

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d)**  
**of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): January 11, 2018**

**DIGITAL REALTY TRUST, INC.**

**DIGITAL REALTY TRUST, L.P.**

(Exact name of registrant as specified in its charter)

<b>Maryland</b>	<b>001-32336</b>	<b>26-0081711</b>
<b>Maryland</b>	<b>000-54023</b>	<b>20-2402955</b>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
<b>Four Embarcadero Center, Suite 3200</b> <b>San Francisco, California</b>		<b>94111</b>
(Address of principal executive offices)		(Zip Code)

**(415) 738-6500**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Digital Realty Trust, Inc.:	Emerging growth company <input type="checkbox"/>
Digital Realty Trust, L.P.:	Emerging growth company <input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Digital Realty Trust, Inc.:	<input type="checkbox"/>
Digital Realty Trust, L.P.:	<input type="checkbox"/>



**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On January 17, 2018, Digital Realty Trust, Inc. (the “company”) announced the appointment of Erich Sanchack, age 47, as Executive Vice President, Operations of the company effective as of January 25, 2018 (the “Start Date”).

Mr. Sanchack has been employed with CenturyLink, a telecommunications company, since November 2016, most recently holding the position of Senior Vice President, IT Solutions and New Market Development. Prior to joining CenturyLink, Mr. Sanchack served in roles of increasing responsibility at Lockheed Martin, an aerospace and defense company, from 2004 to October 2016, most recently serving as Vice President, Competitive Enhancements.

There are no arrangements or understandings between Mr. Sanchack and any other person pursuant to which Mr. Sanchack was selected as an officer. There are no transactions in which Mr. Sanchack has an interest requiring disclosure under Item 404(a) of Regulation S-K.

On January 11, 2018, the company and DLR LLC (collectively, “Digital Realty”) entered into an employment agreement with Mr. Sanchack, pursuant to which Mr. Sanchack will serve as the company's Executive Vice President, Operations effective as of the Start Date.

The employment agreement has an initial one-year term, and will automatically be extended for one additional year upon the expiration of the initial term unless either party provides notice of non-renewal to the other.

Pursuant to the employment agreement, Mr. Sanchack’s initial annual base salary is \$445,000. Mr. Sanchack is also eligible to earn an annual cash performance bonus targeted at 100% of his base salary under the company’s incentive bonus plan based on the satisfaction of performance criteria established in accordance with the terms of such plan.

Pursuant to the employment agreement, subject to his continued employment with Digital Realty through the payment date, Mr. Sanchack is eligible to receive a one-time cash payment equal to \$562,000 (the "Sign-On Bonus"). In the event Mr. Sanchack voluntarily resigns his employment or Digital Realty terminates his employment for "cause" within one year of the Effective Date he will be required to repay Digital Realty a prorated amount of the Sign-On Bonus.

In connection with Mr. Sanchack’s appointment, Mr. Sanchack will receive (i) an award of time-based profits interest units of Digital Realty Trust, L.P. (the “operating partnership”) (or restricted stock units covering company common stock) with a value of approximately \$445,500, and (ii) an award of performance-based Class D profits interest units of the operating partnership (or restricted stock units covering company common stock) with a value of approximately \$904,500. Mr. Sanchack will also receive a new hire equity award of time-based profits interest units of the operating partnership (or restricted stock units covering company common stock) with a value of approximately \$750,000.

Mr. Sanchack’s employment agreement provides that if his employment is terminated by Digital Realty without “cause” or by Mr. Sanchack for “good reason” (each as defined in the employment agreement) or in the event of his death or disability, then, subject to the terms and conditions of the employment agreement, he will be entitled to certain severance payments.

The foregoing description of the employment agreement with Mr. Sanchack is qualified in its entirety by the full text of the employment agreement, a copy of which is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">10.1</a>	<a href="#">Employment Agreement, dated as of January 11, 2018, by and among Digital Realty Trust, Inc., DLR LLC and Erich Sanchack.</a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Date: January 17, 2018

**Digital Realty Trust, Inc.**

By: /s/ JOSHUA A. MILLS  
**Joshua A. Mills**  
**Senior Vice President, General Counsel  
and Secretary**

**Digital Realty Trust, L.P.**

By: Digital Realty Trust, Inc.  
Its general partner

By: /s/ JOSHUA A. MILLS  
**Joshua A. Mills**  
**Senior Vice President, General Counsel  
and Secretary**

## Exhibit Index

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**DIGITAL REALTY TRUST, INC.  
FOUR EMBARCADERO CENTER, SUITE 3200  
SAN FRANCISCO, CA 94111**

**January 9, 2018**

Erich J. Sanchack  
[Redacted]

**Re: EMPLOYMENT TERMS**

Dear Erich:

Digital Realty Trust, Inc. (the “**REIT**”) and DLR, LLC (the “**Employer**”, and together with the REIT, the “**Company**”) are pleased to offer you employment with the REIT and the Employer on the terms and conditions set forth in this letter (the “**Agreement**”), effective as of January 25, 2018 (the “**Effective Date**”).

1. **TERM.** Subject to the provisions for earlier termination hereinafter provided, your employment hereunder shall be for a term (the “**Term**”) commencing on the Effective Date and ending on the first (1st) anniversary of the Effective Date (the “**Initial Termination Date**”). If not previously terminated, the Term shall automatically be extended for one additional year on the Initial Termination Date unless either you or the Company elect not to so extend the Term by notifying the other party, in writing, of such election not less than sixty (60) days prior to the Initial Termination Date.

2. **POSITION, DUTIES AND RESPONSIBILITIES.** During the Term, the Company will employ you, and you agree to be employed by the Company, as Executive Vice President, Operations of the REIT and the Employer. In the capacity of Executive Vice President, Operations, you will have such duties and responsibilities as are normally associated with such position and will devote your full business time and attention to serving the Company in such position. Your duties may be changed from time to time by the Company, consistent with your position. You will report to the Chief Executive Officer of the Company. You will work full-time at our offices located in the greater Ashburn, VA metropolitan area as the Company may utilize as its offices, except for travel to other locations as may be necessary to fulfill your responsibilities. At the Company's request, you will serve the Company and/or its subsidiaries and affiliates in other offices and capacities in addition to the foregoing. In the event that you serve in any one or more of such additional capacities, your compensation will not be increased beyond that specified in this Agreement. In addition, in the event your service in one or more of such additional capacities is terminated, your compensation, as specified in this Agreement, will not be diminished or reduced in any manner as a result of such termination for so long as you otherwise remain employed under the terms of this Agreement.

3. **BASE COMPENSATION.** During the Term, the Company will pay you a base salary of \$445,000 per year, less payroll deductions and all required withholdings, payable in accordance with the Company's payroll practices and prorated for any partial month of employment. Your annual base salary may be increased, but not decreased, by the Compensation Committee of the Board of Directors of the REIT (the “**Compensation Committee**”) in its discretion pursuant to the Company's

policies as in effect from time to time, and such increased amount thereafter will be your base salary per year for purposes of this Agreement.

4. **ANNUAL BONUS.** In addition to the base salary set forth above, during the Term, commencing with calendar year 2018, you will be eligible to participate in the Company's incentive bonus plan applicable to similarly situated executives of the Company. The amount of your annual bonus will be based on the attainment of performance criteria established and evaluated by the Company in accordance with the terms of such bonus plan as in effect from time to time, provided that, subject to the terms of such bonus plan and attainment of performance criteria established by the Company, your target annual bonus shall be one hundred percent (100%) of your base salary for such year, pro-rated for your partial year of employment for calendar year 2018. Any annual bonus that becomes payable to you is intended to satisfy the short-term deferral exemption under Treasury Regulation Section 1.409A-1(b)(4) and shall be made not later than the last day of the applicable two and one-half (2½) month "short-term deferral period" with respect to such annual bonus, within the meaning of Treasury Regulation Section 1.409A-1(b)(4).

5. **SIGN-ON BONUS.** Subject to your continued employment with the Company through the payment date, you will be eligible to receive a one-time cash payment in the amount of \$562,000, less payroll deductions and all required withholdings, payable within forty-five (45) days following the Effective Date (the "**Sign-On Bonus**"). In the event that you voluntarily resign your employment with the Company or the Company terminates your employment for Cause, in either case, prior to the first anniversary of the Effective Date, you will be required to repay the Company an amount equal to the product of (x) the Sign-On Bonus and (y) a fraction, the numerator of which equals the number of full days following your termination of employment until the first anniversary of the Effective Date, and the denominator of which equals 365.

6. **BENEFITS AND VACATION.** During the Term, you will be eligible to participate in all savings and retirement plans, practices, policies, and programs maintained or sponsored by the Company from time to time which are applicable to other similarly situated executives of the Company, subject to the terms and conditions thereof. During the Term, you will also be eligible for standard benefits, such as medical insurance, flexible paid time-off and holidays to the extent applicable generally to other similarly situated executives of the Company, subject to the terms and conditions of the applicable Company plans or policies.

7. **LONG-TERM INCENTIVE AWARDS.** Subject to approval by the Compensation Committee and your continued employment with the Company through the grant date, the REIT agrees to grant to you in your capacity as an employee of the Company and in consideration of your provision of services to the Company (i) an award of profits interest units of Digital Realty Trust, L.P. (the "**Operating Partnership**") equivalent to approximately \$445,500 as of the date of grant, which will be subject to time-based vesting, and (ii) an award of Class D profits interest units of the Operating Partnership, to be granted in 2018 at such time as annual awards of Class D profits interest units are made by the Company, equivalent to approximately \$904,500 as of the date of grant, which will be subject to performance-based vesting (collectively, the "**Grants**"). Alternatively, if you do not qualify as an accredited investor or if you otherwise so elect, you will receive (i) a restricted stock unit grant subject to time-based vesting in lieu of profits interest units and (ii) a restricted stock unit grant subject to performance-based vesting in lieu of the Class D profits interest units. The number of profits interest units and Class D profits interest units (or, if applicable, restricted stock units) to be

issued will be determined by the Compensation Committee in its discretion. Subject to your continued employment with the Company, twenty-five percent (25%) of the profits interest units (or, if applicable, restricted stock units) subject to the time-based Grant shall vest on each of the first four anniversaries of the date of grant or such other date as the Compensation Committee may determine, and the performance-based Grant shall vest in accordance with a vesting schedule approved by the Compensation Committee. Consistent with the foregoing, the terms and conditions of the Grants shall be set forth in profits interest units and Class D profits interest units agreements (or, if applicable, restricted stock units agreements) which will be provided to you for acceptance and as evidence of such Grants as soon as administratively possible following the applicable grant date.

8. **NEW HIRE EQUITY AWARD.** Subject to approval by the Compensation Committee, the REIT agrees to grant to you in your capacity as an employee of the REIT or any subsidiary thereof, an award of profits interest units of the Operating Partnership (“**Grant**”) equivalent to approximately \$750,000 to be granted within 45 days of the Effective Date and vesting over three (3) years at thirty-three percent (33%) per year. Alternatively, if you do not qualify as an accredited investor or if you otherwise so elect, you will receive a restricted stock unit grant subject to time-based vesting in lieu of profits interest units. The number of profits interest units (or, if applicable, restricted stock units) to be issued will be determined by the Compensation Committee in its discretion. Subject to your continued employment with the Company, the Grant shall vest in accordance with a vesting schedule approved by the Compensation Committee. Consistent with the foregoing, the terms and conditions of the Grant shall be set forth in a profits interest units agreement (or, if applicable, restricted stock units agreement) which will be provided to you for acceptance and as evidence of such Grant as soon as administratively possible following the grant date.

## 9. **TERMINATION OF EMPLOYMENT.**

(a) ***Without Cause or for Good Reason.*** Subject to Section 9(g) below, in the event of a termination of your employment during the Term by the Company without Cause or by you for Good Reason (each as defined below), then, in addition to any other accrued amounts payable to you through the date of termination of your employment (such date, or the date of your death if applicable under Section 9(c) below, the “**Termination Date**”), the Company will pay and provide you with the following payments and benefits:

(i) payable within thirty (30) days after your Termination Date (with the exact payment date to be determined by the Company in its discretion), a lump-sum severance payment in an amount equal to the sum of (x) one (1.0) (the “**Severance Multiple**”) times the sum of (A) your annual base salary as in effect on the Termination Date, plus (B) your target annual bonus for the fiscal year in which the Termination Date occurs (in the case of both (A) and (B), without giving effect to any reduction which constitutes Good Reason), (y) the Stub Year Bonus, plus (z) the Prior Year Bonus, if any;

(ii) for a period commencing on the Termination Date and ending on the earlier of (x) the twelve (12)-month anniversary of the Termination Date or (y) the date on which you become eligible to receive comparable group health insurance coverage under a subsequent employer's plans, the Company shall continue to provide you and your eligible family members with group health insurance coverage at least equal to that which would have been provided to you if your employment had not been terminated (including, in the discretion of the Company, by purchasing

COBRA coverage for you and your eligible family members); provided, however, that if (A) any plan pursuant to which the Company is providing such coverage is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code (as defined below) under Treasury Regulation Section 1.409A-1(a)(5), or (B) the Company is otherwise unable to continue to cover you under its group health plans or doing so would jeopardize the tax-qualified status of such plans, then, in either case, an amount equal to the monthly plan premium payment shall thereafter be paid to you as currently taxable compensation in substantially equal monthly installments over the continuation period (or the remaining portion thereof);

(iii) for a period commencing on the Termination Date and ending on the twelve (12)-month anniversary of the Termination Date, the Company shall, at its sole expense and on an as-incurred basis, provide you with outplacement counseling services directly related to your termination of employment with the Company, the provider of which shall be selected by the Company; and

(iv) to the extent that any outstanding Company equity-based awards issued to you under the Company's equity incentive plans are subject to vesting based on continued employment or the lapse of time, such awards shall be governed by the terms of the award agreements evidencing such awards. The vesting of any awards that are subject to vesting based on the satisfaction of performance goals, including, without limitation, any performancebased profits interest units of the Operating Partnership and other "outperformance awards" issued to you, shall be governed by the terms of the award agreements evidencing such awards. For purposes of clarification, except as otherwise provided under any award agreements relating to such awards, the terms set forth in this Agreement, including this Section 9, are intended to be in addition to (and not in lieu of) the vesting and acceleration features related to such stock options and other equity-based awards (including profits interest units of the Operating Partnership and other "outperformance awards") held by you and included elsewhere, including in any award agreements related to such awards, and the vesting and acceleration terms hereof shall be applicable only to the extent they result in additional acceleration or vesting of such stock options and other equity-based awards held by you.

(b) **Change in Control.** Subject to Section 9(g) below, in the event that a Change in Control (as defined in the Digital Realty Trust, Inc., Digital Services, Inc. and Digital Realty Trust, L.P. 2014 Incentive Award Plan, as amended, or any successor incentive plan) occurs during the Term and, on the date of or within one year after such Change in Control, you incur a termination of employment by the Company without Cause or by you for Good Reason (each as defined below), then, in addition to any other accrued amounts payable to you through the Termination Date, you shall be entitled to the payments and benefits provided in Section 9(a) hereof, subject to the terms and conditions thereof, except that, for purposes of this Section 9(b), the Severance Multiple shall be equal to two (2.0).

(c) **Death or Disability.** Subject to Section 9(g) below, and notwithstanding anything to the contrary contained herein, in the event of a termination of your employment during the Term by reason of your death or Disability (as defined below), then, in addition to any other accrued amounts payable to you through the Termination Date, the Company will pay and provide you (or your estate or legal representative) with the following payments and benefits:

(i) payable within thirty (30) days after your Termination Date (with the exact payment date to be determined by the Company in its discretion), a lump-sum severance payment in an amount equal to the sum of (w) your annual base salary as in effect on the Termination Date, (x) your target annual bonus for the fiscal year in which the Termination Date occurs, (y) the Stub Year Bonus, plus (z) the Prior Year Bonus, if any; and

(ii) to the extent that any outstanding Company equity-based awards issued to you under the Company's equity incentive plans are subject to vesting based on continued employment or the lapse of time, such awards shall become vested and exercisable immediately prior to the Termination Date. The vesting of any awards that are subject to vesting based on the satisfaction of performance goals, including, without limitation, any performancebased profits interest units of the Operating Partnership and other "outperformance awards" issued to you, shall be governed by the terms of the award agreements evidencing such awards.

(d) **Expiration; Non-renewal.** Notwithstanding anything contained herein, in no event shall the expiration of the Term set forth in Section 1 above or the Company's election not to renew or extend the Term or your employment with the Company constitute a termination of your employment by the Company without Cause.

(e) **Termination of Offices and Directorships.** Upon a termination of your employment for any reason, except to the extent otherwise determined by the Board of Directors of the REIT (the "**Board**") in its sole discretion, you shall be deemed to have resigned from all offices, directorships and other employment positions, if any, then held with the Company or any member of the Digital Group (as defined below), and you agree that you shall take all actions reasonably requested by the Company to effectuate the foregoing.

(f) **Potential Six-Month Delay.** Notwithstanding anything to the contrary in this Agreement, no compensation or benefits, including without limitation any termination payments or benefits payable under this Section 8, shall be paid to you prior to the expiration of the six (6)-month period following your "separation from service" from the Company (within the meaning of Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended (the "**Code**")) to the extent that the Company determines that paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such six (6)-month period (or such earlier date upon which such amount can be paid under Section 409A of the Code without resulting in a prohibited distribution, including as a result of your death), the Company shall pay you a lump-sum amount equal to the cumulative amount that would have otherwise been payable to you during such six (6)-month period, plus interest thereon from the Termination Date through the payment date at a rate equal to the then-current "applicable Federal rate" determined under Section 7872(f)(2)(A) of the Code.

(g) **Release; Compliance with Covenants.** Notwithstanding anything contained herein, your right to receive the payments and benefits set forth in this Section 9 is conditioned on and subject to (i) your execution within twenty-one (21) days (or, to the extent required by applicable law, forty-five (45) days) following the Termination Date and non-revocation within seven (7) days thereafter of a general release of claims against the Digital Group (as defined below), in a form

reasonably acceptable to the Company, (ii) your continued compliance with the restrictive covenants set forth in Section 10 of this Agreement and any similar covenants set forth in any other agreement between you and the Company, and (iii) your compliance with Section 9(e) above.

(h) **Definitions.** For purposes of this Agreement:

(A) “**Cause**” shall mean (1) your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from your incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to you by the Company, which demand specifically identifies the manner in which the Company believes that you have not substantially performed your duties and which failure is not cured within thirty (30) days of receiving such notice; (2) your willful commission of an act of fraud or dishonesty resulting in economic or financial injury to the Company or its subsidiaries or affiliates; (3) your conviction of, or entry by you of a guilty or no contest plea to, the commission of a felony or a crime involving moral turpitude; (4) a willful breach by you of any fiduciary duty owed to the Company which results in economic or other injury to the Company or its subsidiaries or affiliates; (5) your willful and gross misconduct in the performance of your duties hereunder that results in economic or other injury to the Company or its subsidiaries or affiliates and which misconduct is not cured within thirty (30) days after written notification is delivered to you by the Company that specifically identifies any such misconduct; (6) your willful and material breach of your covenants set forth in Section 11 below; or (7) a material breach by you of any of your other obligations under this Agreement after written notice is delivered to you by the Company which specifically identifies such breach. For purposes of this provision, no act or failure to act on your part will be considered "willful" unless it is done, or omitted to be done, by you in bad faith or without reasonable belief that your action or omission was in the best interests of the Company. Notwithstanding the foregoing, in the event you incur a “separation from service” by reason of a termination of your employment by the Company (other than by reason of your death or Disability or pursuant to clause (3) of this paragraph) on or within one year after a Change in Control or within the six month period immediately preceding a Change in Control in connection with such Change in Control, it shall be presumed for purposes of this Agreement that such termination was effected by the Company other than for Cause unless the contrary is established by the Company.

(B) “**Disability**” shall mean a disability that qualifies or, had you been a participant, would qualify you to receive long-term disability payments under the Company's group long-term disability insurance plan or program, as it may be amended from time to time.

(C) “**Good Reason**” shall mean the occurrence of any one or more of the following events without your prior written consent, unless the Company fully corrects the circumstances constituting Good Reason (provided such circumstances are capable of correction) prior to the Termination Date: (1) a material diminution in your position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company; (2) the Company's material reduction of your annual base salary or bonus opportunity, each as in effect on the date hereof or as the same may be increased from time to time; or (3) a material breach by the Company of Section 18 of this Agreement. Notwithstanding the foregoing, you will not be deemed to have resigned for Good Reason unless (x) you provide the Company with notice of the circumstances constituting Good Reason within thirty (30) days after the initial occurrence or existence of such circumstances, (y) the

Company fails to correct the circumstance so identified within thirty (30) days after the receipt of such notice (if capable of correction), and (z) the Termination Date occurs no later than ninety (90) days after the initial occurrence of the event constituting Good Reason.

(D) “**Prior Year Bonus**” shall mean, for any Termination Date that occurs between January 1 of any fiscal year and the date that annual bonuses are paid by the Company for the immediately preceding year (the "Prior Year"), your target annual bonus (without giving effect to any reduction which constitutes Good Reason) for such Prior Year, unless the Compensation Committee has determined your bonus for such Prior Year, in which case the Prior Year Bonus shall be the bonus determined by the Compensation Committee, if any. The Prior Year Bonus, if any, shall be in lieu of your annual bonus for the Prior Year. There will be no Prior Year Bonus in connection with any Termination Date that occurs on or after the date the Company pays annual bonuses for the Prior Year through the end of the year in which the Termination Date occurs.

(E) “**Stub Year Bonus**” shall mean the product obtained by multiplying (x) your target annual bonus for the fiscal year in which the Termination Date occurs (without giving effect to any reduction which constitutes Good Reason) multiplied by (y) a fraction, the numerator of which is the number of calendar days that have elapsed in the then current fiscal year through the Termination Date and the denominator of which is 365.

#### 10. **LIMITATION ON PAYMENTS.**

(a) **Best Pay Cap.** Notwithstanding any other provision of this Agreement, in the event that any payment or benefit received or to be received by you (including any payment or benefit received in connection with a termination of your employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the payments and benefits under Section 8 of this Agreement, the “**Total Payments**”) would be subject (in whole or part) to the excise tax imposed under Section 4999 of the Code (the “**Excise Tax**”), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, your remaining Total Payments shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes applicable to such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which you would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). The reduction undertaken pursuant to this Section 9(a) shall be accomplished first by reducing or eliminating any cash payments subject to Section 409A of the Code as deferred compensation (with payments to be made furthest in the future being reduced first), then by reducing or eliminating cash payments that are not subject to Section 409A of the Code, then by reducing payments attributable to equity-based compensation (or the accelerated vesting thereof) subject to Section 409A of the Code as deferred compensation (with payments to be made furthest in the future being reduced first), and finally, by reducing payments attributable to equity-based compensation (or the accelerated vesting thereof) that is not subject to Section 409A of the Code.

(b) **Certain Exclusions.** For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments, the receipt or retention of which you have waived at such time and in such manner so as not to constitute a "payment" within the meaning of Section 280G(b) of the Code, will be taken into account; (ii) no portion of the Total Payments will be taken into account which, in the written opinion of an independent, nationally recognized accounting firm (the "Independent Advisors") selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments will be taken into account which, in the opinion of Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

11. **RESTRICTIVE COVENANTS.** You acknowledge and agree that, concurrently with the execution of this Agreement, you are entering into an agreement with the Company containing certain nondisclosure, intellectual property assignment, non-competition, and non-solicitation provisions, in substantially the form attached hereto as Exhibit A (the "**Employee Confidentiality and Covenant Agreement**"), and that you shall be bound by, and shall comply with your obligations under, the Employee Confidentiality and Covenant Agreement.

12. **CODE SECTION 409A.**

(a) To the extent applicable, this Agreement shall be interpreted and applied consistent and in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder. Notwithstanding any provision of this Agreement to the contrary, if at any time you and the Company mutually determine that any compensation or benefits payable under this Agreement may not be compliant with or exempt from Section 409A of the Code and related Department of Treasury guidance, the parties shall work together to adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take such other actions, as the parties determine are necessary or appropriate to (i) exempt such compensation and benefits from Section 409A of the Code and/or preserve the intended tax treatment of such compensation and benefits, or (ii) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance; provided, however, that this Section 11(a) shall not create any obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action.

(b) To the extent permitted under Section 409A of the Code, any separate payment or benefit under this Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Section 409A of the Code and Section 8(f) hereof to the extent provided in the exceptions in Treasury Regulation Section 1.409A-l(b)(4), Section 1.409A-l(b)(9) or any other applicable exception or provision of Section 409A of the Code.

(c) To the extent that compensation or benefits payable under Section 9 of this Agreement (i) constitute “nonqualified deferred compensation” within the meaning of Section 409A of the Code or (ii) are intended to be exempt from Section 409A of the Code under Treasury Regulation Section 1.409A-1(b)(9)(iii), and are designated under this Agreement as payable upon (or within a specified time following) your termination of employment, such compensation or benefits shall, subject to Section 8(f) hereof, be payable only upon (or, as applicable, within the specified time following) your “separation from service” from the Company (within the meaning of Section 409A(a)(2)(A)(i) of the Code).

(d) To the extent that any payments or reimbursements provided to you under this Agreement are deemed to constitute compensation to which Treasury Regulation Section 1.409A-3(i)(1)(iv) would apply, such amounts shall be paid or reimbursed to you reasonably promptly, but not later than December 31 of the year following the year in which the expense was incurred. The amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and your right to such payments or reimbursement shall not be subject to liquidation or exchange for any other benefit.

13. **COMPANY RULES AND REGULATIONS.** As an employee of the Company, you agree to abide by Company rules and regulations as set forth in the Company's Employee Handbook, Code of Business Conduct and Ethics, Insider Trading Policy, and as otherwise promulgated.

14. **PAYMENT OF FINANCIAL OBLIGATIONS.** In the event that your employment or consultancy is shared among the Company and/or its subsidiaries and affiliates, the payment or provision to you by the Company of any remuneration, benefits, or other financial obligations pursuant to this Agreement may be allocated to the Company and, as applicable, its subsidiaries and/or affiliates in accordance with an employee sharing or expense allocation agreement entered into by such parties.

15. **WITHHOLDING.** The Company may withhold from any amounts payable under this Agreement such Federal, state, local, or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

16. **ARBITRATION.** Except as set forth in Section 11(f) above, any disagreement, dispute, controversy, or claim arising out of or relating to this Agreement or the interpretation of this Agreement or any arrangements relating to this Agreement or contemplated in this Agreement or the breach, termination, or invalidity thereof shall be settled by final and binding arbitration before a single neutral arbitrator. Arbitration shall be administered by JAMS in San Francisco, California in accordance with the then existing JAMS Arbitration Rules and Procedures for Employment Disputes. Except as provided herein, the Federal Arbitration Act shall govern the interpretation, enforcement, and all proceedings. The arbitrator shall apply the substantive law (and the law of remedies, if applicable) of the Commonwealth of Virginia, or federal law, or both, as applicable, and the arbitrator is without jurisdiction to apply any different substantive law. The arbitrator shall have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and shall apply the standards governing such motions under the Federal Rules of Civil Procedure. Judgment upon the award may be entered in any court having jurisdiction thereof. Each party shall pay his or its own attorneys' fees and costs of suit associated with such arbitration to the extent permitted by applicable law, and the Company shall pay the administrative fees and all arbitrator fees associated with such

arbitration; provided, however, that if you prevail in such arbitration, the Company shall reimburse you for the reasonable attorneys' fees actually incurred by you in connection with such arbitration.

17. **ENTIRE AGREEMENT.** As of the Effective Date, this Agreement, together with the Employee Confidentiality and Covenant Agreement, constitutes the final, complete, and exclusive agreement between you and the Company with respect to the subject matter hereof and replaces and supersedes any and all other agreements, offers or promises, whether oral or written, made to you by any member of the Digital Group. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

18. **ASSUMPTION BY SUCCESSOR.** The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

19. **ACKNOWLEDGEMENT.** You hereby acknowledge (a) that you have consulted with or have had the opportunity to consult with independent counsel of your own choice concerning this Agreement, and have been advised to do so by the Company, and (b) that you have read and understand this Agreement, are fully aware of its legal effect, and have entered into it freely based on your own judgment.

20. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to conflicts of laws principles thereof.

*[SIGNATURE PAGE FOLLOWS]*

Please confirm your agreement to the foregoing by signing and dating the enclosed duplicate original of this Agreement in the space provided below for you signature and returning to me. Please retain one fully-executed original for your files.

Sincerely,

DLR, LLC,  
a Maryland limited liability company

By: Digital Realty Trust, L.P.,  
its Managing Member

By: Digital Realty Trust, Inc.,  
its General Partner

By: /s/ Cindy Fiedelman  
Cindy Fiedelman  
Chief Human Resources Officer

Accepted and Agreed,

By: /s/ Erich Sanchack  
Erich Sanchack

Date: January 11, 2018

**Exhibit A**

Employee Confidentiality and Covenant Agreement

[Intentionally Omitted]