DUPONT E I DE NEMOURS & CO
Form 4
January 05, 2010

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
CUTLER ALEXANDER M

(Last) (First) (Middle)

1007 MARKET STREET, D-9000

(Street)

WILMINGTON, DE 19898

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
DUPONT E I DE NEMOURS & CO [DD]

3. Date of Earliest Transaction (Month/Day/Year)
12/31/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								9,615.8708 (1)	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
DuPont Common Stock Units	(2)	12/31/2009		A (3)		233.3035		(4)	(4)	Common Stock	233.3035

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CUTLER ALEXANDER M 1007 MARKET STREET D-9000 WILMINGTON, DE 19898	X			

Signatures

Mary E. Bowler by Power of Attorney	01/05/2010
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Includes direct ownership, unvested RSUs and vested deferred stock units.

(2) Units convert one-for-one to DuPont common stock.

(3) Stock units credited under the DuPont Stock Accumulation and Deferred Compensation Plan for Directors.

(4) Stock units to be paid in DuPont common stock upon reporting person's retirement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. adding-bottom:2px;">
217,499

(1) The amounts shown represent the potential value of Company performance based cash bonus awards that could have been earned for 2017 (and paid in 2018) under the 2017 Bonus Program. Under the 2017 Bonus Program, each executive was eligible to earn a cash bonus based on our achievement in 2017 of Company performance goals relating to (i) AFFO per share, (ii) debt to EBITDA ratio, (iii) weighted average occupancy levels of our owned real estate assets, (iv) acquisition volume and (v) individual performance. Each executive’s bonus opportunity was weighted among these performance goals as set forth above.

At the threshold, target and maximum levels of achievement of the performance goals, Mr. Nolan could have earned a bonus equal to 87.5%, 175% and 300%, respectively, of his annual base salary, Mr. Hsieh could have earned a bonus equal to 87.5%, 175% and 350%, respectively, of his annual base salary and Mr. Young could have earned a bonus equal to 37.5%, 75% and 133%, respectively, of his annual base salary. For Messrs. Joseph and Messmann, at the threshold, target and maximum levels of achievement, they could have each earned a bonus equal to 62.5%, 125% and 200%, respectively, of their respective annual base salaries, Ms. Greenstreet participated in a 100% discretionary program based on her performance for the year. Please also see “Compensation Discussion and Analysis - 2017 Executive Compensation - Annual Performance-Based Compensation” for a detailed discussion of the 2017 Bonus Program.

(2) The performance share awards were awarded in 2017 for the performance period running from January 1, 2017 through December 31, 2019 (and with respect to the one-time performance award granted in connection with Mr. Hsieh's promotion, May 7, 2017 to May 7, 2020). The target number of shares was granted to each Named Executive Officer. The “threshold” number of shares represents approximately 50% of the performance shares granted, which is the number of shares that would vest based on achieving the minimum TSR goal during the performance period relative to that of the Peer Group, as adjusted downward by a factor of 25% of such shares based on the Company’s TSR during the performance period relative to that of the Primary Net Lease Peer Group. The “target” number of shares represents 100% of the performance shares granted, which is the number of shares that would vest based on achieving the target TSR goal during the performance period relative to that of the applicable Peer Group, and not adjusted based on the Company’s TSR during the performance period relative to that of the Primary Net Lease Peer Group. The “maximum” number of shares shown is 250% of the performance shares granted, which is the number of shares that would vest based on achieving the maximum TSR goal during the performance period relative to that of the applicable Peer Group, as adjusted upward by a factor of 25% of such shares based on the Company’s TSR during the performance period relative to that of the Primary Net Lease Peer Group. Please see the section “Compensation Discussion and Analysis-2017 Executive Compensation-Performance Share Awards” for a detailed discussion of the performance share awards.

(3) Amounts represent the grant date fair value of restricted common stock awards granted during 2017, calculated in accordance with ASC Topic 718. For a discussion of the assumptions used to calculate the value of all restricted common stock awards and performance share awards made to Named Executive Officers, refer to Note 14 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table: The following provides a description of the material terms of each Named Executive Officer’s employment agreement that was in effect in 2017. Mr. Nolan's employment with the Company terminated effective May 8, 2017; Mr. Joseph's employment with the Company terminated effective April 20, 2018; Mr. Messmann's employment with the Company terminated effective February 23, 2018; and Ms. Greenstreet's employment with the Company terminated effective October 27, 2017.

In addition to the terms described below, each of the employment agreements also provide for certain payments and benefits upon a termination without “cause,” for “good reason” (each, as defined in the applicable employment agreement) or as a result of the Company’s non-extension of the employment term, which are described under the caption “Potential Payments Upon Termination or Change of Control” below.

A - 46

Jackson Hsieh
Employment Agreement for President and Chief Executive Officer Position:
Pursuant to his employment agreement, Mr. Hsieh serves as President and Chief Executive Officer of the Company. The term of his employment agreement will expire (unless earlier terminated) on May 7, 2020 and will automatically renew for additional one-year terms. During the employment term, Mr. Hsieh will receive a base salary at an annual rate of not less than $875,000, which is subject to increase at the discretion of the Board or Compensation Committee. In addition, Mr. Hsieh is eligible to receive an annual cash performance bonus targeted at 175% of his base salary (with a maximum bonus opportunity equal to 350% of his base salary) based on the achievement of performance criteria established by our Board or Compensation Committee at any time prior to the end of the applicable fiscal year, which for 2017 were the criteria of the 2017 Bonus Program discussed above. Under his employment agreement, for 2017 Mr. Hsieh was entitled to receive an annual cash performance bonus of $750,000. In February 2018, we increased Mr. Hsieh’s annual base salary to $900,000 and maintained his bonus target and maximum at 175% and 350%, respectively, of his base salary. Additionally, Mr. Hsieh is eligible to receive equity and other long-term incentive awards under any plans that may be adopted by the Company, and the value of his equity awards is targeted at 550% of his base salary.
In recognition of his appointment as CEO, the Company granted Mr. Hsieh an award of 500,000 restricted shares of stock vesting 33.3% on May 7, 2018, 33.3% on May 7, 2019 and 33.4% on May 7, 2020, and an award of performance shares with a target number of 500,000 shares vesting as a one-time cliff on May 7, 2020.
If Mr. Hsieh voluntarily terminates his employment with the Company without "good reason" prior to the vesting of any restricted stock or performance shares, all unvested restricted stock and/or performance shares will be forfeited in their entirety.
Under his employment agreement, Mr. Hsieh is eligible to participate in customary health, welfare and fringe benefit plans. He is also entitled to receive Company-paid premiums for a $3.5 million term life insurance policy, up to $2,000 per year for an annual physical examination and up to $20,000 in legal fees in connection with review and negotiation of his employment agreement. Lastly, the Company paid him $90,000 equal to dividends which would have been due in Q2 of 2017 had his restricted shares been granted on the date of his promotion.
Mr. Hsieh's employment agreement contains customary confidentiality, non-compete, non-solicitation, non-disparagement and inventions/intellectual property provisions.
Employment Agreement for President and Chief Operating Officer position:
Mr. Hsieh served as President and Chief Operating Officer of the Company beginning on September 7, 2016. The term of his employment agreement was to expire (unless earlier terminated) on September 7, 2019 and would have automatically renewed for additional one-year terms. During the employment term, Mr. Hsieh received a base salary at an annual rate of not less than $550,000 which was subject to increase at the discretion of the Board or Compensation Committee. In addition, Mr. Hsieh was eligible to receive an annual discretionary cash performance bonus targeted at 150% of his base salary (with a maximum bonus opportunity equal to 250% of his base salary) based on the achievement of performance criteria established by our Board or Compensation Committee at any time prior to the end of the applicable fiscal year, which for 2017 were the criteria of the 2017 Bonus Program discussed above. Under his employment agreement, for 2017 Mr. Hsieh was entitled to receive an annual cash performance bonus of $750,000. In February 2017, we maintained Mr. Hsieh’s annual base salary at $550,000 and maintained his bonus target and maximum at 150% and 250%, respectively, of his base salary.
In connection with entering into his employment agreement, we granted Mr. Hsieh: (i) a one-time award of restricted stock with a value equal to $4,750,000 vesting as follows: 34.7% on September 7, 2018, 50% September 7, 2019; and 15.3% on September 7, 2020, to account for equity Mr. Hsieh forfeited upon his departure from his previous employer, Morgan Stanley; (ii) an award of restricted stock with a value equal to $1,100,000 vesting ratably over three years from the grant date (September 7, 2016); and (iii) an award of performance shares with a target number of performance shares with a value equal to $1,100,000 as of the grant date vesting as follows: a one-time cliff after three years from the beginning of the performance period (January 1, 2017) and based on the achievement of applicable performance goals. Additionally, Mr. Hsieh was eligible to receive equity and other long-term incentive awards under any plans that may be adopted by the Company.

Under his employment agreement, Mr. Hsieh was eligible to participate in customary health, welfare and fringe benefit plans. He was also entitled to receive Company-paid premiums for a $3.5 million term life insurance policy and up to $2,000 per year for an annual physical examination.

A - 47

Jay Young
Pursuant to his employment agreement, Mr. Young serves as Executive Vice President, General Counsel and Corporate Secretary of the Company. The term of his employment agreement will expire (unless earlier terminated) on April 25, 2019 and will automatically renew for additional one-year terms. During the employment term, Mr. Young will receive a base salary at an annual rate of not less than $325,000 which is subject to increase at the discretion of the Board or Compensation Committee. In addition, Mr. Young is eligible to receive an annual discretionary cash performance bonus targeted at 75% of his base salary (with a maximum bonus opportunity equal to 133% of his base salary) based on the achievement of performance criteria established by our Board or Compensation Committee at any time prior to the end of the applicable fiscal year, which for 2017 were the criteria of the 2017 Bonus Program discussed above. In February 2017, we increased Mr. Young’s annual base salary to $340,000 and maintained his bonus target and maximum at 75% and 133%, respectively, of his base salary.
In connection with entering into his employment agreement, we granted Mr. Young: (i) an award of restricted stock of the Company’s common stock with a value equal to $321,875 vesting ratably over three years from the grant date (May 11, 2016); and (ii) an award of performance shares with a target number of performance shares equal to $121,875 as of the grant date vesting as a one-time cliff after three years from the beginning of the performance period and based on the achievement of applicable performance goals. Additionally, Mr. Young is eligible to receive equity and other long-term incentive awards under any plans that may be adopted by the Company, and the value of his equity award is targeted at not less than 75% of his base salary. Under his employment agreement, Mr. Young is eligible to participate in customary health, welfare and fringe benefit plans. Mr. Young’s employment agreement contains customary confidentiality, non-solicitation, non-disparagement and inventions/intellectual property provisions.
On April 3, 2018, Mr, Young entered into an amended and restated employment agreement, which amended and restated the the employment agreement that became effective in connection with hiring Mr. Young in April 2016 (as described above). Pursuant to the amended and restated employment agreement, the initial term is three years with automatic one year extension periods. During the employment term, Mr. Young will receive a base salary at an annual rate not less than $355,000. Mr. Young is eligible to receive an annual cash discretionary incentive payment under the Company’s annual bonus plan on a target bonus opportunity equal to 125% of Mr. Young's annual base salary and a maximum bonus opportunity of 200% of Mr. Young's annual base salary upon attainment of one or more pre-established performance goals established by Board or a committee thereof. It is expected that beginning in 2019 the target date-of-grant value of Mr. Young's annual long-term incentive awards will be 200% of his annual base salary granted in equal portions of one-half as time-vesting restricted stock grants, vesting ratably over three years (one-third per year from the date of grant) and one-half as performance shares, cliff vesting after three years from the beginning of the performance period based on the achievement of applicable performance goals.
If Mr. Young voluntarily terminates his employment with the Company without "good reason" prior to the vesting of any restricted stock or performance shares, all unvested restricted stock and/or performance shares will be forfeited in their entirety.
Under his amended and restated employment agreement, Mr. Young is eligible to participate in customary health, welfare and fringe benefit plans. He was also entitled to receive Company-paid premiums for a $1 million term life insurance policy and up to $2,000 per year for an annual physical examination.
Phillip D. Joseph, Jr.
Pursuant to his employment agreement, Mr. Joseph served as Executive Vice President and Chief Financial Officer of the Company. His employment agreement terminated on April 20, 2018. During the employment term Mr. Joseph was entitled to receive a minimum annual base salary of $415,000, which was subject to increase at the discretion of the Board or Compensation Committee. In addition, Mr. Joseph was eligible to receive an annual discretionary cash performance bonus targeted at 125% of his base salary (with a maximum bonus opportunity equal to 200% of his base salary) based on the achievement of performance criteria established by our Board or Compensation Committee at any time prior to the end of the applicable fiscal year, which for 2017 were the criteria of the 2017 Bonus Program discussed above.
In connection with entering into his employment agreement, we granted Mr. Joseph a restricted stock award and a performance share award, each with a value equal to $500,000. The restricted stock award vested in substantially

equal one-third installments on each of the first three anniversaries of March 1, 2015, subject to Mr. Joseph's continued employment. The performance share award covered the three-year performance period beginning January 1, 2015. Additionally, Mr. Joseph was eligible to receive equity and other long-term incentive awards under any plans adopted by the Company, and the value of his equity awards was targeted at not less than 250% of his base salary.

Under his employment agreement, Mr. Joseph was eligible to participate in customary health, welfare and fringe benefit plans. He was also entitled to receive Company-paid premiums for a $2 million term life insurance policy and up to $2,000 per year for an annual physical examination.

Mr. Joseph's employment agreement contained customary confidentiality, non-compete, non-solicitation, non-disparagement and inventions/intellectual property provisions.

A - 48

Boyd Messmann
Pursuant to his employment agreement, Mr. Messmann served as Executive Vice President and Chief Acquisition Officer of the Company. His employment agreement terminated on February 23, 2018. During the employment term, Mr. Messmann received a base salary at an annual rate of not less than $350,000 which was subject to increase at the discretion of the Board or Compensation Committee. In addition, Mr. Messmann was eligible to receive an annual discretionary cash performance bonus targeted at 125% of his base salary (with a maximum bonus opportunity equal to 200% of his base salary) based on the achievement of performance criteria established by our Board or Compensation Committee at any time prior to the end of the applicable fiscal year, which for 2017 were the criteria of the 2017 Bonus Program discussed above. In February 2017, we increased Mr. Messmann's annual base salary to $375,000 and maintained his bonus target and maximum at 125% and 200%, respectively, of his base salary.
In connection with entering into his employment agreement, we granted Mr. Messmann an award of restricted stock of the Company's common stock with a value equal to $250,000 vesting ratably over three years from the grant date (June 24, 2016). Additionally, Mr. Messmann was eligible to receive equity and other long-term incentive awards under any plans adopted by the Company, and the value of his equity awards was targeted at not less than 200% of his base salary.
Under his employment agreement, Mr. Messmann was eligible to participate in customary health, welfare and fringe benefit plans. Mr. Messmann's employment agreement contained customary confidentiality, non-compete, non-solicitation, non-disparagement and inventions/intellectual property provisions.
Thomas H. Nolan, Jr.
Prior to the termination of his employment in May 2017, Mr. Nolan was employed pursuant to the terms and conditions contained in an employment agreement, under which he served as Chief Executive Officer and Chairman of the Board of Directors of our Company. The term of his employment agreement was set to expire on August 27, 2018.
Under his employment agreement, Mr. Nolan's minimum annual base salary was $775,000, subject to increase at the discretion of our Board. In addition, Mr. Nolan was eligible to receive an annual discretionary cash performance bonus which was targeted at 175% of his base salary (with a maximum bonus opportunity equal to 300% of his base salary) based on the achievement of performance criteria established by our Board or Compensation Committee at any time prior to the end of the applicable fiscal year, which for 2017 were the criteria of the 2017 Bonus Program discussed above. Additionally, Mr. Nolan was eligible to receive equity and other long-term incentive awards under any plans that may be adopted by the Company.
Under his employment agreement, Mr. Nolan was eligible to participate in customary health, welfare and fringe benefit plans. He was also entitled to and received $21,334 per year in Company-paid term life insurance premium payments and $3,445 for an annual physical examination.
Mr. Nolan's employment agreement contained customary confidentiality, non-compete, non-solicitation, non-disparagement and inventions/intellectual property provisions.
Michelle Greenstreet
Pursuant to her employment agreement, Ms. Greenstreet served as Executive Vice President and Chief Administrative Officer of the Company. Her employment terminated on October 27, 2017. During the employment term, Ms. Greenstreet received a base salary at an annual rate of not less than $275,000 which was subject to increase at the discretion of the Board or Compensation Committee. In addition, Ms. Greenstreet was eligible to receive an annual discretionary cash performance bonus targeted at 75% of her base salary (with a maximum bonus opportunity equal to 100% of her base salary) based on her performance for the year. Additionally, Ms. Greenstreet was eligible to receive equity and other long-term incentive awards under any plans that may be adopted by the Company, and value of her equity awards was targeted at not less than 70% of her base salary. In February 2017, we increased Ms. Greenstreet's annual base salary to $290,000.
Under her employment agreement, Ms. Greenstreet was eligible to participate in customary health, welfare and fringe benefit plans. Ms. Greenstreet's employment agreement contained customary confidentiality, non-solicitation, non-disparagement and inventions/intellectual property provisions.

A - 49

Outstanding Equity Awards at 2017 Fiscal Year-End: The following table summarizes the number of shares of our common stock and other securities underlying outstanding equity incentive plan awards for each Named Executive Officer as of December 31, 2017. Ms. Greenstreet and Mr. Nolan did not hold any unvested awards as of December 31, 2017.

Name	Grant Date	Stock Awards: Shares Not Vested (#)	Market Value Shares Not Vested ($) (1)	Equity Incentive Plan Awards: Unearned Performance Shares Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value Unearned Performance Shares Not Vested ($) (1)
Jackson Hsieh	9/07/16	395,053(4)	3,389,555	79,251(2)	679,974
	3/02/17	101,383(3)	869,866	101,383(2)	869,866
	7/25/17	500,000(5)	4,290,000	297,234(2)	2,550,268
Jay Young	5/11/16	19,090(3)	163,792	10,843(2)	93,033
	3/02/17	15,668(3)	134,431	15,668(2)	134,431
Phillip D. Joseph, Jr.(6)	4/20/15	14,124(3)	121,184		
	2/22/16	31,044(3)	266,358	55,800(2)	478,764
	3/02/17	45,899(3)	393,813	45,899(2)	393,813
Boyd Messmann(6)	6/24/16	19,396(3)	166,418		
	3/02/17	34,562(3)	296,542	34,562(2)	296,542

(1) The market value of shares of our common stock that have not vested is calculated based on the closing trading price of our common stock ($8.58) as reported on the NYSE on December 29, 2017, the last trading day of 2017.

(2) In accordance with the SEC rules, the number of performance shares shown for 2016 and the March 2, 2017 awards represents the number of performance shares that may be earned during the performance period based on threshold performance compared to the Peer Group and not adjusted based on the Company’s TSR during the performance period relative to that of the Primary Net Lease Peer Group. The number of performance shares shown for July 2017 award represents the number of performance shares that may be earned during the performance period based on maximum performance compared to the Peer Group and adjusted by a factor of 25% based the Company’s TSR during the performance period relative to that of the Primary Net Lease Peer Group. See the section “Compensation Discussion and Analysis - 2017 Executive Compensation - Performance Share Awards” for a detailed discussion of the performance share awards.

(3) Represents a restricted stock award that will vest in three equal annual installments, generally on the first through third anniversaries of the date of grant, subject to the executive’s continued employment with the Company through the applicable vesting date(s) and conditions of the grant agreement.

(4) Represents an additional one-time new hire restricted stock award grant that will vest 34.7% on September 7, 2018, 50% on September 7, 2019, and 15.3% on September 7, 2020, subject to Mr. Hsieh’s continued employment with the Company through the applicable vesting date(s) and conditions of his grant agreement.

(5) Represents one-time promotion related restricted stock award grant that will vest pro rata on May 7, 2018, May 7, 2019 and May 7, 2020 subject to Mr. Hsieh's continued employment with the Company through the applicable vesting date(s) and conditions of his grant agreement.

(6) Mr. Joseph's and Mr. Messmann's outstanding restricted stock awards fully vested, and their outstanding performance share awards vested at target, in connection with the executive's termination of employment in April 2018 and February 2018, respectively.

A - 50

2017 Option Exercises and Stock Vested: We have not granted any stock options to our Named Executive Officers. The following table summarizes vesting of restricted stock and performance share awards applicable to our Named Executive Officers during the year ended December 31, 2017:

Name	Shares Acquired Upon Vesting (#) [1]	Value Realized On Vesting ($) [2]
Jackson Hsieh	26,417	229,564
Jay Young	9,546	70,743
Phillip D. Joseph, Jr.	29,647	313,683
Boyd Messmann	9,698	73,123
Thomas H. Nolan, Jr.	947,698[3]	7,599,609
Michelle Greenstreet	39,867[4]	345,867

(1) Represents restricted stock and performance shares that vested in 2017.

(2) Amounts shown are based on the fair market value of our common stock on the applicable vesting date.

(3) Included in this amount are 466,667 performance shares and 308,651 shares of restricted stock that were accelerated in connection with Mr. Nolan's termination.

(4) Included in this amount are 31,826 shares of restricted stock that were accelerated in connection with Ms. Greenstreet's departure from the Company.

Potential Payments upon Termination or Change of Control:

Employment Agreements: Under the employment agreements in place during 2017 for Messrs. Hsieh, Young, Joseph, Messmann, Nolan and Ms. Greenstreet, if the executive's employment had been terminated by the Company without "cause," by the executive for "good reason" (each, as defined in the applicable employment agreement) or by reason of the Company's failure to extend the term of the executive's employment agreement at the end of the initial three-year employment term or at the end of the one-year extension period(s) thereafter, then in addition to any accrued amounts such executives would be entitled to receive additional severance payments as outlined below.

Mr. Hsieh would be entitled to receive the following:

(1) lump-sum totaling two times Mr. Hsieh's annual base salary then in effect (unless termination is within 60 days prior to, on, or within 24 months following a change in control, in which case three times Mr. Hsieh's annual base salary);

(2) a lump-sum payment equal to Mr. Hsieh's earned but unpaid annual bonus for the prior year, plus a pro-rata portion of Mr. Hsieh's bonus earned in the year of termination, and an amount totaling two times Mr. Hsieh's target bonus (unless termination is within 60 days prior to, on, or within 24 months following a change in control, in which case three times Mr. Hsieh's target bonus);

(3) accelerated vesting of any equity awards;

(4) up to 24 months of continued health care premiums for Mr. Hsieh and his eligible dependents; and

(5) If the termination occurs in 2017, an amount equal to 202,766 multiplied by the per share closing price of the Company's stock on the last trading day immediately prior to the termination date (the "Stock Bonus").

Mr. Young would be entitled to receive the following:

(1) Lump-sum totaling one times Mr. Young's annual base salary then in effect;

(2) a lump-sum payment equal to a pro-rata portion of Mr. Young's bonus earned in the year of termination (but only in the event of termination by the Company "without cause" or by Mr. Young for "good reason"), and any earned but unpaid annual bonus from the prior year; and

(3) accelerated vesting of any equity awards.

Under Mr. Young's amended and restated employment agreement entered into on April 3, 2018, Mr. Young would be entitled to received the following:

(1) lump-sum totaling two times Mr. Young's annual base salary then in effect;

(2) a lump-sum payment equal to Mr. Young's target bonus for the year of termination;

(3) a lump-sum payment equal to a pro-rata portion of Mr. Young's bonus earned in the year of termination and any earned but unpaid annual bonus from the prior year;
(4) accelerated vesting of any equity awards, and
(5) up to 12 months of continued health care premiums for Mr. Young and his eligible dependents.

A - 51

Mr. Joseph would be entitled to receive the following:

(1) lump-sum totaling two times Mr. Joseph's annual base salary then in effect;

(2) a lump-sum payment equal to Mr. Joseph's target bonus for the year of termination, plus a pro-rata portion of Mr. Joseph's bonus earned in the year of termination;

(3) accelerated vesting of any equity awards; and

(4) up to 24 months of continued health care premiums for Mr. Joseph and his eligible dependents.

Mr. Messmann would be entitled to receive the following:

(1) lump-sum totaling 1.5 times Mr. Messmann's annual base salary then in effect;

(2) a lump-sum payment equal to the pro-rata portion of Mr. Messmann's bonus earned in the year of termination (but only in the event of termination by the Company without "cause" or by Mr. Messmann for "good reason"), and any earned but unpaid annual bonus from the prior year; and

(3) accelerated vesting of any equity awards.

Mr. Nolan would be entitled to receive the following:

(1) continuation payments totaling three times Mr. Nolan's annual base salary then in effect, payable over the 36-month period following the termination of employment (unless such termination is within one year after a change in control in which case the severance is payable in a lump sum);

(2) a lump-sum payment equal to Mr. Nolan's annual bonus paid in the prior year, plus a pro-rata portion of Mr. Nolan's bonus earned in the year of termination, and any earned but unpaid annual bonus from the prior year;

(3) accelerated vesting of any equity awards; and

(4) up to 36 months of continued health care premiums for Mr. Nolan and his eligible dependents.

Ms. Greenstreet would be entitled to receive the following:

(1) lump-sum totaling one time Ms. Greenstreet's annual base salary then in effect;

(2) accelerated vesting of any equity awards; and

(3) a lump-sum payment equal to Ms. Greenstreet's earned but unpaid annual bonus from the prior year, plus a pro-rata portion of Ms. Greenstreet's bonus earned in the year of termination (but only in the event of termination by the Company without "cause" or by Ms. Greenstreet for "good reason").

Each executive's right to receive the severance payments described above is subject to continued compliance with certain restrictive covenants and his or her delivery of an effective general release of claims in favor of the Company. Furthermore, under the employment agreements in place during 2017 for Messrs. Nolan, Joseph, Hsieh, Messmann, Young and Ms. Greenstreet, in the event that the executive is terminated by reason of his or her death or disability, the executive would be entitled to receive, in addition to payment of accrued compensation and benefits through the date of termination, an amount equal to any earned but unpaid prior year's bonus and also an amount equal to the annual bonus each for the year in which the termination occurs, pro-rated for the portion of the year of termination during which the executive was employed with the Company and accelerated vesting of all equity awards. In addition, in the event that Mr. Hsieh was terminated by reason of his death or disability prior to January 1, 2018, he would have been entitled to receive the Stock Bonus.

If an executive is terminated by the Company without "cause" or voluntarily terminates his or her employment with the Company for "good reason" during the performance period for the performance shares, then 100% of the target performance shares will vest immediately prior to such termination. In addition, upon a change in control of the Company, the performance shares will vest based on the Company's achievement of the performance goals as of the change in control.

If an executive voluntarily terminates his or her employment with the Company without "good reason" prior to the vesting of any restricted stock or performance shares, the unvested restricted stock and/or performance shares will be forfeited in their entirety.

Thomas Nolan: In connection with the termination of his employment in May 2017, we paid Mr. Nolan the severance payments and benefits for which he was eligible under his employment agreement and equity award agreements, including the following, subject in certain cases to continued compliance with restrictive covenants contained in his employment agreement and Mr. Nolan's timely execution and non-revocation of a general release of claims against the

Company:

- continuation payments totaling approximately $2.325 million, which equal three times Mr. Nolan's annual base salary in effect at the time of his termination, payable over the 36-month period following the termination of employment;

A - 52

- a lump-sum payment equal to the annual bonus paid to Mr. Nolan in 2016, or $1,561,850, plus continued eligibility to receive a pro-rata portion of Mr. Nolan's bonus for 2017 (based on the actual achievement of applicable performance goals);
- accelerated vesting of 308,651 restricted shares;
- accelerated vesting of 466,667 performance shares (i.e., accelerated vesting of his outstanding performance share awards at "target");
- a payment of approximately $402,051, payable with respect to dividend equivalents granted in tandem with the performance shares that vested in connection with his termination; and
- up to 36 months of continued health care premiums for Mr. Nolan and his eligible dependents.

Michelle Greenstreet: In connection with the termination of her employment in October 2017, we paid Ms. Greenstreet the following severance payments and benefits, including the following (for which Ms. Greenstreet was required to execute a general release of claims against the Company in order to receive);

- An amount equal to $263,542 for the pro rata annual bonus for 2017; and
- Accelerated vesting of 31,826 shares of her outstanding restricted stock awards.

Boyd Messmann: In connection with the termination of his employment in February 2018, we paid Mr. Messmann the severance payments and benefits for which he was eligible under his employment agreement and equity award agreements, including the following, subject in certain cases to continued compliance with restrictive covenants contained in his employment agreement and Mr. Messmann's timely execution and non-revocation of a general release of claims against the Company:

- An amount equal to one and a half times his base salary, or $562,500;
- An amount equal to the prior year cash bonus, or $223,367;
- An amount equal to his pro-rata bonus for 2018, in an amount to be determined;
- Accelerated vesting of 42,437 restricted stock awards and 34,562 of performance share awards;
- a payment of approximately $24,884 payable with respect to dividend equivalents granted in tandem with the performance shares that vested in connection with his termination; and
- Up to 24 months of continued healthcare premiums for Mr. Messmann and his eligible dependents.

Phillip D. Joseph, Jr.: In connection with the termination of his employment in April 2018, we expect to pay Mr. Joseph the severance payments and benefits for which he is eligible under his employment agreement and equity award agreements, including the following, subject in certain cases to continued compliance with restrictive covenants contained in his employment agreement and Mr. Joseph's timely execution and non-revocation of a general release of claims against the Company:

- An amount equal to two times his base salary, or $830,000;
- An amount equal to his target bonus, or $518,750;
- An amount equal to his pro-rata bonus for 2018, in an amount to be determined;
- Accelerated vesting of 74,815 shares of restricted stock and 144,142 performance shares;
- a payment with respect to dividend equivalents granted in tandem with the performance shares that vested in connection with his termination; and
- Up to 24 months of continued healthcare premiums for Mr. Joseph and his eligible dependents.

Equity Awards: The restricted stock award agreements covering the restricted stock awards granted to each of our Named Executive Officers provide for accelerated vesting of these awards upon a termination by the Company without "cause" or by the employee for "good reason", or as a result of the Company's non-extension of the employment term under the executive's employment agreement.

Summary of Potential Payments: In accordance with SEC rules, the following table summarizes the payments that would be made to certain of our Named Executive Officers upon the occurrence of certain qualifying terminations of employment, assuming such Named Executive Officer's termination of employment with the Company occurred on December 31, 2017 and, where relevant, that a change of control of the Company occurred on December 31, 2017. With respect to Mr. Nolan, Mr. Messmann and Ms. Greenstreet, however, amounts shown in the table below reflect the actual amounts he or she received upon termination. Pursuant to SEC rules, due to the fact that Mr. Joseph was our principal financial officer at the time of his termination, the table below reflects all the potential payments he would have been entitled to receive, rather than what he actually received upon his termination in 2018. Amounts shown in the table below do not include (1) accrued but unpaid salary and (2) other benefits earned or accrued by the Named Executive Officer during his employment that are available to all salaried employees, such as accrued vacation.

A - 53

Name	Benefit	Termination Upon Death or Disability ($)	Termination Without Cause, For Good Reason or due to Company Non- Renewal of Employment Agreement (No Change of Control) ($)	Change of Control (No Termination) ($)	Termination Without Cause, For Good Reason or due to Company Non-Renewal of Employment Agreement (Change of Control) ($)
Jackson Hsieh	Cash Severance [1]	4,802,232	8,083,482[6]		10,489,732[6]
	Accelerated Vesting of Restricted Stock [2]	8,549,421	8,549,421		8,549,421
	Accelerated Vesting of Performance Shares [3]	4,528,298	4,528,298	4,290,000	4,528,298
	Healthcare coverage		30,711		30,711
	Life Insurance (Death only)	3,500,000			
	Total	21,379,951	21,191,912	4,290,000	23,598,162
Jay Young	Cash Severance [1]	255,000	595,000[7]		595,000[7]
	Accelerated Vesting of Restricted Stock [2]		298,224		298,224
	Accelerated Vesting of Performance Shares [3]		252,299		252,299
	Total	255,000	1,120,688	—	1,145,523
Phillip D. Joseph, Jr.	Cash Severance [1]	518,750	1,867,500		1,867,500
	Accelerated Vesting of Restricted Stock [2]		781,361		781,361
	Accelerated Vesting of Performance Shares [3]		985,940		985,940
	Healthcare coverage		16,209		16,209
	Life Insurance (Death only)	2,000,000			
	Total	2,518,750	3,651,010	—	3,651,010
Boyd Messmann[4]	Cash Severance		818,367		
	Accelerated Vesting of Restricted Stock		326,765		
	Accelerated Vesting of Performance Shares		266,127		
	Dividend Equivalent Rights		24,884		
	Total		1,436,143		
Thomas H. Nolan, Jr.[4]	Cash Severance		4,058,384		
	Accelerated Vesting of Restricted Stock		2,324,142		
	Accelerated Vesting of Performance Shares		3,916,054		
	Healthcare coverage		37,661[5]		
	Dividend Equivalent Rights		402,501		
	Total		10,701,081		
Michelle Greenstreet[4]	Cash Severance		263,542		

Accelerated Vesting of Restricted Stock	495,219
Total	758,761

(1) Represents cash severance payments provided under the Named Executive Officer's employment agreement. Amount assumes that the executive has already received any earned prior year's bonus.

(2) Represents the aggregate value of the Named Executive Officer's restricted common stock that would have vested on an accelerated basis, determined by multiplying the number of shares of restricted stock that would have been accelerated by the fair market value of our common stock on December 29, 2017 ($8.58).

(3) Represents the aggregate value of the Named Executive Officer's performance shares that would have vested on an accelerated basis, determined by multiplying the target number of performance shares, including dividends, that would have been accelerated by the fair market value of our common stock on December 29, 2017 ($8.58). In the event of a change in control of our Company, the number of performance shares that would vest is based on the Company's achievement of the performance goals as of the change in control (which, for purposes of this table, is presumed to occur on December 31, 2017).

(4) As mentioned above, the amounts in this table show what Mr. Nolan, Ms. Greenstreet and Mr. Messmann actually received In connection with their departures from the Company.

(5) This amount reflects payment for 36 months of premiums in connection with termination.

(6) If Mr. Hsieh's termination of employment is due to non-renewal of his employment agreement, $1,739,732 of the amount reflected above (which is attributed to his Stock Bonus) will not be paid.

(7) If Mr. Young's termination of employment is due to non-renewal of his employment agreement, $255,000 of the amount reflected above (which is attributed to his pro-rata bonus for the year of termination) will not be paid.

A - 54

NON-EMPLOYEE DIRECTOR COMPENSATION

Our Board believes that the compensation paid to our non-employee directors should be competitive with public companies in our industry with similar enterprise value, market capitalization and total assets, and should enable us to attract and retain individuals of the highest quality to serve as our directors. In addition, the Board believes that a significant portion of non-employee director compensation should align director interests with the long-term interests of our stockholders. Accordingly, pursuant to the amended Director Compensation Program effective May 28, 2015, non-employee directors receive a combination of cash and equity-based compensation for their services. Each of these components is described below. We also reimburse each non-employee director for travel and other expenses associated with attending Board and committee meetings, director education programs and other Board-related activities. Mr. Hsieh, the only member of the Board employed by us, does not receive compensation for his service as a director.

CASH COMPENSATION

The cash compensation paid to, or earned by, our non-employee directors in 2017 was comprised of the following three components:

- Quarterly Board retainer: Each non-employee director received a retainer of $17,500 for each calendar quarter in which he or she served as a director.
- Quarterly committee chair retainers: The chairs of the Audit, Compensation and Nominating and Corporate Governance Committees each received a retainer of $5,000, $5,000 and $3,750, respectively, for each calendar quarter of service as the chair of such committee. The Lead Independent Director received a retainer of $7,500 for each calendar quarter of service.
- Quarterly committee retainers: Each non-employee director serving as a non-chair member of the Audit, Compensation and Nominating and Corporate Governance Committees received a retainer of $2,500, $1,875 and $1,562.50, respectively, for each calendar quarter of service as a member of such committee.
- Board fees: Each non-employee director received $1,500 or $750 for each Board and/or Committee meeting he or she attended in-person or telephonically, respectively. Starting in 2018, each non-employee director will receive payment for Board meetings only.

Each non-employee director had the option to receive all or a portion of the aggregative payments to which such non-employee director was entitled in shares of our common stock.

EQUITY-BASED COMPENSATION

The equity-based compensation paid to our non-employee directors in 2017 consisted of restricted stock awards granted pursuant to our Director Compensation Program. Each non-employee director who was serving on the Board as of the date of the 2017 Annual Stockholders' meeting received restricted shares of our common stock with a grant date fair value of $85,006, or 11,185 restricted shares at $7.60 value per share on June 28, 2017. Additionally, Mr. Gilchrist was granted a one-time restricted stock award with a grant value of $75,000 in connection with his appointment of Chairman of the Board, and Messrs. Shepherd and Charlton received one-time restricted stock awards with a grant value of $50,000 and $30,000, respectively, in connection with their appointment as members to the Operating Committee*.

The Director Compensation Program also provides for the grant of restricted stock covering a number of shares having a value equal to $85,000 on the date of the director's initial election or appointment. Restricted stock, which has been granted, will fully vest on the first anniversary of the initial election or appointment. In addition, in connection with approving our Amended and Restated 2012 Incentive Award Plan last year, our stockholders approved a $500,000 limit on the total aggregate value of equity-based awards granted to any non-employee director during any calendar year.

On May 12, 2017, David J. Gilbert resigned from the Board due to restrictions in his current employment regarding service on the board of directors of public companies. Consequently, the Board voted to decrease the size of the Board from nine to eight directors, effective May 12, 2017. Additionally, Diane Morefield will not be standing for re-election at the Annual Meeting due to time constraints related to her current employment as Executive Vice President and Chief Financial Officer of CyrusOne, Inc.

*The Operating Committee was created in 2017 to allow certain Board members to have increased insight and contribution in the day-to-day operations of the Company.

A - 55

2017 Non-Employee Director Compensation Table: The following table sets forth the compensation awarded or paid to our non-employee directors during 2017. This table excludes Mr. Jackson Hsieh, our President and Chief Executive Officer, and Mr. Thomas H. Nolan, Jr., our former Chief Executive Officer and Chairman of the Board in 2017, both of whom did not receive compensation for their services as a director. All compensation paid to Mr. Hsieh and Mr. Nolan in 2017 is provided in the Summary Compensation Table.

Name	Fees Earned in Cash (1) ($)	Stock Awards (2) ($)	Total ($)
Kevin M. Charlton(5)	117,750	115,011	232,761
Todd A. Dunn	118,500	85,006	203,506
David J. Gilbert(3)	40,326	85,006	125,332
Richard I. Gilchrist(4)	132,250	160,010	292,260
Diane M. Morefield(6)	117,750	85,006	202,756
Sheli Z. Rosenberg	110,750	85,006	195,756
Thomas D. Senkbeil	107,750	85,006	192,756
Nicholas P. Shepherd(5)	108,250	135,006	243,256

(1) Amount reflects (a) annual retainers and, if applicable, committee and committee chair retainers earned in 2017 and (b) Board and committee meeting fees.

(2) Amounts reflect the grant date fair value of restricted stock awards granted in 2017 computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of all restricted stock awards made to directors in Note 14 to our consolidated financial statements included in our Annual Report on Form 10-K for the period ended December 31, 2017.

(3) David J. Gilbert resigned from the Board on May 12, 2017 due to restrictions in his current employment regarding service on the board of directors of public companies.

(4) Mr. Gilchrist received a one-time restricted stock award of $75,000 in connection with his appointment to Chairman of the Board.

(5) Messrs. Shepherd and Charlton received one-time restricted stock awards of $50,000 and $30,000, respectively, in connection with their appointment as members to the Operating Committee.

(6) Ms. Morefield will not stand for re-election at the Annual Meeting due to time constraints related to her current employment as Executive Vice President and Chief Financial Officer of CyrusOne, Inc.

As of December 31, 2017, each non-employee director held 11,185 shares of (unvested) restricted shares of our common stock, except for Mr. Charlton who held 15,133, Mr. Gilchrist who held 21,054, and Mr. Shepherd who held 17,764.

STOCK OWNERSHIP GUIDELINES

In connection with the amendment to the Director Compensation Program effective May 28, 2015, the Board adopted stock ownership guidelines for our non-employee directors. The purpose of the stock ownership guidelines is to align the interests of non-employee directors with the long-term interests of stockholders, and further promote our commitment to sound corporate governance. The guidelines require each non-employee director to hold an investment position in our common stock equal in value to four times the annual retainer paid to such non-employee director. Each non-employee director is expected to satisfy the applicable ownership requirement within five years after first becoming subject to the guidelines, which is January 1, 2020.

The types of ownership arrangements counted towards the guidelines are: common stock, whether held individually, jointly with a spouse, or shares owned separately by a spouse and/or children that share the same household, and unvested restricted stock awards.

A - 56

PAY RATIO DISCLOSURE

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are providing the following information regarding the relationship of the annual total compensation of our CEO to the annual total compensation of our median compensated employee. During 2017, Mr. Nolan served as our CEO until May 8, 2017, at which time Mr. Hsieh assumed the role of CEO. As permitted by SEC rules, we chose to use the annual total compensation of Mr. Hsieh, who was serving as our CEO on December 31, 2017, to calculate our pay ratio. We consider the pay ratio specified below to be a reasonable estimate, calculated in a manner that is intended to be consistent with the requirements of Item 402(u) of Regulation S-K.

For 2017, our last completed fiscal year:

- the annual total compensation of the employee who represents our median compensated employee (other than our CEO) was $94,760; and
- the annual total compensation of our CEO was $10,783,397. This amount includes his annualized salary at the rate in effect following his promotion to CEO as well as one-time payments in connection with Mr. Hsieh's promotion to CEO, including (i) $3,965,000 of restricted stock based on market close on the grant date, (ii) $2,357,066 of performance shares based on market close on the grant date, and (iii) $90,000 to account for the dividends that would have been granted on the date of Mr. Hsieh's promotion but were delayed due to time lapsed between promotion date and grant date.

Based on this information, for 2017, our CEO’s annual total compensation was 113.79 times that of the median compensated employee (other than the CEO).

Determining the Median Employee:

Employee Population

We used our employee population data as of December 31, 2017, as the reference date for identifying our median employee. As of such date, our employee population consisted of approximately 87 individuals, all of which were full-time employees.

Methodology for Determining Our Median Employee

To identify the median employee from our employee population, we selected compensation as reported to the IRS on Form W-2 as the most appropriate measure of compensation. In identifying the median employee, we annualized the compensation of all permanent employees who were new-hires in 2017 and on leave of absence in 2017.

Annual Total Compensation of Median Compensated Employee

With respect to the annual total compensation of the employee who represents our median compensated employee, we calculated the elements of such employee’s compensation for 2017 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in annual total compensation of $94,760.

Annual Total Compensation of CEO

For purposes of determining our pay ratio, we determined Mr. Hsieh’s annual total compensation for 2017 was $10,693,397, which, as required by SEC rules, includes his annualized base salary for 2017 at the rate in effect following his promotion to CEO as well as the other compensation granted to and earned by him during 2017 for his services and reflected in the Summary Compensation Table above.

Supplemental Disclosure:

As stated above, Mr. Hsieh was appointed as CEO in May 2017 and in connection with his promotion was awarded one-time payments, including (i) $3,965,000 of restricted stock based on market close on the grant date, (ii) $2,357,066 of performance shares based on market close on the grant date, and (iii) $90,000 to account for the dividends that would have been granted on the date of Mr. Hsieh's promotion but were delayed due to time lapsed between promotion date and grant date. Due to the nature of these payments being one-time payments made to induce Mr. Hsieh to accept his promotion to CEO, we believe they are not indicative of our CEO's normal annual compensation. Therefore, we are providing the following supplemental disclosure excluding such one-time payments.

For 2017, our last completed fiscal year:

- the annual total compensation of the employee who represents our median compensated employee (other than our CEO) was $94,760; and
- the annual total compensation of our CEO, excluding the one-time payments made in connection with his promotion to CEO, was $6,983,830. This amount includes his annualized salary at the rate in effect following his promotion to CEO, his target long-term incentive amount equal to 550% of his annual base salary, his actual bonus received under the 2017 Bonus Program and "All Other Compensation" as reported in the Summary Compensation Table.

Based on this information, for 2017, our CEO's annual total compensation, excluding the one-time payments made in connection with his promotion to CEO, was 73.7 times that of the median compensated employee (other than the CEO).

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's Named 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, 2017, the Reporting Persons met all applicable Section 16(a) filing requirements, with the exception of the following: one late Form 4 filing for each Mr. Joseph, Mr. Nolan and Ms. Greenstreet, each of which covered one transaction.

A - 58

RELATED PARTY TRANSACTIONS

INDEMNIFICATION OF DIRECTORS AND OFFICERS

We have entered into indemnification agreements with each of our directors and Named Executive Officers.

Director Independence: A majority of our directors meet the criteria for independence set forth under applicable securities laws, including the Exchange Act, applicable rules and regulations of the SEC and applicable rules and regulations of the NYSE.

The NYSE Listed Company Manual and corresponding listing standards provide that, in order to be considered independent, the Board must determine that a director has no material relationship with the Company other than as a director. The Board has reviewed the relationships between the Company, including its subsidiaries or affiliates, and each member of the Board (and each director's immediate family members).

Based on its review, the Board determined Messrs. Charlton, Dunn, Gilchrist, Senkbeil, Shepherd and Mmes. Morefield and Rosenberg do not currently have any material relationship with Spirit other than as a director and each is "independent" within the foregoing independence standards.

The Board has also determined that each member of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, respectively, is "independent" under the applicable listing standards of the NYSE and, with respect to members of the Audit Committee, the audit committee requirements of the SEC. None of the members of these committees is an officer, employee or former employee of the Company or any of the Company's subsidiaries.

Transactions with The Irvine Company: From time to time during 2017, the Company has conducted meetings and Company-sponsored social gatherings at properties owned by The Irvine Company, and employees and directors of the Company have stayed at such properties for business and personal travel. Mr. Gilchrist served as Senior Advisor to The Irvine Company. The aggregate value of these transactions did not exceed 2% of the gross revenues of either company, and the Board, on the recommendation of the Nominating and Corporate Governance Committee, determined Mr. Gilchrist to be independent after considering these transactions.

Transactions with the National Association of Real Estate Investment Trusts (NAREIT): Jackson Hsieh serves on NAREIT's Advisory Board of Governors and Diane Morefield serves as NAREIT's Dividends Through Diversity Initiative Chair. The Company utilized the services of NAREIT during 2017 and paid NAREIT a total of $107,183 from January 1, 2017 through December 31, 2017. The Board determined Ms. Morefield to be independent after considering these transactions.

Transactions with Sidley Austin LLP: Our former Chief Executive Officer, Mr. Nolan, is married to a partner in the law firm of Sidley Austin LLP, which served as outside legal counsel to the Company on certain matters during 2017. We paid Sidley Austin LLP legal fees of $23,275.36 during the year ended December 31, 2017 for legal services rendered to us. Sidley Austin LLP was retained by our General Counsel in accordance with the procedures set forth in our written related-party transaction policy.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding the beneficial ownership of shares of our common stock for (1) each person who is a beneficial owner of 5% or more of our outstanding common stock, (2) each of our directors, director nominees and executive officers, and (3) all of our directors, director nominees and executive officers as a group, each as of April 18, 2018, unless otherwise indicated in the table below.

The SEC has defined "beneficial ownership" of a security to mean the possession, directly or indirectly, of voting power and/or investment power over such security. A stockholder is also deemed to be, as of any date, the beneficial owner of all securities that such stockholder has the right to acquire within 60 days after that date through (1) the exercise of any option, warrant or right, (2) the conversion of a security, (3) the power to revoke a trust, discretionary account or similar arrangement or (4) the automatic termination of a trust, discretionary account or similar arrangement. Each person named in the following table has sole voting and investment power with respect to all of the shares of our common stock shown as beneficially owned by such person, except as otherwise set forth in the notes to the table. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of our common stock subject to options or other rights (as set forth above) held by that person that are exercisable as of April 18, 2018 or will become exercisable within 60 days thereafter, are deemed outstanding, while such shares are not deemed outstanding for purposes of computing percentage ownership of any other person.

A - 59

Unless otherwise indicated, the address of each named person is c/o Spirit Realty Capital, Inc., 2727 North Harwood Street, Suite 300, Dallas, TX 75201. No shares beneficially owned by any executive officer, director or director nominee have been pledged as security.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of All Shares (1)	
Greater than 5% Stockholders			
The Vanguard Group, Inc. and affiliates (2)	72,061,581	16.65	%
FMR LLC(3)	42,651,039	9.86	%
BlackRock Fund Advisors (4)	34,640,793	8.00	%
Scopia Capital Management, L.P. (5)	27,646,645	6.39	%
Director, Director Nominees and Executive Officers (6)			
Jackson Hsieh	1,348,128	*	
Jay Young	102,384	*	
Phillip D. Joseph, Jr.	129,483	*	
Boyd Messmann	74,886	*	
Kevin M. Charlton	59,008	*	
Sheli Z. Rosenberg	54,280	*	
Nicholas P. Shepherd	57,139	*	
Richard I. Gilchrist	67,929	*	
Diane M. Morefield	50,560	*	
Todd A. Dunn	64,560	*	
Thomas D. Senkbeil	67,052	*	
All Directors, Director Nominees and Executive Officers as a Group (11 persons)	2,075,409	0.48	%

* Represents less than 1.0%.

(1) Assumes 432,641,824 shares of our common stock are outstanding as of April 18, 2018.

(2) Based on the information provided pursuant to a statement on a Schedule 13G/A filed with the SEC on February 2, 2018, The Vanguard Group, Inc. ("Vanguard") has sole power to vote or direct the vote, and sole power to dispose or direct the disposition of 776,620 and 71,207,098 shares of our common stock, respectively; and has shared power to vote or direct the vote, and shared power to dispose or direct the disposition of 649,917 and 854,483 shares of our common stock, respectively. As of December 31, 2017, Vanguard was the beneficial owner of 72,061,581 shares of the common stock outstanding of the Company as a result of its servicing as an investment manager of collective accounts. The number of shares reported as beneficially owned by Vanguard in the Schedule 13G/A includes 30,863,923 shares, representing 6.76% of our outstanding common stock that Vanguard Specialized Funds - Vanguard REIT Index Fund separately reported as beneficially owned in a Schedule 13G/A filed on February 2, 2018 with the SEC. The address for Vanguard is 100 Vanguard Blvd. Malvern, PA 19355.

(3) Based on the information provided pursuant to a statement on a Schedule 13G/A filed with the SEC on February 13, 2018, FMR LLC has sole power to vote or direct the vote, and sole power to dispose or direct the disposition of 18,184,684 and 42,651,039 shares of our common stock, respectively. As of December 31, 2017, FMR LLC, was the beneficial owner of 42,651,039 shares of the common stock outstanding of the Company as a result of its servicing as an investment manager of collective trust accounts. The principal address for FMR LLC is 245 Summer Street, Boston, Massachusetts 02210.

(4) Based on the information provided pursuant to a statement on a Schedule 13G/A filed with the SEC on February 8, 2018 BlackRock, Inc. ("BlackRock") has sole power to vote or direct the vote, and sole power to dispose or direct the disposition of 31,905,850 and 34,623,209 shares of our common stock, respectively. As of December 31, 2017, BlackRock was the beneficial owner of 34,640,793 shares of the common stock outstanding of the Company as a result of its servicing as an investment manager of collective trust accounts. The address for BlackRock is 55 East 52nd Street, New York, NY 10055.

(5) Based on the information provided pursuant to a statement on a Schedule 13G/A filed with the SEC on February 14, 2018, Scopia Capital Management LP ("Scopia") does not have any sole power to vote or direct the vote, nor does it have sole power to dispose or direct the disposition of shares of our common stock, respectively; and has shared power to vote or direct the vote, and shared power to dispose or direct the disposition of 27,646,645 and 27,646,645 shares of our common stock, respectively. As of December 31, 2017, Scopia was the beneficial owner of 27,646,645 shares of the common stock outstanding of the Company as a result of its servicing as an investment manager of collective accounts, representing 6.00% of our outstanding common stock. The address for Scopia is 152 West 57th Street, New York, NY 10019.

(6) Number includes shares of restricted stock over which grantees generally have all rights other than transferability and which remain subject to forfeiture under the award agreements pursuant to which they were made. As of December 31, 2017 Messrs. Hsieh, Joseph, Messmann, and Young had unvested restricted shares of 996,436, 91,067, 53,958, and 34,758, respectively, excluding shares potentially awardable under performance share awards made to Messrs. Hsieh, Joseph, Messmann, and Young.

EQUITY COMPENSATION PLAN INFORMATION

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. The following table provides information as of December 31, 2017 regarding compensation plans under which our equity securities are authorized for issuance:

A - 60

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (2)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights ($) (3)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by stockholders(1)	853,846	$ 9.10	4,159,568
Equity compensation plans not approved by stockholders	—	—	—
Total	853,846	$ 9.10	4,159,568

(1) Consists of (a) shares of common stock reserved for future issuance pursuant to our 2012 Incentive Award Plan, which was initially adopted by our Board in connection with the closing of our IPO in 2012, and (b) 10,000 shares of common stock issuable upon the exercise of outstanding options issued pursuant to the Cole Credit Property Trust II, Inc. 2004 Independent Directors' Stock Option Plan.

(2) Includes (a) 843,846 target performance shares that have been granted, but not yet issued as of December 31, 2017, and (b) 10,000 shares issuable upon the exercise of outstanding options. Grantees of performance shares are eligible to vest in up to 250% of the target number of performance shares.

(3) Represents the weighted average exercise price of outstanding options. The performance shares do not have an exercise or strike price.

ANNUAL REPORT ON FORM 10-K

Our 2017 Annual Report on Form 10-K accompanies this Proxy Statement. Stockholders may obtain a copy of the 2017 Annual Report on Form 10-K, excluding exhibits, without charge upon request to our Investor Relations Department, Attention: Investor Relations, 2727 North Harwood Street, Suite 300, Dallas, TX 75201. Electronic copies of these documents are also available for downloading on the Investor Relations page of the Company's website at www.spiritrealty.com. Copies of the exhibits to our Annual Report on Form 10-K will be provided to any requesting stockholder, provided that such stockholder agrees to reimburse us for our reasonable costs to provide those exhibits.

INCORPORATION BY REFERENCE

The Compensation Committee Report on Executive Compensation, the Audit Committee Report, reference to the independence of the Audit Committee members, portions of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and any information included on our website, included or described in the preceding pages are not deemed filed with the SEC and shall not be deemed incorporated by reference into any prior or future filings made by us under the Exchange Act, except to the extent that we specifically incorporate such information by reference.

REQUIREMENTS FOR SUBMISSION OF STOCKHOLDER PROPOSALS FOR THE 2019 ANNUAL MEETING OF STOCKHOLDERS

Under SEC rules, any stockholder proposal intended to be presented at the 2019 Annual Meeting of Stockholders must be received by us at our principal executive offices at 2727 North Harwood Street, Suite 300, Dallas, TX 75201 not later than December 26, 2018, and meet the requirements of our Bylaws and Rule 14a-8 under the Exchange Act to be considered for inclusion in our proxy materials for that meeting. Any such proposal should be sent to the attention of our Investor Relations Department.

Under our Bylaws, stockholders must follow certain procedures to introduce an item for business or to nominate a person for election as a director at an annual meeting. For director nominations and other stockholder proposals, the stockholder must give timely notice in writing to our Investor Relations Department at our principal executive offices and such proposal must be a proper subject for stockholder action. To be timely, we must receive notice of a stockholder's intention to make a nomination or to propose an item of business at our 2019 Annual Meeting not earlier than the 150th day and not later than the 120th day prior to the first anniversary of the date the proxy statement for the 2018 Annual Meeting was released to stockholders; however, if we hold our 2019 Annual Meeting more than 30 days before or after the one-year anniversary date of this year's Annual Meeting, we must receive the notice not earlier than the 150th day and not later than the 120th day prior to the 2019 Annual Meeting date or the tenth day following the date on which we first publicly announce the date of the 2019 Annual Meeting, whichever occurs later. For any other meeting, we must receive notice of a stockholder's intention to make a nomination or to propose an item of business not earlier than the 120th day and not later than the 90th day prior to the date of such meeting or the tenth day following the date on which we first publicly announce the date of such meeting, whichever occurs later.
Stockholders may obtain a copy of our Bylaws upon request and without charge from the Investor Relations Department, Attention: Investor Relations, Spirit Realty Capital, Inc., 2727 North Harwood Street, Suite 300, Dallas, TX 75201. If we do not receive timely notice pursuant to our Bylaws, the proposal will be excluded from consideration at the meeting.

OTHER MATTERS

As of the date of this Proxy Statement, we know of no business that will be presented for consideration at the Annual Meeting other than the items referred to above. If any other matter is properly brought before the meeting for action by stockholders, proxies in the enclosed form returned to us will be voted in accordance with the recommendation of the Board of Directors or, in the absence of such a recommendation, in accordance with the discretion of the proxy holders.

ANNEX A: NON-GAAP FINANCIAL MEASURES RECONCILIATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
($ IN THOUSANDS, EXCEPT PER SHARE DATA)
Funds from Operations and Adjusted Funds from Operations

	Year Ended December 31, 2017
Net income attributable to common stockholders	$ 74,618
Add/(less):	
Portfolio depreciation and amortization	255,454
Portfolio impairment	102,330
Realized (gain) on sales of real estate [1]	(65,106)
Funds from operations (FFO) attributable to common stockholders	$ 367,296
Add/(less):	
Loss on debt extinguishment	1,645
Transaction costs	6,361
Real estate acquisition costs	1,356
Non-cash interest expense	23,469
Straight-line rent, net of related bad debt expense	(19,474)
Other amortization and non-cash charges	(3,266)
Accrued interest and fees on defaulted loans	4,201
Non-cash compensation expense	16,560
Adjusted funds from operations (AFFO) attributable to common stockholders	$ 398,148
AFFO per share of common stock (diluted) [2] [3]	$ 0.85
Weighted average shares of common stock outstanding (diluted)	467,942,788

(1) Includes amounts related to discontinued operations.

(2) Assumes the issuance of potentially issuable shares unless the result would be anti-dilutive.

(3) AFFO per share for the year ended December 31, 2017 deducts dividends paid to participating stockholders of $0.9 million in its computation.

AX-1

Adjusted Debt, Adjusted EBITDA and Annualized Adjusted EBITDA

	December 31, 2017
Revolving credit facilities	$ 112,000
Term Loan, net	—
Senior Unsecured Notes	295,321
Mortgages and Notes Payable, net	2,516,478
Convertible Notes, net	715,881
	3,639,680
Add/(less):	
Unamortized debt discount, net	61,399
Unamortized deferred financing costs	39,572
Cash and cash equivalents	(8,798)
Restricted cash balances held for the benefit of lenders	(105,909)
Total adjustments	(13,736)
Adjusted Debt [1]	$ 3,625,944
Preferred Stock at liquidation value	$ 172,500
Adjusted Debt \+ Preferred Stock	$ 3,798,444

	Three Months Ended December 31, 2017
Net income attributable to common stockholders	$ 35,791
Add/(less): [2]	
Interest	47,998
Depreciation and amortization	63,132
Income tax benefit	(25)
Total adjustments	111,105
EBITDA	$ 146,896
Add/(less): [2]	
Restructuring charges	3,216
Real estate acquisition costs	583
Impairment on real estate assets	14,221
Realized gains on sales of real estate assets	(24,909)
Loss on debt extinguishment	3,415
Total adjustments to EBITDA	(3,474)
Adjusted EBITDA [3]	$ 143,422
Annualized Adjusted EBITDA [4]	$ 573,688
Adjusted Debt / Annualized Adjusted EBITDA [5]	6.3 x
Adjusted Debt + Preferred / Annualized Adjusted EBITDA	6.6 x

(1) Adjusted Debt represents interest bearing debt (reported in accordance with GAAP) adjusted to exclude unamortized debt discount/premium and deferred financing costs, as further reduced by cash and cash equivalents and cash reserves on deposit with lenders as additional security. By excluding unamortized debt discount/premium and deferred financing costs, cash and cash equivalents, and cash reserves on deposit with lenders as additional security, the result provides an estimate of the contractual amount of borrowed capital to be repaid, net of cash available to repay it. We believe this calculation constitutes a beneficial supplemental non-GAAP financial disclosure to investors in understanding our financial condition.

(2) Adjustments include all amounts charged to continuing and discontinued operations.

(3) Adjusted EBITDA represents EBITDA modified to include other adjustments to GAAP net income (loss) attributable to common stockholders for restructuring charges, real estate acquisition costs, impairment losses, gains/losses from the sale of real estate and debt transactions and other items that we do not consider to be indicative of our on-going operating performance. We focus our business plans to enable us to sustain increasing shareholder value. Accordingly, we believe that excluding these items, which are not key drivers of our investment decisions and may cause short-term fluctuations in net income, provides a useful supplemental measure to investors and analysts in assessing the net earnings contribution of our real estate portfolio. Because these measures do not represent net income (loss) that is computed in accordance with GAAP, they should not be considered alternatives to net income (loss) or as an indicator of financial performance. A reconciliation of net income (loss) attributable to common stockholders (computed in accordance with GAAP) to EBITDA and Adjusted EBITDA is included in the financial information in the above table.

(4) Adjusted EBITDA for the quarter multiplied by 4.

(5) Adjusted Debt to Annualized Adjusted EBITDA is a supplemental non-GAAP financial measure we use to evaluate the level of borrowed capital being used to increase the potential return of our real estate investments, and a proxy for a measure we believe is used by many lenders and ratings agencies to evaluate our ability to repay and service our debt obligations over time. We believe the ratio is a beneficial disclosure to investors as a supplemental means of evaluating our ability to meet obligations senior to those of our equity holders. Our computation of this ratio may differ from the methodology used by other equity REITs, and therefore, may not be comparable to such other REITs

AX-2

AX-3

AX-4

AX-5