing non-executive directors compensation; and understanding stakeholder interests.

Nominating and Corporate Governance Committee

We have a standing Nominating and Corporate Governance Committee, whose function is to assist the Board in discharging the Board s responsibilities regarding (i) the identification of qualified candidates to become Board members, (ii) the selection of nominees for election as directors, (iii) the selection of candidates to fill any vacancies on the Board, (iv) the development and recommendation to the Board of a set of corporate governance guidelines and principles applicable to the Company and (v) oversight of the evaluation of the Board and management. Our Nominating and Corporate Governance Committee Charter is located on our website at www.digitalrealty.com and is available in print to any stockholder who requests it by writing to our Secretary, as provided for in Board Governance Documents. Ms. Earley is Chair and Mr. Chapman, Ms. Ernst and Mr. Zerbst are members of the Nominating and Corporate Governance Committee. All members of the Nominating and Corporate Governance Committee are Independent Directors. During 2012, the Nominating and

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Corporate Governance Committee met five times. Further information regarding the Nominating and Corporate Governance Committee is set forth below in Qualifications of Director Nominees, Nominating and Corporate Governance Committee s Process for Considering Director Nominees and Manner by which Stockholders May Recommend Director Nominees.

Qualifications of Director Nominees

The Nominating and Corporate Governance Committee has not set forth minimum qualifications for Board nominees. However, pursuant to its charter, in identifying candidates to recommend for election to the Board, the Nominating and Corporate Governance Committee considers the following criteria:

(i) personal and professional integrity, ethics and values;

(ii) experience in corporate governance including as an officer, board member or senior executive or as a former officer, board member or senior executive of a publicly held company, and a general understanding of marketing, finance and other elements relevant to the success of a publicly traded company in today s business environment;

(iii) experience as a board member of another publicly held company;

(iv) academic, executive and/or operational expertise in an area of the Company s industry or operations;

(v) practical and mature business judgment, including ability to make independent analytical inquiries; and

(vi) ability to work as part of a team.

While the Nominating and Governance Committee does not have a formal policy regarding diversity, the Company s Corporate Governance Guidelines state that each individual nominee is evaluated in the context of the Board as a whole, with the objective of assembling a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas. The Committee considers diversity of the Board in identifying director nominees, including diversity in experience, professional background, areas of expertise and industries of the candidate.

Nominating and Corporate Governance Committee s Process for Considering Director Nominees

The Nominating and Corporate Governance Committee, at least annually, evaluates the performance of each current director and considers the results of such evaluation when determining whether to recommend the nomination of such director for an additional term. At an appropriate time prior to each annual meeting at which directors are to be elected or re-elected, the Nominating and Corporate Governance Committee recommends to the Board for nomination by the Board such candidates as the Nominating and Corporate Governance Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve.

At an appropriate time after a vacancy arises on the Board or a director advises the Board of his or her intention to resign, the Nominating and Corporate Governance Committee recommends to the Board for election by the Board to fill such vacancy, such prospective member of the Board as the Nominating and Corporate Governance Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve. In determining whether a prospective member is qualified to serve, the Nominating and Corporate Governance Committee will consider the factors listed above in Qualifications of Director Nominees.

The foregoing notwithstanding, if the Company is legally required by contract or otherwise to permit a third party to designate one or more of the director nominees to be elected (for example, pursuant to rights contained in the Articles Supplementary of each class of our outstanding preferred stock, voting together, to elect two directors upon a dividend default), then the nomination or election of such directors will be governed by such requirements. Additionally, recommendations received from stockholders will be considered and are subject to the same criteria as are candidates nominated by the Nominating and Corporate Governance Committee.

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Manner by which Stockholders May Recommend Director Nominees

The Nominating and Corporate Governance Committee will consider director nominees recommended by stockholders of the Company. All recommendations must be directed to Kathleen Earley, Chair of the Nominating and Corporate Governance Committee, care of A. William Stein, Secretary, Digital Realty Trust, Inc., Four Embarcadero Center, Suite 3200, San Francisco, California 94111. Recommendations for director nominees to be considered at the 2014 Annual Meeting must be received in writing not later than 5:00 p.m., Pacific Time, on November 20, 2013 and not earlier than October 21, 2013. In the event that the date of the 2014 Annual Meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the 2013 Annual Meeting, notice by the stockholder must be received not earlier than the 150th day prior to the date of the meeting and not later than 5:00 p.m., Pacific Time, on the later of the 120th day prior to the date of the meeting, as originally convened, or the 10th day following the date of the first public announcement of the meeting. Each stockholder recommending a person as a director candidate must provide the Company with the information specified in our Bylaws, as described under Other Matters Stockholder Proposals and Nominations below. The recommending stockholder must also provide supplemental information that the Nominating and Corporate Governance Committee may request to determine whether the proposed nominee (i) is qualified to serve on the Audit Committee, (ii) meets the standards of an independent director and (iii) satisfies the standards for our directors set forth above in Qualifications of Director Nominees. Further, the proposed nominee must make himself or herself reasonably available to be interviewed by the Nominating and Corporate Governance Committee. Please refer to Other Matters Stockholder Proposals and Nominations below for further information. The Nominating and Corporate Governance Committee will consider all recommended director candidates submitted to it in accordance with these established procedures, though it will only recommend to the Board as potential nominees those candidates it believes are most qualified. However, the Nominating and Corporate Governance Committee will not consider any director candidate if the candidate s candidacy or, if elected, Board membership, would violate controlling state law or federal law.

Board s Role in Oversight of Risk

The Board has an active role in overseeing management of the Company s risks, and the Company s management provides it with a regular report highlighting its assessments and recommendations. The Board regularly reviews information from members of senior management regarding the Company s financial performance, balance sheet, credit profile and liquidity, as well as the risks associated with each. The Board also receives reports from members of management on areas of material risk to the Company, including operational, financial, legal, regulatory and strategic risks. The Compensation Committee of the Board assesses and monitors risks relating to the Company s executive officer and employee compensation policies and practices. The Audit Committee of the Board oversees management of financial reporting and internal controls risks. The Nominating and Corporate Governance Committee of the Board is responsible for overseeing the management of risks associated with the independence of the Board.

Stockholder and Interested Party Communications with the Board

Stockholders and interested parties may send correspondence directed to the Board, care of Joshua A. Mills, Senior Vice President, General Counsel and Assistant Secretary, Digital Realty Trust, Inc., Four Embarcadero Center, Suite 3200, San Francisco, CA 94111. Mr. Mills will review all correspondence addressed to the Board, or any individual Board member, for any inappropriate correspondence and correspondence more suitably directed to management. Mr. Mills will summarize all correspondence not forwarded to the Board and make the correspondence available to the Board for its review at the Board s request. Mr. Mills will forward stockholder communications to the Board prior to the next regularly scheduled meeting of the Board following the receipt of the communication, as appropriate. Correspondence intended for our non-management and Independent Directors as a group should be addressed to the Company at the address above, Attention: Independent Directors.

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ITEM 2. RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board has selected KPMG LLP as the Company s independent registered public accounting firm for the year ending December 31, 2013 and has further directed that management submit the selection of KPMG LLP for ratification by the stockholders at the Annual Meeting. KPMG LLP has audited the Company s financial statements since the Company s inception in 2004. A representative of KPMG LLP is expected to be present at the Annual Meeting and will have an opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

Stockholder ratification of the selection of KPMG LLP as the Company s independent registered public accounting firm is not required by the Bylaws or otherwise. However, the Board is submitting the selection of KPMG LLP to the stockholders for ratification as a matter of corporate practice. If the stockholders fail to ratify the selection, the Audit Committee may reconsider whether or not to retain KPMG LLP in the future. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the Company.

The affirmative vote of a majority of the votes cast at the Annual Meeting on the matter is required to ratify the selection of KPMG LLP as our independent registered public accounting firm.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFYING THE SELECTION OF KPMG LLP AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2013.

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PRINCIPAL STOCKHOLDERS

The following table sets forth, as of March 8, 2013, the beneficial ownership of shares of our Common Stock and shares of Common Stock into which units of limited partnership (units) in Digital Realty Trust, L.P., a Maryland limited partnership (our operating partnership or the operating partnership), of which we are the sole general partner, are exchangeable for (i) each person who is the beneficial owner of 5% or more of the outstanding Common Stock and units, (ii) directors, nominees and named executive officers and (iii) all directors and executive officers as a group. Each person named in the table has sole voting and investment power with respect to all of the shares of our Common Stock and units shown as beneficially owned by such person, except as otherwise set forth in the notes to the table. The extent to which a person holds shares of Common Stock as opposed to units is set forth in the footnotes below. Unless otherwise indicated, the address of each named person is care of Digital Realty Trust, Inc., Four Embarcadero Center, Suite 3200, San Francisco, CA 94111.

Name of Beneficial Owner	Number of Shares and Units Beneficially Owned	Percent of All Shares(1)	Percent of All Shares and Units(2)
The Vanguard Group, Inc.(3)	14,092,537	11.0%	10.8%
Capital World Investors(4)	9,895,000	7.7%	7.6%
BlackRock, Inc.(5)	8,637,270	6.7%	6.6%
Vanguard Specialized Funds Vanguard REIT Index Fund(6)	8,075,670	6.3%	6.2%
Dennis E. Singleton(7)	13,209	*	*
Michael F. Foust(8)	260,229	*	*
Laurence A. Chapman(9)	51,366	*	*
Kathleen Earley(10)	16,259	*	*
Ruann F. Ernst(11)	9,209	*	*
Kevin J. Kennedy(12)	246	*	*
William G. LaPerch(13)	246	*	*
Robert H. Zerbst(14)	4,532	*	*
A. William Stein(15)	38,067	*	*
Scott E. Peterson(16)	32,910	*	*
David J. Caron(17)	70,511	*	*
Kris Kumar(18)	14,264	*	*
All directors and executive officers as a group (17 persons)	615,471	*	*

* Less than 1%.

(1) Based on 128,411,856 shares of our Common Stock outstanding as of March 8, 2013. The percentage of shares of our Common Stock beneficially owned by a person assumes that all the units held by a person that are vested or will vest within 60 days of March 8, 2013 are exchanged for shares of our Common Stock, that none of the vested units held by other persons are so exchanged, that all options for the purchase of shares of our Common Stock exercisable within 60 days of March 8, 2013 held by the person are exercised in full and that no options for the purchase of shares of our Common Stock held by other persons are exercised.

(2) Based on 130,976,614 shares of our Common Stock and units, including vested long-term incentive units, outstanding as of March 8, 2013, comprising 128,411,856 shares of our Common Stock and 2,564,758 vested units. The percentage of shares of our Common Stock and units beneficially owned by a person assumes that all the units held by a person that are vested or will vest within 60 days of March 8, 2013 are exchanged for shares of our Common Stock, that none of the vested units held by other persons are so exchanged, that all options for the purchase of shares of our Common Stock exercisable within 60 days of March 8, 2013 held by the person are exercised in full and that no options for the purchase of shares of our Common Stock held by other persons are exercised.

(3) Based solely on information contained in an amended Schedule 13G filed by The Vanguard Group, Inc. with the SEC on February 11, 2013. The address of The Vanguard Group, Inc. is 100 Vanguard Boulevard, Malvern, PA 19355. The Vanguard Group, Inc. has sole voting power with respect to 316,474 shares, shared

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voting power with respect to 94,300 shares, sole dispositive power with respect to 13,850,712 shares and shared dispositive power with respect to 241,825 shares. Vanguard Fiduciary Trust Company (VFTC), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 86,125 shares as a result of its serving as investment manager of collective trust accounts. VFTC directs the voting of these shares. Vanguard Investments Australia, Ltd. (VIA), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 386,049 shares as a result of its serving as investment trust manager of Australian investment offerings. VIA directs the voting of these shares.

(4) Based solely on information contained in an amended Schedule 13G filed by Capital World Investors with the SEC on February 13, 2013. The address of Capital World Investors is 333 South Hope Street, Los Angeles, CA 90071. Capital World Investors has sole voting and sole dispositive powers with respect to 9,895,000 shares and shared voting and shared dispositive powers with respect to zero shares. Capital World Investors, a division of Capital Research and Management Company (CRMC), is deemed to be the beneficial owner of 9,895,000 shares as a result of CRMC acting as investment adviser to The Income Fund of America.

(5) Based solely on information contained in an amended Schedule 13G filed by BlackRock, Inc. with the SEC on February 7, 2013. The address of BlackRock, Inc. is 40 East 52nd Street, New York, NY 10022. BlackRock, Inc. has sole voting and sole dispositive powers with respect to 8,637,270 shares and shared voting and shared dispositive powers with respect to zero shares.

(6) Based solely on information contained in an amended Schedule 13G filed by Vanguard Specialized Funds Vanguard REIT Index Fund with the SEC on February 14, 2013. The address of Vanguard Specialized Funds Vanguard REIT Index Fund is 100 Vanguard Boulevard, Malvern, PA 19355. Vanguard Specialized Funds Vanguard REIT Index Fund has sole voting power with respect to 8,075,670 shares, shared voting power with respect to zero shares, and sole dispositive and shared dispositive powers with respect to zero shares.

(7) Includes 13,209 long-term incentive units.

(8) Includes 75,070 long-term incentive units and 551 stock options to purchase shares of our Common Stock. Mr. Foust also beneficially owns 40,000 shares, less than 1%, of our 7.000% Series E Cumulative Redeemable Preferred Stock, or the series E preferred stock, of which there are currently 11,500,000 shares outstanding.

(9) Includes 1,372 long-term incentive units.

(10) Includes 2,556 long-term incentive units. Includes 50 shares of our Common Stock held by a member of Ms. Earley s immediate family over which Ms. Earley may be deemed to share voting and investment power; Ms. Earley disclaims beneficial ownership over such shares except to the extent of her pecuniary interest therein. Ms. Earley also beneficially owns 2,000 shares, less than 1%, of the series E preferred stock of which there are currently 11,500,000 shares outstanding.

(11) Includes 6,461 long-term incentive units.

(12) Includes 246 long-term incentive units.

(13) Includes 246 long-term incentive units.

(14) Includes 4,532 long-term incentive units.

(15) Includes 36,050 long-term incentive units.

(16) Includes 32,910 long-term incentive units.

(17) Includes 70,511 long-term incentive units and 20,169 class C profits interest units.

(18) Includes 14,264 shares of our Common Stock.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis section discusses the compensation policies and programs for our named executive officers, which consist of our Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers, as determined under the rules of the SEC.

Executive Summary

We own, acquire, develop and manage technology-related real estate. We target high-quality, strategically located properties containing applications and operations critical to the day-to-day operations of technology industry tenants and corporate enterprise datacenter users, including the information technology departments of Fortune 100 and financial services companies. The objective of our executive compensation program is to attract, retain and motivate experienced and talented executives who can help maximize stockholder value. We believe that a significant portion of the compensation paid to executive officers should be closely aligned with our performance on both a short-term and long-term basis.

Pay for Performance

Pay for performance is an important component of our compensation philosophy. Consistent with this focus, our compensation program includes annual incentive bonuses and equity incentive compensation.

Under our annual incentive bonus program, we measure each named executive officer s performance based on financial, operational and organizational development goals. In 2012, the financial and operational goals included funds from operations (FFO) targets, financing objectives, acquisitions and investments targets, leasing and marketing objectives and operations objectives. The organizational development goals included training and development of employees to achieve high performance results and to focus on Company goals, and team organization and reorganization.

We also provide long-term equity incentive awards that are subject to both time-based and performance-based vesting conditions. For long-term equity incentive awards granted in 2012, the performance-based vesting condition was based on our achievement of FFO per diluted share and unit results for the fiscal year ended December 31, 2012.

During the past several years, the Company has been focused on growing our operations internally and through strategic acquisitions as well as through improved leasing, asset management and marketing activities, improving our balance sheet, strategically accessing the capital markets and focusing on our organizational development. More recently, the Company has also focused on growing its global footprint through strategic acquisitions and investments. Accomplishments in the year ended December 31, 2012 include, among other things, the following:

- Reported FFO of $4.44 per diluted share and unit for the year ended December 31, 2012, up 9.4% from $4.06 per diluted share and unit for the year ended December 31, 2011, and reported net income of $216.0 million for the year ended December 31, 2012, up 33.3% from $162.1 million for the year ended December 31, 2011. (A reconciliation of FFO to net income is included on page 85 of our Annual Report on Form 10-K for the year ended December 31, 2012.)

- Acquired thirteen properties totaling approximately 3.3 million square feet for approximately $1.6 billion, including a $1.1 billion acquisition of a three-property data center portfolio, totaling approximately 733,000 square feet, located in the greater London area, referred to as the Sentrum Portfolio, and a 164,000 square foot property in Hong Kong acquired through an investment in an unconsolidated joint venture.

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- Set a record for leases commenced during the year ended December 31, 2012 totaling approximately $134.9 million of annualized GAAP rental revenue totaling approximately 997,000 square feet of space, and signed leases totaling over $105.7 million in annualized GAAP rental revenue totaling over 849,000 square feet.

- Increased the annual dividend on our Common Stock by 7.4% in 2012 from 2011.

- Raised approximately $2.4 billion of capital during 2012, which included:

  - A $750 million senior unsecured multi-currency term loan facility.

  - An increase in the aggregate commitments under our global revolving credit facility from $1.5 billion to $1.8 billion, pursuant to the partial exercise of the accordion feature.

  - An investment-grade debt offering of the operating partnership totaling $300 million aggregate principal amount.

  - An offering of our Common Stock for total net proceeds, after underwriting discounts and offering expenses, of $797.2 million, including the proceeds from the exercise in full of the underwriters over-allotment option. The net proceeds were used to fund a portion of the purchase price for the acquisition of the Sentrum Portfolio.

  - An offering of our 6.625% Series F Cumulative Redeemable Preferred Stock for total net proceeds, after underwriting discounts and offering expenses, of $176.2 million, including the proceeds from the exercise of a portion of the underwriters over-allotment option.

  - Net proceeds of approximately $62.7 million from the issuance of approximately 1.0 million shares of our Common Stock under our at-the-market equity distribution program at an average price of $66.19 per share after payment of commissions to the sales agents.

Consistent with our compensation philosophy to pay for performance, although the Compensation Committee determined that our named executive officers had met or exceeded the financial, operational and organization goals approved by the Compensation Committee for 2012, because the maximum level of our FFO goal was not achieved, the 2012 performance-based annual incentive cash bonuses for our named executive officers, except for Mr. Peterson and Mr. Kumar (who was not a named executive officer prior to 2012), were lower than the bonuses for 2011 when the maximum level of our 2011 FFO goal was exceeded. Mr. Peterson s 2012 annual incentive cash bonus was slightly higher than in 2011 primarily due to the greater emphasis on the achievement of new investments in his goals, which included targeting $300 million of new investments. In 2012, we completed acquisitions of approximately $1.6 billion. Additionally, with respect to the equity incentive compensation granted to our named executive officers, in 2012 the performance-based vesting condition was achieved at less than the maximum level, compared to 2011 when the performance-based vesting condition was achieved at the maximum level, based on our FFO goal for the respective years. As discussed further below in Description of Individual Elements of Compensation Annual Incentive Bonuses, the Compensation Committee adjusted 2012 FFO to utilize core FFO, which is FFO adjusted to exclude certain items that do not represent core revenue streams, such as termination fees, or core expenses, such as significant transaction expenses, which the Compensation Committee determined to be more indicative of the Company s performance and to give a more accurate picture of the Company s annual performance, whereas the Compensation Committee did not adjust 2011 FFO.

Stockholder Interest Alignment

We believe that our equity award program further enhances long-term stockholder value and encourages long-term performance by providing a strong alignment of interests between our named executive officers and our stockholders. Therefore, equity is a key component of our executive compensation program, with equity awards ranging between 40% and 59% of our named executive officers total compensation in 2012. In 2012, all

equity awards granted to our named executive officers residing in the U.S. (each of Messrs. Foust, Stein, Peterson and Caron) were in the form of long-term incentive units, while equity awards granted to our named executive officer residing outside the U.S. (Mr. Kumar) were in the form of restricted stock. These awards put significant value at risk for our named executive officers and are effective as an ownership and retention tool. Equity awards vest over four years, and are generally back-loaded providing for 20% vesting on each of the first and second anniversaries of the grant date and 30% vesting on each of the third and fourth anniversaries of the grant date.

Good Governance

In furtherance of our objective of implementing policies and practices that are mindful of the concerns of our stockholders, we have separated the roles of Chief Executive Officer (currently Mr. Foust) and Chairman of the Board (currently Mr. Singleton). Additionally, the Compensation Committee retained Towers Watson, an independent compensation consultant, to assist the Compensation Committee, among other things, in conducting and presenting the annual review of the total compensation packages for our executive officers.

The Compensation Committee consistently reviews our executive compensation program to ensure that it provides competitive pay opportunities. Our compensation programs consist of elements designed to complement each other and reward achievement of short-term and long-term objectives tied to our performance through association with an operating metric. We have chosen the selected metrics to align employee compensation, including compensation for the executives named in the Summary Compensation Table of this Proxy Statement, to our business strategy. The following are a few key 2012 actions and decisions with respect to our compensation program:

- As with past years, the named executive officers were eligible to earn cash incentive compensation based upon achievement of specific financial, operational and organizational objectives for 2012 as approved by the Compensation Committee that are designed to challenge the named executive officers to high performance.

- A larger portion of our named executive officers total cash compensation is designed to, and does, become dependent on Company, business group and individual performance.

- The Compensation Committee determines annual base salaries after reviewing salary survey data based on the Company s historical performance relative to its peer group.

- Our compensation programs encourage employees to build and maintain an ownership interest in the Company. Equity awards vest over four years, and are generally back-loaded providing for 20% vesting on each of the first and second anniversaries of the grant date and 30% vesting on each of the third and fourth anniversaries of the grant date.

- In 2012, Towers Watson was retained directly by and reported to the Compensation Committee. Towers Watson had no prior relationship with our Chief Executive Officer or any other named executive officer.

- Base salaries represented 14% to 23% whereas performance-based compensation represented 46% to 51% of the total compensation paid to our named executive officers reflecting our philosophy of paying for performance and aligning the interests of our named executive officers with stockholders interests.

- Based on the recommendations of management, a review of the Company s business plan and strategic objectives and the analysis provided by Towers Watson, the Compensation Committee established financial and operational goals and organizational development goals for each named executive officer.

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Overview of Our Executive Compensation Program

Objectives of Our Executive Compensation Program

The Compensation Committee is responsible for establishing, modifying and approving the compensation program for our executive officers. The objective of our executive compensation program is to attract, retain and motivate experienced and talented executives who can help maximize stockholder value. We believe that a significant portion of the compensation paid to executive officers should be closely aligned with our performance on both a short-term and long-term basis. In order to achieve this objective, in addition to annual base salaries, our executive compensation program uses a combination of annual cash bonus incentives and long-term incentives through equity-based compensation. We use equity-based awards as long-term incentives because ownership of equity in the Company aligns the interests of the executives with long-term creation of stockholder value and we view our company-wide performance and growth as the relevant long-term metric, while our annual cash awards can be targeted to reward the attainment of narrower, short-term performance objectives. The program is intended to encourage high performance, promote accountability and ensure that the interests of the executives are aligned with the interests of our stockholders by linking a significant portion of executive compensation directly to achievement of corporate goals and increases in stockholder value. We seek to provide total compensation to our executive officers that is competitive with the total compensation paid by comparable REITs and other real estate companies in our peer group, as discussed in more detail below.

The following are our principal objectives in establishing compensation for executive officers:

- Attract and retain individuals with superior ability, managerial talent and leadership capability;
- Ensure that executive officer compensation is aligned with our corporate strategies, business objectives and the long-term interests of our stockholders;
- Incentivize management to achieve key strategic and financial performance measures by linking incentive award opportunities to the achievement of performance goals in these areas; and
- Enhance the officers incentive to increase our stock price and maximize stockholder value, as well as promote retention of key executives, by providing a portion of total compensation opportunities for senior management in the form of direct ownership in our Company through equity awards, including awards of long-term incentive units in our operating partnership and restricted stock of the Company.

Elements of Compensation

The major elements of compensation for our named executive officers are (1) a base salary, intended to provide a stable annual income for each executive officer at a level consistent with such officer s individual contributions, (2) annual cash performance bonuses, intended to link each executive officer s compensation to the Company s performance and to such officer s performance, and (3) long-term compensation, which includes grants of long-term incentive units in our operating partnership and restricted stock of the Company intended to encourage actions to maximize stockholder value. Each of these elements is discussed in more detail below.

Certain named executive officers are also entitled to certain benefits upon a change in control of the Company, including severance benefits and full vesting of all equity awards (other than certain performance-based vesting equity awards that have not met their performance-based vesting requirement). We provide these benefits to our named executive officers in order to give them the personal security and stability necessary for them to focus on the performance of their duties and responsibilities to us and to encourage retention through a potential change in control. These items are described below under Executive Compensation Potential Payments upon Termination or Change in Control.

We believe that each of these elements plays an important role in our overall executive compensation program and together serve to achieve our compensation objectives. The Compensation Committee allocates total compensation between the cash components and equity compensation based on review of the practices of our peer group and the performance of the executive and the Company, while considering the balance among

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providing stability, short-term incentives and long-term incentives to align the interests of management with our stockholders. In 2012, the percentage of salary and cash bonus (including annual cash incentive awards paid under our Incentive Award Plan) to total compensation ranged from 30% to 47% for our named executive officers, and is set forth for each named executive officer in footnote 6 to our Summary Compensation Table below.

Determination of Compensation Awards

The Compensation Committee annually reviews and determines the total compensation to be paid to our named executive officers. Our management, after reviewing competitive market data and advice from a compensation consultant engaged by the Compensation Committee, makes recommendations regarding the compensation packages for our officers. The Compensation Committee in its review of these recommendations and in establishing the total compensation for each of our named executive officers considers several factors, including each executive s roles and responsibilities, each executive s performance, any significant accomplishments of the executive, our Company s financial and operational targets and performance, and competitive market data applicable to each executive s position and functional responsibilities.

Competitive Market Data and Compensation Consultant

In October 2011 and February 2012, the Compensation Committee reviewed the salary, bonus and equity compensation paid to our named executive officers and directors. In conducting this review, the Compensation Committee retained the services of Towers Watson as the Compensation Committee s independent compensation consultant.

For its consulting services, Towers Watson was instructed to review the Company s existing compensation program, provide current data with regard to industry trends, provide information regarding long-term compensation plans, identify and provide commentary on a peer group and provide cash and equity incentive award information for the peer group and assess and review the long-term incentive program.

Peer Group Review

The Compensation Committee reviews total cash and long-term compensation levels against those of our peer group companies in order to ensure executive compensation is set at levels that will attract and motivate qualified executives while rewarding performance based on corporate objectives. The Compensation Committee determines annual base salaries after reviewing salary survey and other publicly available data based on the Company s historical performance relative to its peer group. The Compensation Committee sets compensation levels for each executive officer on the basis of several factors, including the executive officer s level of experience, tenure with the Company, competitive market data applicable to the executive officer s positions and functional responsibilities, promoting retention, the performance of the executive officer and our Company s annual and long-term performance.

The peer group used to review 2012 base salaries, bonus targets and long-term equity awards consisted of the following eighteen companies: Alexandria Real Estate Equities, Inc., AvalonBay Communities, Inc., BioMed Realty Trust, Inc., Boston Properties, Inc., Douglas Emmett, Inc., Duke Realty Corporation, Equinix, Inc., Equity Residential, Essex Property Trust, Inc., Federal Realty Investment Trust, HCP, Inc., Health Care REIT, Inc., KIMCO Realty Corporation, Liberty Property Trust, Mack-Cali Realty Corporation, Prologis, Inc., SL Green Realty Corp. and Ventas, Inc.

During 2012, in reviewing 2012 base salaries, bonus targets and long-term incentive awards, we made the following adjustments to our 2011 peer group:

Removed Corporate Office Properties Trust Inc., DuPont Fabros Technology, Inc., Healthcare Realty Trust Incorporated, Kilroy Realty Corporation, Lexington Realty Trust, Nationwide Health Properties, Inc., PS Business Parks, Inc., Simon Property Group, Inc., Vornado Realty Trust, Washington Real Estate Investment Trust and Weingarten Realty Investors.

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Added Douglas Emmett, Inc., Equinix, Inc., Equity Residential, HCP, Inc., Health Care REIT, Inc. and Ventas Inc.
These changes were made to adjust the peer group to more closely reflect a similar industry group, company size and business match model for our Company.

Annual Performance Reviews

To aid the Compensation Committee in setting base salaries, cash incentive targets and long-term equity awards, management provides recommendations annually to the Compensation Committee regarding the compensation of all named executive officers. The Compensation Committee, with input from the Board, annually reviews the performance of our Chief Executive Officer, and our Chief Executive Officer reviews the performance of the remaining named executive officers. All of these reviews are presented to the Compensation Committee to provide input about their contributions to our success for the period being assessed.

Description of Individual Elements of Compensation

During the year ended December 31, 2012, compensation for our named executive officers was composed of base salary, annual performance-based cash bonuses and equity compensation awards. All amounts for Mr. Kumar are reflected in U.S. dollars based on the exchange rates in effect as of December 31, 2012.

Annual Base Salary

We provide named executive officers and other employees with base salaries to compensate them for services rendered each year. Base salaries comprise the stable part of the compensation program and are reviewed on an annual basis to remain competitive with our peers. This compensation element is necessary to provide the financial certainty that our executives seek when they are considering whether to join or remain with our Company. The base salaries for each of the named executive officers for 2012 were determined based in part on the analysis by Towers Watson of the compensation practices of companies in our peer group. The Compensation Committee also considered the Company s historical performance relative to its peer group as well as the performance of each of our named executive officers and their contributions to our overall success. Based on its review, the Compensation Committee increased the salaries of each of our named executive officers for 2012. The new base salaries became effective in March 2012 for each of our named executive officers. The 2012 salaries are set forth below under the heading Executive Compensation Summary Compensation Table. The following table sets forth the 2012 base salary, 2011 base salary and percentage increase for each named executive officer, except for Mr. Kumar who was not a named executive officer prior to 2012:

Named Executive Officer	2012 Salary	2011 Salary	% Increase
Michael F. Foust	$ 800,000	$ 724,500	10.4%
A. William Stein	474,392	460,575	3.0%
Scott E. Peterson	453,071	439,875	3.0%
David J. Caron	303,450	289,000	5.0%

Annual Incentive Bonuses

Our annual incentive bonus program is structured to reward named executive officers based on our performance and the individual executive s contribution to that performance. Annual incentive bonuses are paid in cash if and to the extent performance objectives established by the Compensation Committee at the beginning of the year are achieved. The Compensation Committee believes that the payment of the annual incentive bonus in cash provides the incentive necessary to retain executive officers and reward them for short-term Company performance.

Each named executive officer s annual incentive bonus opportunity for 2012 was established by our Compensation Committee and is described in Executive Compensation Grants of Plan-Based Awards. Each named executive officer s bonus opportunity provides for target and maximum bonus amounts, expressed as a percentage of base salary. In setting these amounts, our Compensation Committee considers, among other factors, each executive s roles and responsibilities within our Company, the total compensation package associated with that position and competitive market data applicable to that position.

For 2012, the target and maximum bonus amounts, expressed as a percentage of base salary, were as follows:

Named Executive Officer	Target	Maximum
Michael F. Foust	100%	150%
A. William Stein	100%	150%
Scott E. Peterson	100%	120%
David J. Caron	75%	115%
Kris Kumar	75%	115%

For each of our named executive officers, other than Mr. Kumar who was not a named executive officer prior to 2012, the 2012 target and maximum bonus amounts, expressed as a percentage of eligible base salary, which is the salary paid during the year, were unchanged from 2011. The target and maximum bonus payout percentages for each of the named executive officers, and the differences in such percentages among the named executive officers, were determined by reference to competitive market data and practices as well as consideration of each named executive officer s performance, role and responsibilities at our Company.

For 2012, based on the recommendations of management and a review of the Company s business plan, the Compensation Committee established financial and operational goals and organizational development goals for each named executive officer. The financial and operational goals included FFO targets, financing objectives, acquisitions and investments targets, leasing and marketing objectives, and operations objectives. The organizational development goals included training and development of employees to achieve high performance results and to focus on Company goals, and team organization and reorganization. FFO is used by industry analysts and investors as a supplemental performance measure of a REIT. FFO represents net income (loss) available to common stockholders (computed in accordance with U.S. GAAP), excluding gains (or losses) from sales of property, impairment charges, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures. In excluding real estate-related depreciation and amortization and gains and losses from property dispositions, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs.

The target and maximum levels of 2012 FFO established by the Compensation Committee were $4.42 and $4.48, respectively, per diluted share and unit. Our initial FFO guidance range for 2012 was $4.34 to $4.48 per diluted share and unit. The target and maximum amounts were set by the Compensation Committee based on a number of factors, including expectations surrounding acquisitions and leasing assumptions, financing assumptions, earnings growth, general economic conditions, real estate and technology fundamentals and other specific circumstances facing the Company. For the purpose of determining bonuses, the Compensation Committee may adjust FFO to exclude profits, losses or expenses which the Compensation Committee determines to be not indicative of the Company s performance to give a more accurate picture of the Company s annual performance. 2012 FFO was $4.44 per diluted share and unit. For purposes of determining 2012 bonuses, the Compensation Committee determined it was appropriate to use 2012 core FFO of $4.46 per diluted share and unit, which is FFO adjusted to exclude certain items that do not represent core revenue streams or expenses. The Compensation Committee determined that in 2012 core FFO was more indicative of the Company s performance and gave a more accurate picture of the Company s annual performance. Core FFO for the year ended December 31, 2012 excludes approximately $9.0 million of termination fees and other non-core revenues and $1.1 million of change in fair value of contingent consideration (related to an earn-out contingency in connection with the Sentrum Portfolio acquisition) and includes $11.1 million of significant transaction expenses, $0.3 million of loss from early extinguishment of debt and $1.3 million of other non-core expense adjustments (which include reversal of accruals).

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The financing objectives for 2012 included many factors, including those related to ensuring adequate liquidity to meet our business needs, achieving low cost of capital for market conditions, maximizing risk-adjusted equity returns while maintaining financial flexibility, obtaining debt or equity financing appropriate for business needs, minimizing tax leakage and maintaining access to the investment grade debt market. The acquisitions and investments targets for 2012 included targeting $300 million of new investments and achieving certain stabilized return targets on development/redevelopment projects. The leasing objective was based on achieving certain leasing targets in 2012. The operations objectives for 2012 included meeting or exceeding property level net operating income margin targets, improving net operating income at certain properties and increasing returns from new leasing. The organizational development goals for 2012 included training and development of employees to achieve high performance results and to focus on Company goals, and team organization and reorganization. The Compensation Committee determined that management met or exceeded each of the objectives in 2012 and exceeded the target level of FFO established by the Compensation Committee.

The specific financial and operational goals and organizational development goals for each named executive officer were established by the Compensation Committee based on the named executive officer s areas of responsibility, as follows:

Named Executive Officer	Financial and Operational Goals	Organizational Development Goals
Michael F. Foust	70%	30%
A. William Stein	85%	15%
Scott E. Peterson	90%	10%
David J. Caron	85%	15%
Kris Kumar	90%	10%

The Compensation Committee, based in part on the recommendations of management, determined each named executive officer s bonus based on the achievement of the established goals. For 2012, the Compensation Committee determined that all established goals had been achieved or exceeded. Accordingly, the Compensation Committee awarded Messrs. Foust, Stein, Peterson, Caron and Kumar their bonuses for 2012 in amounts that represented 111% to 134% of their respective target bonuses. The following table sets forth the 2012 bonus paid and the 2012 bonus paid as a percentage of eligible base salary, which is the salary paid during the year, and as a percentage of the target bonus amount for each named executive officer:

Named Executive Officer	2012 Bonus	Percentage of Eligible Base Salary	Percentage of Target Bonus
Michael F. Foust	$ 937,026	119%	119%
A. William Stein	619,617	131%	131%
Scott E. Peterson	500,468	111%	111%
David J. Caron	302,457	100%	134%
Kris Kumar	330,977	100%	134%

Equity Incentive Compensation

We have historically granted to our executive officers stock options and long-term incentive units in our operating partnership and, in the case of Mr. Kumar restricted stock, under our Incentive Award Plan. We believe that a significant portion of the compensation paid to executive officers should be closely aligned with our performance on both a short-term and long-term basis. The Compensation Committee believes that, while our annual bonus program provides awards for positive short-term performance, equity participation creates a vital

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long-term partnership between executive officers and stockholders. The program is intended to encourage high performance, promote accountability and ensure that the interests of the executives are aligned with the interests of our stockholders by linking a significant portion of executive compensation directly to increases in stockholder value.

The Compensation Committee allocates annual incentive compensation between the cash components and equity compensation based on a review of the practices of our peer group and competitive market data, while considering the balance among providing short-term incentives and long-term incentives to align the interests of management with our stockholders. The Compensation Committee did not utilize a formulaic approach in allocating the cash and equity-based portions of incentive compensation.

2012 Long-Term Incentive Unit Awards

The Compensation Committee believes that long-term incentive units are an effective incentive to retain our executive officers and increase their performance and closely align the interests of our executive officers with the long-term interests of our stockholders. Long-term incentive units may be issued to eligible participants for the performance of services to or for the benefit of our operating partnership. Long-term incentive units, other than class C profits interest units, whether vested or not, receive the same quarterly per-unit distributions as common units in our operating partnership, which equal the per-share distributions on our Common Stock.

Initially, long-term incentive units do not have full parity with common units with respect to liquidating distributions. If such parity is reached, vested long-term incentive units may be converted into an equal number of common units of our operating partnership at any time, and thereafter enjoy all the rights of common units of our operating partnership, including redemption rights.

In order to achieve full parity with common units, long-term incentive units must be fully vested and the holder s capital account balance in respect of such long-term incentive units must be equal to the capital account balance of a holder of an equivalent number of common units. (The capital account balance attributable to each common unit is generally expected to be the same, in part because of the amount credited to a partner s capital account upon their contribution of property to the operating partnership, and in part because the partnership agreement provides, in most cases, that allocations of income, gain, loss and deduction (which will adjust the partners capital accounts) are to be made to the common units on a proportionate basis. As a result, with respect to a number of long-term incentive units, it is possible to determine the capital account balance of an equivalent number of common units by multiplying the number of long-term incentive units by the capital account balance with respect to a common unit.)

A partner s initial capital account balance is equal to the amount the partner paid (or contributed to the operating partnership) for its units and is subject to subsequent adjustments, including with respect to the partner s share of income, gain or loss of the operating partnership. Because a holder of long-term incentive units generally will not pay for the long-term incentive units, the initial capital account balance attributable to such long-term incentive units will be zero. However, the operating partnership is required to allocate income, gain, loss and deduction to the partners capital accounts in accordance with the terms of the partnership agreement, subject to applicable Treasury Regulations. The partnership agreement provides that holders of long-term incentive units will receive special allocations of gain in the event of a sale or hypothetical sale of assets of our operating partnership prior to the allocation of gain to the Company or other limited partners with respect to their common units. The amount of such allocation will, to the extent of any such gain, be equal to the difference between the capital account balance of a holder of long-term incentive units attributable to such units and the capital account balance attributable to an equivalent number of common units. If and when such gain allocation is fully made, a holder of long-term incentive units will have achieved full parity with holders of common units. To the extent that, upon an actual sale or a hypothetical sale of the operating partnership s assets as described above, there is not sufficient gain to allocate to a holder s capital account with respect to long-term incentive units, or if such sale or hypothetical sale does not occur, such units will not achieve parity with common units.

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The term hypothetical sale refers to circumstances that are not actual sales of the operating partnership s assets but that require certain adjustments to the value of the operating partnership s assets and the partners capital account balances. Specifically, the partnership agreement provides that, from time to time, in accordance with applicable Treasury Regulations, the operating partnership will adjust the value of its assets to equal their respective fair market values, and adjust the partners capital accounts, in accordance with the terms of the partnership agreement, as if the operating partnership sold its assets for an amount equal to their value. Times for making such adjustments generally include the liquidation of the operating partnership, the acquisition of an additional interest in the operating partnership by a new or existing partner in exchange for more than a de minimis capital contribution, the distribution by the operating partnership to a partner of more than a de minimis amount of partnership property as consideration for an interest in the operating partnership, in connection with the grant of an interest in the operating partnership (other than a de minimis interest) as consideration for the performance of services to or for the benefit of the operating partnership (including the grant of a long-term incentive unit), and at such other times as may be desirable or required to comply with the Treasury Regulations.

The Compensation Committee approves awards of long-term incentive units on the basis of several factors, including the executive officer s total compensation package, the executive officer s roles and responsibilities within our Company, the executive officer s performance, any significant accomplishments of the executive officer, our Company s financial and operating performance and competitive market data applicable to each executive officer s position and functional responsibilities.

On February 14, 2012, the Compensation Committee approved an award of long-term incentive profits interest units in our operating partnership to each of Messrs. Foust, Stein, Peterson and Caron, as set forth below in the Executive Compensation Grants of Plan-Based Awards table. The awards were granted to the executives on February 14, 2012. Except for accelerated vesting in the event of a change in control of our Company, long-term incentive units awarded in 2012 were subject to either time-based vesting or both time-based and performance-based vesting. Each executive received a number of performance-based long-term incentive units equal to 125% of the number of time-based long-term incentive units received by the executive. Based on the recommendations of management and a review of the Company s business plan, the vesting of the performance-based long-term incentive units was based on our achievement of FFO per diluted share and unit results for the fiscal year ended December 31, 2012 (the Performance Condition). The Compensation Committee may adjust FFO to exclude profits, losses or expenses which the Compensation Committee determines to be not indicative of the Company s performance to give a more accurate picture of the Company s annual performance. If our 2012 FFO had been less than $4.34 per diluted share and unit, none of the long-term incentive units would have satisfied the Performance Condition. If our 2012 FFO per diluted share and unit had been between $4.34 and $4.48, then a number of performance-based long-term incentive units equal to between 75% and 125% of the time-based long term incentive units would have satisfied the Performance Condition. If our 2012 FFO per diluted share and unit had been more than $4.48, then a number of performance-based long-term incentive units equal to 125% of the time-based long term incentive units would have satisfied the Performance Condition. Based on our 2012 core FFO per diluted share and unit of $4.46, a number of performance-based long-term incentive units equal to 117% of the time-based long-term incentive units satisfied the Performance Condition. As discussed above, the Compensation Committee determined it was appropriate to use 2012 core FFO, which is FFO adjusted to exclude certain items that do not represent core revenue streams or expenses, for purposes of determining whether the long-term incentive unit awards satisfied the Performance Condition. All of the long-term incentive units granted in 2012 are subject to time-based vesting based on the executive s satisfaction of certain service conditions. The time-based service conditions of the awards provide for 20% vesting on each of the first and second anniversaries of the grant date and 30% vesting on each of the third and fourth anniversaries of the grant date, provided the executive continues to be employed with our Company on each anniversary date.

2012 Restricted Stock Awards

On February 14, 2012, the Compensation Committee approved an award of restricted stock to Mr. Kumar, as set forth below in the Executive Compensation Grants of Plan-Based Awards table. The award was granted on February 14, 2012. The restricted stock award, whether vested or not, entitles Mr. Kumar to receive

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the same quarterly per share distributions as our Common Stock. Except for accelerated vesting in the event of a change in control of our Company, the restricted stock award was subject to either time-based vesting or both time-based and performance-based vesting. Mr. Kumar received a number of performance-based restricted shares equal to 125% of the number of time-based restricted shares he received. Based on the recommendations of management and a review of the Company s business plan, the vesting of the performance-based restricted stock was based on our achievement of the Performance Condition, as described above. Based on our 2012 core FFO per diluted share and unit of $4.46, a number of performance-based long-term restricted shares equal to 117% of the time-based long-term restricted shares satisfied the Performance Condition. As discussed above, the Compensation Committee determined it was appropriate to use 2012 core FFO, which is FFO adjusted to exclude certain items that do not represent core revenue streams or expenses, for purposes of determining whether the restricted stock award satisfied the Performance Condition. All of the restricted stock granted to Mr. Kumar in 2012 is subject to time-based vesting based on his satisfaction of certain service conditions. The time-based service conditions of the awards provide for 20% vesting on each of the first and second anniversaries of the grant date and 30% vesting on each of the third and fourth anniversaries of the grant date, provided Mr. Kumar continues to be employed with our Company on each anniversary date.

Severance and Change in Control Benefits Employment Agreements

We have entered into employment agreements with our named executive officers to help provide stability and security and encourage them to remain with us. Certain of these employment agreements include severance and change in control benefits, among other things. The terms of these severance and change in control arrangements are described below in more detail under the caption Executive Compensation Potential Payments upon Termination or Change in Control. We provide these benefits to our named executive officers in order to give them the personal security and stability necessary for them to focus on the performance of their duties and responsibilities to us and to encourage retention through a potential change in control.

Perquisites

We generally provide our named executive officers with perquisites and other personal benefits that apply uniformly to all of our employees. The Compensation Committee periodically reviews the levels of perquisites and other personal benefits provided to named executive officers. In 2012, we provided the named executive officers with basic life insurance, health and disability plan benefits, for which our named executive officers were charged the same rates as all other employees, 401(k) matching funds or pension contributions, health savings account employer contributions and parking, as applicable. Other than these standard benefits, we do not provide any other perquisites.

2012 Advisory Vote on the Compensation of Named Executive Officers

In April 2012, we provided stockholders an advisory vote to approve the compensation of our named executive officers (the say-on-pay proposal). At our 2012 Annual Meeting of Stockholders, our stockholders overwhelmingly approved the compensation of our named executive officers, with 98% of the votes cast in favor of the say-on-pay proposal. In evaluating our executive compensation program, the Compensation Committee considered the results of the say-on-pay proposal and numerous other factors as discussed in this Compensation Discussion and Analysis. While each of these factors informed the Compensation Committee s decisions regarding the compensation of our named executive officers, the Compensation Committee did not implement significant changes to our executive compensation program in 2012. The Compensation Committee will continue to monitor and assess our executive compensation program and consider the outcome of our say-on-pay votes when making future compensation decisions for our named executive officers.

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Tax and Accounting Considerations

Internal Revenue Code Section 162(m)

When reviewing compensation matters, the Compensation Committee considers the anticipated tax consequences to us (and, when relevant, to our executives) of the various payments under our compensation programs. Section 162(m) of the Code disallows a tax deduction for any publicly held corporation for individual compensation of more than $1.0 million in any taxable year to certain executive officers other than compensation that is performance-based under a plan that is approved by the stockholders and that meets certain other technical requirements. We believe that we qualify as a REIT under the Code and generally are not subject to federal income taxes, provided we distribute to our stockholders at least 100% of our taxable income each year. As a result, we do not expect that the payment of compensation that does not satisfy the requirements of Section 162(m) of the Code will have a material adverse federal income tax consequence to us, provided we continue to distribute at least 100% of our taxable income each year. Consequently, the Compensation Committee does not necessarily limit executive compensation to the amount deductible under Section 162(m) of the Code. In appropriate circumstances, the Compensation Committee may implement programs that recognize a full range of performance criteria important to our success and to ensure that our executive officers are compensated in a manner consistent with our best interests and those of our stockholders, even where the compensation paid under such programs may not be deductible under Section 162(m) of the Code.

ASC Topic 718

Accounting Standards Codification Topic 718, Compensation Stock Compensation (ASC Topic 718) requires us to recognize an expense for the fair value of equity-based compensation awards. Grants of stock-based compensation are accounted for under ASC Topic 718. The Compensation Committee regularly considers the accounting implications of significant compensation decisions, especially in connection with decisions that relate to equity compensation awards. As accounting standards change, we may revise certain programs to appropriately align the cost of our equity awards with our overall executive compensation philosophy and objectives.

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Compensation Committee Report*

The Compensation Committee of the Board of Directors (the Board) of Digital Realty Trust, Inc., a Maryland corporation (the Company), has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K set forth in the Company s Proxy Statement with management. Based on such review and discussions with management, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Company s Proxy Statement and incorporated by reference to the Company s Annual Report on Form 10-K for the year ended December 31, 2012.

Robert H. Zerbst, Chair

Ruann F. Ernst, Ph.D.

Kathleen Earley

Dennis E. Singleton

Compensation Committee Interlocks and Insider Participation

For the year ended December 31, 2012, Mr. Zerbst, Ms. Earley, Ms. Ernst and Mr. Singleton served as members of our Compensation Committee. None of the members of our Compensation Committee is currently, or has been, an officer or employee of our Company. No interlocking relationships exist or in the last completed fiscal year have existed.

* The material in this report is not soliciting material, is not deemed filed with the SEC and is not incorporated by reference in any filing of the Company under the Securities Act or the Exchange Act, whether made before or after the date of this Proxy Statement and irrespective of any general incorporation language in such filing.

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Executive Compensation

Summary Compensation Table

The following table summarizes the total compensation paid to or earned by each of the named executive officers for the years ended December 31, 2012, 2011 and 2010, with the exception of Mr. Kumar, whose total compensation is shown only for 2012 because he was not a named executive officer in 2011 or 2010.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	All Other Compensation ($)(5)	Total ($)(6)
Michael F. Foust,	2012	$ 787,417	$	$ 3,374,966	$	$ 937,026	$ 662,741(7)	$ 5,762,150
Chief Executive Officer	2011	720,417		3,093,716		1,059,013	484,541	5,357,687
	2010	683,333		3,093,750		922,500	342,927	5,042,510
A. William Stein,	2012	472,089		1,687,483		619,617	282,535(8)	3,061,724
Chief Financial Officer,	2011	457,979		1,687,481		646,895	291,050	3,083,405
	2010	435,667		1,687,477		620,825	214,254	2,958,223
Chief Investment								
Officer and Secretary								
Scott E. Peterson,	2012	450,872		1,125,012		500,468	213,409(9)	2,289,761
Chief Acquisitions Officer	2011	437,396		1,124,988		481,136	218,092	2,261,612
	2010	361,304		2,425,015		419,113	134,118	3,339,550
David J. Caron,	2012	301,042		1,012,490		302,457	182,063(10)	1,798,052
Senior Vice President, Portfolio	2011	285,833		900,002		316,560	131,051	1,633,446
Management	2010	265,833		618,720		289,758	86,976	1,261,287
Kris Kumar,	2012	329,625		562,471		330,977	180,709(12)	1,403,782
Senior Vice President and Regional Head,								
Asia Pacific(11)								

(1) Represents salaries paid during each applicable year.

(2) The amounts in this column represent the full grant date fair value of long-term incentive units, or restricted stock for Mr. Kumar, granted during the applicable fiscal year in accordance with ASC Topic 718. For additional information on the valuation assumptions for 2012, refer to Note 13 to the Company s and our operating partnership s consolidated financial statements for the fiscal year ended December 31, 2012, included in the Company s and our operating partnership s Annual Report on Form 10-K for the year ended December 31, 2012.

The amounts shown include the grant date fair value of performance-based long-term incentive units or restricted stock granted in February 2012, based on the probable outcome of the performance conditions to which such long-term incentive units and restricted stock are subject, which is also the maximum value assuming the highest level of performance, calculated in accordance with ASC Topic 718. These long-term incentive units and restricted stock were subject to achievement of the performance conditions as described in the heading above entitled Compensation Discussion and Analysis Description of Individual Elements of Compensation 2012 Long-Term Incentive Unit Awards and 2012 Restricted Stock Awards. The grant date fair value of the performance-based long-term incentive units and restricted stock granted in February 2012 is as follows:

Michael F. Foust	$ 1,874,997
A. William Stein	937,498
Scott E. Peterson	624,999

David J. Caron	562,471
Kris Kumar	312,499

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(3) None of the named executive officers were granted stock options during 2012, 2011 or 2010.

(4) The amounts in this column represent performance-based cash incentive awards that were earned during the specified year and paid in the following year. See Compensation Discussion and Analysis Description of Individual Elements of Compensation Annual Incentive Bonuses for a discussion of each named executive officer s actual bonus relative to his target bonus for 2012.

(5) The amounts in this column represent medical, dental, vision and disability insurance premiums, basic life insurance premiums, 401(k) matching funds, health savings account employer contributions, parking and distributions on unvested long-term incentive units and restricted stock, but exclude distributions paid on unvested class C profits interest units, which were factored into the grant date fair value determination of such units, and vested long-term incentive units.

(6) Total salary paid in 2012 plus cash incentive awards paid in 2013 that were earned during 2012 constituted the following percentages of total compensation for each named executive officer:

Michael F. Foust	29.9%
A. William Stein	35.7%
Scott E. Peterson	41.5%
David J. Caron	33.6%
Kris Kumar	47.1%

(7) Includes $12,382 for medical, dental, vision, basic life and disability insurance premiums, $629,959 from distributions on unvested long-term incentive units, excluding unvested class C profits interest units, and other amounts related to parking, 401(k) matching funds and health savings account employer contributions.

(8) Includes $16,632 for medical, dental, vision, basic life and disability insurance premiums, $245,503 from distributions on unvested long-term incentive units, excluding unvested class C profits interest units, and other amounts related to parking, 401(k) matching funds and health savings account employer contributions.

(9) Includes $16,585 for medical, dental, vision, basic life and disability insurance premiums, $178,343 from distributions on unvested long-term incentive units, excluding unvested class C profits interest units, and other amounts related to parking, 401(k) matching funds and health savings account employer contributions.

(10) Includes $16,256 for medical, dental, vision, basic life and disability insurance premiums, $115,163 from distributions on unvested long-term incentive units, excluding unvested class C profits interest units, and other amounts related to parking, 401(k) matching funds and health savings account employer contributions. Also includes $35,305 in relocation payments related to Mr. Caron s relocation to our San Francisco headquarters from our Boston office.

(11) Mr. Kumar was not a named executive officer prior to 2012. Mr. Kumar is paid in Australian dollars, except for the stipend he receives for his residence outside of Australia (in Singapore) which is paid in Singapore dollars. All amounts for Mr. Kumar are reflected in U.S. dollars based on the exchange rates in effect as of December 31, 2012 of A$1.00 to US$1.04 and S$1.00 to US$.82.

(12) Includes $15,093 for health, basic life and disability insurance premiums, $36,589 from distributions on unvested restricted stock, and $28,254 related to pension contributions. Also includes a stipend of $100,774 for living expenses related to Mr. Kumar s residing outside of Australia (in Singapore) in connection with his job duties.

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Grants of Plan-Based Awards

The following table provides information concerning payouts under plan-based awards granted or awarded during 2012 to each of our named executive officers.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)				
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stocks or Units (#)(3)**	**Grant Date Fair Value of Stock and Option Awards ($)(4)**
Michael F. Foust,	02/14/2012		$ 800,000(5)	$ 1,200,000					
Chief Executive Officer	02/14/2012				16,157		26,928		$ 1,874,997
	02/14/2012							21,542	1,499,969
A. William Stein,	02/14/2012		474,392(5)	711,588					
Chief Financial Officer,	02/14/2012				8,078		13,464		937,498
Chief Investment Officer and Secretary	02/14/2012							10,771	749,985
Scott E. Peterson,	02/14/2012		453,071(5)	543,685					
Chief Acquisitions Officer	02/14/2012				5,386		8,976		624,999
	02/14/2012							7,181	500,013
David J. Caron,	02/14/2012		227,588(5)	348,968					
Senior Vice President,	02/14/2012				4,847		8,078		562,471
Portfolio Management	02/14/2012							6,463	450,019
Kris Kumar,	02/14/2012		249,574(5)	382,680					
Senior Vice President and	02/14/2012				2,693		4,488		312,499
Regional Head, Asia Pacific	02/14/2012							3,590	249,972

(1) Represents cash incentive awards payable in 2013 based on 2012 base salaries and 2012 performance. There were no threshold cash incentive bonus award amounts. See the Summary Compensation Table under the Non-Equity Incentive Plan Compensation column for actual 2012 bonuses paid.

(2) Represents performance-based long-term incentive units in our operating partnership for each of Messrs. Foust, Stein, Peterson and Caron, or restricted stock for Mr. Kumar, awarded in 2012. Indicated threshold and maximum amounts correspond to the number of long-term incentive units or restricted stock that would have been earned in the event that specified minimum and maximum FFO targets, respectively, were achieved. For more information on 2012 long-term incentive unit awards and restricted stock, see Compensation Discussion and Analysis Description of Individual Elements of Compensation 2012 Long-Term Incentive Unit Awards and 2012 Restricted Stock Awards.

(3) Represents time-based long-term incentive units in our operating partnership, or restricted stock for Mr. Kumar, awarded in 2012. For more information on the 2012 long-term incentive unit awards and restricted stock, see Compensation Discussion and Analysis Description of Individual Elements of Compensation 2012 Long-Term Incentive Unit Awards and 2012 Restricted Stock Awards.

(4) Represents the full grant date fair value of performance-based long-term incentive units for each of Messrs. Foust, Stein, Peterson and Caron, or restricted stock for Mr. Kumar, and time-based long-term incentive units for each of Messrs. Foust, Stein, Peterson and Caron, or restricted stock for Mr. Kumar, granted during 2012 in accordance with ASC Topic 718. For additional information on the valuation assumptions, refer to Note 13 to the Company s and our operating partnership s consolidated financial statements for the fiscal year ended December 31, 2012, included in the Company s and our operating partnership s Annual Report on Form 10-K for the year ended December 31, 2012.

The amounts shown include the grant date fair value of performance-based long-term incentive units or restricted stock granted in February 2012, based on the probable outcome of the performance conditions to which such long-term incentive units and restricted stock are subject, which is also the maximum value assuming the highest level of

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performance, calculated in accordance with ASC Topic 718. These long-term incentive units and restricted stock are subject to achievement of the performance conditions as described in the heading above entitled Compensation Discussion and Analysis Description of Individual Elements of Compensation 2012 Long-Term Incentive Unit Awards and 2012 Restricted Stock Awards. The grant date fair value of the performance-based long-term incentive units and restricted stock granted in February 2012 is as follows:

Michael F. Foust	$ 1,874,997
A. William Stein	937,498
Scott E. Peterson	624,999
David J. Caron	562,471
Kris Kumar	312,499

(5) Represents target cash incentive awards based on amounts established for 2012. Actual cash incentive awards are based on salaries actually paid in 2012.

Narrative Disclosure to Compensation Tables

2007 Outperformance Awards

On May 2, 2007, the Compensation Committee approved the grant to each of our named executive officers of an award of class C profits interest units of our operating partnership under our Incentive Award Plan. If the performance condition and the other vesting conditions were satisfied with respect to a class C profits interest unit, the class C profits interest unit would be treated in the same manner as the existing long-term incentive units issued by our operating partnership. For a discussion of the manner in which class C profits interest units may achieve parity with common units, see Compensation Discussion and Analysis Description of Individual Elements of Compensation 2012 Long-Term Incentive Unit Awards.

The class C profits interest units subject to each 2007 award was subject to a performance condition based on the achievement of a total stockholder return (which we refer to as the performance condition) as measured on November 1, 2008 (which we refer to as the first measurement date) and May 1, 2010 (which we refer to as the second measurement date). If:

- with respect to the first measurement date, we achieved a total stockholder return equal to at least 18% over a period commencing on May 2, 2007 and ending on November 1, 2008; and

- with respect to the second measurement date, we achieved a total stockholder return equal to at least 36% over a period commencing on May 2, 2007 and ending on the earlier of May 1, 2010 and the date of a change in control of our Company,

the performance condition would be deemed satisfied with respect to a number of class C profits interest units that is based on the executive s allocated percentage of an aggregate performance award pool. We did not satisfy the performance condition at the first measurement date. On May 1, 2010, we determined that 613,485 of the class C profits interest units granted in 2007 described above satisfied the market condition on the second measurement date, with the value of these units equal to the maximum amount of the award pool payable on the second measurement date.

Of the class C profits interest units that satisfied the performance condition, 60% vested at the end of the three-year performance period ending on May 1, 2010 and an additional 1/60th of such class C profits interest units will vest on the date of each monthly anniversary thereafter, provided that the executive s service has not terminated prior to the applicable vesting date. If a change in control of our Company occurs after the second measurement date and the executive remains a service provider, the class C profits interest units that satisfied the performance condition will fully vest immediately prior to the change in control. To the extent that any class C profits interest units failed to satisfy the performance condition at the end of the performance period, such class C profits interest units were automatically cancelled and forfeited by the executive.

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Employment Agreements

Michael F. Foust

On August 7, 2008, we entered into a new employment agreement with Mr. Foust, our Chief Executive Officer. On December 24, 2008, the employment agreement was amended for further compliance with Section 409A of the Code. The current term of Mr. Foust s employment agreement extends until August 6, 2013, subject to automatic renewal for successive one-year periods unless either party provides notice of such party s intention not to renew the employment agreement not less than 60 days prior to August 6, 2013.

Mr. Foust s annual base salary pursuant to the employment agreement, as adjusted, is currently $816,000, subject to increase in accordance with our policies in effect from time to time. Mr. Foust is eligible for an annual cash performance bonus under our incentive bonus plan based on the satisfaction of performance criteria established in accordance with the terms of such plan. The target and maximum annual bonuses for Mr. Foust are currently 100% and 150%, respectively, of his base salary. Mr. Foust is eligible to participate in all incentive, savings and retirement plans, practices, policies and programs, and medical and other group welfare plan coverage and fringe benefits provided to similarly-situated executives.

Mr. Foust s employment agreement provides that if his employment is terminated (i) by us without cause, (ii) by Mr. Foust for good reason (each as defined in the employment agreement) or (iii) by Mr. Foust for any reason on or within 30 days after the six month anniversary of a change in control (as defined in our Incentive Award Plan), then, subject to Mr. Foust s execution and non-revocation of a general release of claims, he will be entitled to a lump-sum termination payment within 30 days after the date of such termination in an amount equal to the sum of (a) three times the sum of his then-current annual base salary plus his maximum annual bonus for the fiscal year in which the termination date occurs, (b) the prorated portion of 150% of his then-current annual base salary for the partial fiscal year in which the termination date occurs (the stub year bonus) and (c) if the termination occurs after a fiscal year-end but before annual bonuses are paid or determined for such preceding fiscal year, an amount equal to such unpaid bonus, if determined, or 150% of his base salary actually paid for such preceding year (the prior year bonus), if any. In addition, all outstanding unvested stock options and other equity-based awards held by Mr. Foust, other than any equity award that is subject to performance-based vesting (including unvested class C profits interest units and 2012 long-term incentive unit awards), shall become fully vested and exercisable. With respect to any outstanding unvested stock options and other equity-based awards subject to performance-based vesting (including unvested class C profits interest units and 2012 long-term incentive unit awards), Mr. Foust will continue to be deemed a service provider under the applicable award agreements until all such awards that ultimately satisfy the performance conditions, if any, vest. Further, in the event of any such termination described in this paragraph, Mr. Foust will be entitled to continued health insurance coverage at least equal to the coverage that would have been provided to him if his employment had not been terminated, for a period ending on the earlier of the first anniversary of such termination or the date on which he becomes eligible to receive comparable health insurance under a subsequent employer s plan.

Mr. Foust s employment agreement further provides that upon death or disability, he will be entitled to a lump-sum severance payment in an amount equal to the sum of (i) his then-current annual base salary, (ii) his maximum annual bonus for the fiscal year in which the termination date occurs, (iii) the stub year bonus and (iv) the prior year bonus, if any. In addition, all equity-based awards held by Mr. Foust will be subject to the severance provisions described in the preceding paragraph.

Mr. Foust is entitled to an additional tax gross-up payment under his employment agreement if any amounts paid or payable to him would be subject to the excise tax on certain so-called excess parachute payments under Section 4999 of the Code. However, if a reduction in the payments of 10% or less would render the excise tax inapplicable, then the payments will be reduced by such amount and we will not be required to make the gross-up payment.

The employment agreement of Mr. Foust contains confidentiality provisions which apply indefinitely and non-solicitation provisions which will apply during the term of his employment and for a one-year period

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thereafter. In addition, the employment agreement provides that, except in limited circumstances, Mr. Foust generally may not compete with us through the acquisition or ownership of technology-related real estate properties in the United States or Europe during the term of his employment with us.

A. William Stein

On August 7, 2008, we entered into a new employment agreement with Mr. Stein, our Chief Financial Officer and Chief Investment Officer. On December 24, 2008, the employment agreement was amended for further compliance with Section 409A of the Code. On June 9, 2010 and November 12, 2010, the employment agreement was further amended to reflect an increase in Mr. Stein s target and maximum annual bonus amounts to 100% and 150%, respectively, from 75% and 100%, respectively, of his base salary, as approved by the Compensation Committee. The current term of Mr. Stein s employment agreement extends until August 6, 2013, subject to automatic renewal for successive one-year periods unless either party provides notice of such party s intention not to renew the employment agreement not less than 60 days prior to August 6, 2013.

Mr. Stein s annual base salary pursuant to the employment agreement, as adjusted, is currently $483,892, subject to increase in accordance with our policies in effect from time to time. Mr. Stein is eligible for an annual cash performance bonus under our incentive bonus plan based on the satisfaction of performance criteria established in accordance with the terms of such plan. The target and maximum annual bonuses for Mr. Stein are currently 100% and 150%, respectively, of his base salary. Mr. Stein is eligible to participate in all incentive, savings and retirement plans, practices, policies and programs, and medical and other group welfare plan coverage and fringe benefits provided to similarly-situated executives.

Mr. Stein s employment agreement provides that if his employment is terminated by us without cause or by Mr. Stein for good reason (each as defined in the employment agreement), then, subject to Mr. Stein s execution and non-revocation of a general release of claims, he will be entitled to receive a lump-sum severance payment within 60 days after the date of such termination in an amount equal to the sum of (i) his then-current annual base salary, (ii) the prorated portion of the maximum annual bonus for the partial fiscal year in which the termination date occurs (the stub year bonus) and (iii) if the termination occurs after a fiscal year-end but before annual bonuses are paid or determined for such preceding fiscal year, an amount equal to such unpaid bonus, if determined, or the maximum bonus (the prior year bonus), if any.

Pursuant to Mr. Stein s employment agreement, in the event of a termination of Mr. Stein s employment by us without cause or by the executive for good reason on or within one year after a change in control (as defined in our Incentive Award Plan), in lieu of the severance payment set forth in the preceding paragraph, Mr. Stein will be entitled to receive a lump-sum severance payment within 60 days after the date of such termination in an amount equal to the sum of (i) two times the amount of his then-current base salary, (ii) two times the greater of (a) his target annual bonus for the fiscal year in which the termination date occurs or (b) the annual bonus paid for the immediately preceding fiscal year, (iii) the stub year bonus and (iv) the prior year bonus, if any. Mr. Stein will also be entitled to continued health insurance coverage at least equal to the coverage that would have been provided to him if his employment had not been terminated, for a period ending on the earlier of the first anniversary of such termination or the date on which he becomes eligible to receive comparable health insurance under a subsequent employer s plan. In addition, all outstanding unvested stock options and other equity-based awards held by Mr. Stein, other than any equity award that is subject to performance-based vesting (including unvested class C profits interest units and other outperformance awards), shall become fully vested and exercisable; provided, that with respect to any stock options and other equity-based awards that were subject to a performance condition (including unvested class C profits interest units and 2012 long-term incentive unit awards), such stock options or other equity-based awards shall only vest to the extent provided in the applicable award agreement.

Mr. Stein s employment agreement further provides that upon death or disability, he will be entitled to a lump-sum severance payment in an amount equal to the sum of (i) his then-current annual base salary, (ii) his maximum annual bonus for the fiscal year in which the termination date occurs, (iii) the stub year bonus and

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(iv) the prior year bonus, if any. In addition, all equity-based awards held by Mr. Stein will be subject to the severance provisions described in the preceding paragraph, except that with respect to any outstanding unvested stock options and other equity-based awards subject to performance-based vesting (including unvested class C profits interest units and 2012 long-term incentive unit awards), Mr. Stein will continue to be deemed a service provider under the applicable award agreements until all such awards that ultimately satisfy the performance conditions, if any, vest.

Mr. Stein is entitled to an additional tax gross-up payment under his employment agreement if any amounts paid or payable to him would be subject to the excise tax on certain so-called excess parachute payments under Section 4999 of the Code. However, if a reduction in the payments of 10% or less would render the excise tax inapplicable, then the payments will be reduced by such amount and we will not be required to make the gross-up payment.

The employment agreement of Mr. Stein contains confidentiality provisions which apply indefinitely and non-solicitation provisions which will apply during the term of his employment and for a one-year period thereafter. In addition, the employment agreement provides that, except in limited circumstances, Mr. Stein generally may not compete with us through the acquisition or ownership of technology-related real estate properties in the United States or Europe during the term of his employment with us.

Scott E. Peterson

On December 24, 2008, we entered into an amended and restated employment agreement with Mr. Peterson, our Chief Acquisitions Officer. Mr. Peterson s employment under this agreement is at-will and either party may terminate his employment for any reason or for no reason by giving 30 days notice to the other party.

Mr. Peterson s annual base salary pursuant to the employment agreement, as adjusted, is currently $462,171, subject to increase in accordance with our policies in effect from time to time. Mr. Peterson is eligible for an annual cash performance bonus under our incentive bonus plan based on the satisfaction of performance criteria established in accordance with the terms of such plan. The target and maximum annual bonuses for Mr. Peterson are currently 100% and 120%, respectively, of his base salary. Mr. Peterson is eligible to participate in all incentive, savings and retirement plans, practices, policies and programs, and medical and other group welfare plan coverage and fringe benefits provided to similarly-situated employees.

Mr. Peterson s employment agreement provides that if his employment is terminated by us without cause (as defined in the employment agreement), then, subject to Mr. Peterson s execution and non-revocation of a general release of claims, he will be entitled to receive a lump-sum severance payment within 60 days after the date of such termination in an amount equal to 50% of the sum of (i) his then-current annual base salary and (ii) his target bonus for the fiscal year in which the termination date occurs.

Pursuant to Mr. Peterson s employment agreement, in the event of a termination of Mr. Peterson s employment by us without cause on or within one year after a change in control (as defined in our Incentive Award Plan), in lieu of the severance payment set forth in the preceding paragraph, Mr. Peterson will be entitled to receive a lump-sum severance payment within 60 days after the date of such termination in an amount equal to the sum of (i) his then-current base salary and (ii) the greater of (a) his target annual bonus for the fiscal year in which the termination date occurs or (b) the annual bonus paid for the immediately preceding fiscal year. Mr. Peterson s employment agreement further provides that in the event of a termination of Mr. Peterson s employment by us without cause within the six-month period immediately preceding a change in control in connection with such change in control, Mr. Peterson will be entitled to receive a lump-sum severance payment, within the earlier of (i) the six-month anniversary of his date of termination or (ii) the date on which the change in control occurs, in an amount equal to the excess of the amount of severance payable under the preceding sentence over the amount of severance payable under the preceding paragraph. Further, in the event of any such termination described in this paragraph, all outstanding unvested stock options and other equity-based awards held by Mr. Peterson, other than any equity award that is subject to performance-based vesting (including unvested class C profits interest units), shall become fully vested and exercisable; provided, that with respect to any stock options and other equity-based awards that were subject to a performance condition (including unvested class C profits interest units and 2012 long-term incentive unit awards), such stock options or other equity-based awards shall only vest to the extent provided in the applicable award agreement.

Mr. Peterson s employment agreement does not provide for any payments or benefits upon death or disability, or additional tax gross-up payment on so-called excess parachute payments under Section 4999 of the Code.

The employment agreement of Mr. Peterson contains confidentiality provisions which apply indefinitely and non-solicitation provisions which will apply during the term of his employment and for a six-month period thereafter.

David J. Caron

On July 30, 2004, we entered into an employment agreement with Mr. Caron, our Senior Vice President, Portfolio Management. On December 4, 2008, the employment agreement was amended for further compliance with Section 409A of the Code. Mr. Caron s employment under this agreement is at-will and either party may terminate his employment for any reason or for no reason by giving 15 days notice to the other party.

Mr. Caron s annual base salary pursuant to the employment agreement, as adjusted, is currently $348,950, subject to adjustment in accordance with our policies in effect from time to time. Mr. Caron is eligible for an annual cash performance bonus under our incentive bonus plan based on the satisfaction of performance criteria established in accordance with the terms of such plan. The target and maximum annual bonuses for Mr. Caron are currently 75% and 115%, respectively, of his base salary. Mr. Caron is eligible to participate in all incentive, savings and retirement plans, practices, policies and programs, and medical and other group welfare plan coverage and fringe benefits provided to similarly-situated employees.

Mr. Caron s employment agreement provides that if his employment is terminated by us without cause (as defined in the employment agreement), then, subject to Mr. Caron s execution and non-revocation of a general release of claims, he will be entitled to receive a lump-sum severance payment within 60 days after the date of such termination in an amount equal to 50% of his then-current annual base salary.

Mr. Caron s employment agreement does not provide for any payments or benefits upon death or disability, or additional tax gross-up payment on so-called excess parachute payments under Section 4999 of the Code.

Mr. Caron s employment agreement contains confidentiality provisions which apply indefinitely and non-solicitation provisions which will apply during the term of his employment and for a six-month period thereafter.

Kris Kumar

On June 14, 2010, Digital Investment Management Pte. Ltd., our Singapore subsidiary, entered into an employment agreement with Mr. Kumar, our Senior Vice President and Regional Head, Asia Pacific. Mr. Kumar s employment under this agreement is at-will and either party may terminate his employment for any reason or for no reason at any time by giving two months notice to the other party. In the event of a termination of employment by the company, Mr. Kumar may receive payment of his pro-rated annual base salary in lieu of such notice. Notwithstanding the foregoing, the company may terminate Mr. Kumar s employment by service of notice in writing upon the occurrence of any of the following events:

- Being disqualified to act as a director or an executive officer of the company under Singapore laws or regulations or the policies of the company;

- Being guilty of any dishonesty, misconduct or neglect of duty or commitment of any continued or repeat material breach of the terms of the employment agreement or the company s policies after written warning (other than a breach which is capable of remedy and has been remedied by him to the satisfaction of the company within 30 days upon his being called upon to do so in writing by the board of directors of the company);

Becoming bankrupt or making any arrangement or composition with his creditors or suffering a receiving order being made against him; or

Conviction of any criminal offence which will affect his good standing and ability to hold the position as the Senior Vice President and Regional Head, Asia Pacific or a director of the company (other than an offence under the road traffic legislation in Singapore for which he is not sentenced to any term of imprisonment).

Mr. Kumar s annual base salary pursuant to the employment agreement, as adjusted, is currently $342,743, subject to adjustment in accordance with our policies in effect from time to time. Mr. Kumar is eligible for an annual cash performance bonus under our incentive bonus plan based on the satisfaction of performance criteria established in accordance with the terms of such plan. The target and maximum annual bonuses for Mr. Kumar are currently 75% and 115%, respectively, of his base salary. Mr. Kumar is eligible to participate in any benefit plans maintained or sponsored by the company.

Mr. Kumar s employment agreement provides that so long as he is required to be based outside Australia, the company will provide him with an apartment as his residence, subject to a maximum rental of $8,398 per month.

Mr. Kumar s employment agreement does not provide for any payments or benefits upon termination of employment, death or disability, or additional tax gross-up payment on so-called excess parachute payments under Section 4999 of the Code.

Mr. Kumar s employment agreement contains certain confidentiality provisions which apply indefinitely.

Definitions

As used in the employment agreements of each of Messrs. Foust, Stein, Peterson and Caron, cause shall generally mean the occurrence of any one or more of the following events:

With respect to Messrs. Foust and Stein: (i) willful and continued failure to substantially perform the executive s duties with our Company (other than any such failure resulting from the executive s incapacity due to physical or mental illness); (ii) willful commission of an act of fraud or dishonesty resulting in economic or financial injury to our Company or its subsidiaries or affiliates; (iii) conviction of, or entry of a guilty or no contest plea to, the commission of a felony or a crime involving moral turpitude; (iv) willful breach by the executive of any fiduciary duty owed to our Company which results in economic or other injury to our Company or its subsidiaries or affiliates; (v) willful and gross misconduct in the performance of the executive s duties that results in economic or other injury to our Company or its subsidiaries or affiliates; (vi) willful and material breach of the restrictive covenants set forth in the employment agreement; or (vii) material breach by the executive of any of his other obligations under the employment agreement. Solely with respect to Mr. Foust, his employment agreement provides that in the event of a termination of employment by our Company (other than by reason of death or disability or pursuant to clause (iii) of this paragraph) on or within one year after a change in control or within the six month period immediately preceding a change in control in connection with such change in control, it shall be presumed that such termination was effected by our Company other than for cause unless the contrary is established by our Company.

With respect to Mr. Peterson: (i) willful and gross misconduct which materially injures the general reputation of any member of our Company or interferes with contracts or operations of any member of our Company; (ii) conviction of, or entry of a guilty or no contest plea to, a felony or any crime involving moral turpitude; (iii) fraud, misrepresentation, or breach of trust by him in the course of his

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employment which adversely affects any member of our Company; (iv) willful and gross misconduct in the performance of his duties hereunder that results in economic or other injury to our Company or its subsidiaries or affiliates; (v) a material breach of the restrictive covenants set forth in the employment agreement; or (vi) a material breach by him of any of his obligations under the employment agreement.

With respect to Mr. Caron: (i) material failure by him to exercise a reasonable level of skill and efficiency in performing his duties or responsibilities; (ii) misconduct by him which injures the general reputation of our Company or its subsidiaries or affiliates or interferes with contracts or operations of our Company or its subsidiaries or affiliates; (iii) his conviction of, or entry of a guilty or no contest plea to, a felony or any crime involving moral turpitude; (iv) fraud, misrepresentation, or breach of trust by him in the course of his employment which adversely affects our Company or its subsidiaries or affiliates; (v) his willful and gross misconduct in the performance of his duties hereunder that results in economic or other injury to our Company or its subsidiaries or affiliates; (vi) a material breach of the restrictive covenants set forth in the employment agreement; or (vii) a material breach by him of any of his obligations under the employment agreement.

As used in the employment agreements of Messrs. Foust and Stein, disability shall mean a disability that qualifies or, had the executive been a participant, would qualify him to receive long-term disability payments under our Company s group long-term disability insurance plan or program, as it may be amended from time to time.

As used in the employment agreements of Messrs. Foust and Stein, good reason shall generally mean the occurrence of any one or more of the following events without the executive s prior written consent, along with our Company s failure to cure within 30 days after the receipt of notice thereof: (i) assignment of any duties materially inconsistent with the executive s position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by the employment agreement, or any other action by our Company which results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by our Company; (ii) reduction in the case of Mr. Foust, and material reduction in the case of Mr. Stein, of annual base salary or bonus opportunity, each as in effect on the date of the employment agreement or as the same may be increased from time to time; (iii) the relocation of our offices at which the executive is principally employed to a location more than 45 miles from such location, or our Company s requiring the executive to be based at a location more than 45 miles from such principal place of employment, except for required travel on company business; or (iv) failure to obtain a satisfactory agreement from any successor to assume and agree to perform our Company s obligations under the employment agreement.

As used in the employment agreements of Messrs. Foust, Stein and Peterson, change in control means the occurrence of any of the following events:

the acquisition, directly or indirectly, by any person or group of beneficial ownership of securities entitled to vote generally in the election of directors (referred to as voting securities) that represent 35% or more of the combined voting power of our then outstanding voting securities, subject to certain exceptions;

individuals who, as of the date of the closing of our initial public offering constitute the Board cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a director subsequent to the date of the agreement whose election by our stockholders, or nomination for election by the Board, was approved by a vote of at least a majority of the directors then comprising the incumbent Board will be considered as though such individual were a member of the incumbent Board;

our consummation (whether directly or indirectly through one or more intermediaries) of a merger, consolidation, reorganization or business combination or a sale or other disposition of all or substantially all of our assets or the acquisition of assets or stock of another entity, in each case, other than a transaction;

which results in our voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, us or owns, directly or indirectly, all or substantially all of our assets or otherwise succeeds to our business) directly or indirectly, at least a majority of the combined voting power of the successor entity s outstanding voting securities immediately after the transaction, and

after which no person or group, other than Global Innovation Partners, LLC or CALPERS, or any affiliate thereof, beneficially owns voting securities representing 35% or more of the combined voting power of the successor entity; or

approval by our stockholders of our liquidation or dissolution.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable[1]**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)[2]**	**Market Value of Shares or Units of Stock That Have Not Vested ($)[3]**	**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 ($)**
Michael F. Foust, Chief Executive Officer	551			$ 41.73	05/02/17	154,905	$ 10,516,500		
A. William Stein, Chief Financial Officer, Chief Investment Officer and Secretary						83,656	5,679,406		
Scott E. Peterson, Chief Acquisitions Officer						60,684	4,119,837		
David J. Caron., Senior Vice President, Portfolio Management						39,271	2,666,108		
Kris Kumar, Senior Vice President and Regional Head, Asia Pacific						12,128	823,370		

(1) Represents stock options granted on May 2, 2007, of which 20% vested on May 2, 2008, and the remainder of which vested on a monthly basis and became fully vested on May 2, 2012.

(2) Represents long-term incentive units in our operating partnership for each of Messrs. Foust, Stein, Peterson and Caron, or restricted stock for Mr. Kumar. Each award is scheduled to vest with respect to 20% of the long-term incentive units or restricted shares subject thereto on each of the first and second anniversaries of the date of grant, and with respect to 30% of the long-term incentive units or restricted shares subject thereto on each of the third and fourth anniversaries of the date of grant.

With respect to each of Messrs. Foust, Stein, Peterson and Caron, also includes class C profits interest units in our operating partnership granted in 2007, which satisfied a performance condition based on the achievement of total stockholder return as of May 1, 2010 and were subject to time-based vesting conditions. Of the class C profits interest units that satisfied the performance condition, 60% vested on May 1, 2010 and an additional 1/60th of such class C

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profits interest units vested on the date of each monthly anniversary thereafter and became fully vested on May 1, 2012. The vesting of such class C profits interest units, the satisfaction of the performance condition and the other factors are described in Note 13 to the Company s and our operating partnership s consolidated financial statements for the fiscal year ended December 31, 2012, included in the Company s and our operating partnership s Annual Report on Form 10-K for the year ended December 31, 2012.

(3) Based on the closing market price of our Common Stock on December 31, 2012 of $67.89 per share.

Option Exercises and Stock Vested

The following table discloses the number of options exercised by our named executive officers during 2012, and the value realized by these officers on exercise. The following table also discloses the number of long-term incentive units, class C profits interest units and, for Mr. Kumar restricted stock which vested during 2012, and the value realized by these officers on vesting.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(2)
Michael F. Foust, Chief Executive Officer	10,449	$ 303,648	60,800	$ 4,117,655
A. William Stein, Chief Financial Officer, Chief Investment Officer and Secretary	2,017	57,341	27,787	1,993,439
Scott E. Peterson, Chief Acquisitions Officer	3,401	108,336	21,267	1,532,897
David J. Caron, Senior Vice President, Portfolio Management	20,157	1,116,683	13,564	970,431
Kris Kumar, Senior Vice President and Regional Head, Asia Pacific			1,415	106,063

(1) Value realized on exercise of stock options is calculated based on the difference between the per share market price of our Common Stock at the time of exercise, or the per share closing market price of our Common Stock on the date of exercise, as applicable, and the exercise price of such options.

(2) Value realized on vesting of long-term incentive units and class C profits interest units is calculated based on the per share closing market price of our Common Stock on the vesting dates of such units and assumes those units were exchanged for Common Stock and sold on that date. Value realized on vesting of shares of restricted stock is calculated based on the per share closing market price of our Common Stock on the vesting dates of such shares.

Potential Payments upon Termination or Change in Control

Certain named executive officers are entitled to certain benefits upon a change in control of the Company, including that all equity awards (other than certain performance-based vesting equity awards that have not met their performance-based vesting requirement) held by them will become fully vested upon a change in control, even absent a termination of employment. Certain of our named executive officers are also entitled to severance payments pursuant to the terms of their employment agreements, as set forth under Narrative Disclosure to Compensation Tables Employment Agreements above.

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The following table sets forth an estimate of the payments to be made to our named executive officers in the event any of the terminations described above or a change in control occurs, assuming that the triggering event took place on December 31, 2012.

Name	Without Cause or for Good Reason (without Change in Control)	Death or Disability	Without Cause or for Good Reason (with Change in Control)(1)	Occurrence of Change in Control(2)
Michael F. Foust,				
Chief Executive Officer				
Severance Payment	$ 7,143,377	$ 3,181,126	$ 7,143,377	$
Unvested Profits Interest Units(3)	4,673,955	4,673,955	10,516,500	10,516,500
Health Insurance	9,866		9,866	
280G Tax Gross-up Payment			4,933,610	
A. William Stein,				
Chief Financial Officer, Chief Investment Officer and Secretary				
Severance Payment	$ 1,182,526	$ 1,890,659	$ 2,950,708	$
Unvested Profits Interest Units(3)		2,524,408	5,679,406	5,679,406
Health Insurance			14,810	
280G Tax Gross-up Payment			2,065,229	
Scott E. Peterson,				
Chief Acquisitions Officer				
Severance Payment	$ 451,972(4)		$ 934,207(4)	$
Unvested Profits Interest Units(3)			4,119,837	4,119,837
David J. Caron,				
Senior Vice President, Portfolio Management				
Severance Payment	$ 151,725(4)		$ 151,725(4)	$
Unvested Profits Interest Units(3)		1,184,952	2,666,108	2,666,108
Kris Kumar,				
Senior Vice President and Regional Head, Asia Pacific				
Severance Payment(5)	$ 54,938	54,938	$ 54,938	$ 54,938
Unvested Restricted Stock(3)		426,621	823,370	823,370

(1) With respect to Mr. Foust, pursuant to his employment agreement, this includes a resignation by him for any reason on or within 30 days after the six month anniversary of a change in control (as defined in our Incentive Award Plan). With respect to Mr. Peterson, pursuant to his employment agreement, this includes a termination of his employment by us without cause (as defined in his employment agreement) within the six-month period immediately preceding a change in control in connection with such change in control (as defined in our Incentive Award Plan), upon the occurrence of which, Mr. Peterson would be entitled to an additional payment of $482,236.

(2) The amounts payable that are reflected in this column with respect to acceleration of each named executive officer s equity awards will only be paid once upon the occurrence of a change in control and not again in the event of a subsequent termination of employment.

(3) Pursuant to the employment agreements with Messrs. Foust, Stein and Peterson, the executive will continue to be deemed a service provider under all performance-based vesting awards until all such awards that ultimately have satisfied their performance conditions vest (except, in the case of Mr. Stein upon a termination of his employment by us without cause or for good reason without any change in control, and, in the case of Mr. Peterson upon a termination of his employment by us without cause without any change in control or upon his death or disability). The employment agreements with Messrs. Caron and Kumar do not include such provisions. Pursuant to the equity award agreements with each of our named executive officers, unvested time-based equity awards will vest immediately upon a change of control and unvested performance-based equity awards will vest immediately (i) with respect to all such outstanding awards if a change of control occurs prior to the performance condition measurement date, or (ii) with respect to the portion of such award determined to have met the performance condition if a change of control occurs after the performance condition measurement date.

(4) The employment agreements with Messrs. Peterson and Caron do not provide for any benefits upon termination by Mr. Peterson or Mr. Caron for good reason.

(5) Represents payment of two months of Mr. Kumar s annual base salary in lieu of the company s obligation to provide two months notice in the event of a termination of employment pursuant to his employment agreement.

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2013 Salary and Bonus Targets

In February 2013, the Compensation Committee set the following salaries for our named executive officers. The 2013 salaries became effective March 1, 2013.

Name	2013 Salary
Michael F. Foust	$ 816,000
A. William Stein	483,892
Scott E. Peterson	462,171
David J. Caron	348,950
Kris Kumar	342,743

For 2013, based on the recommendations of management, a review of the Company s business plan and the analysis provided by Towers Watson, the Compensation Committee established the FFO targets for purposes of the long-term incentive and restricted stock awards; however, the Compensation Committee continues to review and assess the objectives and goals for the 2013 annual incentive bonuses. For the purpose of determining bonuses, the Compensation Committee may adjust FFO to exclude profits, losses or expenses which the Compensation Committee determined to be not indicative of the Company s performance to give a more accurate picture of our annual performance.

DIRECTOR COMPENSATION

We use a combination of cash and equity-based incentive compensation to attract and retain qualified non-employee director candidates to serve on our Board. In setting non-employee director compensation, we consider the significant amount of time that directors spend in fulfilling their duties to our Company as well as the skill level we require of members of our Board.

Compensation of Directors

Pursuant to our director compensation program, which was amended on April 23, 2012, each of the Company s directors who is not an employee of the Company or any of its subsidiaries receives an annual cash retainer of $60,000 for services as a director. Directors receive annual fees for service as members (excluding chairs) on the following committees, in addition to the foregoing retainer of $60,000: $10,000 for Audit Committee, $7,500 for Compensation Committee and $7,500 for Nominating and Corporate Governance Committee. The director who serves as the chair of the Audit Committee receives an annual retainer of $20,000; the director who serves as the chair of the Compensation Committee receives an annual retainer of $15,000; and the director who serves as the chair of the Nominating and Corporate Governance Committee receives an annual retainer of $15,000. In addition, any non-employee director who serves as Chairman of the Board receives an annual cash retainer of $25,000 (in addition to the annual cash base retainer of $60,000). Directors are reimbursed separately for out-of-pocket expenses incurred while performing their duties.

Prior to April 23, 2012, each of our directors who was not an employee of the Company or any of its subsidiaries received an annual cash retainer of $40,000 for services as a director. Directors received annual fees for service on the following committees, in addition to the foregoing retainer of $40,000: $7,500 for Audit Committee, $5,000 for Compensation Committee and $2,500 for Nominating and Corporate Governance Committee. The director who served as the chair of the Audit Committee received an additional annual retainer of $15,000; the director who served as the chair of the Compensation Committee received an additional annual retainer of $10,000; and the director who served as the chair of the Nominating and Corporate Governance Committee received an additional annual retainer of $5,000. Any non-employee director who served as Chairman of the Board received an annual cash retainer of $25,000 (in addition to the annual cash base retainer of $40,000).

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Directors who are also our employees or employees of any of our subsidiaries do not receive compensation for their services as directors.

Our Incentive Award Plan, as amended on April 23, 2012, provides for formula grants of long-term incentive units to non-employee directors as follows:

Pro Rata Grant. Commencing after the 2012 Annual Meeting of Stockholders, each person who first becomes a non-employee director on a date other than the date of an annual meeting of stockholders will, on the date of such person first becoming a non-employee director, be granted a number of long-term incentive units equal to the product of (A) the quotient obtained by dividing (x) $100,000 by (y) the fair market value of a share of Common Stock on such date, multiplied by (B) the quotient obtained by dividing (x) 12 minus the number of months that have elapsed since the immediately preceding annual meeting of stockholders, by (y) 12. The award will be fully vested on the date of grant.

Annual Grant. Commencing as of the 2012 Annual Meeting of Stockholders, each person who first becomes a non-employee director at an annual meeting of stockholders and each person who otherwise continues to be a non-employee director immediately following such annual meeting will, on the date of such annual meeting, be granted a number of long-term incentive units equal to the quotient obtained by dividing (x) $100,000 by (y) the fair market value of a share of Common Stock on the date of such annual meeting. The award will be fully vested on the date of grant.

In addition, the non-employee director may elect in advance to receive in lieu of his or her annual unit award an equivalent number of shares in the form of a stock payment or restricted stock, as applicable, subject to the same vesting schedule (if any) as would have applied to the corresponding grant of long-term incentive units. If a non-employee director does not qualify as an accredited investor within the meaning of Regulation D of the Securities Act of 1933, as amended (the Securities Act), on the date of any grant of long-term incentive units to such director, then the director will not receive such grant of long-term incentive units, and in lieu thereof will automatically be granted an equivalent number of shares in the form of a stock payment or restricted stock, as applicable, subject to the same vesting schedule (if any) as would have applied to the corresponding grant of long-term incentive units.

The table below summarizes the compensation we paid to directors, excluding Mr. Foust whose compensation can be found in Executive Compensation, for the year ended December 31, 2012.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2) (3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($)(4)	Total ($)
Laurence A. Chapman	$ 76,250	$ 99,991	N/A	$ 1,339	$ 177,580
Kathleen Earley	71,984	99,991	N/A	1,339	173,314
Ruann F. Ernst, Ph.D.	70,000	99,991	N/A	1,339	171,330
Dennis E. Singleton	83,073	99,991	N/A	1,339	184,403
Robert H. Zerbst	64,613	99,991	N/A		164,604
Richard A. Magnuson(5)	20,357		N/A		20,357

(1) As of July 19, 2012, the members of the Audit Committee are Mr. Chapman (Chair), Ms. Earley and Ms. Ernst; the members of the Compensation Committee are Mr. Zerbst (Chair), Ms. Earley, Ms. Ernst and Mr. Singleton; and the members of the Nominating and Corporate Governance Committee are Ms. Earley (Chair), Mr. Chapman, Ms. Ernst and Mr. Zerbst. The amounts in this column include pro rata adjustments for our directors whose committee membership changed in 2012.

(2) The amounts in this column represent the full grant date fair value of long-term incentive units granted during 2012 in accordance with ASC Topic 718. For additional information on the valuation assumptions for 2012, refer to Note 13 to the Company s and our operating partnership s consolidated financial

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statements for the fiscal year ended December 31, 2012, included in the Company s and our operating partnership s Annual Report on Form 10-K for the year ended December 31, 2012.

(3) As of December 31, 2012, the following number of shares of Common Stock are issuable upon redemption of outstanding long-term incentive units held by our non-employee directors:

Mr. Chapman	1,372
Ms. Earley	2,866
Ms. Ernst	6,761
Mr. Singleton	13,209
Mr. Zerbst	4,532

(4) Reflects distributions on unvested long-term incentive units and restricted stock. Excludes distributions on vested long-term incentive units and restricted stock.

(5) Mr. Magnuson did not stand for re-election to our Board at our 2012 Annual Meeting of Stockholders. His term as a member of our Board and our Chairman ended effective April 23, 2012, the date of our 2012 Annual Meeting of Stockholders.

Stock Ownership Guidelines

In 2009, our Board adopted guidelines encouraging each director to hold shares of the Company s stock, which may include long-term incentive units in our operating partnership, in an amount equal to 2.5 times the aggregate number of shares and units granted to such director pursuant to the Incentive Award Plan during the preceding fiscal year, and to achieve this ownership level by the sixth year of such director s Board membership. This guideline is non-binding and the number of shares of the Company s stock owned by any director is a personal decision. Our directors who have been members of our Board for at least six years have met these guidelines.

COMPENSATION RISK ASSESSMENT

The Company believes that our compensation policies and practices appropriately balance near-term performance improvement with sustainable long-term value creation, and that they do not encourage unnecessary or excessive risk taking. In 2012, the Company s management conducted an extensive review of the design and operation of our compensation program and its findings were presented to the Compensation Committee and the Board. The review included an assessment of the level of risk associated with the various elements of compensation. Based on this review and assessment, the Company believes that our compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

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EQUITY COMPENSATION PLAN TABLE

The following table provides information with respect to shares of our Common Stock that may be issued under our existing equity compensation plan.

Equity Compensation Plan Information[1]

Plan Category	(a) Number of shares of Common Stock to be issued upon exercise of outstanding options	(b) Weighted-average exercise price of outstanding options[2]	(c) Number of shares of Restricted Common Stock and Common Stock issuable upon redemption of outstanding long-term incentive units and class C units[3]	(d) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) and (c))[4]
Equity compensation plans approved by stockholders	129,259	$ 30.61	1,554,859	3,494,244
Equity compensation plans not approved by stockholders	N/A	N/A	N/A	N/A

(1) Information as of December 31, 2012.

(2) The weighted-average remaining term is 3.44 years.

(3) The number of unvested full-value awards is 692,066. Full-value awards are comprised of restricted stock, long-term incentive units and class C units.

(4) Includes shares available for future grants of stock options, restricted stock and other stock-based awards and shares issuable upon redemption of long-term incentive units available to be granted under the Incentive Award Plan.

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ITEM 3. ADVISORY VOTE ON THE COMPENSATION OF NAMED EXECUTIVE OFFICERS

Background

We are asking stockholders to vote upon a resolution to approve, on a non-binding, advisory basis, the compensation of our named executive officers as reported in this Proxy Statement.

At our 2011 Annual Meeting of Stockholders, the majority of the votes cast by our stockholders were in favor of holding a say-on-pay vote every year. The Board took into account this strong preference for an annual vote and determined that we will hold a non-binding, advisory vote on the compensation of our named executive officers every year until the next non-binding, advisory vote on the frequency of holding a say-on-pay vote occurs.

Summary

At our 2012 Annual Meeting of Stockholders, our stockholders overwhelmingly approved the compensation of our named executive officers, with 98% of the votes cast in favor of the say-on-pay proposal. We believe this affirms our stockholders support of our approach to executive compensation.

As described more fully in the Compensation Discussion and Analysis, or CD&A, section of this Proxy Statement, the compensation program for our named executive officers is designed to attract, retain and motivate experienced and talented executives who can help achieve short-term and long-term performance goals necessary to maximize stockholder value. The program seeks to align a significant portion of executive compensation with our performance on a short-term and long-term basis through a combination of annual base salaries, annual incentives through cash bonuses and long-term incentives through equity-based compensation. The annual incentive payout for each named executive officer is based on financial and operational goals and organizational development goals established by the Compensation Committee, and each named executive officer s bonus opportunity provides for target and maximum bonus amounts, expressed as a percentage of base salary. Long-term incentive awards include grants of long-term incentive units in our operating partnership, restricted stock and other equity-based compensation intended to encourage actions to maximize stockholder value. We urge our stockholders to review the CD&A section of this Proxy Statement and executive-related compensation tables for more information.

We emphasize pay-for-performance. Our compensation philosophy is to pay for performance, support our business strategies, and offer competitive compensation arrangements. In the CD&A, we have provided stockholders with a description of our compensation programs, including the philosophy and strategy underpinning the programs, the individual elements of the compensation programs, and how our compensation plans are administered. During the past several years, the Company has been focused on growing our operations internally and through strategic acquisitions as well as through improved leasing, asset management and marketing activities, improving our balance sheet, strategically accessing the capital markets and focusing on our organizational development. More recently, the Company has also focused on growing its global footprint through strategic acquisitions and investments. Accomplishments in the year ended December 31, 2012 include, among other things, the following:

- Reported FFO of $4.44 per diluted share and unit for the year ended December 31, 2012, up 9.4% from $4.06 per diluted share and unit for the year ended December 31, 2011, and reported net income of $216.0 million for the year ended December 31, 2012, up 33.3% from $162.1 million for the year ended December 31, 2011. (A reconciliation of FFO to net income is included on page 85 of our Annual Report on Form 10-K for the year ended December 31, 2012.)

- Acquired thirteen properties totaling approximately 3.3 million square feet for approximately $1.6 billion, including a $1.1 billion acquisition of a three-property data center portfolio, totaling approximately 733,000 square feet, located in the greater London area, referred to as the Sentrum Portfolio, and a 164,000 square foot property in Hong Kong acquired through an investment in an unconsolidated joint venture.

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Set a record for leases commenced during the year ended December 31, 2012 totaling approximately $134.9 million of annualized GAAP rental revenue totaling approximately 997,000 square feet of space, and signed leases totaling over $105.7 million in annualized GAAP rental revenue totaling over 849,000 square feet.

Increased the annual dividend on our Common Stock by 7.4% in 2012 from 2011.

Raised approximately $2.4 billion of capital during 2012, which included:

A $750 million senior unsecured multi-currency term loan facility.

An increase in the aggregate commitments under our global revolving credit facility from $1.5 billion to $1.8 billion, pursuant to the partial exercise of the accordion feature.

An investment-grade debt offering of the operating partnership totaling $300 million aggregate principal amount.

An offering of our Common Stock for total net proceeds, after underwriting discounts and offering expenses, of $797.2 million, including the proceeds from the exercise in full of the underwriters over-allotment option. The net proceeds were used to fund a portion of the purchase price for the acquisition of the Sentrum Portfolio.

An offering of our 6.625% Series F Cumulative Redeemable Preferred Stock for total net proceeds, after underwriting discounts and offering expenses, of $176.2 million, including the proceeds from the exercise of a portion of the underwriters over-allotment option.

Net proceeds of approximately $62.7 million from the issuance of approximately 1.0 million shares of our Common Stock under our at-the-market equity distribution program at an average price of $66.19 per share after payment of commissions to the sales agents.

Consistent with our compensation philosophy to pay for performance, although the Compensation Committee determined that our named executive officers had met or exceeded the financial, operational and organization goals approved by the Compensation Committee for 2012, because the maximum level of our FFO goal was not achieved, the 2012 performance-based annual incentive cash bonuses for our named executive officers, except for Mr. Peterson and Mr. Kumar (who was not a named executive officer prior to 2012), were lower than the bonuses for 2011 when the maximum level of our 2011 FFO goal was exceeded. Mr. Peterson s 2012 annual incentive cash bonus was slightly higher than in 2011 primarily due to the greater emphasis on the achievement of new investments in his goals, which included targeting $300 million of new investments. In 2012, we completed acquisitions of approximately $1.6 billion. Additionally, with respect to the equity incentive compensation granted to our named executive officers, in 2012 the performance-based vesting condition was achieved at less than the maximum level, compared to 2011 when the performance-based vesting condition was achieved at the maximum level, based on our FFO goal for the respective years. The Compensation Committee adjusted 2012 FFO to utilize core FFO, which is FFO adjusted to exclude certain items that do not represent core revenue streams, such as termination fees, or core expenses, such as significant transaction expenses, which the Compensation Committee determined to be more indicative of the Company s performance and to give a more accurate picture of the Company s annual performance, whereas the Compensation Committee did not adjust 2011 FFO.

We believe that our compensation programs are strongly aligned with the long-term interests of our stockholders. We believe that equity awards serve to align the interests of our named executive officers with those of our long-term stockholders by encouraging long-term performance. As such, equity awards are a key component of our executive compensation program, with equity awards ranging between 40% and 59% of our named executive officers total compensation in 2012.

We are committed to having strong governance standards with respect to our compensation program, procedures and practices. Pursuant to our commitment to strong governance standards, the Compensation Committee is comprised solely of independent directors. The Compensation Committee retains Towers Watson,

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an independent compensation consultant, to provide it with advice and guidance on our executive compensation program design and to evaluate our executive compensation program. The Compensation Committee oversees and periodically assesses the risks associated with our company-wide compensation policies and practices to determine whether such policies and practices encourage unnecessary or excessive risk taking.

We provide competitive pay opportunities. The Compensation Committee consistently reviews our executive compensation program to ensure that it provides competitive pay opportunities. Our compensation programs consist of elements designed to complement each other and reward achievement of short-term and long-term objectives tied to our performance through association with an operating metric. We have chosen the selected metrics to align employee compensation, including compensation for the executives named in the Summary Compensation Table of this Proxy Statement, to our business strategy. The following are a few key 2012 actions and decisions with respect to our compensation program:

- As with past years, the named executive officers were eligible to earn cash incentive compensation based upon achievement of specific financial, operational and organizational objectives for 2012 as approved by the Compensation Committee that are designed to challenge the named executive officers to high performance.

- A larger portion of our named executive officers total cash compensation is designed to, and does, become dependent on Company, business group and individual performance.

- The Compensation Committee determines annual base salaries after reviewing salary survey data based on the Company s historical performance relative to its peer group.

- Our compensation programs encourage employees to build and maintain an ownership interest in the Company. Equity awards vest over four years, and are generally back-loaded providing for 20% vesting on each of the first and second anniversaries of the grant date and 30% vesting on each of the third and fourth anniversaries of the grant date.

- In 2012, Towers Watson was retained directly by and reported to the Compensation Committee. Towers Watson had no prior relationship with our Chief Executive Officer or any other named executive officer.

- Base salaries represented 14% to 23% whereas performance-based compensation represented 46% to 51% of the total compensation paid to our named executive officers reflecting our philosophy of paying for performance and aligning the interests of our named executive officers with stockholders interests.

- Based on the recommendations of management, a review of the Company s business plan and strategic objectives and the analysis provided by Towers Watson, the Compensation Committee established financial and operational goals and organizational development goals for each named executive officer.

Recommendation

The Board believes that the information provided above and within the CD&A section of this Proxy Statement demonstrates that our executive compensation program was designed appropriately and is working to ensure that management s interests are aligned with our stockholders interests to support long-term value creation.

In accordance with Section 14A of the Exchange Act and the Board s determination to hold a say-on-pay vote on an annual basis, and as a matter of good corporate governance, we are asking stockholders to approve, on a non-binding, advisory basis, the following resolution at the Annual Meeting:

RESOLVED, that the compensation paid to the Company s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion of this Proxy Statement, is hereby approved, on a non-binding, advisory basis, by the stockholders of the Company.

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This advisory resolution is non-binding on the Board of Directors. Although non-binding, the Board and the Compensation Committee will carefully review and consider the voting results when evaluating our executive compensation program. Unless the Board modifies its policy on the frequency of future say-on-pay advisory votes, the next say-on-pay advisory vote will be held at the 2014 Annual Meeting of Stockholders, and the next advisory vote on the frequency of holding a say-on-pay vote will occur no later than the 2017 Annual Meeting of Stockholders.

The affirmative vote of a majority of the votes cast at the Annual Meeting for the adoption of this resolution is required to approve the compensation of the named executive officers disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K under the Securities Act and the Exchange Act.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ADOPTION OF THIS RESOLUTION APPROVING, ON A NON-BINDING, ADVISORY BASIS, THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS DISCLOSED IN THIS PROXY STATEMENT PURSUANT TO ITEM 402 OF REGULATION S-K UNDER THE SECURITIES ACT AND THE EXCHANGE ACT.

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AUDIT MATTERS

Audit Committee Report*

The Audit Committee of the Board of Directors (the Board) of Digital Realty Trust, Inc., a Maryland corporation (the Company), assists the Board with its oversight responsibilities regarding the Company s financial reporting process. The Company s management is responsible for the preparation, presentation and integrity of the Company s financial statements as well as the Company s financial reporting process, accounting policies, internal audit function, internal control over financial reporting and disclosure controls and procedures. The Company s independent registered public accounting firm is responsible for performing an audit of the Company s annual consolidated financial statements and the effectiveness of internal control over financial reporting as of year end.

The Audit Committee has reviewed and discussed the Company s audited consolidated financial statements for the year ended December 31, 2012 with the Company s management and with KPMG LLP, the Company s independent registered public accounting firm. The Audit Committee discussed with KPMG LLP the overall scope of and plans for the audit by KPMG LLP. The Audit Committee regularly meets with KPMG LLP, with and without management present, to discuss the results of its examination, its evaluation of the effectiveness of the Company s internal control over financial reporting as of year end, and the overall quality of the Company s financial reporting. In the performance of their oversight function, the members of the Audit Committee necessarily relied upon the information, opinions, reports and statements presented to them by the management of the Company and by KPMG LLP. The Audit Committee has also discussed with KPMG LLP the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee has received and reviewed the written disclosures and the letter from KPMG LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding KPMG LLP s communications with the Audit Committee concerning independence, and has discussed with KPMG LLP its independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board that the audited consolidated financial statements referred to above be included in the Company s and Operating Partnership s Annual Report on Form 10-K for the year ended December 31, 2012 for filing with the United States Securities and Exchange Commission.

Laurence A. Chapman, Chair

Kathleen Earley

Ruann F. Ernst, Ph.D.

* The material in this report is not soliciting material, is not deemed filed with the SEC and is not incorporated by reference in any filing of the Company under the Securities Act or the Exchange Act, whether made before or after the date of this Proxy Statement and irrespective of any general incorporation language in such filing.

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Independent Registered Public Accounting Firm

The following summarizes the fees incurred for KPMG LLP s services for the years ended December 31, 2012 and 2011:

	2012	2011
Audit Fees[(1)]	$ 1,824,618	$ 1,770,590
Audit-Related Fees[(2)]	1,042,932	532,970
Tax Fees[(3)]		25,000
All Other Fees[(4)]	470,700	391,400
Total Fees	$ 3,338,250	$ 2,719,960

(1) Audit Fees are the aggregate fees billed by KPMG LLP for professional services rendered in connection with the Company s common and preferred stock offerings, debt securities offerings, reviews of the Company s quarterly financial statements and the integrated audit of the Company s annual consolidated financial statements and internal control over financial reporting as of period end.

(2) Audit-Related Fees include fees relating to data center service organization control audits, required foreign statutory audits for properties in Europe and Asia, a required Regulation S-X Rule 3-14 audit for a significant portfolio acquisition in 2012, and audits for certain properties which were required by lenders.

(3) Tax Fees include fees relating to tax due diligence assistance in connection with potential acquisitions.

(4) All Other Fees include fees relating to financial due diligence assistance in connection with potential acquisitions in 2012 and 2011. In addition, the 2011 fees include fees relating to a datacenter service organization controls advisory engagement and contracting compliance advisory project.

All audit, audit-related, tax and all other services provided by KPMG LLP were pre-approved by the Audit Committee or by the Chair of the Audit Committee.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In connection with the consummation of our initial public offering, our operating partnership entered into a contribution agreement with San Francisco Wave Exchange, LLC, Santa Clara Wave Exchange, LLC and Exchange Colocation, LLC, referred to below as the eXchange parties, pursuant to which the eXchange parties contributed their interests in 200 Paul Avenue, 1100 Space Park Drive, the eXchange colocation business and other specified assets and liabilities to our operating partnership in exchange for cash, units and the assumption of debt. Under the eXchange parties contribution agreement, we agreed to indemnify each eXchange party against adverse tax consequences in the event our operating partnership directly or indirectly sells, exchanges or otherwise disposes of (whether by way of merger, sale of assets or otherwise) in a taxable transaction any interest in 200 Paul Avenue or 1100 Space Park Drive until the earlier of November 3, 2013 and the date on which these contributors or certain transferees hold less than 25% of the units issued to them in the formation transactions consummated concurrently with our initial public offering. These tax indemnities do not apply to the disposition of a restricted property pursuant to a transaction described in Section 721, 1031 or 1033 of the Code, or other applicable non-recognition provision under the Code. Under the eXchange parties contribution agreement, we also agreed to make $17.8 million of indebtedness available for guaranty by these parties until the earlier of November 3, 2013 and the date on which these contributors or certain transferees hold less than 25% of the units issued to them in the formation transactions consummated concurrently with our initial public offering.

We have granted those persons who received units in the formation transactions, including Cambay Tele.com, LLC and Wave Exchange, LLC (affiliates of the eXchange parties), certain registration rights with respect to the shares of our Common Stock that may be acquired by them in connection with the exercise of the redemption/exchange rights under the partnership agreement of our operating partnership. These registration rights require us to use our commercially reasonable efforts to keep effective a shelf registration statement covering all such shares of Common Stock. In addition, Cambay Tele.com, LLC and Wave Exchange, LLC have the right, on one occasion, to require us to undertake a demand registration.

In December 2006, we entered into ten leases with The tel(x) Group, Inc., or tel(x), pursuant to which tel(x) provides enhanced meet-me-room services to our customers. The initial terms of these leases expire in 2026, and tel(x) has options to extend them through 2046. tel(x) was acquired by GI Partners Fund II, LLP in November 2006, which, collectively with GI Partners Side Fund II, L.P., owned the majority of the outstanding stock of tel(x). Richard Magnuson, our former director and Chairman who served until our 2012 Annual Meeting of Stockholders, is the chief executive officer of the advisor to GI Partners Fund II, LLP and GI Partners Side Fund II, L.P. During the year ended December 31, 2011, GI Partners Fund II, LLP and GI Partners Side Fund II, L.P completed the sale of tel(x) to an unrelated third party. Our consolidated statements of operations include rental revenues of approximately $46.4 million from tel(x) for the year ended December 31, 2012 from leases entered into before tel(x) was sold to an unrelated third party. In connection with the lease agreements, we entered into an operating agreement with tel(x), effective as of December 1, 2006, with respect to joint sales and marketing efforts, designation of representatives to manage the national relationship between us and tel(x) and future meet-me-room facilities. As of December 31, 2012, tel(x) leased from us 288,940 square feet under 44 lease agreements; all but three leases for 34,626 square feet were entered into prior to the sale of tel(x) to an unrelated third party in September 2011.We also entered into an agreement with tel(x), effective as of December 1, 2006, with respect to percentage rent arising out of potential future lease agreements for rentable space in buildings covered by the meet-me-room lease agreements. Percentage rent earned during the year ended December 31, 2012 amounted to approximately $4.8 million. In addition, in connection with the lease agreements, we entered into a management agreement with tel(x), effective as of December 1, 2007, pursuant to which tel(x) agreed to provide us with certain management services in exchange for a management fee of one percent of rents actually collected by tel(x).

We are party to nine leases with SoftLayer Technologies, Inc., or SoftLayer, all of which are in place as of December 31, 2012. The initial terms of these leases expire from 2013 to 2025, and SoftLayer has options to extend them from 2018 through 2035. On August 3, 2010, GI Partners Fund III, L.P. acquired a controlling

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interest in SoftLayer. Richard Magnuson, our former director and Chairman who served until our 2012 Annual Meeting of Stockholders, is also a manager of the general partner to GI Partners Fund III, L.P. Our consolidated statements of operations include rental revenues of approximately $48.3 million from SoftLayer for the year ended December 31, 2012.

From January 2004 to July 2012, Mr. LaPerch, a member of our Board, was the Chief Executive Officer, President and Director of AboveNet, Inc., a provider of high bandwidth connectivity solutions for businesses and carriers, which is both a tenant and vendor of our company. In the year ended December 31, 2012, we paid approximately $1.1 million to AboveNet, Inc. for connectivity and other services and received approximately $2.4 million from AboveNet, Inc. for rent and other charges. Mr. LaPerch did not receive or make any direct payments in connection with these transactions.

Review, Approval or Ratification of Transactions with Related Persons

Our Board or the appropriate committee of the Board reviews material transactions between us, the operating partnership and any of our directors or executive officers. Our Code of Business Conduct and Ethics and Corporate Governance Guidelines provide that each executive officer and director report conflicts of interest to the General Counsel or the Chairman of the Board, as applicable. Directors are also subject to the conflict provisions set forth in our Corporate Governance Guidelines. The Board or the appropriate committee of our Board will resolve all conflicts of interest involving officers or directors. The Board or the appropriate committee of the Board may waive provisions of our Code of Business Conduct and Ethics with respect to executive officers and directors. Any such waivers will be disclosed to our stockholders to the extent required by applicable laws and regulations. We intend to disclose on our website at www.digitalrealty.com any amendment to, or waiver of, any provision of our Code of Business Conduct and Ethics applicable to our directors and executive officers required to be disclosed under the rules of the SEC and NYSE.

Indemnification Agreements

We have entered into indemnification agreements with all of our named executive officers and other executive officers and with each of our directors that obligate us to indemnify them to the maximum extent permitted by Maryland law. The indemnification agreements provide that:

- If a director or executive officer is a party or is threatened to be made a party to any proceeding, other than a proceeding by or in the right of our Company, by reason of such director s or executive officer s status as a director, officer or employee of our Company, we must indemnify such director or executive officer for all expenses and liabilities actually and reasonably incurred by him or her, or on his or her behalf, unless it has been established that:

  - the act or omission of the director or executive officer was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty;

  - the director or executive officer actually received an improper personal benefit in money, property or other services; or

  - with respect to any criminal action or proceeding, the director or executive officer had reasonable cause to believe that his or her conduct was unlawful.

- If a director or executive officer is a party or is threatened to be made a party to any proceeding by or in the right of our Company to procure a judgment in our Company s favor by reason of such director s or executive officer s status as a director, officer or employee of our Company, we must indemnify such director or executive officer for all expenses and liabilities actually and reasonably incurred by him or her, or on his or her behalf, unless it has been established that:

  - the act or omission of the director or executive officer was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty; or the director or executive officer actually received an improper personal benefit in money, property or services;

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provided, however, that we will have no obligation to indemnify such director or executive officer for all expenses and liabilities actually and reasonably incurred by him or her, or on his or her behalf, if it has been adjudged that such director or executive officer is liable to us with respect to such proceeding.

Upon application of a director or executive officer of our Company to a court of appropriate jurisdiction, the court may order indemnification of such director or executive officer if:

- the court determines that such director or executive officer is entitled to indemnification under the applicable section of the Maryland General Corporation Law (the MGCL), in which case the director or executive officer shall be entitled to recover from us the expenses of securing such indemnification; or

- the court determines that such director or executive officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the director or executive officer has met the standards of conduct set forth in the applicable section of the MGCL or has been adjudged liable for receipt of an improper personal benefit under the applicable section of the MGCL;

provided, however, that our indemnification obligations to such director or executive officer will be limited to the expenses actually and reasonably incurred by him or her, or on his or her behalf, in connection with any proceeding by or in the right of our Company or in which the officer or director shall have been adjudged liable for receipt of an improper personal benefit under the applicable section of the MGCL.

Notwithstanding, and without limiting any other provisions of the agreements, if a director or executive officer is a party or is threatened to be made a party to any proceeding by reason of such director s or executive officer s status as a director, officer or employee of our Company, and such director or executive officer is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such proceeding, we must indemnify such director or executive officer for all expenses actually and reasonably incurred by him or her, or on his or her behalf, in connection with each successfully resolved claim, issue or matter, including any claim, issue or matter in such a proceeding that is terminated by dismissal, with or without prejudice.

We must pay all indemnifiable expenses in advance of the final disposition of any proceeding if the director or executive officer furnishes us with a written affirmation of the director s or executive officer s good faith belief that the standard of conduct necessary for indemnification by our Company has been met and a written undertaking to reimburse us if a court of competent jurisdiction determines that the director or executive officer is not entitled to indemnification.

We must pay all indemnifiable expenses to the director or executive officer within 20 calendar days following the date the director or executive officer submits proof of the expenses to us.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

ANNUAL REPORT ON FORM 10-K

Stockholders may obtain without charge a copy of the Company s and the operating partnership s Annual Report on Form 10-K, including financial statements and financial statement schedules, required to be filed with the SEC pursuant to the Exchange Act for the fiscal year ended December 31, 2012, by downloading the report from the Investors section of the Company s website at www.digitalrealty.com, from the Company s e-proxy website at http://www.proxyvote.com or by writing to Investor Relations, Digital Realty Trust, Inc., Four Embarcadero Center, Suite 3200, San Francisco, CA 94111.

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OTHER MATTERS

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company s executive officers and directors, and persons who own more than 10% of a registered class of the Company s equity securities (Reporting Persons), to file reports of ownership and changes in ownership with the SEC. Reporting Persons are required by SEC regulations to furnish us with copies of all forms they file pursuant to Section 16(a). Based solely on our review of the copies of such reports received by us, and written representations from certain Reporting Persons that no other reports were required for those persons, we believe that, during the year ended December 31, 2012, the Reporting Persons met all applicable Section 16(a) filing requirements, with the exception of the following: one late Form 4 filing for James M. Smith with respect to each of the Company and the operating partnership.

Stockholder Proposals and Nominations

Pursuant to Rule 14a-8 under the Exchange Act, stockholders may present proper proposals for inclusion in our Proxy Statement and for consideration at our 2014 Annual Meeting. To be eligible for inclusion in our 2014 Proxy Statement, your proposal must be received in writing not later than November 20, 2013 and must otherwise comply with Rule 14a-8 under the Exchange Act. While the Board will consider stockholder proposals, we reserve the right to omit from our Proxy Statement stockholder proposals that we are not required to include under the Exchange Act, including Rule 14a-8 of the Exchange Act.

In addition, our Bylaws contain an advance notice provision with respect to matters to be brought before an annual meeting, including director nominations, whether or not included in our Proxy Statement. If you would like to nominate a director or bring any other business before the stockholders at the 2014 Annual Meeting, you must comply with the procedures contained in our Bylaws, including notifying us in writing in a timely manner, and such business must otherwise be a proper matter for action by our stockholders. To be timely under our current Bylaws, the notice must be delivered to our Secretary at Four Embarcadero Center, Suite 3200, San Francisco, California 94111, the Company s principal executive office, not earlier than October 21, 2013 and not later than 5:00 p.m., Pacific Time, on November 20, 2013. In the event that the date of the 2014 Annual Meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the 2013 Annual Meeting, notice by the stockholder to be timely must be delivered not earlier than the 150th day prior to the date of the meeting and not later than 5:00 p.m., Pacific Time, on the later of the 120th day prior to the date of the meeting, as originally convened, or the 10th day following the date of the first public announcement of the meeting. If we have not received notice of a stockholder proposal or nomination within the time period specified above, the persons entitled to vote the proxies solicited by this proxy statement will have the ability to vote on such matters in their discretion pursuant to Rule 14a-4(c)(1) and Rule 14a-5(e)(2) under the Exchange Act.

Our Bylaws provide that nominations of individuals for election to the Board and the proposal of business to be considered by our stockholders may be made at an annual meeting pursuant to our notice of meeting, by or at the direction of the Board or by any stockholder of the Company who was a stockholder of record both at the time of giving of notice provided for in our Bylaws and at the time of the annual meeting, who is entitled to vote at the meeting in the election of each individual so nominated or on any such other business and who complied with the notice, information and consent procedures set forth in our Bylaws.

A stockholder s notice regarding a director nomination or other proposal shall include, without limitation:

- as to each individual whom the stockholder proposes to nominate for election or re-election as a director, all information relating to such proposed nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the proposed nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act, and

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as to any other business that the stockholder proposes to bring before the meeting, a description of the business, the stockholder s reasons for proposing such business at the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration), a reasonably detailed description of all agreements, arrangements and understandings between or among any of the stockholders or between or among any stockholder and any other person or entity (including their names) in connection with the proposal of such business by such stockholder, any material interest in such business of such stockholder or any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom and any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Regulation 14A (or any successor provision) under the Exchange Act; provided, however, that the disclosures required by this paragraph shall not include any disclosures with respect to any broker, dealer, commercial bank, trust company or other nominee who is a stockholder giving the notice solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner.

Stockholder Associated Person of any stockholder means:

any person acting in concert with such stockholder,

any beneficial owner of shares of stock of the Company owned of record or beneficially by such stockholder (other than a stockholder that is a depositary) and

any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such stockholder or such Stockholder Associated Person.

The notice must contain and be accompanied by certain information as specified in our Bylaws, including information about the stockholder providing the notice, the proposed nominee and other information as we may reasonably require. Stockholders making nominations must provide, among other things, information regarding each such stockholder s, any Stockholder Associated Person s and their affiliates ownership of Company securities (beneficially or of record) including any right to acquire additional securities in the future, proxy or voting agreements with respect to the Company securities, holdings of synthetic equity, derivatives, hedges or short positions and other material interests and relationships that could influence nominations or proposals and other information that would be required in a proxy statement. Additionally, a stockholder nominating a director candidate is required to disclose the same information about the proposed nominee that would be required if the proposed nominee were submitting a proposal, and the proposed nominee is required to complete a questionnaire and certify that such proposed nominee (i) has not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Company in connection with service or action as a director that has not been disclosed to the Company and (ii) will serve as director if elected. Such information must be updated and supplemented so as to be accurate. We recommend that any stockholder wishing to nominate a director at an annual meeting review a copy of our Bylaws.

Any director nominations received from stockholders will be evaluated in the same manner that nominees suggested by Board members, management or other parties are evaluated.

You may write to our Secretary at our principal executive office, Four Embarcadero Center, Suite 3200, San Francisco, CA 94111, to deliver the notices discussed above and for a copy of the relevant Bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

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Householding of Proxy Materials

The SEC has adopted rules that permit companies and intermediaries (such as banks and brokers) to satisfy the delivery requirements for proxy materials with respect to two or more stockholders sharing the same address by delivering a single copy of the proxy statement, annual report or Notice of Internet Availability of Proxy Materials, as applicable, addressed to those stockholders. This process, which is commonly referred to as householding, potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are our stockholders will be householding our proxy materials. A single Notice of Internet Availability of Proxy Materials will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the impacted stockholders. Once you have received notice from your broker that they will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive separate proxy materials, please notify your broker, direct your written request to Investor Relations, Digital Realty Trust, Inc., Four Embarcadero Center, Suite 3200, San Francisco, CA 94111, or contact Investor Relations by telephone at (415) 738-6500. Upon written or oral request to Investor Relations, Digital Realty Trust, Inc., Four Embarcadero Center, Suite 3200, San Francisco, CA 94111, or by telephone at (415) 738-6500 from a stockholder at a shared address to which a single copy of the proxy materials was delivered, we will promptly deliver a separate copy of the proxy materials to such requesting stockholder. Stockholders who currently receive multiple copies of proxy materials at their address and would like to request householding of their communications should contact their broker.

By Order of Our Board of Directors,

A. William Stein
Chief Financial Officer, Chief Investment Officer and Secretary

March 20, 2013

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PAMELA M. GARIBALDI

Four Embarcadero Center

Suite 3200

San Francisco, CA 94111

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions by authorizing a proxy and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to authorize a proxy using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions by authorizing a proxy up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

The Board of Directors recommends you vote FOR the following:

1.	Election of Directors	**For**	**Against**	**Abstain**

1A Dennis E. Singleton	¨	¨	¨				
1B Michael F. Foust	¨	¨	¨	**The Board of Directors recommends you vote FOR proposals 2 and 3:**	**For**	**Against**	**Abstain**
1C Laurence A. Chapman	¨	¨	¨	**2.** RATIFYING THE SELECTION OF KPMG LLP AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2013.	¨	¨	¨
1D Kathleen Earley	¨	¨	¨				
1E Ruann F. Ernst, Ph.D.	¨	¨	¨	**3.** THE APPROVAL, ON A NON-BINDING, ADVISORY BASIS, OF THE COMPENSATION OF THE COMPANY S NAMED EXECUTIVE OFFICERS.	¨	¨	¨
1F Kevin J. Kennedy	¨	¨	¨				
1G William G. LaPerch	¨	¨	¨				
1H Robert H. Zerbst	¨	¨	¨	**NOTE:** TO VOTE AND OTHERWISE REPRESENT THE UNDERSIGNED ON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENT(S) OR POSTPONEMENT(S) THEREOF IN THE DISCRETION OF THE PROXY HOLDER.			

For address change/comments, mark here. (see reverse for instructions)	**Yes**	**No**	¨
Please indicate if you plan to attend this meeting	¨	¨	

Please sign exactly as your name(s) appear(s) hereon and date. When signing as attorney, executor, administrator, trustee, guardian, officers of a corporation or other entity or in another representative capacity, please give full title as such under signature. Joint owners should each sign personally. All holders must sign.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Form 10-K, 10-K Wrap, 10-K Wrap Insert, Notice & Proxy Statement is/are available at www.proxyvote.com.

DIGITAL REALTY TRUST, INC.

Annual Meeting of Stockholders

May 1, 2013 11:00 AM, PDT

This proxy is solicited by the Board of Directors

The undersigned, as record holder of the shares of common stock of Digital Realty Trust, Inc., a Maryland corporation, described on the reverse side, hereby appoints Michael F. Foust and A. William Stein, and each of them, as Proxies of the undersigned with the full power of substitution, to attend the 2013 Annual Meeting of Stockholders to be held on Wednesday, May 1, 2013, at 11:00 a.m., local time, at Four Embarcadero Center, Third Floor, Promenade Level, Conference Center (Stanford Room), San Francisco, California 94111, and any adjournment(s) or postponement(s) thereof, to cast on behalf of the undersigned all votes that the undersigned is entitled to cast at such meeting and otherwise to represent the undersigned at the meeting with all powers possessed by the undersigned if personally present at the meeting. The undersigned hereby acknowledges receipt of the Notice of 2013 Annual Meeting of Stockholders and of the accompanying Proxy Statement, the terms of each of which are hereby incorporated by reference, and revokes any proxy heretofore given with respect to such meeting.

THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST AS INSTRUCTED HEREIN. IF THIS PROXY IS EXECUTED BUT NO INSTRUCTION IS GIVEN, THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST FOR EACH OF THE NOMINEES FOR DIRECTOR AND FOR EACH OF PROPOSALS 2 AND 3 AS DESCRIBED IN THE PROXY STATEMENT. THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST IN THE DISCRETION OF THE PROXY HOLDER ON ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT(S) OR POSTPONEMENT(S) THEREOF.

Address change/comments:

(If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side