

LANDandBUILDINGS

Land & Buildings Sends Letter to QTS Realty Trust Shareholders Regarding Annual Meeting

- Views QTS Dual-Class Share Structure as Disenfranchising Majority of Shareholders –*
- Expects to Continue to Update Market on Views on QTS Performance, Value and Need for Change –*
- Currently Intends to Withhold Vote for QTS Chairman and CEO Williams at 2018 Annual Meeting –*

Stamford, CT (March 5, 2018) – Land and Buildings Investment Management LLC (“Land and Buildings”) today issued the following letter to QTS Realty Trust’s (NYSE: QTS) (“QTS”, or the “Company”) shareholders:

March 5, 2018

Dear Fellow QTS Shareholders:

We share your frustration with QTS Chairman and CEO Chad Williams’ poor leadership of the Company, which is evidenced by QTS’s more than 100% share price underperformanceⁱ and approximately 50% earnings growth underperformanceⁱⁱ to Data Center Peersⁱⁱⁱ since its October 2013 IPO. The Company’s shareholders should not accept this pronounced history of poor performance and destruction of shareholder value without accountability.

With that in mind, we plan to send a loud and clear message to the QTS Board of Directors at the Company’s 2018 Annual Meeting scheduled to be held on May 3, 2018, where we currently intend to withhold our vote for Mr. Williams’ election to the Board of Directors.

Mr. Williams owns just 0.2% of the shares of Class A common stock of QTS. Yet, as a result of his ownership of the super voting Class B common stock of QTS, which entitles him to 50 votes per share (compared to one vote per Class A share), he effectively votes 13%^{iv} of the Company’s shares.

We believe that QTS’s dual class share structure is highly corrosive to effective corporate governance. The tide is clearly turning against dual shares classes, as evidenced by the fact that the S&P Composite 1500, which is comprised of the S&P 500, S&P MidCap 400 and S&P SmallCap 600, will not include new companies with multi-class share structures in their indices.^v Newly appointed SEC Commissioner Robert J. Jackson Jr. recently expressed his hope that national securities exchanges will soon consider listing standards addressing the use of dual-class stock to help us “return to the tradition of accountability that has served our nation and our markets so well.”

Over the coming weeks and months, we expect to provide more detailed analysis of the poor performance of QTS under the leadership of Mr. Williams and the need for change. Specifically, we believe the Board of Directors needs to act decisively on the items listed below. We will consider not withholding our vote for

Mr. Williams' election to the Board of Directors if the Board publicly announces its intention to take the following actions:

- Substantial refresh of the Board of Directors, which has seen no new directors since QTS's 2013 IPO;
- Opt out of the Maryland Unsolicited Takeovers Act (MUTA), which currently allows QTS to classify its Board without shareholder approval;
- Creation of Chartered Capital Allocation Committee made up of independent Board members, which clearly outlines the Company's capital allocation policies, return targets, and funding, and actively monitors investment decisions;
- Internal review by the Nominating and Corporate Governance Committee regarding management's plans to change its "C3" strategy prior to the November 2017 investor day and the subsequent 23% share decline on February 21st, 2018 following the Company's fourth quarter 2017 earnings announcement, despite reiterating the strategy and guidance at the November 2017 Investor Day;
- Evaluation of change in leadership of the Company given strategic and communication missteps; and
- Evaluation of strategic alternatives given the history of underperformance and reduced ability to raise capital on a cost-effective basis to grow the Company.

Sincerely,



Jonathan Litt

Founder & Chief Investment Officer

Land & Buildings

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About Land & Buildings:

Land & Buildings is a registered investment manager specializing in publicly traded real estate and real estate related securities. Land & Buildings seeks to deliver attractive risk adjusted returns by opportunistically investing in securities of global real estate and real estate related companies, leveraging its investment professionals' deep experience, research expertise and industry relationships.

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ⁱ Since QTS IPO defined as data range October 8, 2013 through February 26, 2018

ⁱⁱ FFO per share (2018e vs. 2014 actual); Land & Buildings estimates

ⁱⁱⁱ Data Center Peers defined as CyrusOne (Nasdaq: CONE), CoreSite (NYSE: COR), Digital Realty Trust (NYSE: DLR), and Equinix (Nasdaq: EQIX)

^{iv} QTS Definitive Proxy Statement, March 20, 2017

^v "Investors hail S&P 500 move over multiple class shares", <https://www.ft.com/content/0a441900-76ca-11e7-a3e8-60495fe6ca71>