

# LANDandBUILDINGS

## Land & Buildings Comments on Results of QTS Annual Meeting

- *Believes Significant Withhold Votes on Chair of Compensation Committee William Grabe and Votes Against Say on Pay Proposal Send a Clear Message that Change is Needed at QTS –*
- *QTS Needs to Improve Performance, Corporate Governance and Compensation Practices, or Could Face More Significant Shareholder Pressure in the Future –*

**Stamford, CT—** (May 7, 2018) – Land & Buildings Investment Management, LLC (together with its affiliates, "Land & Buildings") today commented on the voting results of the 2018 Annual Meeting of Stockholders of QTS Realty Trust (NYSE: QTS) ("QTS" or the "Company"), which occurred on May 3, 2018:

"We believe the results of QTS' Annual Meeting make clear that a significant portion of common shareholders agree that urgent and meaningful change is needed at the Company. Approximately 30 percent of shareholders, including 36% of disinterested shareholders, voting at the Annual Meeting chose to "Withhold" for the Chair of the Compensation Committee, William Grabe, and approximately 40 percent, including 48% of disinterested shareholders, voted "Against" QTS' "Say on Pay" proposal – sending a pointed message to the QTS board that the Company's current compensation and governance practices are unacceptable.<sup>1</sup>

The fact that Chairman and CEO Chad Williams controls the vote of roughly 6.5 million shares, or approximately 12 percent of total voting shares, underscores the degree to which the independent shareholders of QTS have signaled that the Company must do better.

We believe that shareholders deserve more from QTS' board and management. As proxy advisory firm Institutional Investor Services (ISS) recently noted when discussing the issues at QTS, "[T]he company has underperformed industry peers, experienced operational setbacks, and demonstrated a pattern of ineffective communication and a disconnect from shareholders, which suggest that enhanced oversight of management is warranted."<sup>2</sup>

The extent of the performance issues, strategic missteps and anti-shareholder policies at QTS did not become starkly apparent until after the deadline to nominate directors for the 2018 Annual Meeting had already passed. We believe that if improvements are not made at QTS that the Company could find itself facing more significant shareholder pressure in the future. We will continue to monitor the Company's actions to address shareholder concerns – or the lack thereof."

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<sup>1</sup> Disinterested shareholders excludes the approximately 8.1 million shares voted by insiders, including approximately 6.5 million shares voted by Chairman and CEO Chad Williams

<sup>2</sup> Permission from ISS neither sought nor obtained.

**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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