

PROLOGIS  
Form DEF 14A  
April 07, 2009

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
(Rule 14a-101)**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-12

**ProLogis**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Notice of 2009  
Annual Meeting  
*and*  
Proxy Statement

April 8, 2009

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**4545 Airport Way  
Denver, Colorado 80239**

April 8, 2009

Dear Shareholder,

*You are cordially invited to attend the annual meeting of shareholders of ProLogis, which will take place on May 20, 2009, at our world headquarters in Denver, Colorado.*

*We have elected to take advantage of the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their shareholders on the Internet. We believe that these rules will allow us to provide our shareholders with the information they need, while lowering the costs of printing and delivery and reducing the environmental impact of our annual meeting.*

*Details of the business to be conducted at the meeting are set forth in the formal notice of annual meeting of shareholders and proxy statement that accompany this letter.*

*Your vote is important. Whether or not you plan to attend the annual meeting, it is important that your shares be represented and voted at the meeting. I urge you to promptly vote and authorize your proxy instructions electronically through the Internet, by telephone or, if you have requested and received a paper copy of the proxy statement, by completing, signing, dating, and returning the proxy card enclosed with the proxy statement. Voting through the Internet or by telephone will eliminate the need to return your proxy card. If you decide to attend the annual meeting, you will be able to vote in person, even if you have previously submitted your proxy.*

*On behalf of the Board of Trustees, I would like to express our appreciation for your continued interest in ProLogis.*

*Sincerely,*

/s/ Walter C. Rakowich  
Walter C. Rakowich  
Chief Executive Officer  
and Trustee

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**Every shareholder's vote is important. Please authorize your proxy through the Internet, by telephone, or complete, sign, date, and return your proxy card.**

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**NOTICE OF 2009 ANNUAL MEETING  
OF SHAREHOLDERS**

*10:30 a.m., May 20, 2009  
ProLogis World Headquarters  
4545 Airport Way  
Denver, Colorado 80239*

April 8, 2009

To our Shareholders:

The 2009 annual meeting of shareholders of ProLogis, a Maryland real estate investment trust, will be held at ProLogis world headquarters, 4545 Airport Way, Denver, Colorado 80239, on Wednesday, May 20, 2009, at 10:30 a.m., local time, for the following purposes:

1. To elect ten trustees to serve until the 2010 annual meeting;
2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year 2009; and
3. To consider any other matters that may properly come before the meeting and at any adjournments or postponements of the meeting.

Shareholders of record at the close of business on March 23, 2009 are entitled to notice of, and to vote at, the meeting and any adjournments or postponements of the meeting. On or about April 8, 2009, we intend to mail our shareholders a notice containing instructions on how to access our 2009 proxy statement and 2008 annual report to shareholders on the Internet and also how to vote on the Internet. The notice also provides instructions on how you can request a paper copy of these documents if you desire. If you received your annual materials via e-mail, the e-mail contains voting instructions and links to the proxy statement and annual report on the Internet.

For the Board of Trustees,

/s/ Edward S. Nekritz  
Edward S. Nekritz  
Secretary

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**PROXY STATEMENT**

ProLogis, 4545 Airport Way, Denver, Colorado 80239

This proxy statement is furnished in connection with the solicitation of proxies by the board of trustees of ProLogis for the 2009 annual meeting of shareholders of ProLogis. Distribution and electronic availability of this proxy statement and proxy card are scheduled to begin on or about April 8, 2009.

In accordance with the rules of the Securities and Exchange Commission (SEC), instead of mailing a printed copy of our proxy materials to each shareholder of record or beneficial owner, we are now furnishing proxy materials (our 2009 proxy statement and our 2008 annual report to shareholders, which includes our Annual Report on Form 10-K) by providing access to such documents on the Internet. Our shareholders will not receive printed copies of the proxy materials unless they elect this form of delivery or they are participants in our 401(k) Savings Plan and Trust (401(k) Plan). Printed copies will be provided upon request at no charge.

A Notice of Internet Availability of Proxy Materials (Notice of Internet Availability) was mailed to our shareholders on or about April 8, 2009. The Notice of Internet Availability was provided in lieu of mailing the printed proxy materials and instructed our shareholders as to how they may: (i) access and review all of the proxy materials on the Internet; (ii) submit their proxy; and (iii) receive printed proxy materials.

Shareholders may request to receive printed proxy materials by mail or electronically by e-mail on an ongoing basis by following the instructions included in the Notice of Internet Availability. Providing future proxy materials by e-mail will save us some of the costs associated with printing and delivering the materials and will reduce the environmental impact of our annual meetings. An election to receive proxy materials by e-mail will remain in effect until such time as the shareholder elects to terminate it.

You can ensure that your shares are voted at the meeting by authorizing your proxy through the Internet, by telephone, or by completing, signing, dating, and returning the printed proxy card provided with the printed materials. If you are a shareholder of record, you may still attend the meeting and vote despite having previously authorized your proxy by any of these methods. A shareholder of record who gives a proxy may revoke it at any time before it is exercised by voting in person at the annual meeting, by delivering a subsequent proxy, by notifying the inspector of election in writing of such revocation, or, if previous instructions were given through the Internet or by telephone, by providing new instructions by the same means. An admission ticket is required to attend the 2009 annual meeting. Admission tickets are provided with the printed proxy materials and with the Notice of Internet Availability.

**Important Notice Regarding the Availability of Proxy Materials for the Shareholders Meeting to be Held on May 20, 2009:**

**This proxy statement and our 2008 annual report to shareholders, which includes our Annual Report on Form 10-K, are available at <http://ir.prologis.com>.**



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**SUMMARY OF PROPOSALS SUBMITTED FOR VOTE**

**Proposal 1: Election of Trustees**

**Nominees:** At the annual meeting you will be asked to elect ten trustees to the board of trustees. The trustees will be elected to one-year terms and will hold office until the 2010 annual meeting and until their successors are elected and qualify.

**Vote Required:** You may vote for or withhold your vote from any of the trustee nominees. Assuming a quorum is present, the trustees receiving a majority of the votes cast in person or by proxy at the meeting will be elected. For this purpose, a majority of the votes cast means that the number of common shares that are cast and are voted For the election of a trustee must exceed the number of common shares that are withheld from his or her election.

**Proposal 2: Ratification of the Appointment of Independent Registered Public Accounting Firm**

**Independent Registered Public Accounting Firm:** At the annual meeting you will be asked to ratify the audit committee's appointment of KPMG LLP as the company's independent registered public accounting firm for the year 2009.

**Vote Required:** You may vote for, vote against, or abstain from voting on ratifying the appointment of the independent registered public accounting firm. Assuming a quorum is present, the affirmative vote of a majority of the common shares voted at the meeting in person or by proxy will be required to ratify the audit committee's appointment of the independent registered public accounting firm.

**The board of trustees unanimously recommends that the shareholders vote FOR each of the proposals listed above.**

The foregoing are only summaries of the proposals.  
You should review the full discussion of each proposal  
in this proxy statement before casting your vote.

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**ELECTION OF TRUSTEES**

**Proposal 1**

**Nominees**

At the 2009 annual meeting, all ten trustee nominees are standing to be elected to hold office until the 2010 annual meeting and until their successors are elected and qualify. The ten nominees for election at the 2009 annual meeting, all proposed by the board of trustees, are listed below with brief biographies. They are all now ProLogis trustees. We do not know of any reason why any nominee would be unable or unwilling to serve as a trustee. However, if a nominee becomes unable to serve or will not serve, proxies may be voted for the election of such other person nominated by the board as a substitute or the board may reduce the number of trustees.

Under our bylaws, trustees in non-contested elections must receive a majority of affirmative votes cast for election at a meeting at which a quorum is present. For this purpose, a majority of the votes cast means that the number of common shares that are cast and are voted For the election of a trustee must exceed the number of common shares that are withheld from his or her election. If a trustee fails to obtain a majority, he or she must tender his or her resignation to the board within three days after certification of the voting results. The board, generally through a process managed by the board governance and nomination committee, will decide what action to take with regard to the tendered resignation. A tendered resignation is effective 90 days from the date of tender unless the board affirmatively determines to reject the tendered resignation or accept the resignation on a specified future date or upon the appointment of a replacement trustee to fill the vacancy that will result from the resignation. The board will then explain its decision to accept or reject the tendered resignation in a Current Report on Form 8-K, which will be filed promptly with the SEC.

**The board of trustees unanimously recommends that the shareholders vote FOR the election of each nominee.**

**Stephen L. Feinberg.** Chairman since November 2008 and Trustee since January 1993

Mr. Feinberg, 64, has been Chairman of the Board and Chief Executive Officer of Dorsar Investment Company, a diversified holding company with interests in real estate and venture capital, since 1970.

**George L. Fotiades.** Trustee since December 2001

Mr. Fotiades, 55, has been Chairman of the Healthcare investment practice of Diamond Castle Holdings, a private equity investment firm, since April 2007 and was President and Chief Operating Officer of Cardinal Health, Inc., a provider of services supporting the health care industry, until May 2006. He was previously President and Chief Executive Officer of Life Sciences Products and Services, a unit of Cardinal Health, Inc., and was with Cardinal Health, Inc. or its predecessor in various capacities from 1996 to 2006. He serves on the Board of Directors of Alberto Culver Company and Cantel Medical Corporation.

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**Christine N. Garvey.** Trustee since September 2005

Ms. Garvey, 63, has served as a consultant to Deutsche Bank AG, a global investment bank, since May 2004. From May 2001 to May 2004, Ms. Garvey served as Global Head of Corporate Real Estate Services at Deutsche Bank AG London. Ms. Garvey serves on the Board of Directors of Maguire Properties Group, HCP Inc., and UnionBanCal Corp. and she was a member of the Board of Directors of Catellus Development Corporation (Catellus) when it was merged with and into a subsidiary of ProLogis in September 2005.

**Lawrence V. Jackson.** Trustee since March 2008

Mr. Jackson, 55, is Chairman and Chief Executive Officer of Source Mark, LLC, a medical and surgical supply manufacturer. He was President and Chief Executive Officer, Global Procurement of Wal-Mart Stores, Inc. (Wal-Mart), an international retailer, from April 2006 to February 2007 and, prior to that role, he was Executive Vice President and Chief People Officer of Wal-Mart. He was President and Chief Operating Officer of Dollar General Stores, Inc., a discount retailer, from August 2003 to September 2004.

**Donald P. Jacobs.** Trustee since February 1996

Mr. Jacobs, 81, is the Gaylord Freeman Distinguished Professor of Banking and Dean Emeritus of the Kellogg School of Management and has been a member of its faculty since 1957. He serves on the Board of Directors of Terex Corporation.

**Walter C. Rakowich.** Trustee since November 2008

Mr. Rakowich, 51, has been Chief Executive Officer of ProLogis since November 2008. Mr. Rakowich was ProLogis President and Chief Operating Officer from January 2005 to November 2008, Chief Financial Officer from December 1998 to September 2005, and Managing Director from December 1998 to December 2004. Mr. Rakowich has been with ProLogis in various capacities since July 1994. Prior to joining ProLogis, Mr. Rakowich was a consultant to ProLogis in the area of due diligence and acquisitions from October 1993 to June 1994 and, prior thereto, he was a partner with Trammell Crow Company, a diversified commercial real estate company in North America. Mr. Rakowich served as a Trustee from August 2004 to May 2008 and was reappointed as a Trustee in November 2008.

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**D. Michael Steuert.** Trustee since September 2003

Mr. Steuert, 60, has been Senior Vice President and Chief Financial Officer of Fluor Corporation, a publicly-traded engineering and construction firm, since 2001. He serves on the Board of Directors of Weyerhaeuser Corporation.

**J. André Teixeira.** Trustee since February 1999

Mr. Teixeira, 56, is Vice President, International Research and Development, of Campbell Soup Company, a global manufacturer and marketer of convenience food products. Mr. Teixeira is a founding partner of, and was President of, eemPOK, a management consulting firm in Belgium, from January 2005 to January 2007, and was Chairman and Senior Partner with BBL Partners, a consulting and trading company in Russia, from January 2002 to July 2006. He was Vice President, Global Innovation and Development, of InBev, formerly Interbrew, a publicly traded brewer in Belgium, from February 2003 to October 2004, and, prior thereto, he was with The Coca-Cola Company, a global manufacturer, distributor and marketer of nonalcoholic beverages, in various capacities between 1978 and 2001 (including President, Coca-Cola Russia/Ukraine/Belarus).

**William D. Zollars.** Trustee since June 2001

Mr. Zollars, 61, has been Chairman, President, and Chief Executive Officer of YRC Worldwide Inc. (YRC) (formerly Yellow Roadway Corporation), a holding company specializing in the transportation of industrial, commercial, and retail goods, since 1999 and has been with YRC in various capacities since 1996. He serves on the Board of Directors of CIGNA Corporation and Cerner Corporation.

**Andrea M. Zulberti.** Trustee since May 2005

Ms. Zulberti, 57, retired in August 2003 as a Managing Director for Barclays Global Investors (BGI), a global investment management firm. Ms. Zulberti held various positions at BGI starting in 1989 and was Head of Global Operations/Global Chief Administrative Officer from 2000 until her retirement.

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**CORPORATE GOVERNANCE**

ProLogis remains committed to furthering meaningful corporate governance practices and maintaining a business environment of uncompromising integrity. We continue to implement this commitment through, among other things, our governance policies and compliance with the Sarbanes-Oxley Act of 2002 and the rules of the New York Stock Exchange (NYSE). Our board has formalized several policies, procedures, and standards of corporate governance that are reflected in our governance guidelines. These governance guidelines, some of which we touch on below, can be viewed, together with any future changes, on our website at <http://ir.prologis.com/governance.cfm>. In addition, copies of our governance guidelines can be obtained by any shareholder, free of charge, upon written request to Edward S. Nekritz, Secretary, ProLogis, 4545 Airport Way, Denver, Colorado 80239.

***Trustee Independence.*** We require that a majority of our board be independent in accordance with NYSE requirements. To determine whether a trustee is independent, the board must affirmatively determine that there is no direct or indirect material relationship between the company and the trustee. The board has determined that all of our trustees, other than Mr. Rakowich, are independent. The board reached its decision after reviewing trustee questionnaires, considering any transactions and relationships between us, our affiliates, members of our senior management and their affiliates, and each of the trustees, members of each trustee's immediate family, and each trustee's affiliates, and considering all other relevant facts and circumstances. The board has also determined that all members of the audit, management development and compensation, and board governance and nomination committees are independent in accordance with NYSE and SEC rules and that all members of the audit committee are financially literate.

***Lead Trustee.*** Our outside trustees, meaning those trustees who are not officers or employees of ProLogis, meet in regular executive sessions without management being present. The chair of these executive sessions was trustee Brooksher until February 22, 2008 when, upon the announcement of Mr. Brooksher's retirement from the board effective May 2008, the trustees named trustee Feinberg as lead trustee to chair these executive sessions. Mr. Feinberg was appointed chairman of the board of trustees on November 10, 2008. Since our chairman is now also an outside trustee, we do not now have a lead trustee.

***Communicating with Trustees.*** You can communicate with any of the trustees, individually or as a group, by writing to them in care of Edward S. Nekritz, Secretary, ProLogis, 4545 Airport Way, Denver, Colorado 80239. All communications should prominently indicate on the outside of the envelope that they are intended for the full board, for outside trustees only, or for any particular group or member of the board. Each communication intended for the board and received by the secretary that is related to the operation of the company and is not otherwise commercial in nature will be forwarded to the specified party following its clearance through normal security procedures. The outside trustees will be advised of any communications that were excluded through normal security procedures, and they will be made available to any outside trustee who wishes to review them.

***Shareholder Recommended Nominees for Trustee.*** The board governance and nomination committee considers shareholder recommended nominees for trustees and screens all potential candidates in the same manner regardless of the source of the recommendation. Recommended nominees should be submitted to the committee following the same requirements as shareholder proposals generally and, like all proposals, must satisfy, and will be subject to, our bylaws and applicable SEC, NYSE, and Maryland rules and regulations. Submittals must contain the following information as to the shareholder giving notice and as to any Shareholder Associated Person (as defined below):

as to each person whom the shareholder proposes to nominate for election or reelection as a trustee, all information relating to such person that is required to be disclosed in solicitations of proxies for election of trustees, or is otherwise required, in each case pursuant to Section 14 of the Securities Exchange Act of 1934, as amended, (Exchange Act), including each proposed nominee's written consent to being named in the proxy

statement as a nominee and to serving as a trustee if elected;

as to any other business which the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest in such business of such shareholder and of the beneficial owner, if any, on whose behalf the proposal is made;

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the name and address of the shareholder, as it appears on our books, and that of such Shareholder Associated Person;

the number of shares of each class of our shares which are owned beneficially and of record by such shareholder, the date such securities were acquired, and the investment intent of such acquisition;

whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement, or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss or to manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such shareholder or any Shareholder Associated Person with respect to any of our shares, and a general description of whether and the extent to which such shareholder or Shareholder Associated Person has engaged in such activities with respect to shares of stock or other equity interests of any other company;

to the extent known by the shareholder, the name and address of any other shareholder supporting the nominee for election or re-election to the board or the proposal of other business on the date of such shareholder's notice;

a representation that the shareholder intends to appear in person or by proxy at the meeting, if there is a meeting, to nominate the persons named in its notice or to bring other business proposed in its notice before the meeting;

in the case of a nomination, a description of all arrangements or understanding between the shareholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by the shareholder and any other information relating to the shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of trustees pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

A Shareholder Associated Person means, with respect to any shareholder, any person controlling, directly or indirectly, or acting in concert with, such shareholder, any beneficial owner of our shares owned of record or beneficially by such shareholder and any person controlling, controlled by, or under common control with such Shareholder Associated Person.

Shareholder recommendations for board candidates should be sent to the Board Governance and Nomination Committee in care of Edward S. Nekritz, Secretary, ProLogis, 4545 Airport Way, Denver, Colorado 80239. For more information on procedures for submitting nominees, see [Additional Information Shareholder Proposals for Inclusion in Next Year's Proxy Statement](#) and [Shareholder Nominations and Other Shareholder Proposals for Presentation at Next Year's Annual Meeting](#). The board governance and nomination committee reviews its recommendations with the board, which in turn selects the final nominees. The committee may look at a variety of factors in identifying potential candidates and may request interviews or additional information as it deems necessary. Our declaration of trust requires that our trustees be individuals who are at least 21 years old and not under any legal disability. There are no other minimum qualifications that the committee believes must be met by a nominee. In the course of identifying and evaluating candidates, the committee will sometimes retain executive search firms on a fee basis to identify candidates for the board (as was the case for Mr. Jackson in connection with his appointment to the board in March 2008) who are then screened following the same procedures as all other candidates. In addition to shareholder nominees, the committee will consider candidates recommended by trustees, officers, third-party search firms, employees, and others.

***Code of Ethics and Business Conduct.*** We have adopted a code of ethics and business conduct that applies to all employees and trustees entitled *A Commitment to Excellence and Integrity*, which can be viewed, together with any future changes, on our website at <http://ir.prologis.com/governance.cfm>. In addition, copies of our code of ethics and business conduct can be obtained, free of charge, upon written request to Edward S. Nekritz, Secretary, ProLogis, 4545 Airport Way, Denver, Colorado 80239. Our code details the expected behavior of all employees in routinely applying our institutional and personal values of honesty, integrity, and fairness to everything we do at ProLogis. The code outlines in great detail the key principles of ethical conduct expected of ProLogis employees, officers, and trustees, including matters related to conflicts of interest, use of company resources, fair dealing, and financial reporting and disclosure. The code also establishes formal procedures for



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reporting illegal or unethical behavior to the ethics administrator. In addition, it permits employees to report on a confidential or anonymous basis if desired, any concerns about the company's accounting, internal accounting controls, or auditing matters. Employees may contact the ethics administrator by e-mail, in writing, or by calling a toll-free telephone number. Any significant concerns are reported to the audit committee.

**BOARD OF TRUSTEES AND COMMITTEES**

Our board of trustees currently consists of ten trustees, nine of whom are independent under the requirements of the NYSE listing rules. All of our current trustees are standing for re-election at the 2009 annual meeting of shareholders. The board held 12 meetings in 2008, including telephonic meetings and all trustees attended 75% or more of the board meetings. All of the trustees attended at least 75% of the meetings of the committees on which they served during the periods they served, except as otherwise noted below. Each trustee is expected to attend the annual meeting of shareholders absent cause, and all trustees attended the annual meeting last year, in person or telephonically.

The five standing committees of the board are: audit committee, board governance and nomination committee, management development and compensation committee, investment committee, and sustainability committee.

***Audit Committee.*** The members of the audit committee are trustees Steuert, who chairs the committee, Fotiades, Garvey, Jacobs, and Zulberti each of whom is independent under the rules of the NYSE. This committee's purpose is to be an informed, vigilant, and effective overseer of our financial accounting and reporting processes consistent with risk mitigation appropriate in the circumstances. This committee is directly responsible for the appointment, compensation, and oversight of our independent registered public accounting firm. Further, the committee monitors: (i) the integrity of our financial statements; (ii) our compliance with legal and regulatory requirements; (iii) our public accountant's qualifications and independence; and (iv) the performance of our internal audit function and public accountants. This committee also reviews the adequacy of its charter on an annual basis. The board has determined that Mr. Steuert is qualified as an audit committee financial expert within the meaning of the SEC regulations. There were nine meetings of this committee in 2008 and all members attended at least 75% of the meetings during the period in which they served. The committee's report appears below under Audit Committee Report. The audit committee's responsibilities are stated more fully in its charter which can be viewed, together with any future changes, on our website at <http://ir.prologis.com/governance.cfm>. In addition, copies of the charter can be obtained by any shareholder, free of charge, upon written request to Edward. S. Nekritz, Secretary, ProLogis, 4545 Airport Way, Denver, Colorado 80239.

***Board Governance and Nomination Committee.*** The members of the board governance and nomination committee are trustees Fotiades, who chairs the committee, Garvey, Teixeira, and Zollars, each of whom is independent under the rules of the NYSE. This committee's purpose is to: (i) review and make recommendations to the board on board organization and succession matters; (ii) assist the full board in evaluating the effectiveness of the board and its committees; (iii) review and make recommendations for committee appointments; (iv) identify individuals qualified to become board members and propose to the board a slate of nominees for election; (v) assess and make recommendations to the board on corporate governance matters; and (vi) develop and recommend to the board a set of corporate governance principles for the company. This committee also reviews the adequacy of its charter on an annual basis. There were five meetings of this committee in 2008 and all members attended at least 75% of the meetings during the period in which they served, with the exception of Mr. Zollars who attended three of the five committee meetings. The committee's responsibilities are stated more fully in its charter which can be viewed, together with any future changes, on our website at <http://ir.prologis.com/governance.cfm>. In addition, copies of the charter can be obtained by any shareholder, free of charge, upon written request to Edward. S. Nekritz, Secretary, ProLogis, 4545 Airport Way, Denver, Colorado 80239.

***Management Development and Compensation Committee.*** The members of the management development and compensation committee, which we typically refer to as our compensation committee, are trustees Jacobs, who chairs the committee, Feinberg, Zollars, and Zulberti, each of whom is independent under the rules of the NYSE. The compensation committee is responsible for: (i) reviewing and recommending to the board corporate goals and objectives relative to the compensation of our chief executive officer; (ii) evaluating the chief executive officer's performance in light of those goals and objectives, and recommending to the board the chief executive

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officer's compensation level based on that evaluation; (iii) reviewing and recommending to the board the amount and form of compensation for the senior executive officers; (iv) making recommendations to the board on general compensation practices and adopting, administering, and recommending awards under annual and long-term incentive plans; (v) retaining and terminating a compensation consulting firm, including sole authority to approve the firm's fees and other retention terms; (vi) reviewing and reassessing its charter on an annual basis; (vii) reviewing material regulatory and legal matters; (viii) ensuring reports are made to the board or in filings as required by the SEC and the NYSE; (ix) reviewing and assessing the adequacy of its charter on an annual basis; (x) participating in succession planning for key executives; and (xi) forming and delegating authority to subcommittees when deemed appropriate.

The company's chief executive officer also reports regularly to the compensation committee on our management development activities. The compensation committee has retained the independent compensation consultant Frederic W. Cook & Co., Inc. to assist the committee in assessing our compensation programs for senior officers. The consultant does not advise management, receives no compensation from the company other than for its work in advising the committee, and maintains no other economic relationships with the company. The compensation consultant conducts a comprehensive competitive review of the compensation program for the company's senior officers, in terms of both structure and magnitude. The compensation committee uses the review to assist it in making compensation recommendations to the board. Our chief executive officer makes separate recommendations to the compensation committee concerning the form and amount of compensation for our senior officers (excluding his own compensation). Please see *Compensation Matters - Compensation Discussion and Analysis* for additional information about, and the processes and procedures for determining, executive officer compensation. There were seven meetings of this committee in 2008 and all members attended at least 75% of the meetings during the period in which they served, with the exception of Mr. Zollars who attended four of the seven committee meetings. The committee's report appears under *Compensation Matters - Compensation Committee Report*. The compensation committee's responsibilities are stated more fully in its charter which can be viewed, together with any future changes, on our website at <http://ir.prologis.com/governance.cfm>. In addition, copies of the charter can be obtained by any shareholder, free of charge, upon written request to Edward S. Nekritz, Secretary, ProLogis, 4545 Airport Way, Denver, Colorado 80239.

**Compensation Committee Interlocks and Insider Participation.** No member of the compensation committee: (i) was, during the year ended December 31, 2008, or had previously been, an officer or employee of the company or (ii) had any material interest in a transaction with the company or a business relationship with, or any indebtedness to, the company. No interlocking relationships existed during the year ended December 31, 2008, between any member of the board or the compensation committee and an executive officer of the company.

**Investment Committee.** The members of the investment committee are trustees Feinberg, who chairs the committee, Fotiades, Jackson, and Zулberti. This committee's purpose is to: (i) discharge the board's responsibilities relating to strategic investment issues; (ii) increase discussion and analysis of our largest investments; and (iii) further the discussion regarding the investment environment around the world. This committee is responsible for approving certain significant acquisitions, dispositions, and other investment decisions. Additionally, this committee periodically reviews significant investment risk metrics with management and reviews its charter on an annual basis. This committee makes regular reports to the board concerning its activities. There were eight meetings of this committee in 2008 and all members attended at least 75% of the meetings during the period in which they served. The committee's charter is available on our website at <http://ir.prologis.com/governance.cfm>.

**Sustainability Committee.** The members of the sustainability committee, which was formed in 2008, are trustees Teixeira, who chairs the committee, Jackson, and Steuert. The committee is organized with the purpose of providing assistance to the board in reviewing and approving the company's activities, goals, and policies concerning environmental sustainability and sustainable development matters. The committee is also responsible for reviewing and assessing its charter periodically. There was one meeting of this committee in September 2008 and all members of

the committee were in attendance. The committee's charter is available on our website at <http://ir.prologis.com/governance.cfm>.

**Table of Contents****INFORMATION RELATING TO TRUSTEES, NOMINEES,  
AND EXECUTIVE OFFICERS****Common Shares Beneficially Owned**

The following table shows the number of our common shares beneficially owned, as of March 23, 2009 (or such other date indicated in the footnotes below), by each person known to us to be the beneficial owner of five percent or more, in the aggregate, of our outstanding common shares.

<b>Name and Address</b>	<b>Amount of Shares Beneficially Owned</b>	<b>% of Shares</b>
FMR LLC <sup>(1)(2)</sup> 82 Devonshire Street Boston, MA 02109	22,907,563	8.6%
Barclays Global Investors, NA <sup>(2)(3)</sup> 400 Howard Street San Francisco, CA 94105	20,733,111	7.8%
The Vanguard Group, Inc. <sup>(2)(4)</sup> 100 Vanguard Blvd. Malvern, PA 19355	19,477,120	7.3%
Cohen & Steers, Inc. <sup>(2)(5)</sup> 280 Park Avenue 10 <sup>th</sup> Floor New York, NY 10017	14,825,825	5.6%
State Street Bank and Trust Company, Trustee <sup>(2)(6)</sup> State Street Financial Center One Lincoln Street Boston, MA 02111	14,636,060	5.5%

<sup>(1)</sup> Information regarding beneficial ownership of our common shares by FMR LLC and certain related entities is included herein based on a Schedule 13G filed with the SEC on February 17, 2009, relating to such shares beneficially owned as of December 31, 2008. Such report provides that: (i) FMR LLC, an investment advisor, is beneficial owner of 20,522,774 of such common shares and with Edward C. Johnson III each have sole dispositive power with respect to the common shares beneficially owned by FMR LLC; (ii) Pyramis Global Advisors Trust Company (PGATC) is the beneficial owner of 1,115,458 of such common shares and FMR LLC and Mr. Johnson, through their control of PGATC, each have sole power to vote or to direct the voting and sole dispositive power with respect to the common shares beneficially owned by PGATC; (iii) FIL Limited is the beneficial owner and has sole dispositive power with respect 985,580 of such common shares and has sole power to vote or direct the voting with respect to 966,700 of such common shares; and (iv) Pyramis Global Advisors, LLC (PGA LLC) is beneficial owner of 283,751 of such common shares and FMR LLC and Mr. Johnson, through their control of PGA LLC, each have sole power to vote or direct the voting and sole dispositive power with respect to the common shares beneficially owned by PGA LLC.

<sup>(2)</sup> Entities included in the Schedule 13G filing have represented that the common shares reported were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of ProLogis and were not acquired and are not held in connection with or as a

participant in any transaction having such purpose or effect.

(3) Information regarding beneficial ownership of our common shares by Barclays Global Investors, NA and certain related entities is included herein based on a Schedule 13G filed with the SEC on February 5, 2009, relating to such shares beneficially owned as of December 31, 2008. Such report provides that: (i) Barclays Global Investors, NA is beneficial owner and has sole dispositive power with respect to 9,486,126 of such common shares and has sole voting power with respect to 7,979,576 of such common shares; (ii) Barclays Global Fund Advisors is beneficial owner and has sole dispositive power with respect to 8,932,328 of such common shares and has sole voting power with respect to 8,915,761 of such common shares; (iii) Barclays Global Investors, Ltd is beneficial owner and has sole dispositive power with respect to 1,386,045 of such common shares and sole voting power with respect to 1,228,306 of such common shares; (iv) Barclays Global Investors Japan Limited is beneficial owner and has sole voting and dispositive power with respect to 719,737 of such common shares; (v) Barclays Global Investors Canada Limited is beneficial owner and has sole voting and dispositive power with respect to 198,522 of such common shares; and (vi) Barclays Global Investors Australia Limited is beneficial owner and has sole voting and dispositive power with respect to 10,353 of such common shares.

(4) Information regarding beneficial ownership of our common shares by The Vanguard Group, Inc. (Vanguard) is included herein based on a Schedule 13G/A filed with the SEC on February 13, 2009, relating to such shares beneficially owned as of December 31, 2008. Such report provides that Vanguard is beneficial owner and has sole dispositive power with respect to 19,477,120 of such common shares. Of the common shares beneficially owned by Vanguard, Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of Vanguard, as a result of its serving as investment manager of collective trust accounts, directs the voting of 310,513 of such common shares.

(5) Information regarding beneficial ownership of our common shares by entities related to Cohen & Steers, Inc. is included herein based on a Schedule 13G filed with the SEC on February 17, 2009, relating to such shares beneficially owned as of December 31, 2008. Such report provides that: (i) Cohen & Steers Capital Management, Inc. is beneficial owner and has sole dispositive power

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with respect to 14,754,635 of such common shares and has sole voting power with respect to 13,136,045 of such common shares and (ii) Cohen & Steers Europe S. A. is beneficial owner and has sole dispositive power with respect to 71,190 of such common shares and sole voting power with respect to 53,173 of such common shares.

<sup>(6)</sup> Information regarding beneficial ownership of our common shares by State Street Bank and Trust, acting in various fiduciary capacities, is included herein based on a Schedule 13G filed with the SEC on February 13, 2009, relating to such shares beneficially owned as of December 31, 2008. State Street Bank and Trust, acting in various fiduciary capacities, is the beneficial owner and has sole power to vote or direct the vote and shared power to dispose or direct the disposition with respect to 14,636,060 of such common shares.

The following table shows the number of our common shares beneficially owned, as of March 23, 2009, by: (i) our chief executive officer (ii) our chief financial officer; (iii) our other named executive officers currently employed by us; (iv) each of our trustees; and (v) our trustees and all of our executive officers as a group which includes one other executive officer at March 23, 2009 who is not a named executive officer.

<b>Name<sup>(1)</sup></b>	<b>Shares Beneficially Owned Shares That May</b>		<b>Total Beneficial Ownership</b>	<b>% of Shares</b>
	<b>Shares Owned as of March 23, 2009<sup>(2)</sup></b>	<b>Be Acquired by May 23, 2009<sup>(3)</sup></b>		