

SIMON PROPERTY GROUP INC /DE/
Form DEF 14A
April 03, 2015

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[TABLE OF CONTENTS](#)

[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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 under §240.14a-12

Simon Property Group, Inc.

(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:
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(3) Filing Party:

(4) Date Filed:

Table of Contents

**NOTICE OF ANNUAL MEETING
AND
2015 PROXY STATEMENT**

Table of Contents

Table of Contents

April 3, 2015

Dear Fellow Stockholders:

Please join me and the Board of Directors at our 2015 Annual Meeting of Stockholders on May 14, 2015 at our headquarters in Indianapolis, Indiana. The business to be conducted at the meeting is explained in the attached Notice of Annual Meeting and Proxy Statement.

2014 was an excellent year for our Company and I would like to thank our employees for their hard work and dedication.

We hope that after you have reviewed the Proxy Statement you will vote at the meeting in accordance with the Board's recommendations. Your vote is important to us and our business. I appreciate your continued interest and support of our Company.

Sincerely,

David Simon

Chairman of the Board and Chief Executive Officer

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

MAY 14, 2015

8:30 A.M. (EDT)

Simon Property Group Headquarters
225 West Washington Street, Indianapolis, Indiana 46204

ITEMS OF BUSINESS

1. Elect ten directors, including three directors to be elected by the voting trustees who vote the Class B common stock;
2. Advisory vote to approve executive compensation;
3. Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015;
4. Stockholder Proposal; and
5. Other business as may properly come before the meeting.

RECORD DATE

You can vote if you are a stockholder of record on March 16, 2015 (the "Record Date").

ANNUAL REPORT

Our 2014 annual report to stockholders accompanies, but is not part of these proxy materials.

PROXY VOTING

Stockholders as of the Record Date are invited to attend the annual meeting, but if you cannot attend in person, please vote in advance of the meeting by using one of the methods described in the Proxy Statement.

By order of the Board of Directors,

James M. Barkley
Secretary

April 3, 2015

Table of Contents**TABLE OF CONTENTS**

| | |
|---|------------------|
| <u>PLEASE VOTE</u> | <u>2</u> |
| <u>PROXY SUMMARY</u> | <u>3</u> |
| <u>PROXY STATEMENT</u> | <u>6</u> |
| <u>CORPORATE GOVERNANCE OF THE COMPANY</u> | <u>6</u> |
| <u>Board Leadership Structure</u> | <u>6</u> |
| <u>Board's Role in Oversight of Risk Management</u> | <u>7</u> |
| <u>Director Independence</u> | <u>7</u> |
| <u>Policies on Corporate Governance</u> | <u>7</u> |
| <u>Majority Vote Standard for Election of Directors</u> | <u>8</u> |
| <u>Nominations for Directors</u> | <u>8</u> |
| <u>Communications with the Board</u> | <u>8</u> |
| <u>Stockholder Engagement</u> | <u>8</u> |
| <u>Section 16(a) Beneficial Ownership Reporting Compliance</u> | <u>8</u> |
| <u>Transactions With Related Persons</u> | <u>9</u> |
| <u>PROPOSAL 1: Election of Directors</u> | <u>10</u> |
| <u>PROPOSAL 2: Advisory Vote to Approve Executive Compensation</u> | <u>19</u> |
| <u>COMPENSATION COMMITTEE REPORT</u> | <u>19</u> |
| <u>COMPENSATION DISCUSSION AND ANALYSIS</u> | <u>20</u> |
| <u>Executive Summary</u> | <u>20</u> |
| <u>Total Direct Compensation Table</u> | <u>23</u> |
| <u>Summary Compensation Table</u> | <u>33</u> |
| <u>Grants of Plan-Based Awards in 2014</u> | <u>34</u> |
| <u>Outstanding Equity Awards At 2014 Fiscal Year-End</u> | <u>35</u> |
| <u>Option Exercises and Stock Vested in 2014</u> | <u>36</u> |
| <u>Nonqualified Deferred Compensation in 2014</u> | <u>36</u> |
| <u>Role of the Independent Compensation Consultant</u> | <u>42</u> |
| <u>PROPOSAL 3: Ratification of Independent Registered Public Accounting Firm</u> | <u>43</u> |
| <u>REPORT OF THE AUDIT COMMITTEE</u> | <u>43</u> |
| <u>PROPOSAL 4: Stockholder Proposal</u> | <u>45</u> |
| <u>FREQUENTLY ASKED QUESTIONS AND ANSWERS</u> | <u>48</u> |

Table of Contents**PLEASE VOTE**

It is very important that you vote to play a part in the future of your Company. New York Stock Exchange ("NYSE") rules provide that if your shares are held through a broker, bank or other nominee, they cannot vote on your behalf on non-discretionary matters, without your instruction.

PROPOSALS WHICH REQUIRE YOUR VOTE

| PROPOSAL | MORE INFORMATION | BOARD RECOMMENDATION | BROKER NON-VOTES | ABSTENTIONS | VOTES REQUIRED FOR APPROVAL |
|-----------------|--|-----------------------------|-------------------------|-----------------------|---|
| 1 | Elect ten directors, including three directors to be elected by the voting trustees who vote the Class B common stock Page 10 | FOR all nominees | Do not impact outcome | Do not impact outcome | More votes FOR than AGAINST. Under our By-Laws, a nominee who receives more AGAINST votes than FOR votes will be required to tender his or her resignation. Majority of votes cast. |
| 2 | Advisory vote to approve executive compensation Page 19 | FOR | Do not impact outcome | Vote AGAINST | Majority of votes cast. |
| 3 | Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015 Page 43 | FOR | N/A | Vote AGAINST | Majority of votes cast. |
| 4 | Stockholder Proposal Page 45 | AGAINST | Do not impact outcome | Vote AGAINST | Majority of votes cast. |

BY INTERNET USING A COMPUTER

BY TELEPHONE

BY MAIL

Vote 24/7
www.proxyvote.com

Dial toll-free 24/7
1-800-690-6903

**Cast your ballot, sign your
proxy card**
and send by pre-paid mail

PLEASE VISIT OUR ANNUAL MEETING WEBSITE: annualmeeting.simon.com

Review and download easy to read versions of our Proxy Statement and Annual Report.

Sign up for future electronic delivery to reduce the impact on the environment.

2 SIMON PROPERTY GROUP 2015 PROXY STATEMENT

Table of Contents**PROXY SUMMARY**

This proxy summary highlights information which may be contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting. Page references are supplied to help you find further information in this Proxy Statement.

ELIGIBILITY TO VOTE (page 48)

You can vote if you were a stockholder of record at the close of business on March 16, 2015.

HOW TO CAST YOUR VOTE (page 2)

You can vote by any of the following methods:

Internet: www.proxyvote.com until 11:59 P.M. EDT on May 13, 2015;

Telephone: 1-800-690-6903 until 11:59 P.M. EDT on May 13, 2015; or

Mail: Completing, signing and returning your proxy or voting instruction card.

GOVERNANCE OF THE COMPANY (page 6)

We pride ourselves on continuing to observe and implement best practices in our corporate governance.

BOARD NOMINEES (page 10)

| NAME OF INDEPENDENT DIRECTOR | AGE | OCCUPATION | COMMITTEE MEMBERSHIPS |
|-------------------------------------|------------|---|---|
| Melvyn E. Bergstein | 73 | Retired Chairman of the Board of Diamond Management & Technology Consultants, Inc. | Audit, Governance and Nominating |
| Larry C. Glasscock | 67 | Retired Chairman of WellPoint, Inc. (now Anthem, Inc.) | Lead Independent Director, Audit, Governance and Nominating |
| Karen N. Horn, Ph.D. | 71 | Retired President, Global Private Client Services and Managing Director, Marsh, Inc. | Governance and Nominating (Chair) |
| Allan Hubbard | 67 | Co-Founder, Chairman and Chief Executive Officer of E&A Industries, Inc. | Compensation, Governance and Nominating |
| Reuben S. Leibowitz | 67 | Managing Member of JEN Partners | Compensation (Chair), Audit |
| Daniel C. Smith, Ph.D. | 57 | Professor of Marketing at the Kelley School of Business, Indiana University, and President and CEO of the Indiana University Foundation | Compensation, Governance and Nominating |
| J. Albert Smith, Jr. | 74 | Chairman, Chase Bank in Central Indiana and Managing Director of | Audit (Chair), Compensation |

J.P. Morgan Private Bank

| NAME OF DIRECTOR | AGE | OCCUPATION | COMMITTEE MEMBERSHIPS |
|-------------------------|------------|--|------------------------------|
| David Simon | 53 | Chairman of the Board and Chief Executive Officer of the Company | None |
| Richard S. Sokolov | 65 | President and Chief Operating Officer of the Company | None |
| Herbert Simon | 80 | Chairman Emeritus of the Board of the Company | None |

SIMON PROPERTY GROUP 2015 PROXY STATEMENT 3

Table of Contents

PROXY SUMMARY

VOTING PROPOSALS

**BOARD OF DIRECTORS'
RECOMMENDATIONS**

| | | |
|-------------------|---|---|
| Proposal 1 | Elect ten directors, including three directors to be elected by the voting trustees who vote the Class B common stock | FOR All nominees (page 10) |
| Proposal 2 | Advisory vote to approve executive compensation | FOR (page 19) |
| Proposal 3 | Ratify the appointment of Ernst & Young, LLP as our independent registered public accounting firm for 2015 | FOR (page 43) |
| Proposal 4 | Stockholder Proposal | AGAINST (page 45) |

EXECUTIVE COMPENSATION (page 23)

COMPENSATION DISCUSSION AND ANALYSIS (page 20)

2014 was an exceptional year for our Company and we continue to have strong alignment between our executive compensation and the interests of our stockholders. Our outstanding one-year total stockholder return ("TSR") performance in 2014 reinforced our compensation decisions and programs, including increases in Annual Incentive Compensation for some of our Named Executive Officers ("NEOs"). The amount of LTIP awards that were earned under the 2012-2014 LTIP program were less than the maximum opportunity because our three-year TSR performance did not meet or exceed one of the stringent performance measures in that program.

As you will see in the COMPENSATION DISCUSSION AND ANALYSIS section included in this Proxy Statement, our Compensation Committee continues to consider the input received during our ongoing stockholder engagement. The Compensation Committee believes that appropriate actions have been taken to address the interests of our stockholders and ensure strong alignment of interests between our stockholders and our executive compensation program. The Compensation Committee is confident that our executive compensation program is appropriately designed to incent strong performance over the longer term. The Compensation Committee will continue to consider stockholder feedback in its ongoing review and enhancement of our executive compensation program.

4 SIMON PROPERTY GROUP 2015 PROXY STATEMENT

Table of Contents

PROXY SUMMARY

2012-2014 TOTAL DIRECT COMPENSATION MIX (page 21)

We maintain a high degree of alignment between our executive compensation and our stockholders' interests by focusing on increasing long-term stockholder value. The percentage of performance-based compensation for our Chief Executive Officer ("CEO"), and the average for the other NEOs is shown in the charts below.

CEO Pay Mix

Other NEOs* Average Pay Mix

*

Mr. Juster's 2014 compensation is not included in the average for 2014 because he was appointed as the Company's Chief Financial Officer on December 31, 2014.

SAY ON PAY (page 19)

We are asking our stockholders to approve on an advisory basis our executive compensation for 2014.

RATIFICATION OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (page 43)

STOCKHOLDER PROPOSAL (page 45)

SIMON PROPERTY GROUP 2015 PROXY STATEMENT 5

PROXY STATEMENT

This Proxy Statement and accompanying proxy are being provided to stockholders on or about April 3, 2015 in connection with the solicitation by the Board of Directors of Simon Property Group, Inc. ("Simon", "SPG", "we", "us", "our" or the "Company") of proxies to be voted at the 2015 Annual Meeting of Stockholders on May 14, 2015.

CORPORATE GOVERNANCE OF THE COMPANY

BOARD LEADERSHIP STRUCTURE

In 2014 we revised our Governance Principles to strengthen the Lead Independent Director role, and our Independent Directors appointed a new Lead Independent Director to succeed our long-standing Lead Independent Director.

The Lead Independent Director presides over the regularly conducted executive sessions of the Independent Directors, sets Board agendas and facilitates interactions between the Independent Directors and the senior management team.

In March of 2014 Larry C. Glasscock was appointed by our Independent Directors to serve as our Lead Independent Director. David Simon has served since 2007 as the Chairman of the Board of Directors and Chief Executive Officer. The Board of Directors continues to believe that having David Simon fill these two leadership roles is an appropriate and efficient leadership structure. Together, our Lead Independent Director and the Chairman and Chief Executive Officer, facilitate clear leadership, responsibility and accountability, effective decision-making and a cohesive corporate strategy.

7 of our 10 Directors are independent under the requirements set forth in the NYSE Listed Company Manual.

All of the members of the Audit Committee, Governance and Nominating Committee, and Compensation Committee are Independent Directors.

SUMMARY OF BOARD EXPERIENCE

| | | | | | | | | | |
|------------------|------------------|-------------|----------------|------------------|--------------|--------------|--------------|----------------|--------------|
| M. | L. | K. | A. | R. | A. | D. | D. | R. | H. |
| BERGSTEIN | GLASSCOCK | HORN | HUBBARD | LEIBOWITZ | SMITH | SMITH | SIMON | SOKOLOV | SIMON |