

EQUINIX INC
Form DEF 14A
April 24, 2018

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

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Equinix, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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Equinix 2018 Proxy Statement

NOTICE OF ANNUAL MEETING

OF STOCKHOLDERS

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders (the **Annual Meeting**) of Equinix, Inc., a Delaware corporation (**Equinix**). The meeting will be held at our headquarters, located at One Lagoon Drive, Redwood City, Calif., on Thursday, June 7, 2018, at 10:30 a.m. PDT, for the purposes of considering and voting on:

1. **Election of directors to the board of directors (the **Board**)** to serve until the next Annual Meeting or until their successors have been duly elected and qualified;
2. **Approval, by a non-binding advisory vote, of the compensation** of our named executive officers;
3. **Ratification of the appointment of PricewaterhouseCoopers LLP** as our independent registered public accounting firm for the fiscal year ending Dec. 31, 2018;
4. **One stockholder proposal**, related to proxy access reform, if properly presented at the Annual Meeting; and
5. **Such other business** as may properly come before the meeting or any adjournments or postponements thereof. The foregoing items of business are more fully described in the attached proxy statement.

Only stockholders of record at the close of business on April 13, 2018 are entitled to notice of, and to vote at, the Annual Meeting and at any adjournments or postponements thereof. A list of such stockholders will be available for inspection at our headquarters, during ordinary business hours, for the 10-day period prior to the Annual Meeting.

BY ORDER OF THE BOARD OF DIRECTORS,

Peter Van Camp

Interim CEO and President

Executive Chairman

Redwood City, California

April 25, 2018

TO BE HELD

Thursday, June 7, 2018

LOCATION

Equinix Corporate Headquarters

One Lagoon Drive

Redwood City, CA 94065

+1.650.598.6000

ATTENDANCE

Whether or not you plan to attend the Annual Meeting, please complete, sign, date and promptly return the accompanying proxy in the enclosed postage-paid envelope, or follow the instructions in Additional Information (page 46) to submit your proxy by telephone or on the internet. You may revoke your proxy at any time prior to the Annual Meeting. If you decide to attend the Annual Meeting and wish to change your proxy vote, you may do so automatically by voting in person at 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 at the meeting, you must obtain a proxy issued in your name from that record holder.

Important notice regarding the availability of proxy materials for the Annual Meeting to be held on June 7, 2018:

The proxy statement and annual report to stockholders on Form 10-K are available at: proxy.equinix.com

PROXY SUMMARY

This summary highlights some of the topics discussed in this proxy statement. It does not cover all of the information you should consider before voting, and you are encouraged to read the entire proxy statement before casting your vote.

General information

MEETING: Annual Meeting of Stockholders

STOCK SYMBOL: EQIX

CORPORATE WEBSITE:

Equinix.com

DATE: Thursday, June 7, 2018

EXCHANGE: NASDAQ

INVESTOR RELATIONS WEBSITE:

investor.equinix.com

COMMON STOCK OUTSTANDING:

TIME: 10:30 a.m. PDT 79,457,722 shares as of April 13, 2018

2018 ANNUAL MEETING MATERIALS:

proxy.equinix.com

LOCATION: Equinix Corporate Headquarters,

REGISTRAR & TRANSFER AGENT: Computershare

One Lagoon Drive,
Redwood City, CA
94065

STATE OF INCORPORATION: Delaware

RECORD DATE: April 13, 2018

YEAR OF INCORPORATION: 1998

PUBLIC COMPANY SINCE: 2000

Governance

DIRECTOR NOMINEES: 8

Thomas Bartlett	Nanci Caldwell
(Independent Director)	(Independent Director)
Gary Hromadko	Scott Kriens
(Independent Director)	(Independent Director)
William Luby	Irving Lyons III
(Independent Director)	(Independent Director)
Christopher Paisley	Peter Van Camp
(Lead Independent Director)	(Interim Chief Executive Officer and President; Executive Chairman)

DIRECTOR TERM: One year

DIRECTOR ELECTION STANDARD: Majority votes cast

BOARD MEETINGS IN 2017: 12

STANDING BOARD COMMITTEES (MEETINGS IN 2017):

Audit (10), Compensation (4), Governance (4),

Nominating (1), Real Estate (10)

SUPERMAJORITY VOTING REQUIREMENTS: No

STOCKHOLDER RIGHTS PLAN: No

STOCKHOLDER RIGHT TO CALL SPECIAL MEETINGS: Yes

STOCKHOLDER RIGHT TO ACT BY WRITTEN CONSENT: Yes

STOCKHOLDER PROXY ACCESS RIGHTS: Yes

CORPORATE GOVERNANCE MATERIALS:

governance.equinix.com

Performance and compensation highlights

REVENUES (\$M): **AFFO (\$M)⁽¹⁾:** **2015 - 2017 STOCK PRICE PERFORMANCE (\$):**

**CEO 2017 COMPENSATION
MIX⁽²⁾:**

2017 CEO: Stephen Smith (Age 61; CEO from 2007-Jan. 2018)

INTERIM CEO: Peter Van Camp (Age 62; interim CEO since Jan. 2018)

PERCENTAGE 2017 CEO INCENTIVE COMPENSATION AT RISK:
100% of Annual and 75% of Long Term

METRICS USED FOR INCENTIVE COMPENSATION: Revenues,
AFFO, Total Stockholder Return

TAX GROSS-UPS: No

STOCK OWNERSHIP GUIDELINES: Yes

ANTI-HEDGING POLICY: Yes

RECOUPMENT POLICY: Yes

CEO PAY RATIO: 107:1

Items to be voted on and our Board's recommendation

DIRECTORS:

Election of directors

COMPENSATION:

Advisory vote to approve named executive officer compensation

AUDIT:

Ratification of independent registered public accountants

STOCKHOLDER PROPOSAL:

Stockholder proposal related to proxy access reform

1. Funds from operations (FFO) and adjusted funds from operations (AFFO) are non-GAAP financial measures commonly used in the REIT industry. FFO is calculated in accordance with the standards established by the National Association of Real Estate Trusts (NAREIT). FFO represents net income (loss), excluding gains (losses) from the disposition of real estate assets, depreciation and amortization on real estate assets and adjustments for unconsolidated joint ventures and non-controlling interests share of these items. AFFO represents FFO, excluding depreciation and amortization expense on a non-real estate assets, accretion, stock-based compensation, restructuring charges, impairment charges, acquisition costs, an installation revenue adjustment, a straight-line rent expense adjustment, amortization of deferred financial costs, gains (losses) on debt extinguishment, an income tax expense adjustment, recurring capital expenditures and adjustments from FFO to AFFO for unconsolidated joint ventures and non-controlling interests share of these items. For additional definitions of non-GAAP terms and a detailed reconciliation between non-GAAP financial results and the corresponding GAAP measures, please refer to pages 58-61 of our Annual Report on Form 10-K filed with the Securities and Exchange Commission on Feb. 26, 2018.

2. Reflects the market value of the RSU awards on the grant dates of Feb. 16, 2017. Assumes the maximum size award is earned under the 2017 annual incentive plan and the maximum number of shares is earned under the performance-based RSU awards.

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GOVERNANCE

Election of directors

All directors will be elected at the Annual Meeting to serve for a term expiring at the next annual meeting of stockholders and until his or her successor is elected, or until the director's death, resignation or removal. If you sign your proxy card but do not give instructions with respect to the voting of directors, your shares will be voted for the eight persons recommended by the Board. If you wish to give specific instructions with respect to the voting of directors, you must do so with respect to the individual nominee. If any nominee becomes unavailable for election as a result of an unexpected occurrence, your shares will be voted for the election of a substitute nominee proposed by Equinix's Board. Each person nominated for election has agreed to serve if elected, and our Board has no reason to believe that any nominee will be unable to serve.

The eight directors who are being nominated for election by the holders of common stock to the Board; their ages as of Apr. 1, 2018; their positions and offices held with Equinix; and certain biographical information, including directorships held with other public companies during the past five years, are set forth below. In addition, we have provided information concerning the particular experience, qualifications, attributes and/or skills that led the Nominating Committee and the Board to determine that each nominee should serve as a director of Equinix.

NOMINEES

Thomas Bartlett

Age 59

Independent director since: Apr. 2013

Committee: Audit

Current role

Executive vice president, chief financial officer and treasurer, American Tower, an owner and operator of wireless and broadcast communications sites that operates as a real estate investment trust (REIT) (since 2009)

Prior business experience

Various operations and business development roles with predecessor companies and affiliates, including most recently senior vice president and corporate controller, Verizon Communications (1983-2009)
Began career at Deloitte, Haskins & Sells

Qualifications

Experience at American Tower with its conversion to and operation as a REIT
Experience in telecommunications and wireless infrastructure fields
Accounting and financial expertise, including as a public company chief financial officer

Nanci Caldwell

Age 60

Independent director since: Dec. 2015

Committee: Governance

Current role

Corporate director (since 2005)

Prior business experience

Executive vice president and chief marketing officer, PeopleSoft (2001–2004)

Various senior and executive sales and marketing roles in Canada and the U.S., Hewlett-Packard (1982–2001)

Current public company boards (in addition to Equinix)

CIBC

Citrix Systems

Donnelley Financial Solutions

Talend

Past public company boards

Tibco Software

Deltek

Qualifications

Expertise in enterprise sales, marketing and technology, which brings a valuable perspective to our Board to support our current sales and marketing strategy

Experience as an operating executive at major public companies

Experience with public company M&A

Experience on multiple Governance Committees

Gary Hromadko

Age 65

Independent director since: June 2003

Committees: Audit, Nominating and Real Estate

Current role

Venture partner, Crosslink Capital, a venture capital firm (since 2002)

Past public company boards

Carbonite

Qualifications

Active private investor since 1993

Experience as an investor in the networking, cloud and infrastructure service sectors, important customer segments to Equinix, and sectors where trends are closely watched as important to our future strategy and positioning

Experience with financial and capital markets

Experience with Equinix since 2003

Scott Kriens

Age 60

Independent director since: July 2000

Committees: Compensation and Nominating

Current role

Corporate director

Prior business experience

Chief executive officer and chairman of the board of directors, Juniper Networks, a publicly-traded internet infrastructure solutions company (1996-2008)

Vice president of sales and vice president of operations, StrataCom, a telecommunications equipment company, which Mr. Kriens co-founded (1986-1996)

Current public company boards (in addition to Equinix)

Juniper Networks

Qualifications

Extensive experience in the sectors of communications services and internet infrastructure

Executive leadership and management experience leading Juniper Networks, a leading technology company

William Luby

Age 58

Independent director since: Apr. 2010

Committees: Compensation and Nominating

Current role

Managing partner, Seaport Capital, a private equity firm, and its predecessor companies (since 1996)

Prior business experience

Managing director, Chase Capital, the private equity affiliate of Chase Manhattan

Past public company boards

Switch & Data Facilities Company, prior to its acquisition by Equinix in 2010

Qualifications

Active investor in the telecommunications industry for 25 years

Experience as a director at Switch & Data

Familiarity with data center industry

Irving Lyons

Age 68

Independent director since: Feb. 2007

Committees: Compensation, Real Estate and Stock Award

Current role

Principal, Lyons Asset Management, a California-based private investment firm (since 2005)

Prior business experience

Chief investment officer, Prologis, a global provider of distribution facilities and services (1997-2004)

Current public company boards (in addition to Equinix)

ESSEX Property Trust

Prologis

Qualifications

Experience with global real estate, including as a chief investment officer at a real estate concern, which provides valuable insight to discussions of site selection and negotiations as Equinix conducts expansion planning and management of its real estate portfolio

Experience with REITs, as well as his knowledge of capital markets and executive leadership and management experience

Christopher Paisley

Age 65

Independent director since: July 2007 (and lead independent director since Feb. 2012)

Committees: Audit, Governance and Real Estate

Current role

Dean's Executive Professor of Accounting, Leavey School of Business at Santa Clara University (since 2001)

Prior business experience

Senior vice president of finance and chief financial officer, 3Com (1985-2000)

Current public company boards (in addition to Equinix)

Ambarella
Fitbit
Fortinet

Past public company boards

Bridge Capital
Control4
YuMe

Qualifications

Expertise in accounting and finance
Experience as a chief financial officer at a technology company
Extensive public company board and audit committee experience

Peter Van Camp

Age 62

Director since: May 2000

Committee: Stock Award

Current role

Interim chief executive officer and president (since Jan. 2018)
Executive chairman (since 2007)

Prior business experience

Chief executive officer, Equinix (2000-2007)
President, Equinix (2006-2007)
President, UUNET, the internet division of MCI (formerly known as WorldCom) (1997-2000)

Past public company boards

Silver Spring Networks

Qualifications

Long history with Equinix dating back to 2000

Experience acquired as Equinix's former chief executive officer and president bring valuable perspective to the Board

Extensive career history at technology services, communication services, and critical infrastructure companies

The Board recommends a vote FOR each nominee

Board composition

BOARD SIZE

Equinix's Board currently consists of eight directors. Equinix's bylaws provide that the number of directors will be determined by the Board, and the number of directors is currently set at 10. Thus there are two vacant seats on Equinix's Board at this time. Equinix does not intend to fill these vacant seats at the Annual Meeting.

MAJORITY VOTE STANDARD

Our bylaws provide that a director nominee must receive a majority of the votes cast with respect to such nominee in uncontested director elections (i.e., the number of shares voted for a director nominee must exceed the number of shares voted against such nominee). If an incumbent director nominee fails to receive a majority of the votes cast in an uncontested election, the director shall immediately tender his or her resignation to the Board. The Governance Committee of the Board, or such other committee designated by the Board, shall make a recommendation to the Board as to whether to accept or reject the resignation of such incumbent director, or whether other action should be taken. The Board shall act on the resignation, taking into account the committee's recommendation, and publicly disclose its decision regarding the resignation within 90 days following certification of the election results. If the Board accepts a director's resignation, or if a nominee for director is not elected and the nominee is not an incumbent director, the remaining members of the Board may fill the resulting vacancy or may decrease the size of the Board.

DIRECTOR INDEPENDENCE

The Board is currently comprised of eight directors, seven of whom qualify as independent directors pursuant to the rules adopted by the Securities and Exchange Commission applicable to the corporate governance standards for companies listed on the NASDAQ National Market System. The Board has determined that all the Equinix director nominees are independent within the meaning of the applicable NASDAQ listing standards, except for Mr. Van Camp, Equinix's executive chairman and interim chief executive officer and president. The Audit, Compensation, Governance, Nominating and Real Estate committees of the Board currently consist entirely of independent directors.

NOMINATION OF DIRECTORS

The Nominating Committee of the Board operates pursuant to a written charter and has the exclusive right to recommend candidates for election as directors to the Board. The Nominating Committee believes that candidates for director should have certain minimum qualifications, including being able to read and understand basic financial statements, having high moral character, having business experience, and being over 21 years of age. The Nominating Committee's process for identifying and evaluating nominees is as follows. In the case of incumbent directors whose annual terms of office are set to expire, the Nominating Committee reviews such directors' overall service to Equinix during their term, including the number of meetings attended, level of participation, quality of performance, and any transactions of such directors with Equinix during their term. In the case of new director candidates, the Nominating Committee first determines whether the nominee must be independent for NASDAQ purposes, which determination is based upon the Equinix, Inc., Board of Directors Guidelines on Significant Corporate Governance Issues (the "Guidelines"), the rules and regulations of the Securities and Exchange Commission, the rules of the NASDAQ Stock Market, and the advice of counsel, if necessary. The Nominating Committee may then use its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. The Nominating Committee will then meet to discuss and consider such candidates' qualifications and choose candidate(s) for recommendation to the Board.

There is no fixed set of qualifications that must be satisfied before a candidate will be considered. Rather, the Nominating Committee has the flexibility to consider such factors as it deems appropriate. In evaluating potential

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nominees for Board membership, the Nominating Committee considers qualification criteria, such as independence, character, ability to exercise sound judgment, demonstrated leadership ability, skills, including financial literacy,

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GOVERNANCE

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educational background, diversity and experience, in the context of the current and anticipated needs of the Board and of the company as a whole. In practice, the Nominating Committee has sought members with experience relevant to our industry and current strategy. For example, in 2007 the addition of Mr. Lyons to our Board was the result of a specific search designed to add experience in real estate to our Board as we embarked on a period of major expansion; in 2013 the addition of Mr. Bartlett was designed to add further REIT experience to our Board in advance of our REIT conversion; and in 2015 the addition of Ms. Caldwell was designed to add further experience in enterprise technology to our Board as we continue to pursue the enterprise customer. The Nominating Committee understands the importance and value of diversity on the Board, and is therefore pleased with the addition of Ms. Caldwell to our Board in 2015. The Nominating Committee is committed to continue seeking out highly qualified women and individuals from minority groups to include in the pool from which Board nominees are chosen.

The Nominating Committee will consider candidates recommended by stockholders. Stockholders wishing to recommend candidates for consideration by the Nominating Committee may do so in writing to the secretary of Equinix and by providing the candidate's name, biographical data and qualifications. The Nominating Committee does not intend to alter the manner in which it evaluates candidates, including the minimum criteria set forth above, based on whether the candidate was recommended by a stockholder.

In addition, in Mar. 2016, our bylaws were amended to provide for proxy access for director nominations by stockholders (the Proxy Access Bylaw). Under the Proxy Access Bylaw, any eligible stockholder, or eligible group of up to 20 stockholders, owning 3% or more of Equinix's outstanding common shares continuously for at least three years, may nominate and include in Equinix's annual meeting proxy materials for director nominees, up to a total number not to exceed the greater of 20% of the directors then serving on the Board or two directors, provided that the eligible stockholder or eligible group of stockholders and the director nominee(s) satisfy the requirements in the Proxy Access Bylaw. The Proxy Access Bylaw was first available to stockholders for Equinix's 2017 Annual Meeting of Stockholders.

A more detailed description on the functions of the Nominating Committee can be found in the Nominating Committee Charter, published on the corporate governance section of Equinix's website at Equinix.com.

Board operations

BOARD LEADERSHIP STRUCTURE

From 2000 to 2007, Mr. Van Camp served as both our chief executive officer and as chairman of the board. In Apr. 2007, Mr. Van Camp stepped down as Equinix's chief executive officer but retained the chairmanship of the Board as executive chairman. Following the resignation of Mr. Smith in Jan. 2018, Mr. Van Camp was appointed our interim chief executive officer and president. Mr. Van Camp also continues to serve as our executive chairman. Mr. Van Camp, with his depth of experience and history with Equinix dating back to 2000, provides support and guidance to management as interim chief executive officer and executive chairman. He also provides leadership to the Board and works with the Board to define its structure and activities needed to fulfill its responsibilities, facilitates communication among directors and between directors and senior management, provides input to the agenda for Board meetings, works to provide an appropriate information flow to the Board, and presides over meetings of the full Board.

In Feb. 2012, Mr. Paisley was designated by the Board as its lead independent director. In this role, Mr. Paisley's duties may include presiding at all meetings of the Board at which the executive chairman is not present; calling and chairing all sessions of the independent directors; preparing the agenda and approving materials for meetings of the independent directors; briefing management directors about the results of deliberations among independent directors; consulting with the executive chairman regarding agendas, pre-read materials and proposed meeting calendars and schedules; collaborating with the executive chairman and acting as liaison between the executive chairman and the

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independent directors; and serving as the Board's liaison for consultation and communication with stockholders as appropriate, including on request of major stockholders. In addition, the number of independent directors on our Board and our committee structure provide additional independent oversight of Equinix. For example, the Audit, Compensation, Governance and Nominating Committees of the Board, and the Real Estate

Committee of the Board, where decisions regarding our expansion and capital deployment are vetted, consist entirely of independent directors. Our independent directors regularly hold private sessions and have direct access to management. A self-assessment of the Board is also conducted annually, at which time each member is free to evaluate and comment as to whether they feel this leadership structure continues to be appropriate.

DIRECTOR ATTENDANCE

During the fiscal year ended Dec. 31, 2017, the Board held 12 meetings. For the fiscal year, each of the incumbent directors attended or participated in at least 90% of the aggregate of (i) the total number of meetings of the Board and (ii) the total number of meetings held by all committees of the Board on which each such director served. In the event any director missed a meeting, that individual would separately discuss material items with Mr. Smith or Mr. Van Camp.

BOARD COMMITTEES

The Board has six standing committees: the Audit Committee, the Compensation Committee, the Governance Committee, the Nominating Committee, the Real Estate Committee and the Stock Award Committee, in addition to special committees that may be formed from time to time. The following table provides membership information for the incumbent directors for fiscal 2017 for such standing committees of the Board:

Name	Audit	Compensation	Governance	Nominating	Real Estate	Stock Award
Thomas Bartlett	X					
Nanci Caldwell			X ⁽¹⁾			
Gary Hromadko	X			X	X	
Scott Kriens		X		X ⁽²⁾		
		X		X		
William Luby						

Irving Lyons III		X ⁽²⁾		X	X
Christopher Paisley	X ⁽²⁾		X	X	
Peter Van Camp			X ⁽⁴⁾		X ⁽³⁾

(1) Appointed chair in Mar. 2018.

(2) Committee chair.

(3) Mr. Van Camp joined the Stock Award Committee in Jan. 2018.

(4) Mr. Van Camp was removed from the Governance Committee while serving as interim chief executive officer and president.

A detailed description of the Audit Committee can be found in the section entitled, Report of the Audit Committee of the Board of Directors, elsewhere in this proxy statement. The members of the Audit Committee in 2017 were Mr. Bartlett, Mr. Hromadko and Mr. Paisley. Mr. Paisley is chairperson of the Audit Committee and both Mr. Bartlett and Mr. Paisley are considered financial experts. During the fiscal year ended Dec. 31, 2017, the Audit Committee held 10 meetings.

The Compensation Committee oversees, reviews and administers all of Equinix's compensation, equity and employee benefit plans and programs relating to executive officers, including the named executive officers; approves the global guidelines for the compensation program for Equinix non-executive employees; and approves Equinix's projected global equity usage. The Compensation Committee also acts periodically to evaluate the effectiveness of the compensation programs at Equinix and considers recommendations from its consultant, Compensia, Inc. (Compensia), and from management regarding new compensation programs and changes to those already in existence. In addition, the Compensation Committee is consulted to approve the compensation package of a newly hired executive or of an executive whose scope of responsibility has changed significantly. A more detailed description of the functions of the Compensation Committee can be found in the Compensation Committee Charter, published on the corporate governance section of Equinix's website at Equinix.com and also in the Compensation Discussion and Analysis section below. The members of the Compensation Committee are Mr. Kriens, Mr. Luby and Mr. Lyons. Mr. Lyons is chairperson of the Compensation Committee. During the fiscal year ended Dec. 31, 2017, the Compensation Committee held four meetings.

The Governance Committee was established to (i) oversee the evaluation of the Board; (ii) review and consider developments in corporate governance practices and to recommend to the Board a set of effective corporate governance policies and procedures applicable to Equinix; and (iii) review and consider developments related to the Equinix Governance Risk and Compliance (GRC) Program and to report out to the Board on GRC Program activities and recommendations. A more detailed description on the functions of the Governance Committee can be found in the Governance Committee Charter, published in the corporate governance section of Equinix's website at Equinix.com. The members of the Governance Committee are Ms. Caldwell and Mr. Paisley. Ms. Caldwell is chairperson of the Governance Committee. While Mr. Van Camp previously served as chairperson of the Governance Committee, he no longer serves on such committee while acting as interim chief executive officer and president. During the fiscal year ended Dec. 31, 2017, the Governance Committee held four meetings.

The Nominating Committee's functions are described above in the section entitled "Nomination of Directors." The members of the Nominating Committee are Mr. Hromadko, Mr. Kriens and Mr. Luby. Mr. Kriens is chairperson of the Nominating Committee. During the fiscal year ended Dec. 31, 2017, the Nominating Committee held one meeting.

The Real Estate Committee approves capital expenditures in connection with real estate development, expansion or acquisition within parameters set by the full Board. All decisions are made considering a projected 10-year internal rate of return and within the context of a multi-year capital expenditure development pipeline and cash flow analysis provided by management to the Real Estate Committee. In approving real estate capital expenditures, the Real Estate Committee also considers an overview of the project and the market, including the competition, strategy, current capacity and sales pipeline. In addition, the Real Estate Committee has the authority to analyze, negotiate and approve the purchase, sale, lease or sublease of real property, approve guarantees related to real property transactions and, subject to any limitations or terms imposed by the full Board, if any, analyze, negotiate and approve real estate-related financing transactions. The members of the Real Estate Committee are Mr. Hromadko, Mr. Lyons and Mr. Paisley. During the fiscal year ended Dec. 31, 2017, the Real Estate Committee held 10 meetings.

The Stock Award Committee has the authority to approve the grant of stock awards to non-Section 16 officer employees and other individuals. The members of the Stock Award Committee are Mr. Lyons and Mr. Van Camp. The Stock Award Committee typically does not hold meetings but acts by written consent.

BOARD RISK OVERSIGHT

Our Board's oversight of risk management is designed to support the achievement of organizational objectives, including strategic objectives, to improve Equinix's long-term organizational performance of Equinix and enhance stockholder value. The involvement of the full Board in setting Equinix's business strategy is a key part of its assessment of what risks Equinix faces, what steps management is taking to manage those risks, and what constitutes an appropriate level of risk for Equinix. Our senior management attends the quarterly Board meetings, presents to the Board on strategic and other matters, and is available to address any questions or concerns raised about risk-management-related issues, or any other matters. Board members also have ongoing and direct access to senior management between regularly scheduled board meetings for any information requests or issues they would like to discuss. In addition, in Sept. 2017 the Board held a strategy meeting with senior management to discuss strategies, key challenges, and risks and opportunities for Equinix. The Board typically holds a meeting focused solely on strategy annually, to set the stage for the planning and development of Equinix's operating plan for the coming year.

Equinix has completed a global risk assessment to identify key strategic, operational, financial and regulatory compliance risks and will continue to evaluate such risks. These risks have been communicated to and assessed by Equinix's executive management, the Governance Committee and the full Board. The Board is scheduled to receive its next enterprise risk briefing in Sept. 2018. Additionally, in 2017 the full Board received briefings on multiple enterprise risks, including cybersecurity. Briefings on cybersecurity, as well as other enterprise risks, will also be provided in 2018.

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While the Board has the ultimate oversight responsibility for the risk management process, various committees of the Board also have responsibility for risk management. In particular, the Governance Committee oversees

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Equinix's GRC Program, formally launched in 2013. In connection with this oversight, the Governance Committee receives quarterly updates on key issues, such as enterprise risk management, business continuity and disaster recovery planning, cybersecurity and regulatory compliance. The Governance Committee evaluates the effectiveness of risk mitigation capabilities identified in these areas and monitors for emerging risks. Equinix's chief compliance officer, as leader of the GRC Program, reports on the program at each meeting of the Governance Committee.

In addition, the Audit Committee's charter mandates that it discuss guidelines and policies governing the process by which management and other persons responsible for risk management assess and manage Equinix's exposure to risk, including Equinix's major financial risk exposures and the steps management has taken to monitor and control such exposures, based on consultation with management and the independent auditors. The Audit Committee also receives an annual assessment of the adequacy of the controls over financial reporting, including an assessment of the risks associated with the controls over the financial reporting process.

In setting compensation, the Compensation Committee strives to manage risks arising from our compensation policies and programs by setting compensation at levels that maximize stockholder long-term value without encouraging excessive risk-taking. For more information, please read Compensation policies and practices risk assessment. Finally, the Real Estate Committee manages risk by evaluating real estate expansion opportunities and the deployment of capital within the context of Equinix's overall business and financial strategy and financial picture.

The Board believes that the risk management processes in place for Equinix are appropriate.

BOARD ONBOARDING PROGRAM

Equinix has an onboarding program, overseen by the Governance Committee, to introduce new Board members to Equinix and the Board. The program includes orientation sessions on the Board's structure and processes, Equinix's compliance environment, and the business.

INVESTOR ENGAGEMENT

Equinix pursues engagement with its stockholders throughout the year to best understand and address the issues that matter to our stockholders.

During 2017, we met with numerous investors around the world, including by attending and hosting 20 investor conferences, non-deal roadshows, and investor group events. Additionally, we proactively reached out for meetings with our 20 largest stockholders in the fall of 2017 to discuss our corporate governance model and solicit feedback; all meetings that resulted were attended by our executive chairman. We plan to conduct a similar outreach in 2018.

For information about how to contact our Board please see the section below entitled Stockholder communications with the Board of Directors.

Other governance policies and practices

CORPORATE GOVERNANCE GUIDELINES

The Board follows its Guidelines published on the corporate governance section of Equinix's website at Equinix.com. The Guidelines reflect the Board's dedication to monitoring the effectiveness of policy and decision-making at the Board level. In conjunction with the Governance Committee, the Board will continue to monitor the effectiveness of the Guidelines.

CODE OF ETHICS AND BUSINESS CONDUCT

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The Board has adopted (1) a Code of Business Conduct which applies to all directors, officers and employees and (2) an additional Code of Ethics for chief executive officer and senior financial officers. These documents can be found on the corporate governance section of Equinix's website at Equinix.com. In addition, anonymous reporting hotlines have been established to facilitate reporting of violations of financial and non-financial policies.

Should the Board ever choose to amend or waive a provision of the Code of Ethics for chief executive officer and senior financial officers, we may disclose such amendment or waiver on the corporate governance section of Equinix's website at Equinix.com.

STOCK OWNERSHIP GUIDELINES

In its Guidelines, the Board has established a stock ownership requirement for Equinix's non-employee directors to encourage them to have a significant financial stake in the company. The Guidelines state that each non-employee director should own not less than six times their cash annual retainer for general service on the Board in shares of Equinix's common stock, including exercised stock options, vested restricted stock units (RSUs) and deferred RSUs. Non-employee directors serving on the Board as of Nov. 17, 2010 had until Dec. 31, 2015 to comply with the requirement, and new non-employee directors will have five years from the date of their election to the Board to comply. Compliance with this requirement is measured annually at the end of each fiscal year. All directors subject to the guidelines were in compliance as of Dec. 31, 2017.

Stock ownership guidelines for our chief executive officer and his direct reports have also been established and require that these executives achieve target ownership levels, expressed as a multiple of salary. The target ownership level for our chief executive officer is three times his annual salary; for all others, the target ownership level is one time their annual salary. Newly hired or promoted executives have up to five years to obtain compliance. Compliance with this requirement is measured annually at the end of each fiscal year. Our chief executive officer and his direct reports were all in compliance with these guidelines as of Dec. 31, 2017.

NO HEDGING POLICY

Equinix's Securities Trading Policy prohibits our Board members, officers, employees and consultants from engaging in hedging transactions related to Equinix's common stock.

RECOUPMENT POLICY

In Nov. 2016, the Compensation Committee adopted a policy on recoupment of incentive compensation which applies to our executive officers (as defined by applicable securities laws). The policy states that the Board may require the return, repayment or forfeiture of any cash or equity-based incentive compensation payment or award received by any current or former executive officer during the three completed fiscal years immediately preceding the date on which we are required to prepare a restatement of our financial statements due to material noncompliance with any financial reporting requirements under the securities laws and if certain other conditions are met.

STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Interested parties may contact the Board by sending correspondence to the attention of Equinix's secretary, c/o Equinix, Inc., One Lagoon Drive, Redwood City, CA, 94065. Any mail received by the secretary, except improper commercial solicitations, will be forwarded to the members of Equinix's Audit Committee for further action, if necessary. Equinix does not have a policy requiring attendance by members of the Board at Equinix's annual stockholder meetings. At Equinix's 2017 Annual Meeting, Mr. Smith and Mr. Van Camp were in attendance and available for questions.

2017 Director compensation

Equinix uses a combination of cash and equity-based incentive compensation to attract and retain qualified candidates to serve on the Board.

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In setting director compensation, Equinix considers the competitive compensation market for directors in the high-technology market, the demands of the various roles that directors hold, and the time required to fulfill their duties to Equinix. Compensia conducts a detailed review of Equinix's director compensation program every two years, with

an abbreviated review in the off years, and presents its findings to the Compensation Committee. The most recent detailed review occurred in Oct. 2016 and covered the design of the current program as compared to peer practices, using the same peers used for executive compensation decisions, and the alignment of total compensation and individual pay elements to this market; an abbreviated review occurred in Dec. 2017. Based on this review, no changes to the current program were recommended by the Compensation Committee to the full Board. Equinix's current pay program dates back to Sept. 2012.

Non-employee directors receive a retainer in connection with their service on the Board. For fiscal 2017, the annual retainer was \$60,000. In addition, in lieu of regular meeting fees, committee chairs (if any) and members received the following annual retainers for fiscal 2017, payable quarterly in arrears:

Committee	Chairperson	Member
Audit	\$30,000	\$15,000
Compensation	\$25,000	\$12,500
Real Estate	\$15,000	\$5,000
Nominating	\$12,500	\$5,000
Governance	\$12,500	\$5,000

Currently, non-employee directors only receive meeting fees for attendance at committee meetings in excess of a specified number of meetings in a calendar year. The committee meeting fees and the threshold number of meetings that must be attended before any meeting fees are paid are:

Committee	Chairperson	Member
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			Threshold Number of Meetings
Audit	\$5,000	\$3,000	12
Compensation	\$5,000	\$3,000	8
Real Estate	\$5,000	\$3,000	6
Nominating	\$5,000	\$3,000	5
Governance	\$5,000	\$3,000	5
Other	\$5,000	\$3,000	6

The Board has also designated a lead independent director who earns a \$25,000 annual retainer.

Non-employee directors receive automatic grants of RSUs. At our annual meeting of stockholders, each non-employee director who will continue to be a director after that meeting is automatically granted an award of RSUs. For fiscal 2017, the grant date fair value of these annual awards was \$250,000. The automatic RSU awards become fully vested on the earlier of (i) the first anniversary of Equinix's immediately preceding annual meeting of stockholders or (ii) in the case of a non-employee director not standing for reelection, the date of the first annual meeting of stockholders held subsequent to the date of grant. In addition, each non-employee director receives a prorated award of RSUs upon joining the Board with a grant date fair value of \$250,000. The proration is based upon a fraction equal to (x) the number of days from the start date of the non-employee director until the first anniversary of the date of Equinix's immediately preceding annual meeting of stockholders divided by (y) 365. The number of shares subject to each RSU award is determined by dividing the specified dollar value of the award by the closing price of Equinix's common stock on the date of grant. The RSUs granted to our directors will become fully vested if Equinix is subject to a change-in-control; in the event of the non-employee director's death, the portion of the RSUs that would have become vested on the next scheduled vesting date will become fully vested. Directors accrue dividend equivalent units on their RSUs. We allow our non-employee directors to elect to defer settlement of their RSUs. Directors are

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also eligible to receive discretionary awards under Equinix's 2000 Equity Incentive Plan. Our stock ownership guidelines for non-employee directors are described above.


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The following table sets forth all of the compensation awarded to, earned by or paid to each non-employee director who served during fiscal year 2017.

Name	Fees Earned or Paid in Cash⁽¹⁾ (\$)	Stock Awards⁽²⁾⁽³⁾⁽⁴⁾ (\$)	Total (\$)
Thomas Bartlett	75,000	249,612	324,612
Nanci Caldwell	65,000	249,612	314,612
Gary Hromadko	97,000	249,612	346,612
John Hughes⁽⁵⁾	26,868	249,612	276,480
Scott Kriens	85,000	249,612	334,612
William Luby	77,500	249,612	327,112
Irving Lyons III	102,000	249,612	351,612
Christopher Paisley	134,000	249,612	383,612

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1. Amounts listed in this column include the annual retainers for Board and committee service. Board and committee retainers are prorated based on the number of days the director served during the year. Mr. Hromadko, Mr. Lyons and Mr. Paisley received additional fees for their attendance at real estate committee meetings in 2017. The amount in this column for Mr. Paisley also includes a \$25,000 retainer for service as lead independent director.
 2. Reflects RSUs covering 566 shares granted to each non-employee director on the date of our annual stockholders meeting in May 2017.
 3. Reflects the aggregate grant date fair value of the RSU awards granted to the director in 2017 computed in accordance with FASB ASC Topic 718. See Note 12 of the notes to our consolidated financial statements in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on Feb. 26, 2018 for a discussion of the assumptions made by Equinix in determining the values of our equity awards.
 4. As of Dec. 31, 2017, Mr. Lyons held outstanding options to purchase 5,296 shares of our common stock. As of Dec. 31, 2017, Mr. Bartlett, Ms. Caldwell, Mr. Hromadko, Mr. Kriens, Mr. Luby, Mr. Lyons and Mr. Paisley each held 566 unvested RSUs (including accrued dividend equivalent units).
 5. Mr. Hughes passed away in Jun. 2017.
- In 2017, Mr. Van Camp was our executive chairman, but not a named executive officer, and did not receive any additional compensation for services provided as a director. For the year ended Dec. 31, 2017, Mr. Van Camp earned \$346,153.88 in salary and was granted a total of 4,794 RSUs (at maximum award sizes), with the same service and performance-vesting requirements as those granted to our named executive officers, for his service as Equinix's executive chairman. Mr. Smith, our chief executive officer and president in 2017, did not receive any additional compensation for services provided as a director.

Equinix stock ownership

The following table sets forth, as of April 1, 2018, certain information with respect to shares beneficially owned by (i) each person who is known by Equinix to be the beneficial owner of more than 5% of Equinix's outstanding shares of common stock, (ii) each of Equinix's directors and nominees, (iii) each of the executive officers named in Executive Compensation and Related Information, and (iv) all current directors and executive officers (as defined by applicable securities laws) as a group. Beneficial ownership has been determined in accordance with Rule 13d-3 under the Exchange Act. Under this rule, certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire shares (for example, upon exercise of an option or warrant) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of such acquisition rights. As a result, the percentage of outstanding shares of any person as shown in the following table does not necessarily reflect the person's actual voting power at any particular date. Unless otherwise indicated, the address for each listed stockholder is c/o Equinix, Inc., One Lagoon Drive, Redwood City, CA 94065.

Name of Beneficial Owner	Number of Shares	Percentage of Total
Thomas Bartlett	5,113	*
Nanci Caldwell⁽¹⁾	1,638	*
Gary Hromadko	169,193	*
Scott Kriens⁽²⁾	86,149	*
William Luby⁽³⁾	46,581	*

Irving Lyons III⁽⁴⁾	23,040	*
Charles Meyers	5,316	*
Christopher Paisley⁽⁵⁾	19,283	*
Eric Schwartz	3,434	*
Karl Strohmeyer	1,298	*
Keith Taylor	27,941	*
Peter Van Camp	6,971	*
The Vanguard Group⁽⁶⁾ 100 Vanguard Blvd, Malvern, PA 19355	11,257,216	14.17%
BlackRock Fund Advisors⁽⁷⁾ Park Avenue Plaza, 55 East 52nd Street, New York, NY 10055	6,060,381	7.63%
All current directors and executive officers as a group (14 persons)⁽⁸⁾	409,318	*

