

EQUINIX INC
Form DEF 14A
April 28, 2004

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
 - Definitive Proxy Statement
 - Definitive Additional Materials
 - Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12
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Equinix, Inc.

(Name of Registrant as Specified In Its Charter)

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

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1. Amount Previously Paid:
2. Form, Schedule or Registration Statement No.:
3. Filing Party:
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Notes:

EQUINIX, INC.

301 Velocity Way, Fifth Floor

Foster City, CA 94404

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held June 3, 2004

The Annual Meeting of Stockholders (the "Annual Meeting") of Equinix, Inc. (the "Company") will be held at the Company's headquarters located at 301 Velocity Way, Fifth Floor, Foster City, California, on Thursday, June 3, 2004, at 10:30 a.m. for the following purposes:

1. To elect six (6) directors of the Board of Directors to serve until the next Annual Meeting or until their successors have been duly elected and qualified;
2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent public accountants for the fiscal year ending December 31, 2004;
3. To approve the 2004 Employee Stock Purchase Plan and International Employee Stock Purchase Plan, as successor plans to the 2000 Employee Stock Purchase Plan adopted at the time of our initial public offering;
4. To re-approve the 2000 Stock Incentive Plan, to satisfy a requirement under Federal tax law in order to preserve corporate tax deductions; and
5. To transact 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 21, 2004 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 the Company's headquarters located at 301 Velocity Way, Fifth Floor, Foster City, California, during ordinary business hours for the ten-day period prior to the Annual Meeting.

BY ORDER OF THE BOARD OF DIRECTORS,

/s/ Peter F. Van Camp

Peter F. Van Camp

Chief Executive Officer and Director

Foster City, California

April 29, 2004

IMPORTANT

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. 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.

EQUINIX, INC.

301 Velocity Way, Fifth Floor

Foster City, CA 94404

PROXY STATEMENT

FOR ANNUAL MEETING OF STOCKHOLDERS

To be held June 3, 2004

These proxy materials are furnished in connection with the solicitation of proxies by the Board of Directors of Equinix, Inc., a Delaware corporation (the "Company"), for the Annual Meeting of Stockholders (the "Annual Meeting") to be held at the Company's headquarters located at 301 Velocity Way, Foster City, California, on Thursday, June 3, 2004, at 10:30 a.m., and at any adjournment or postponement of the Annual Meeting. These proxy materials were first mailed to stockholders on or about April 29, 2004.

PURPOSE OF MEETING

The specific proposals to be considered and acted upon at the Annual Meeting are summarized in the accompanying Notice of Annual Meeting of Stockholders. Each proposal is described in more detail in this Proxy Statement.

VOTING RIGHTS AND SOLICITATION OF PROXIES

The Company's common stock and Series A preferred stock are the only type of securities entitled to vote at the Annual Meeting. On April 21, 2004, the record date for determination of stockholders entitled to vote at the Annual Meeting, there were 18,143,625 shares of common stock outstanding and 1,868,667 shares of series A preferred stock outstanding. Each stockholder of record on April 21, 2004 is entitled to one vote for each share of common stock or series A preferred stock held by such stockholder on April 21, 2004. All votes will be tabulated by the inspector of elections appointed for the meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

Quorum Required

The Company's bylaws provide that the holders of a majority of the Company's common stock and voting preferred stock issued and outstanding and entitled to vote at the Annual Meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes will be counted as present for the purpose of determining the presence of a quorum.

Votes Required

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Proposal 1. Directors are elected by a plurality of the affirmative votes cast by those shares present in person, or represented by proxy, and entitled to vote at the Annual Meeting. The six (6) nominees for director receiving the highest number of affirmative votes will be elected. Abstentions and broker non-votes will not be counted toward a nominee's total.

Proposal 2. Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent public accountants for the fiscal year ending December 31, 2004 requires the affirmative vote of a majority of those shares present in person, or represented by proxy, and cast either affirmatively or negatively at the Annual Meeting. Abstentions and broker non-votes will not be counted as having been voted on the proposal.

Proposal 3. Approval of the adoption of the Company's 2004 Employee Stock Purchase Plan and International Employee Stock Purchase Plan as successor plans to the 2000 Employee Stock Purchase Plan, requires the affirmative vote of a majority of those shares present in person or represented by proxy, and entitled to vote at the Annual Meeting. Abstentions are not affirmative votes and, therefore, will have the same effect as a vote against the proposal. Broker non-votes will not be treated as entitled to vote on the matter and thus, will not affect the outcome of the voting on the proposal.

Proposal 4. Re-approval of the Company's 2000 Stock Incentive Plan to satisfy a requirement under federal tax law requires the affirmative vote of a majority of those shares present in person or represented by proxy, and entitled to vote at the Annual Meeting. Abstentions are not affirmative votes and, therefore, will have the same effect as a vote against the proposal. Broker non-votes will not be treated as entitled to vote on the matter and thus, will not affect the outcome of the voting on the proposal.

Proxies

Whether or not you are able to attend the Company's Annual Meeting, you are urged to complete and return the enclosed proxy, which is solicited by the Company's Board of Directors and which will be voted as you direct on your proxy when properly completed. In the event no directions are specified, such proxies will be voted FOR the nominees of the Board of Directors (as set forth in Proposal 1), FOR Proposal 2, FOR Proposal 3, FOR Proposal 4 and in the discretion of the proxy holders as to other matters that may properly come before the Annual Meeting. You may also revoke or change your proxy at any time before the Annual Meeting. To do this, send a written notice of revocation or another signed proxy with a later date to the Secretary of the Company at the Company's principal executive offices before the beginning of the Annual Meeting. You may also automatically revoke your proxy by attending the Annual Meeting and voting in person. All shares represented by a valid proxy received prior to the Annual Meeting will be voted.

Solicitation of Proxies

The Company will bear the entire cost of solicitation, including the preparation, assembly, printing, and mailing of this Proxy Statement, the proxy, and any additional soliciting material furnished to stockholders. Copies of solicitation material will be furnished to brokerage houses, fiduciaries, and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. In addition, the Company may reimburse such persons for their costs of forwarding the solicitation material to such beneficial owners. The Company has retained the Altman Group as its Proxy Solicitor. The Altman Group has provided an estimate of approximately \$7,500 for its services in connection with Proposals 3 and 4 of the Proxy. The original solicitation of proxies by mail may also be supplemented by solicitation by telephone, telegram, or other means by directors, officers or employees. No additional compensation will be paid to directors, officers or employees for such services.

PROPOSAL 1
ELECTION OF DIRECTORS

Six of our nine directors are elected by the holders of our common stock and Series A preferred stock voting together as a single class. As more fully described below, the three remaining directors are elected solely by the holders of Series A preferred stock. The six directors who are being nominated for re-election by the holders of common stock and Series A preferred stock to the Board of Directors (the Nominees), their ages as of April 1, 2004, their positions and offices held with the Company and certain biographical information are set forth below. The proxy holders intend to vote all proxies received by them in the accompanying form FOR the Nominees listed below unless otherwise instructed. In the event any Nominee is unable or declines to serve as a director at the time of the Annual Meeting the proxies will be voted for any nominee who may be designated by the present Board of Directors to fill the vacancy. As of the date of this Proxy Statement, the Board of Directors is not aware of any Nominee who is unable or will decline to serve as a director. The six (6) nominees receiving the highest number of affirmative votes of the shares entitled to vote at the Annual Meeting will be elected directors of the Company to serve until the next Annual Meeting or until their successors have been duly elected and qualified.

<u>Nominees</u>	<u>Age</u>	<u>Positions and Offices Held with the Company</u>
Gary Hromadko	51	Director
Scott Kriens (1) (2)	46	Director
Andrew Rachleff (2) (3)	45	Director
Dennis Raney (3)	61	Director
Peter Van Camp (4)	48	Director and Chief Executive Officer
Michelangelo Volpi (1)	37	Director

(1) Member of Compensation Committee

(2) Member of Nominating Committee

(3) Member of Audit Committee

(4) Member of Option Committee

Gary Hromadko has served as a director of Equinix since June 2003. Mr. Hromadko has been a venture partner at Crosslink Capital, a venture capital firm, since June 2002. In addition to his responsibilities with Crosslink Capital, Mr. Hromadko has been active as a private investor since 1998. Mr. Hromadko serves on the board of directors at Electric Cloud, Inc., a privately held company.

Scott Kriens has served as a director of Equinix since July 2000. Mr. Kriens has been president, chief executive officer and chairman of the board of directors of Juniper Networks, Inc., an Internet infrastructure solutions company, since January 1996. From April 1986 to January 1996, Mr. Kriens served as vice president of sales and vice president of operations at StrataCom, Inc., a telecommunications equipment company, which he co-founded in 1986. Mr. Kriens serves on the board of directors of Verisign, Inc. and Juniper Networks, Inc., both public companies.

Andrew Rachleff has served as a director of Equinix since September 1998. In May 1995, Mr. Rachleff co-founded Benchmark Capital, a venture capital firm, and has served as a general partner since that time. Prior to co-founding Benchmark Capital, Mr. Rachleff spent ten years as a general partner with Merrill, Pickard, Anderson & Eyre, a venture capital firm. Mr. Rachleff also serves on the board of directors of Opsware,

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Inc. and Blue Coat Systems, Inc. (formerly known as CacheFlow Inc.), both public companies, as well as several privately held companies.

Dennis Raney has served as a director of Equinix since April 2003. Mr. Raney was the chief financial officer of eONE Global, LP from July 2001 to May 2003. Prior to joining eONE Global, Mr. Raney held the position of chief financial officer and executive vice president at Novell Inc. from March 1998 to July 2001. Mr. Raney also serves on the board of directors of Ultratech, Inc., Easylink and Viewpoint, all publicly held companies.

Peter Van Camp has served as Equinix's chief executive officer and as a director since May 2000. From June 2001 to December 2002, Mr. Van Camp was also chairman of the board. From January 1997 to May 2000, Mr. Van Camp was employed at UUNET, the Internet division of WorldCom, where he served as president of Internet markets and, most recently, as president of the Americas region. During the period from May 1995 to January 1997, Mr. Van Camp was president of Compuserve Network Services, an Internet access provider. Before holding this position, Mr. Van Camp held various positions at Compuserve, Inc. during the period between October 1982 to May 1995. Mr. Van Camp currently serves as a director of Packeteer, Inc., a public company.

Michelangelo Volpi has served as a director of Equinix since November 1999. Mr. Volpi joined Cisco Systems, Inc. (Cisco), a data communications equipment manufacturer, in 1994. Currently, he holds the position of senior vice president and general manager for Cisco's routing technology group. Prior to his current position, Mr. Volpi was chief strategy officer for Cisco where he played an instrumental role in the creation of Cisco's acquisition and investment strategies. Before joining Cisco, Mr. Volpi spent three years at Hewlett Packard's Optoelectronics Division. Mr. Volpi currently serves as a director of Opsware, Inc., a public company.

Nomination of Board of Directors

Under the provisions of the Company's Bylaws, until December 31, 2004, or if earlier, the termination of the governance provisions in the Bylaws, the number of directors is fixed at nine, of which six are elected by the holders of common stock and Series A preferred stock voting together. The remaining three directors are elected by holders of the Company's Series A preferred stock as described below. The Bylaws also provide that, until December 31, 2004, or if earlier, the termination of the governance provisions in the Bylaws, (i) three directors, known as the Equinix directors, shall be nominated by the three directors appointed to the Company's current Board of Directors by the Company's Board of Directors as it existed prior to December 31, 2002, (ii) two independent directors nominated by the Company's nominating committee and (iii) one director nominated by the holders of shares issuable upon conversion of the Company's Series A-2 convertible notes. The three directors nominated as the Equinix directors are Andrew Rachleff, Peter Van Camp and Michelangelo Volpi. The director nominated by the holders of shares issuable upon conversion of the Company's Series A-2 convertible notes is Gary Hromadko. In addition, the Bylaws require two independent directors to be nominated by the Company's nominating committee. The directors nominated by the Nominating Committee are Scott Kriens and Dennis Raney. After the termination of the governance provisions in the Bylaws, all directors of the Company will be nominated for election by the Nominating Committee in accordance with the provisions of the Nominating Committee Charter.

The Nominating Committee 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, being over 21 years of age, having business experience, and having high moral character. The committee's process for identifying and evaluating nominees is as follows: In the case of incumbent directors whose terms of office are set to expire, the Nominating Committee reviews such directors' overall service to the Company during their term, including the number of meetings attended, level of participation, quality of performance, and any transactions of such directors with the Company during their term. In the case of new director candidates, the committee first determines whether the nominee must be independent for NASDAQ purposes, which determination is based upon the Company's Certificate of Incorporation and Bylaws, applicable securities laws, the rules and regulations of the SEC, the rules of the National Association of Securities Dealers, and the advice of counsel, if necessary. The committee will 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 committee will then meet to discuss and consider such candidates' qualifications and choose candidate(s) for recommendation to the Board of Directors. Stockholders wishing to recommend candidates for consideration by the Nominating Committee may do so by writing to the Secretary of the Company and providing the candidates 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. A more detailed description on the functions of the Nominating Committee can be found in the Company's Nominating Committee Charter, attached to this proxy as Appendix A.

Election of Directors by Holders of Series A Preferred Stock

Pursuant to the Company's Certificate of Incorporation, three of our nine directors are elected by the holders of the Company's outstanding Series A preferred stock. Currently, STT Communications is the sole holder of the Company's outstanding Series A preferred stock. The three directors elected by the Series A preferred stock are:

Name	Age	Positions and Offices Held with the Company
Lee Theng Kiat	51	Chairman of the Board
Steven Eng (1)	47	Director
Jean Mandeville	44	Director

(1) Member of Compensation Committee, Audit Committee and Nominating Committee

Lee Theng Kiat has served as the chairman of the board since December 2002. Mr. Lee has been president and chief executive officer of Singapore Technologies Telemedia Pte. Ltd, an information and communications company, since November 1995. Mr. Lee also serves on the board of directors of several public companies including Enersave Holdings Limited and Horizon Education & Technologies Limited, both public-listed companies in Singapore, Asia Pacific Mobile Telecommunications Satellite Pte Ltd., Global Crossing, Ltd., as well as several privately held and non-listed public companies in Singapore.

Steven Eng has served as a director of Equinix since December 2002. Mr. Eng has been a program manager of network management systems at WAM!NET Government Services, Inc. since April 2002. Prior to joining WAM!NET Mr. Eng previously served as vice president of Exodus Communications from March 1995 to September 2001.

Jean Mandeville has served as a director of Equinix since December 2002. Mr. Mandeville has been the chief financial officer of Singapore Technologies Telemedia Pte. Ltd since July 2002. From January 1998 to June 2002, Mr. Mandeville served in various capacities at British Telecom PLC, including President of Asia Pacific from July 2000 to June 2002, Director of International Development Asia Pacific from June 1999 to July 2000 and GM, Special Projects from January 1998 to July 1999. Mr. Mandeville also served on the board of directors of SmarTone HK and LGT Korea, both public companies, and serves on the board of several privately held companies.

Each of these directors will be elected by unanimous written consent of the Company's outstanding Series A preferred stock, which consent will be effective on June 3, 2004.

The Company's governance provisions are more fully described in our definitive proxy statement dated December 12, 2002.

Board of Directors Meetings and Committees

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During the fiscal year ended December 31, 2003, the Board of Directors held five (5) meetings and acted by written consent on one (1) occasion. For the fiscal year, each of the directors, during the term of their tenure, attended or participated in at least 75% of the aggregate of (i) the total number of meetings or actions by written consent of the Board of Directors and (ii) the total number of meetings held by all committees of the Board of Directors on which each such director served other than Lee Theng Kiat who attended or participated in 50% of the Board meetings, Scott Kriens who attended or participated in 73% of the applicable Board and committee meetings and Michelangelo Volpi who attended or participated in 70% of the applicable Board and committee meetings. The Board of Directors has four (4) standing committees: the Audit Committee, the Compensation Committee, the Nominating Committee and the Option Committee.

The Audit Committee of the Company's Board of Directors (the Audit Committee) was created on July 19, 2000. The Audit Committee reviews, acts on and reports to the Board of Directors with respect to various auditing and accounting matters, including the selection of the Company's independent accountants, the scope of the annual audits, fees to be paid to the Company's independent accountants, the performance of the Company's accountants and the accounting practices of the Company. The members of the Audit Committee are Messrs. Eng, Rachleff and Raney. During the fiscal year ended December 31, 2003, the Audit Committee of the Board of Directors held five (5) meetings.

The Compensation Committee of the Company's Board of Directors (the Compensation Committee) was created on July 19, 2000. The Compensation Committee reviews the performance of the executive officers of the Company, establishes compensation programs for the officers, and reviews the compensation programs for other key employees, including salary and cash bonus levels and option grants under the 2000 Equity Incentive Plan, Employee Stock Purchase Plan and 2001 Supplemental Stock Plan. The members of the Compensation Committee are Messrs. Eng, Kriens and Volpi. During the fiscal year ended December 31, 2003, the Compensation Committee of the Board of Directors held two (2) meetings and acted by written consent on two (2) occasions.

The Nominating Committee of the Company's Board of Directors (the Nominating Committee) was created December 30, 2002. The Nominating Committee develops qualification criteria for board members and selects the director nominees for each annual meeting of stockholders in accordance with the Company's bylaws. The members of the Nominating Committee are Messrs. Eng, Kriens and Rachleff. During the fiscal year ended December 31, 2003, the Nominating Committee held one (1) meeting.

The Option Committee of the Company's Board of Directors (the Option Committee) was created on July 19, 2000. The Board has delegated to the Option Committee the authority to approve the grant of stock options to non-officer employees and other individuals. The sole member of the Option Committee during the 2003 fiscal year was Mr. Van Camp. During the fiscal year ended December 31, 2003, the Option Committee held no meetings and acted by written consent on forty-eight (48) occasions.

Independence of Directors

The Board of Directors is composed of a majority of directors who 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 of Directors has determined Messrs. Eng, Kriens, Rachleff, Raney and Volpi to be independent under NASDAQ Rule 4200. The Board committee structure includes Audit, Compensation and Nominating committees consisting entirely of independent directors.

Communication with the Board of Directors

Interested parties may contact the Board of Directors by sending correspondence to the attention of the Company's Assistant Secretary, c/o Equinix, Inc., 301 Velocity Way, Fifth Floor, Foster City, California 94404. Any mail received by the Assistant Secretary with the exception of improper commercial solicitations will then be forwarded to the members of the Company's Audit Committee for their further action, if necessary. The Company does not have a policy requiring attendance by members of the Board of Directors at the Company's annual meeting. At the Company's 2003 Annual Meeting, Peter Van Camp, a member of the Company's Board of Directors and the Company's Chief Executive Officer, was in attendance and available for questions.

Compensation of Directors

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Independent directors are entitled to receive compensation of \$3,000 per quarter in connection with their service on the Board of Directors. In addition, independent directors receive compensation of \$3,000 per meeting of a committee of the Board of Directors actually attended and the Chairman of a committee receives

compensation of \$5,000 per meeting actually attended. Independent directors are also reimbursed for their out-of-pocket expenses in serving on the Board of Directors or any committee of the Board of Directors. Independent directors are eligible to receive options under the Company's 2000 Director Option Plan (the "Directors' Plan"). Each non-employee director receives an option for 7,000 shares of the Company's common stock upon joining the Board. The option becomes exercisable and vests in four equal annual installments from the date of grant. In addition, at each of the Company's annual stockholders' meetings, each non-employee director who will continue to be a director after that meeting will automatically be granted at that meeting an option for 2,500 shares of the Company's common stock. This option becomes fully exercisable and fully vested on the first anniversary of the date of grant. However, a new non-employee director who is receiving the initial option will not receive the annual option in the same calendar year.

The following table sets forth for each of the non-employee directors the number of securities underlying options held by the non-employee directors at December 31, 2003:

	Number of Securities Underlying Unexercised Options at December 31, 2003		Weighted Average Exercise Price
	Exercisable	Not Exercisable	
Steven Eng	1,750	7,750	\$ 6.40
Gary Hromadko	0	0	
Scott Kriens	1,563	2,813	\$ 118.58
Lee Theng Kiat	0	0	
Jean Mandeville	0	0	
Andrew Rachleff	1,563	2,813	\$ 118.58
Dennis Raney	0	7,000	\$ 3.25
Michelangelo Volpi (1)	0	0	

- (1) Mr. Volpi, in compliance with his employer's policy regarding compensation in relation to external board positions, has waived his right to any stock grants.

Non-employee directors are also eligible to receive options as well as shares of common stock under the Company's 2000 Equity Incentive Plan. Directors who are also employees of the Company are eligible to receive options as well as shares of common stock under the Company's 2000 Equity Incentive Plan and to participate in the Company's Employee Stock Purchase Plan.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** THE NOMINEES LISTED HEREIN.

Other Executive Officers

The following are additional executive officers of the Company, their ages as of April 1, 2004, their positions and offices held with the Company and certain biographical information. All executive officers serve at the discretion of the Board of Directors.

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<u>Executive Officers</u>	<u>Age</u>	<u>Positions and Offices Held with the Company</u>
Marjorie S. Backaus	42	Chief Business Officer
Peter T. Ferris	46	Vice President, Worldwide Sales
Brandi L. Galvin	31	General Counsel and Assistant Secretary
Philip J. Koen	52	President and Chief Operating Officer
Renée F. Lanam	41	Chief Financial Officer and Secretary
Keith D. Taylor	42	Vice President, Finance and Chief Accounting Officer

Marjorie S. Backaus has served as Equinix's chief business officer since June 2003. Prior to June 2003, Ms. Backaus served as Equinix's chief marketing officer since November 1999, and as vice president of market strategy since February 2000. During the period from August 1996 to November 1999, Ms. Backaus was vice president of marketing at Global One, an international telecommunications company. From November 1987 to August 1996, Ms. Backaus served in various positions at AT&T, a telecommunications company, including positions in regulatory, product management and strategic alliances.

Peter T. Ferris has served as Equinix's vice president, worldwide sales since July 1999. During the period from June 1997 to July 1999, Mr. Ferris was vice president of sales for Frontier Global Center, a provider of complex web site hosting services. From June 1996 to June 1997, Mr. Ferris served as vice president, eastern sales at Genuity Inc., an Internet services provider. From December 1993 to June 1996, Mr. Ferris was vice president, mid-Atlantic sales at MFS DataNet Inc., a telecommunications services provider.

Brandi L. Galvin has served as Equinix's general counsel and assistant secretary since January 2003. Before joining Equinix, Ms. Galvin was employed at the law firm of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP (Gunderson Dettmer), where she was an associate from September 1997 to January 2003.

Philip J. Koen has served as Equinix's president and chief operating officer since May 2001. From July 1999 to May 2001, Mr. Koen also served as Equinix's chief financial officer and secretary. In addition, Mr. Koen served as the Company's corporate development officer from May 2000 to May 2001. Before joining Equinix, Mr. Koen was employed at PointCast, Inc., an Internet company, where he served as chief executive officer during the period from March 1999 to June 1999; chief operating officer during the period from November 1998 to March 1999; and chief financial officer and executive vice president responsible for software development and network operations during the period from July 1997 to November 1998. From December 1993 to May 1997, Mr. Koen was vice president of finance and chief financial officer of Etec Systems, Inc., a semi-conductor equipment company. Mr. Koen currently serves as chairman of Sphera Corporation, a public company.

Renée F. Lanam has served as Equinix's chief financial officer and secretary since February 2002, and as general counsel from April 2000 to January 2003. From April 2000 to February 2002, Ms. Lanam also served as Equinix's assistant secretary. In addition, Ms. Lanam served as vice president of corporate finance from November 2001 to February 2002. Before joining Equinix, Ms. Lanam was employed at Gunderson Dettmer, where she was an associate from January 1996 to January 2000 and a partner from January 2000 to April 2000. Prior to joining Gunderson Dettmer, Ms. Lanam was an associate at the law firms of Jackson, Tufts, Cole & Black and Brobeck, Phleger & Harrison, LLP.

Keith D. Taylor has served as Equinix's vice president, finance, and chief accounting officer since February 2001. From February 1999 to February 2001, Mr. Taylor served as Equinix's director of finance and administration. Before joining Equinix, Mr. Taylor was employed by International Wireless Communications, Inc., an operator, owner and developer of wireless communication networks, as vice president finance and interim chief financial officer. Prior to joining International Wireless Communications, Inc., Mr. Taylor was employed by Becton Dickinson & Company, a medical and diagnostic device manufacturer, as a senior sector analyst for the diagnostic businesses in Asia, Latin America and Europe.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of February 29, 2004, certain information with respect to shares beneficially owned by (i) each person who is known by the Company to be the beneficial owner of more than five percent of the Company's outstanding shares of common stock, (ii) each of the Company's directors, (iii) each of the executive officers named in Executive Compensation and Related Information, and (iv) all current directors and executive officers as a group. Beneficial ownership has been determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended (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 sixty (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., 301 Velocity Way, Fifth Floor, Foster City, California 94404.

Name of Beneficial Owner	Shares Beneficially Owned	
	Number of Shares	Percentage of Total
Peter F. Van Camp (1)	270,242	1.71%
Steven Poy Eng (2)	1,750	*
Gary Hromadko (3)	150,000	*
Theng Kiat Lee (4)	0	
Philip J. Koen (5)	157,298	1.01%
Renee F. Lanam (6)	65,154	*
Jean F.H.P. Mandeville (7)	0	
Andrew S. Rachleff (8)	272,054	1.76%
Michelangelo Volpi (9)	0	
Scott Kriens (10)	1,563	*
Marjorie S. Backaus (11)	54,162	*
Peter T. Ferris (12)	57,783	*
Dennis Raney	3,000	*
Entities affiliated with STT Communications Ltd. (13)	7,106,276	40.00%
51 Cuppage Road, #10-11/17		
StarHub Centre		
Singapore 229469		
Entities affiliated with Goldman Sachs (14)	1,042,799	6.73%
85 Broad Street		
New York, NY 10004		
Entities affiliated with Crosslink Capital, Inc. (15)	2,850,000	15.95%
Two Embarcadero Center, Suite 2200		
San Francisco, CA 94111		
All current directors and executive officers as a group (16 persons)(16)	1,092,173	6.73%

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* Less than 1%.

- (1) Includes 263,992 shares subject to options of which 40,416 are exercisable within 60 days of February 29, 2004.
- (2) Represents 1,750 shares subject to options that are exercisable within 60 days of February 29, 2004.
- (3) Based on the Schedule 13D filed with the Securities and Exchange Commission on June 17, 2003, this includes 125,000 shares which were acquired upon conversion of the Series A-2 convertible secured notes.

-
- (4) Mr. Theng Kiat Lee is President of Singapore Technologies Telemedia Pte. Ltd., however he is not deemed to beneficially own the shares which are beneficially owned by STT Communications Ltd., a subsidiary of Singapore Technologies Telemedia Pte. Ltd., as set forth in footnote 13.
- (5) Includes 141,527 shares subject to options of which 17,161 are exercisable within 60 days of February 29, 2004 and 105 shares subject to a right of repurchase by the Company as of February 29, 2004. Also includes 468 shares held as custodian for children. Mr. Koen disclaims beneficial ownership of these shares.
- (6) Includes 59,686 shares subject to options of which 13,782 are exercisable within 60 days of February 29, 2004.
- (7) Mr. Mandeville is Chief Financial Officer of Singapore Technologies Telemedia Pte. Ltd., however he is not deemed to beneficially own the shares which are beneficially owned by STT Communications Ltd., a subsidiary of Singapore Technologies Telemedia Pte. Ltd., as set forth in footnote 13.
- (8) Represents 266,718 shares of common stock held by Benchmark Capital Partners II, L.P., as nominee for Benchmark Capital Partners II, L.P., Benchmark Founders Fund II, L.P., Benchmark Founders Fund II-A, L.P. and Benchmark Members Fund II, L.P., and 3,578 shares of common stock held by Benchmark Capital Partners IV, L.P., as nominee for Benchmark Capital Partners, IV, L.P., Benchmark Founders Fund IV, L.P., Benchmark Founders Fund IV-A, L.P., Benchmark Founders Fund IV-B, L.P, Benchmark Founders Fund IV-X, L.P and related individuals. Mr. Rachleff is a managing member of Benchmark Capital Management Co. II, LLC, the general partner of Benchmark Capital Partners, II, L.P., Benchmark Founders Fund II, L.P. Benchmark Founders Fund II-A, L.P. and Benchmark Members Fund II, L.P. Mr. Rachleff is also a managing member of Benchmark Capital Management Co., IV, LLC, the general partner of Benchmark Capital Partners, IV, L.P., Benchmark Founders Fund IV, L.P., Benchmark Founders Fund IV-A, L.P, Benchmark Founders Fund IV-B, L.P, Benchmark Founders Fund IV-X, L.P. In addition, includes 195 shares of common stock and 1,563 shares subject to options that are exercisable within 60 days of February 29, 2004.
- (9) Mr. Volpi is senior vice president of Cisco Systems, Inc., which beneficially holds 212,216 shares of common stock. However, Mr. Volpi is not deemed to beneficially own the shares of common stock held by Cisco Systems, Inc.
- (10) Represents 1,563 shares subject to options that are exercisable within 60 days of February 29, 2004.
- (11) Includes 48,067 shares subject to options of which 8,079 are exercisable within 60 days of February 29, 2004.
- (12) Includes 39,266 shares subject to options of which 7,735 are exercisable within 60 days of February 29, 2004.
- (13) Includes 2,970,414 shares of common stock beneficially owned by i-STT Investments Pte. Ltd., (i-STTI) a wholly-owned subsidiary of STT Communications Ltd., and 1,868,667 shares of common stock that may be acquired upon conversion of the Series A Convertible Preferred Stock (Series A Preferred Stock) owned by i-STTI. Also includes 2,267,195 shares that may be acquired within 60 days of February 29, 2004 upon conversion of Series A-1 Convertible Secured Notes (the Notes) or upon the exercise of Series A-1 Preferred Stock Warrants (the Warrants) owned of record by i-STTI. As more fully described in our definitive proxy statement filed with the Securities and Exchange Commission on December 12, 2002 and subject to the qualifications described therein, until December 31, 2004, or if earlier, the termination of the governance provisions in the bylaws, STT and its affiliates may not convert the Notes or exercise the Warrants for shares of our voting stock if such conversion or exercise would cause STT, when combined with shares beneficially held by its affiliates, to beneficially hold more than 40% of our outstanding voting stock. Accordingly, the Notes and Warrants are convertible into or exercisable for shares of common stock or Series A Preferred Stock only to the extent that such exchange will not cause STT or its affiliates to exceed the 40% threshold. If such conversion or exercise would cause STT or its affiliates to exceed the 40% threshold, the Notes and Warrants become convertible or exercisable for

shares of non-voting Series A-1 Preferred Stock. But for the restrictions on STT or its affiliates to not exceed the 40% threshold, i-STTI could acquire an additional 2,359,245 shares through the conversion of Notes or exercise of Warrants.

- (14) Represents 287,500 shares held by GS Capital Partners 2000, L.P., 104,466 shares held by GS Capital Partners 2000 Offshore, L.P., 12,017 shares held by GS Capital Partners 2000 GmbH & Co. Beteiligungs KG, 91,347 shares held by GS Capital Partners 2000 Employee Fund, L.P., 26,070 shares held by Stone Street Fund 2000, L.P., 147,688 shares held by GS Special Opportunities (Asia) Fund, L.P., 107,668 shares held by GS Special Opportunities (Asia) Offshore Fund, L.P., 173,943 shares held by Whitehall Street Real Estate Limited Partnership XIII, 60,687 shares held by Whitehall Parallel Real Estate Limited Partnership XIII, 5,343 shares held by Stone Street Asia Fund, L.P. and 26,070 shares held by Stone Street Real Estate Fund 2000, L.P.
- (15) Based on the Schedule 13D filed with the Securities and Exchange Commission on June 17, 2003, this represents 184,000 shares of common stock held by Crosslink Ventures IV, L.P., 8,050 shares of common stock held by Crosslink Omega Ventures I GmbH & Co. KG, 65,200 shares of common stock held by Offshore Crosslink Omega Ventures IV, 13,900 shares of common stock held by Omega Bayview IV, 171,100 shares of common stock held by Crosslink Crossover Fund III and 32,750 shares of common stock held by Offshore Crosslink Crossover Fund III. Also includes 920,000 shares held by Crosslink Ventures IV, L.P., 40,250 shares held by Crosslink Omega Ventures I GmbH & Co. KG, 326,000 shares held by Offshore Crosslink Omega Ventures IV, 69,500 shares held by Omega Bayview IV, 855,500 shares held by Crosslink Crossover Fund III and 163,750 shares held by Offshore Crosslink Crossover Fund III which were acquired upon conversion of the Series A-2 convertible secured notes.
- (16) Includes options exercisable for an aggregate of 607,016 shares of common stock within 60 days of February 29, 2004.

**REPORT OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS**

The Compensation Committee has the exclusive authority to administer the Company's 2000 Equity Incentive Plan, 2001 Supplemental Stock Plan and the 2000 Employee Stock Purchase Plan. If approved, the Compensation Committee will also have the authority to administer the 2004 Employee Stock Purchase Plan and the International Employee Stock Purchase Plan. In addition, the Compensation Committee has the exclusive authority to establish the level of base salary, bonus and equity grants to the executive officers of the Company and responsibility for approving the guidelines for the compensation program to be in effect for the Company's non-executive employees. A more detailed description of the functions of the Compensation Committee can be found in the Company's Compensation Committee Charter, attached to this proxy as Appendix B.

For the 2003 fiscal year, the Compensation Committee determined compensation levels and approved compensation plans taking into account both external and internal factors. Among the external factors considered by the Compensation Committee was a report prepared in 2003 by Mellon, formerly Buck-iQuantic, (Mellon), a nationally recognized independent compensation consulting firm. This report compared the compensation structure of the Company's executive officers and non-executive employees against executives and non-executive employees in similar positions at peer companies—companies of similar market capitalization, revenue and headcount size, technology sector and SIC code. The Mellon report compared overall compensation at the Company and its peers including (i) base salaries; (ii) bonuses and (iii) stock based awards. The report concluded that the base salaries paid to the Company's non-executive employees were slightly under the mid-point of the range of base salaries paid to non-executive employees in similar positions at peer companies. It also concluded that a number of the Company's executive officers had base salaries significantly below the mid-point of officers in similar positions at peer companies. The report further concluded that because the Company does not have a cash bonus program for its executive officers, as compared to its peer companies and 95% of all high-tech companies, the total cash compensation to all of its executive officers was significantly below that of its peer group.

General Compensation Policy. The Compensation Committee's objective is to ensure that the Company's executive officers' and non-executive employees' compensation reflects his or her own contribution to the Company and level of performance, while keeping near or at the mid-point of compensation for similar employees at peer companies, taking into account the Company's focus on positive cash flow, as well as recommendations from the CEO on individual performance on contribution by executive officers.

Base Salary. Based on the findings of the Mellon report, the Compensation Committee gave the Company's CEO the discretion to increase base salaries of executive officers and non-executive employees up to the mid-point of similar positions at peer companies. While a few adjustments were made to non-executive employees base salaries in 2003, due to the Company's focus on achieving positive cash flow from operations by the end of 2003, no adjustments were made to executive officers' base salaries in 2003.

Discretionary Bonuses. Except for a bonus plan for the Company's Vice President of Worldwide Sales, the Company did not have a cash bonus program for its executive officers in 2003. The Compensation Committee approved a limited pool of cash bonuses for non-executive employees below the director level to be allocated by management for 2003 performance. The bonus plan for Mr. Ferris, the Company's Vice President of Worldwide Sales, is contingent on his booking and revenue targets. For 2003, Mr. Ferris exceeded his targets and earned the full amount of his bonus. In addition, Mr. Ferris and Ms. Backaus were entitled to reimbursement of home mortgage interest payments through December 2003 in connection with housing assistance loans they received when they were hired and relocated to California that were subsequently repaid early. No interest payments will be made to either Ms. Backaus or Mr. Ferris in the future.

Long-Term Incentive Compensation. Generally, a significant grant is made in the year that an executive officer or non-executive employee commences employment. Thereafter, option grants may be made at varying times and in varying amounts at the discretion of the Compensation Committee, and a refresh grant is generally

made at the beginning of each fiscal year. The size of each grant is set at a level that the Committee deems appropriate to create a meaningful opportunity for stock ownership based upon the individual's position with the Company, the individual's potential for future responsibility and promotion, the individual's performance in the recent period, the exercise prices of that individual's outstanding options relative to current market value, and the number of unvested options held by the individual at the time of the new grant. The relative weight given to each of these factors will vary from individual to individual at the Compensation Committee's discretion. During 2003, the Compensation Committee approved option grants for the executive officers and a pool for non-executive employees consistent with the mid-point of new hire option grants at peer companies. The Compensation Committee approved grants consistent with new hire grants, rather than refresh grants, because of the significant restructuring and dilutive issuances in 2002 that resulted in the Company's executive officers and non-executive employees having virtually no equity ownership in the Company as of January 1, 2003. Each grant allows the executive officer and non-executive employee to acquire shares of the Company's common stock at a fixed price per share over a specified period of time. The option vests in periodic installments over a three to four year period, contingent upon continued employment with the Company. The vesting schedule and the number of shares granted are established to ensure a meaningful incentive in each year following the year of grant. Accordingly, the option will provide a return only if the executive officer or non-executive employee remains in the Company's employ, and then only if the market price of the Company's common stock appreciates over the option term.

CEO Compensation. The annual base salary for Mr. Van Camp, the Company's CEO, was established in connection with his commencement of employment in 2000. The Mellon report indicates that Mr. Van Camp's base salary is substantially below the mid-point of CEOs at peer companies. Because of the Company's focus on cash flow, despite this report and despite the Compensation Committee's conclusion that Mr. Van Camp has consistently exceeded performance expectations each year since joining the Company, Mr. Van Camp's base salary has not been increased since he joined the Company in 2000 and no bonus was paid to him in 2003. Mr. Van Camp received an option grant in March 2003 and in September 2003 in an amount consistent with the mid-point of equity interests held by CEOs at peer companies. The exercise price for the September 2003 option grant was set at a price equal to 85% of the market price on the grant date, recognizing that Mr. Van Camp's total compensation remained significantly below market level.

Tax Limitation. Under the Federal tax laws, a publicly held company such as the Company will not be allowed a federal income tax deduction for compensation paid to certain executive officers to the extent that compensation exceeds \$1 million per officer in any year. To qualify for an exemption from the \$1 million deduction limitation, the stockholders approved a limitation under the Company's 2000 Equity Incentive Plan on the maximum number of shares of common stock for which any one participant may be granted stock options per fiscal year and are being asked to re-approve the 2000 Equity Incentive Plan under Proposal No. 4. Because this limitation was adopted, any compensation deemed paid to an executive officer when he or she exercises an outstanding option under the 2000 Equity Incentive Plan with an exercise price equal to the fair market value of the option shares on the grant date will qualify as performance-based compensation that will not be subject to the \$1 million limitation. Since it is not expected that the cash compensation to be paid to the Company's executive officers for the 2003 fiscal year will exceed the \$1 million limit per officer, the Compensation Committee will defer any decision on whether to limit the dollar amount of all other compensation payable to the Company's executive officers to the \$1 million cap.

Submitted by the following members of the Compensation Committee:

Steven Eng

Scott Kriens

Michelangelo Volpi

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee was formed on July 19, 2000 and the current members of the Compensation Committee are Messrs. Eng, Kriens and Volpi. None of the members of the Compensation Committee was at any time during the 2003 fiscal year or at any other time an officer or employee of the Company. No executive officer of the Company serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of the Company's Board of Directors or Compensation Committee.

**REPORT OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

The Audit Committee serves as the representative of the Board of Directors for general oversight of the Company's financial accounting and reporting process, system of internal control, audit process, and process for monitoring compliance with laws and regulations and the Company's Standards of Business Conduct. The Audit Committee annually appoints a firm of independent accountants to audit the financial statements of the Company. A more detailed description of the functions of the Audit Committee can be found in the Company's Audit Committee Charter, attached to this proxy statement as Appendix C.

For the fiscal year 2003, the Audit Committee consisted of Messrs. Eng, Rachleff and Raney. The Audit Committee held five meetings during the last fiscal year.

The Company's management has primary responsibility for preparing the Company's financial statements and financial reporting process. The Company's independent accountants, PricewaterhouseCoopers LLP (PricewaterhouseCoopers), are responsible for expressing an opinion on the conformity of the Company's audited financial statements to generally accepted accounting principles. The Audit Committee serves a board-level oversight role in which it provides advice, counsel and direction to management and the auditors on the basis of the information it receives, discussions with management and the auditors and the experience of the Audit Committee's members in business, financial and accounting matters.

In this context, the Audit Committee hereby reports as follows:

The Audit Committee has reviewed and discussed the audited financial statements with the Company's management and the independent auditors.

The Audit Committee has discussed with the independent accountants the matters required to be discussed by Statement on Auditing Standards No. 61 (Codification of Statements on Auditing Standard, AU 380).

The Audit Committee discussed with the independent auditor's the auditor's independence from the Company and its management. The Audit Committee has received the written disclosures and the letter from the independent accountants required by Independence Standards Board Standard No. 1 (Independence Standards Board Standards No. 1, Independence Discussions with Audit Committees) and has discussed with the independent accountants the independent accountants' independence.

Aggregate fees for professional services rendered for the Company by PricewaterhouseCoopers as of or for the years ended December 31, 2003 and 2002, were:

	December 31,	
	2003	2002
Audit	\$ 755,580	\$ 560,000
Audit Related	46,300	273,700

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Tax	221,655	281,069
All Other	0	44,386
	<hr/>	<hr/>
Total	\$ 1,023,455	\$ 1,159,155
	<hr/>	<hr/>

The *Audit* fees for the years ended December 31, 2003 and 2002, respectively, were for professional services rendered for the audits of the consolidated financial statements of the Company and statutory and subsidiary audits, consents, income tax provision procedures, comfort letters and assistance with review of documents filed with the SEC.

The *Audit Related* fees as of the years ended December 31, 2003 and 2002, respectively, were for assurance and related services related to employee benefit plan audits, due diligence related to mergers and acquisitions,

accounting consultations and audits in connection with acquisitions, and consultations concerning financial accounting and reporting standards.

Tax fees as of the years ended December 31, 2003 and 2002, respectively, were for services related to tax compliance, including the preparation of tax returns; and tax planning and tax advice, including assistance with and representation in tax audits and appeals and advice related to mergers and acquisitions.

All Other fees were incurred as of the years ended December 31, 2003 and 2002, respectively, were for services rendered for financial management advisory services.

The Company's Audit Committee adopted pre-approval policies and procedures for audit and non-audit services during the fiscal year 2003. All audit, audit related, tax and permissible non-audit services are approved in advance by the Company's Audit Committee to assure they do not impair the independence of the Company's independent accountants. At the beginning of the fiscal year, management prepares an estimate of all such fees for the duration of the fiscal year and submits the estimate to the Audit Committee for its review and pre-approval. Any modifications to the estimates are submitted to the Audit Committee for pre-approval at the next regularly scheduled Audit Committee meeting, or if action is required sooner, to the Chairman of the Audit Committee. All fees paid to the Company's independent accountants during the fiscal year 2003 were in accordance with this pre-approval policy.

Based on the Audit Committee's discussion with management and the independent accountants and the Audit Committee's review of the representations of management and the report of the independent accountants to the Audit Committee, the Audit Committee and the Board of Directors approved the audited financial statements and recommended that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003, for filing with the Securities and Exchange Commission. The Audit Committee and the Board of Directors have also recommended, subject to stockholder approval, the selection of PricewaterhouseCoopers LLP, as the Company's independent accountants.

Each of the members of the Audit Committee is independent, and the Company's Board of Directors has determined that Mr. Raney qualifies as an audit committee financial expert, as such terms are defined under the rules of the Securities and Exchange Commission and the listing standards of the Nasdaq National Market.

Submitted by the following members of the Audit Committee:

Steven Eng

Andrew S. Rachleff

Dennis Raney

STOCK PERFORMANCE GRAPH

The graph set forth below compares the cumulative total stockholder return on the Company's common stock between August 11, 2000 (the date the Company's common stock commenced public trading) and December 31, 2003 with the cumulative total return of (i) the CRSP Total Return Index for the Nasdaq Stock Market (U.S. Companies) (the Nasdaq Stock Market-U.S. Index), (ii) the Nasdaq Telecommunications Index and (iii) the Company's Peer Group over the same period. This graph assumes the investment of \$100.00 on August 11, 2000, in the Company's common stock, the Nasdaq Stock Market-U.S. Index, the Nasdaq Telecommunications Index and the Company's Peer Group and assumes the reinvestment of dividends, if any. The Company previously reported the results of the Goldman Sachs Internet Index. However, Goldman Sachs ceased publishing the Internet Index in 2002. As a result, the Company's Peer Group is comprised of the companies that formerly made up the Goldman Sachs Internet Index. Those companies are Aether Systems, Inc, Akamai Technologies, Inc., Amazon.com, Inc., Ariba, Inc., Check Point Software Technologies, CheckFree Corporation, CMGI, Inc., CNET Networks, Inc., Commerce One, Inc., Critical Path, Inc., DoubleClick, Inc., E*Trade Financial Corporation, EarthLink, Inc., eBay, Inc., Homestore, Inc., InfoSpace, Inc., Internap Network Services Corporation, Internet Capital Group, Inc., Intuit, Inc., Nuance Communications, Inc., Openwave Systems Inc., palmOne, Inc., RealNetworks, Inc., Red Hat, Inc., Research in Motion Ltd., Time Warner, Inc., VeriSign, Inc., WebMD Corporation, Wind River Systems, Inc. and Yahoo! Inc. Going forward, the Company will compare stockholder returns using only the Nasdaq Stock Market-U.S. Index and the Nasdaq Telecommunications Index.

The comparisons shown in the graph below are based upon historical data adjusting for the reverse split which became effective on December 31, 2002. The Company cautions that the stock price performance shown in the graph below is not indicative of, nor intended to forecast, the potential future performance of the Company's common stock.

COMPARISON OF CUMULATIVE TOTAL RETURN

AMONG EQUINIX, INC., THE NASDAQ STOCK MARKET-U.S. INDEX,

THE NASDAQ TELECOMMUNICATIONS INDEX AND THE COMPANY'S PEER GROUP

The Company effected its initial public offering of common stock on August 11, 2000 at a price of \$12.00 per share. The graph above, however, commences with the closing price of \$13.125, per share on August 11, 2000 the date the Company's common stock commenced public trading.

Notwithstanding anything to the contrary set forth in any of the Company's previous or future filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate this Proxy Statement or future filings made by the Company under those statutes, the Compensation Committee Report and Stock Performance Graph shall not be deemed filed with the Securities and Exchange Commission and shall not be deemed incorporated by reference into any of those prior filings or into any future filings made by the Company under those statutes.

EXECUTIVE COMPENSATION AND RELATED INFORMATION
Compensation of Executive Officers

The following table sets forth information with respect to compensation for the fiscal years ended December 31, 2001, 2002 and 2003 paid by the Company for services rendered by the Company's chief executive officer and the four most highly compensated executive officers whose salary and bonus for the fiscal year ended December 31, 2003 were in excess of \$100,000 for services rendered in all capacities to the Company for that fiscal year (collectively, the "Named Executive Officers"):

	Year	Annual Compensation		Long Term Compensation	All Other Compensation
		Salary	Bonus	Awards Securities Underlying Options (#)	
Peter F. Van Camp	2003	\$ 310,000	\$ 0	590,000	\$ 0
	2002	310,000	0	7,813	0
Director and Chief Executive Officer	2001	308,708	873,692(1)	68,751	95,979(2)
Philip J. Koen	2003	\$ 250,000	\$ 0	200,000	\$ 287,914(3)
	2002	250,000	0	7,813	0
President and Chief Operating Officer	2001	245,000	91,018	55,001	0
Renee F. Lanam	2003	\$ 232,000	\$ 0	170,000	\$ 0
	2002	230,500	80,000	10,157	0
Chief Financial Officer, Secretary	2001	214,083	1,015	14,845	0
Marjorie S. Backaus	2003	\$ 225,000	\$ 0	100,000	\$ 12,960(4)
	2002	225,000	0	4,688	29,946(4)
Chief Business Officer	2001	221,562	41,132	14,845	
Peter T. Ferris	2003	\$ 205,000	\$ 88,614	90,000	\$ 38,520(5)
	2002	205,000	40,000	4,688	59,110(5)
Vice President, Worldwide Sales	2001	202,244	62,572	14,845	0

- (1) Represents the partial forgiveness of an employee loan in exchange for Mr. Van Camp repaying a portion of the loan early and waiving his right to any bonuses earned and expensed in 2001.
- (2) Represents payment of relocation expenses when Mr. Van Camp was hired and relocated to California.
- (3) Represents payment of relocation expenses, cost of living adjustments and tax assistance related to the relocation of Mr. Koen to Singapore following the acquisition of Pihana and iSTT.
- (4) Represents reimbursement of home mortgage interest payments in connection with housing assistance loans received when Ms. Backaus was hired and relocated to California. This reimbursement obligation terminated December 31, 2003.

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- (5) Represents reimbursement of home mortgage interest payments in connection with housing assistance loans received when Mr. Ferris was hired and relocated to California. This reimbursement obligation terminated December 31, 2003.

Stock Option Grants

The following table shows for the year ended December 31, 2003, certain information regarding options granted to the Named Executive Officers:

Name	Number of Securities Underlying Options Granted (#)(1)	% of Total Options Granted to Employees in 2002(2)	Exercise or Base Price (\$/sh)(3)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term \$(4)	
					5%	10%
					Peter F. Van Camp	240,000
	350,000	10.68%	\$ 17.70	9/25/2013	\$ 3,896,002	\$ 9,873,235
Philip J. Koen	200,000	6.10%	\$ 3.25	3/06/2013	\$ 408,782	\$ 1,035,933
Renee F. Lanam	170,000	5.19%	\$ 3.25	3/06/2013	\$ 347,464	\$ 880,543
Marjorie S. Backaus	100,000	3.05%	\$ 3.25	3/06/2013	\$ 204,391	\$ 517,966
Peter T. Ferris	90,000	2.75%	\$ 3.25	3/06/2013	\$ 183,952	\$ 466,170

- (1) The options in the table that show an expiration date of March 6, 2013 were granted on March 6, 2003. These options are exercisable in 36 equal monthly installments from January 1, 2003. The option in the table that shows an expiration date of September 25, 2013 was granted on September 25, 2003. The option is exercisable in 36 equal monthly installments from September 25, 2003. The plan administrator has the discretionary authority to re-price the options through the cancellation of those options and the grant of replacement options with an exercise price based on the fair market value of the option shares on the re-grant date. The options have a maximum term of 10 years measured from the option grant date, subject to earlier termination in the event of the optionee's cessation of service with the Company. Under each of the options, the option shares vest upon an acquisition of the Company by merger or asset sale, unless the acquiring entity or its parent corporation assumes the outstanding options. Any options which are assumed or replaced in the transaction and do not otherwise accelerate at that time automatically accelerate (and any unvested option shares which do not otherwise vest at that time automatically vest) in the event the optionee's service terminates by reason of an involuntary or constructive termination within 18 months following the transaction. In addition, options granted to the executive officers of the Company provide for an additional 12 months vesting upon a change in control of the Company provided such officer is employed upon the closing of the change in control.
- (2) Based on an aggregate of 3,275,295 shares subject to options granted in the fiscal year ended December 31, 2003.
- (3) The exercise price for each option may be paid in cash, in shares of common stock valued at fair market value on the exercise date or through a cashless exercise procedure involving a same-day sale of the purchased shares. The Company may also finance the option exercise by loaning the optionee sufficient funds to pay the exercise price for the purchased shares, together with any federal and state income tax liability incurred by the optionee in connection with such exercise.
- (4) In accordance with the rules of the Securities and Exchange Commission (SEC), the table sets forth the hypothetical gains or option spreads that would exist for the options at the end of their respective ten-year terms based on assumed annualized rates of compound stock price appreciation of 5% and 10% from the dates the options were granted to the end of the respective option terms. Actual gains, if any, on option exercises are dependent on the future performance of the Company's common stock and overall market conditions. There can be no assurance that the potential realizable values shown in this table will be achieved.

Aggregate Option Exercises in 2003 and Fiscal Year-End Option Values

The following table sets forth for each of the Named Executive Officers the number and value of securities underlying options held by the Named Executive Officers at December 31, 2003:

Name	Shares Acquired on Exercise	Value Realized (Market Price at Exercise Less Exercise Price)	Number of Securities Underlying Unexercised Options at December 31, 2003 (#)		Value of Unexercised In-The-Money Options at December 31, 2003(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Peter F. Van Camp	19,800	\$ 296,529	239,237	504,559	\$ 2,163,280	\$ 9,228,490
Philip J. Koen	0	0	109,249	156,065	\$ 1,795,033	\$ 5,288,174
Renee F. Lanam	22,000	347,368	58,000	124,846	\$ 936,192	\$ 3,352,290
Peter T. Ferris	7,500	111,117	37,488	66,295	\$ 686,077	\$ 2,074,792
Marjorie S. Backaus	15,100	135,925	43,491	73,239	\$ 572,659	\$ 1,945,000

- (1) Based on the fair market value of the Company's common stock as of December 31, 2003 (\$28.21 per share), minus the exercise price, multiplied by the number of shares underlying the options.

Employment Agreements, Change of Control Arrangements and Severance Agreements

The Compensation Committee, as plan administrator of the 2000 Equity Incentive Plan, has the authority to provide for accelerated vesting of the shares of common stock subject to outstanding options held by the Named Executive Officers and any other person in connection with certain changes in control of Equinix. In connection with the adoption of the 2000 Equity Incentive Plan, the Company has provided that upon a change in control of the Company, each outstanding option and all shares of restricted stock will generally become fully vested unless the surviving corporation assumes the option or award or replaces it with a comparable award. Any options which are assumed or replaced in the transaction and do not otherwise accelerate at that time shall automatically accelerate (and any unvested option shares which do not otherwise vest at that time shall automatically vest) in the event the optionee's service terminates by reason of an involuntary or constructive termination within 18 months following the transaction. In addition, options granted to the executive officers of the Company provide for an additional 12 months vesting upon a change in control of the Company, provided such officer is employed upon the closing of the change in control.

In August 2002, the Company entered into Severance Agreements with its executive officers, Peter Van Camp, Marjorie S. Backaus, Peter Ferris, Philip J. Koen, Renee Lanam, and Keith Taylor. In September 2003, the Company entered into a Severance Agreement with Brandi L. Galvin. The agreements provide for severance payments equal to the officer's annual base salary and target bonus in the event such officer's employment is terminated for any reason other than cause or the officer resigns for good reason as defined in the agreement.

On June 24, 2003, the Company entered into an agreement with Philip J. Koen, its president and chief operating officer, relating to his relocation to Singapore and the relocation benefits to be provided in connection with his relocation. The agreement provides for reimbursement of customary cost of living differentials, tax assistance and other relocation costs. In addition, the agreement provides for the Company to pay the costs of relocating Mr. Koen back to the United States upon the conclusion of his overseas assignment or upon his return to the United States due to his cessation of employment for any reason.

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On January 1, 2003, the Company entered into an agreement with Albert M. Avery, IV, its former vice chairman of the Board of Directors, relating to his cessation of employment with the Company effective January 6, 2003. Under the agreement, Mr. Avery received severance benefits consisting of a lump sum cash payment of \$311,292 pursuant to the terms of his existing employment contract, plus \$9,554 in payment of COBRA premiums, payment of legal fees to Mr. Avery's counsel, and a personal computer, blackberry, and cell phone used by Mr. Avery while employed by the Company. In addition, he continued to vest in his stock options through December 31, 2003 and has two years from December 31, 2003 to exercise vested options. The agreement also contains certain restrictive covenants, mutual releases and other customary terms and conditions.

PROPOSAL 2

RATIFICATION OF INDEPENDENT ACCOUNTANTS

The Company is asking the stockholders to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent public accountants for the fiscal year ending December 31, 2004. The affirmative vote of the holders of a majority of shares present or represented by proxy and voting at the Annual Meeting will be required to ratify the appointment of PricewaterhouseCoopers LLP.

In the event the stockholders fail to ratify the appointment, the Board of Directors will reconsider its selection. Even if the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent accounting firm at any time during the year if the Audit Committee feels that such a change would be in the Company's and its stockholders' best interests.

PricewaterhouseCoopers LLP has audited the Company's financial statements since 2000. Its representatives are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** PROPOSAL 2.

PROPOSAL 3

ADOPTION OF 2004 EMPLOYEE STOCK PURCHASE PLAN

The stockholders are being asked to vote on a proposal to approve the adoption of the Equinix, Inc. 2004 Employee Stock Purchase Plan (the 2004 ESPP) with a share reserve of 500,000 shares of common stock. Equinix established the 2004 ESPP as a successor to the Employee Stock Purchase Plan adopted in connection with our initial public offering (the Predecessor Purchase Plan) to provide employees of Equinix and designated parent or subsidiary corporations (collectively, the participating companies) an opportunity to participate in the ownership of Equinix by purchasing our common stock through payroll deductions. The 2004 ESPP, and the right of participants to make purchases thereunder, is intended to meet the requirements of an employee stock purchase plan as defined in Section 423 of the Internal Revenue Code.

The stockholders are also being asked to approve the adoption of the Equinix, Inc. International Employee Stock Purchase Plan (the International ESPP). The International ESPP, and the right of participants to make purchases thereunder, has been adopted to facilitate participation by employees located outside the United States and is not intended to meet the requirements of an employee stock purchase plan as defined in Section 423 of the Internal Revenue Code. The 2004 ESPP and the International ESPP are referred to as the Purchase Plans.

If approved by our stockholders, the Purchase Plans will become effective for the purchase period beginning August 15, 2004. If the stockholders do not approve the Purchase Plans, they will be rescinded and the Predecessor Purchase Plan will continue in effect in accordance with its existing terms. No grants have been made under the Purchase Plans to date. The Purchase Plans are intended to benefit Equinix as well as its stockholders and employees. The Purchase Plans give employees an opportunity to purchase shares of common stock at a favorable price. Equinix believes that the stockholders will correspondingly benefit from the increased interest on the part of participating employees in the profitability of Equinix. Equinix will also benefit from the periodic investments of equity capital provided by participants in the Purchase Plans.

The proxy holders intend to vote all proxies received by them FOR the Adoption of the Purchase Plans.

The principal terms and provisions of the 2004 ESPP are summarized below. The principal terms and provisions of the International ESPP are identical to the terms and provisions of the 2004 ESPP except where noted otherwise in the summary below. The summaries of the 2004 ESPP and the International ESPP are qualified in their entirety by reference to the complete text of the 2004 ESPP and the International ESPP which are available upon request by writing the Treasurer of the Company. To the extent there is a conflict between the summary and the terms of the 2004 ESPP or the International ESPP, the terms of the 2004 ESPP or International ESPP, as applicable, will govern.

Administration. The compensation committee of the Board of Directors, which is comprised of two (2) or more board members, will administer the Purchase Plans. Compensation committee members will serve for such period of time as the Board may determine. All costs and expenses incurred in administration of the Purchase Plans will be paid by Equinix without charge to participants. All cash proceeds received by Equinix from payroll deductions under the Purchase Plans shall be credited to a non-interest bearing book account.

Eligibility. Generally, any individual who is customarily employed by a participating company more than 20 hours per week and for more than five months per calendar year is eligible to participate in the Purchase Plans.

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As of March 31, 2004, approximately 290 persons (including 7 officers) were eligible to participate in the 2004 ESPP and 143 persons were eligible to participate in the International ESPP.

Securities Subject to Purchase Plans. The stock issuable under the Purchase Plans is Equinix's authorized but unissued or reacquired common stock. The initial number of shares of common stock which may be issued over the term of the Purchase Plans is 500,000 shares. Common stock subject to terminated purchase rights shall

be available for purchase pursuant to purchase rights subsequently granted. The number of shares of common stock available for issuance under the Purchase Plans will automatically increase on the first trading day of each calendar year beginning January 1, 2005 by an amount equal to two percent (2%) of the shares of common stock outstanding on December 31 of the immediately preceding calendar year; no such automatic annual increase may exceed 500,000 shares.

The Predecessor Purchase Plan was adopted in connection with our initial public offering. Equinix reserved 31,250 shares of common stock for issuance under the Predecessor Purchase Plan. On January 1, 2004, an additional 301,689 shares were automatically added to the share reserve in accordance with the existing terms of that plan. As of March 31, 2004, 73,639 shares remain available for issuance under the Predecessor Purchase Plan. If the 2004 ESPP is adopted, then no new offering periods will begin under the Predecessor Purchase Plan after the adoption of the 2004 ESPP. The existing offering periods will permit purchases to occur on July 31, 2004, January 31, 2005 and July 31, 2005. Pursuant to the existing terms of the Predecessor Purchase Plan, an additional number of shares shall be added to the pool of shares reserved under the Predecessor Purchase Plan; however, no additional shares will be added to the pool of shares reserved under the Predecessor Purchase Plan after January 1, 2005 assuming adoption of the 2004 ESPP. Following the last purchase date, the Predecessor Purchase Plan will terminate. Any shares remaining available for issuance at the termination of the Predecessor Purchase Plan will lapse and cease to be available. However, if the 2004 ESPP is not approved by the stockholders, then the Predecessor Purchase Plan will continue in accordance with its existing terms.

Purchase Price. The purchase price per share under the Purchase Plans will not be less than 85% of the lower of (i) the fair market value of a share of common stock on the first day of the applicable offering period, or (ii) the fair market value of a share of common stock on the last day of the purchase period. Generally, the fair market value of the common stock on a given date is the closing sale price of the common stock, as reported on the Nasdaq National Market System. To the extent required by applicable law, participants must make arrangements for the satisfaction of any withholding tax obligations that arise in connection with the Purchase Plans. Equinix shall not be required to issue any shares of common stock under the Purchase Plans until such tax obligations are satisfied.

Offering Periods. The Purchase Plans are implemented by offering periods that generally have a duration of 24 months; each offering period is comprised of a series of one or more successive purchase periods, which generally have a duration of six months. Offering periods are concurrent and successive and, accordingly, a new offering period commences every six months and runs concurrently with each prior offering period. The compensation committee in its discretion may vary the beginning date and ending date of the offering periods, provided no offering period shall exceed 24 months in length, and may vary the duration of an offering period or purchase period. A new offering period will commence on February 15 and August 15 of each calendar year or on such other date selected by the compensation committee.

The participant will have a separate purchase right for each offering period in which he or she participates. The purchase right will be granted on the first day of the offering period and will be automatically exercised in successive installments on the last day of each purchase period within the offering period.

Limitations. The plan imposes certain limitations upon a participant's rights to acquire common stock, including the following:

1. No purchase right shall be granted to any person who immediately thereafter would own, directly or indirectly, stock or hold outstanding options or rights to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of Equinix or any of its parent or subsidiary corporations. The foregoing restriction does not apply under the International ESPP.

2. The right to purchase common stock under the 2004 ESPP (or any other employee stock purchase plan that Equinix or any of its subsidiaries may establish) in an offering intended to qualify under Section 423 of the Internal Revenue Code may not accrue at a rate that exceeds \$25,000 in fair market value

of such common stock (determined at the time such purchase right is granted) for any calendar year in which such purchase right is outstanding. The foregoing restriction does not apply under the International ESPP.

3. In no event may a participant's payroll deductions for a semi-annual purchase period be less than 1% nor more than 15% of the participant's cash compensation paid during a purchase period.

The purchase right shall be exercisable only by the participant during the participant's lifetime and shall not be assignable or transferable by the participant, except by beneficiary designation or by the laws of descent and distribution.

Payment of Purchase Price; Payroll Deductions. Payment for shares by participants shall be by accumulation of after-tax payroll deductions during the purchase period. The deductions may not exceed 15% of a participant's cash compensation paid during a purchase period. Cash compensation for this purpose will include elective contributions that are not includable in income under Internal Revenue Code Sections 125 or 401(k) and all bonuses, overtime, commissions, and other amounts to the extent paid in cash. Under the International ESPP, the compensation committee may permit participants to accumulate amounts for the purchase of shares through other means in addition to payroll deductions to the extent deemed necessary or desirable to comply with laws and regulations of the applicable country of residence.

The participant will receive a purchase right for each offering period in which he or she participates to purchase up to the number of shares of common stock determined by dividing such participant's payroll deductions accumulated prior to the purchase date by the applicable purchase price (subject to the Limitations section above). Unless the compensation committee determines otherwise, no fractional shares shall be purchased. Any payroll deductions accumulated in a participant's account that are not sufficient to purchase a full share will be retained in the participant's account for the subsequent purchase period. No interest shall accrue on the payroll deductions of a participant in the Purchase Plans except to the extent required by applicable law.

Termination and Change to Payroll Deductions. A purchase right shall terminate at the end of the offering period or earlier if (i) the participant terminates employment and any payroll deductions that the participant may have made with respect to a terminated purchase right will be refunded or (ii) the participant elects to withdraw from the Purchase Plans. Any payroll deductions that the participant may have made with respect to a terminated purchase right under clause (ii) will be refunded unless the participant elects to have the funds applied to the purchase of shares on the next purchase date. A participant may increase or decrease his or her deductions during a purchase period as permitted by the compensation committee.

Adjustments. If any change in the common stock occurs (through re-capitalization, stock dividend, stock split, combination of shares, exchange of shares, or other change affecting the outstanding common stock as a class without Equinix's receipt of consideration), appropriate adjustments shall be made by Equinix to the class and maximum number of shares subject to the Purchase Plans, to the class and maximum number of shares purchasable by each participant on any one purchase date, and the class and number of shares and purchase price per share subject to outstanding purchase rights in order to prevent the dilution or enlargement of benefits thereunder.

Amendment and Termination. The Purchase Plans shall continue in effect until the earlier of (i) August 15, 2014, (ii) the date on which all shares available for issuance under the Purchase Plans shall have been issued or (iii) a corporate transaction, unless the Purchase Plans are earlier terminated by the board in its discretion. The board may at any time alter, amend, suspend or discontinue the Purchase Plans. The approval of the stockholders will be obtained to the extent required by applicable law.

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Corporate Transaction. In the event of (i) a merger or consolidation of Equinix with or into another entity or any other corporate reorganization or (ii) the sale, transfer or other disposition of all or substantially all of the assets of Equinix or the complete liquidation or dissolution of Equinix (a corporate transaction), each purchase

right under the Purchase Plans will automatically be exercised immediately before consummation of the corporate transaction as if such date were the last purchase date of the offering period. The purchase price per share shall not be less than eighty-five percent (85%) of the lower of the fair market value per share of common stock on the start date of the offering period or the fair market value per share of common stock immediately prior to the effective date of such corporate transaction. Any payroll deductions not applied to such purchase shall be promptly refunded to the participant.

The grant of purchase rights under the Purchase Plans will in no way affect the right of Equinix to adjust, reclassify, reorganize, or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

Proration of purchase rights. If the total number of shares of common stock for which purchase rights are to be granted on any date exceeds the number of shares then remaining available under the Purchase Plans, a pro rata allocation of the shares remaining shall be made as provided in the Purchase Plans.

Summary of Federal Income Tax Consequences

The following is only a summary of the principal United States Federal income taxation consequences to the participant and Equinix with respect to the Purchase Plans, based on advice received from counsel to Equinix regarding current United States Federal income tax laws. This summary is not intended to be exhaustive and among other things, does not discuss the tax consequences of a participant's death or the income tax laws of any city, state or foreign country in which the participant may reside.

The 2004 ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Code. Under a plan that so qualifies, no taxable income will be reportable by a participant, and no deductions will be allowable to Equinix, by reason of the grant or exercise of the purchase rights issued thereunder. A participant will, however, recognize taxable income in the year in which the purchased shares are sold or otherwise made the subject of disposition.

A sale or other disposition of the purchased shares will be a disqualifying disposition if made before the later of two years after the start of the offering period in which such shares were acquired or one year after the shares are purchased. If the participant makes a disqualifying disposition of the purchased shares, then Equinix will be entitled to an income tax deduction, for the taxable year in which such disposition occurs, equal to the amount by which the fair market value of such shares on the date of purchase exceeded the purchase price, and the participant will be required to satisfy the employment and income tax withholding requirements applicable to such income. In no other instance will Equinix be allowed a deduction with respect to the participant's disposition of the purchased shares.

Any additional gain or loss recognized upon the disposition of the shares will be a capital gain, which will be long-term if the shares have been held for more than one (1) year following the date of purchase under the 2004 ESPP.

New Purchase Plans Benefits

Since purchase rights are subject to discretion, including an employee's decision not to participate in the Purchase Plans, awards under the Purchase Plans for the current fiscal year are not determinable.

During fiscal year 2003 purchases under the ESPP Predecessor Purchase Plan were made by the following groups:

Name and Position	Shares Purchased	Weighted Average Purchase Price
Marjorie S. Backaus Chief Business Officer	2,266	\$ 2.975
Peter T. Ferris Vice President, Worldwide Sales	2,500	\$ 2.975
Philip J. Koen President & Chief Operating Officer	2,500	\$ 2.975
Renee F. Lanam Chief Financial Officer & Secretary	2,889	\$ 2.975
All other officers as a group (2 persons)	5,000	\$ 2.975
All other participating employees as a group (122)	176,152	\$ 2.975

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** PROPOSAL 3.

PROPOSAL 4

APPROVAL OF THE 2000 EQUITY INCENTIVE PLAN

The Company is asking stockholders to re-approve the Equinix, Inc. 2000 Equity Incentive Plan (the Incentive Plan) in accordance with its existing terms solely to satisfy a requirement of Federal tax law. Under the Federal tax laws, a publicly held company such as Equinix will not be allowed a federal income tax deduction for compensation paid to certain executive officers to the extent that compensation exceeds one million dollars per officer in any year. To preserve tax deductions that would be available to Equinix in connection with certain stock option grants made in the future to our executive officers, we are asking the stockholders to re-approve the Incentive Plan. Our stockholders have previously approved the Incentive Plan and the plan has not been amended or revised since that time except as discussed in the next paragraph.

The board of directors believes that equity awards under the Incentive Plan play an important role in the Company's efforts to attract, employ and retain employees, directors and consultants of outstanding ability.

The Company established the Incentive Plan on May 26, 2000 as a successor to its 1998 Stock Plan (1998 Plan) to provide a means whereby eligible individuals may be given an opportunity to acquire shares of Common Stock and to benefit from increases in value of the Common Stock. The Incentive Plan was approved by the stockholders of the Company on June 28, 2000.

The principal terms and provisions of the Incentive Plan are summarized below. The summary of the Incentive Plan is qualified in its entirety by reference to the complete text of the Incentive Plan which is available upon request by writing the Treasurer of the Company. To the extent there is a conflict between the summary and the terms of the Incentive Plan, the terms of the Incentive Plan will govern.

If the stockholders do not approve Proposal No. 4, the Company intends to continue the Incentive Plan based on the existing provisions. However, the Company will lose its ability to deduct compensation income attributable to Awards made under the Incentive Plan after the date of the Annual Meeting.

Structure. Four separate types of equity compensation may be issued under the Incentive Plan. First, stock options may be granted to eligible individuals under the Incentive Plan. Stock options give optionees the right to purchase shares of Common Stock at an exercise price determined at the time the option is granted. Second, direct issuances of restricted stock may be made to eligible persons under the Incentive Plan. Persons receiving direct issuances of restricted stock may purchase shares of Common Stock at a price not less than eighty-five percent (85%) of their fair market value at the time of their issuance or as a bonus for the performance of services. Third, stock appreciation rights (SAR) may be granted to eligible persons under the Incentive Plan. A SAR allows eligible persons to benefit from increases in the value of the Common Stock, but does not provide any ownership interest in the Common Stock. Fourth, stock units may be issued to eligible persons under the Incentive Plan. Stock units allow persons to obtain shares of Common Stock without any cash consideration. In addition, the Incentive Plan permits the board of directors to implement a fee deferral program for the outside directors.

Administration. The compensation committee, which is comprised of two (2) or more outside members of the board of directors, administers the Incentive Plan. Committee members serve for such period of time as the board of directors may determine. The Incentive Plan may also be administered with respect to optionees who are not executive officers subject to the short-swing profit rules of the federal securities laws by the board of directors or a secondary committee comprised of one or more members of the board of directors.

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The compensation committee (or board of directors or secondary committee to the extent acting as plan administrator) has full authority (subject to the express provisions of the Incentive Plan) to determine the eligible individuals who are to receive awards under the Incentive Plan, the number of shares to be covered by each

granted option or other award, the date or dates on which the option is to become exercisable or the award is to vest, the maximum term for which the option or award is to remain outstanding, whether the granted option will be an incentive stock option that satisfies the requirements of Section 422 of the Internal Revenue Code (the Code) or a non-statutory option not intended to meet such requirements and the remaining provisions of the option grant or award.

Eligibility. Employees (including officers), outside directors and consultants who render services to the Company or its subsidiary corporations (whether now existing or subsequently established) are eligible to receive awards under the Incentive Plan.

As of March 31, 2004, approximately 433 persons (including 7 executive officers) were eligible to participate in the Incentive Plan.

Securities Subject to Incentive Plan. The number of shares of Common Stock currently available for issuance under the Incentive Plan is 694,581 shares, which includes 905,066 shares added to the reserve on January 1, 2004 pursuant to the existing annual increase provision of the Incentive Plan. The number of available shares subject to the Incentive Plan shall automatically increase on the first day of each calendar year beginning with the year 2001 and each year thereafter by an amount equal to the lesser of (i) six percent (6%) of the shares of Common Stock then outstanding or (ii) 6,000,000 shares.

No one person participating in the Incentive Plan may receive options for more than 1,000,000 shares of Common Stock per calendar year. However, for the calendar year in which a person first commences services, the limit shall be 1,500,000 shares.

Should an option or award under the Incentive Plan (including any options or shares incorporated from the 1998 Plan) expire or terminate for any reason prior to exercise in full or should restricted shares acquired upon exercise of an option or award be repurchased by the Company for any reason, the shares subject to the termination or repurchase will be available for subsequent options or awards under the Incentive Plan.

Option Grants

Price and Exercisability. The option exercise price per share in the case of an incentive stock option may not be less than one hundred percent (100%) of the fair market value of the Common Stock on the grant date and, in the case of a non-statutory option, eighty-five percent (85%) of the fair market value of the Common Stock on the grant date. Options become exercisable at such time or times and during such period as the Committee may determine and set forth in the instrument evidencing the option grant.

The exercise price may be paid in cash or in shares of Common Stock. Options may also be exercised through a same-day sale program, pursuant to which a designated brokerage firm is to effect the immediate sale of the shares purchased under the option and pay over to the Company, out of the sale proceeds on the settlement date, sufficient funds to cover the exercise price for the purchased shares plus all applicable withholding taxes. The compensation committee may also assist any optionee (including an officer or director) in the exercise of his or her outstanding options by (a) authorizing a Company loan to the optionee or (b) permitting the optionee to pay the exercise price in installments over a period of years. The terms and conditions of any such loan or installment payment will be established by the compensation committee in its sole discretion. The compensation committee has the discretionary authority to reprice options through the cancellation of those options and the grant of replacement options with an exercise price based on the fair market value of the option shares on the regrant date. To date, the compensation committee has not authorized any loans to employees to exercise options nor has it re-priced any options.

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No optionee is to have any stockholder rights with respect to the option shares until the optionee has exercised the option, paid the exercise price and become a holder of record of the shares. Options are not

assignable or transferable other than by will or the laws of descent and distribution, and during the optionee's lifetime, the option may be exercised only by the optionee.

Termination of Service. Any option held by the optionee at the time of cessation of service will not remain exercisable beyond the designated post-service exercise period, which generally is three months from termination date. Under no circumstances, however, may any option be exercised after the specified expiration date of the option term. Each such option will normally, during such limited period, be exercisable only to the extent of the number of shares of Common Stock in which the optionee is vested at the time of cessation of service. The compensation committee has complete discretion to extend the period following the optionee's cessation of service during which his or her outstanding options may be exercised and/or to accelerate the exercisability of such options in whole or in part. Such discretion may be exercised at any time while the options remain outstanding, whether before or after the optionee's actual cessation of service.

The shares of Common Stock acquired upon the exercise of one or more options may be subject to repurchase by the Company at the original exercise price paid per share upon the optionee's cessation of service prior to vesting in such shares. The compensation committee has complete discretion in establishing the vesting schedule to be in effect for any unvested shares and may cancel the Company's outstanding repurchase rights with respect to those shares at any time, thereby accelerating the vesting of the shares subject to the canceled rights.

Incentive Stock Options. Incentive stock options may only be granted to individuals who are employees of the Company or its parent or subsidiary corporation. During any calendar year, the aggregate fair market value (determined as of the grant date(s)) of the Common Stock for which one or more options granted to any employee under the Incentive Plan (or any other equity plan of the Company or its parent or subsidiary corporations) may for the first time become exercisable as incentive stock options under Section 422 of the Code shall not exceed \$100,000.

Awards of Restricted Stock

Restricted stock may be sold at a price per share not less than eighty-five percent (85%) of the fair market value of the Common Stock on the date of issuance, payable in cash or through a promissory note payable to the Company. Shares may also be issued solely as a bonus for past services.

The issued shares may either be immediately vested upon issuance or subject to a vesting schedule tied to the performance of service or the attainment of performance goals. The compensation committee will, however, have the discretionary authority at any time to accelerate the vesting of any and all unvested shares outstanding under the Incentive Plan.

Stock Appreciation Rights

One or more eligible individuals may, at the discretion of the compensation committee, be granted SARs either in tandem with or independent of their option grants under the Incentive Plan. Upon exercise of an independent SAR, the individual will be entitled to a cash distribution from the Company in an amount per share equal to the excess of (i) the fair market value per share of Common Stock on the date of exercise over (ii) the exercise or base price. Tandem SARs provide the holders with the right to surrender their options for an appreciation distribution from the Company equal in amount to the excess of (i) the fair market value of the vested shares of Common Stock subject to the surrendered option on the date of exercise over (ii) the aggregate exercise price payable for such shares. An appreciation distribution may, at the discretion of the compensation committee, be made in cash or in shares of Common Stock.

Awards of Stock Units

Stock units may be awarded for no cash consideration. Stock units may also be granted in consideration of a reduction in the recipient's other compensation or in consideration of services rendered. Each award of stock

units may or may not be subject to vesting, and vesting, if any, shall occur upon satisfaction of the conditions specified by the compensation committee. Settlement of vested stock units may be made in the form of cash, shares of Common Stock or a combination of both.

General Provisions

Acceleration of Options and Awards. Upon the occurrence of a Change in Control (as defined below) each outstanding option or award under the Incentive Plan will, immediately prior to the effective date of the Change in Control, become fully exercisable for all of the shares at the time subject to such option. However, an outstanding option or award shall not accelerate if, and to the extent such option or award is, in connection with the Change in Control, either to be assumed by the successor corporation (or parent) or to be replaced with a comparable option or award to purchase shares of the capital stock of the successor corporation (or parent). Immediately following the consummation of the Change in Control, all outstanding options will terminate and cease to be exercisable, except to the extent assumed by the successor corporation.

In addition, in the event that the option or award is assumed by the successor corporation (or parent thereof) and the participant experiences an involuntary termination within eighteen months following a Change in Control, each outstanding option or award shall automatically accelerate so that each such option or award shall, immediately prior to the effective date of the involuntary termination, become fully exercisable and vested. Involuntary termination includes discharge without misconduct and certain voluntary resignations following a reduction in compensation or responsibility or a relocation.

A Change in Control includes:

- (i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization own immediately after such merger, consolidation or other reorganization 50% or more of the voting power of the outstanding securities of each of (i) the continuing or surviving entity and (ii) any direct or indirect parent corporation of such continuing or surviving entity;
- (ii) The sale, transfer or other disposition of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board, as a result of which fewer than 50% of the incumbent directors are directors who either (i) had been directors of the Company on the date 24 months prior to the date of the event that may constitute a Change in Control (the original directors) or (ii) were elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the aggregate of the original directors who were still in office at the time of the election or nomination and the directors whose election or nomination was previously so approved; or
- (iv) Any transaction as a result of which any person is the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least 50% of the total voting power represented by the Company's then outstanding voting securities. For purposes of this Paragraph (iv), the term person shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude (i) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a Parent or Subsidiary and (ii) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

The compensation committee also has the discretion to accelerate outstanding options and awards and/or terminate the Company's outstanding repurchase rights upon a Change in Control, which acceleration or

termination may or may not be conditioned upon the subsequent termination of the optionee's service within a specified period following the transaction. The acceleration of options or awards in the event of a Change in Control may be seen as an anti-takeover provision and may have the effect of discouraging a merger proposal, a takeover attempt, or other efforts to gain control of the Company.

Valuation. For purposes of establishing the option price and for all other valuation purposes under the Incentive Plan, the fair market value of a share of Common Stock on any relevant date will be the closing price per share of Common Stock on that date, as such price is reported on the Nasdaq National Market. The market value of the Common Stock as reported on the Nasdaq Stock Market as of March 31, 2004 was \$36.23 per share.

Changes in Capitalization. In the event any change is mad