

RETAIL PROPERTIES OF AMERICA, INC.
Form DEF 14A
April 06, 2018
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 o
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
- Retail Properties of America, 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:

(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:

TABLE OF CONTENTS

RETAIL PROPERTIES OF AMERICA, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Our Stockholders:

You are cordially invited to attend the 2018 Annual Meeting of Stockholders (the Annual Meeting) of Retail Properties of America, Inc. (the Company). The Annual Meeting will be held on May 24, 2018 at 8:00 a.m. Pacific Time at The Red Rock Casino Resort & Spa, 11011 W. Charleston Blvd., Las Vegas, Nevada 89135.

The Annual Meeting will be held for the following purposes:

1. To elect eight directors, nominated by the Board of Directors of the Company, to hold office until the 2019 annual meeting of stockholders and until their successors are elected and qualify;
2. To approve the Company's executive compensation on an advisory basis;
3. To approve the Retail Properties of America, Inc. Amended and Restated 2014 Long-Term Equity Compensation Plan;
4. To ratify the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2018; and
5. To transact any other business as may properly come before the meeting or any adjournments or postponements of the meeting.

The Board of Directors of the Company has fixed the close of business on March 20, 2018 as the record date for determining stockholders of record entitled to notice of and to vote at the meeting.

We hope to have the maximum number of stockholders present in person or by proxy at the meeting. To assure your representation at the meeting, please authorize your proxy by completing, signing, dating and mailing the enclosed proxy card. You may also authorize your proxy through the Internet or by calling a toll-free telephone number by following the procedures described on the enclosed proxy card. **YOUR COOPERATION IN PROMPTLY SUBMITTING YOUR PROXY WILL BE VERY MUCH APPRECIATED.** For specific instructions, please refer to the instructions on the proxy card. Proof of stock ownership and a form of photo identification will be required for admission to the Annual Meeting. For further information on admission, please refer to the question entitled Who can attend the meeting? on page 1 of the proxy statement which follows this notice.

Thank you for your continued support of and interest in our Company.

By order of the Board of Directors,

/s/ Ann M. Sharp

Ann M. Sharp

Dated: April 6, 2018 Secretary

Important Notice Regarding the Availability of Proxy Materials for Stockholder Meeting To Be Held on May 24, 2018:

The Proxy Statement, Annual Report to Stockholders and Proxy Card are available free of charge at www.rpai.com/proxy.

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING</u>	<u>1</u>
<u>PROPOSAL 1 — ELECTION OF DIRECTORS</u>	<u>5</u>
<u>Nominees for Election as Directors</u>	<u>5</u>
<u>CORPORATE GOVERNANCE AND BOARD MATTERS</u>	<u>10</u>
<u>Corporate Governance Profile</u>	<u>10</u>
<u>Board Meetings in 2017</u>	<u>11</u>
<u>Committees of the Board</u>	<u>11</u>
<u>Guidelines on Corporate Governance and Code of Business Conduct and Ethics</u>	<u>14</u>
<u>Communications with the Board</u>	<u>14</u>
<u>Director Compensation</u>	<u>14</u>
<u>OUR EXECUTIVE OFFICERS</u>	<u>16</u>
<u>Biographies of our Executive Officers</u>	<u>16</u>
<u>EXECUTIVE COMPENSATION</u>	<u>17</u>
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	<u>39</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>40</u>
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>41</u>
<u>PROPOSAL 2 — ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION</u>	<u>42</u>
<u>PROPOSAL 3 — APPROVAL OF THE RETAIL PROPERTIES OF AMERICA, INC. AMENDED AND RESTATED 2014 LONG-TERM EQUITY COMPENSATION PLAN</u>	<u>43</u>
<u>PROPOSAL 4 — RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>49</u>
<u>Principal Accounting Fees and Services</u>	<u>49</u>
<u>MISCELLANEOUS AND OTHER MATTERS</u>	<u>50</u>
<u>Stockholder Proposals for the 2019 Annual Meeting</u>	<u>50</u>
<u>Other Matters</u>	<u>50</u>
<u>Appendix A — Retail Properties of America, Inc. Amended and Restated 2014 Long-Term Equity Compensation Plan</u>	<u>A-1</u>

TABLE OF CONTENTS

RETAIL PROPERTIES OF AMERICA, INC.
2021 SPRING ROAD, SUITE 200
OAK BROOK, ILLINOIS 60523

PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 24, 2018

This proxy statement contains information related to the Annual Meeting of Stockholders (the Annual Meeting) of Retail Properties of America, Inc. (the Company, we, our or us), which will be held on May 24, 2018 at 8:00 a.m. Pacific Time at The Red Rock Casino Resort & Spa, 11011 W. Charleston Blvd., Las Vegas, Nevada 89135. Please contact our Investor Relations department via email at IR@rpai.com if you plan to attend.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

Why did you send me this Proxy Statement?

We sent you this proxy statement and the proxy card because our Board of Directors (the Board) is soliciting a proxy from you to vote your shares at the Annual Meeting. This proxy statement contains information we are required to provide to you and is designed to assist you in voting your shares. On or about April 6, 2018, we will begin mailing the proxy materials to all stockholders of record as of the close of business on March 20, 2018, the record date fixed by the Board for determining the holders of record of our Class A common stock, \$.001 par value per share, entitled to notice of and to vote at the Annual Meeting.

Why did some stockholders receive a Notice of Internet Availability of Proxy Materials?

Certain of our stockholders may receive a Notice of Internet Availability of Proxy Materials, or Notice, which was sent to stockholders on or about April 6, 2018, containing information on the availability of our proxy materials on the Internet. Stockholders who received the Notice by mail will not receive a printed copy of our proxy materials unless requested in the manner described in the Notice. The Notice explains how to access and review this proxy statement and our Annual Report to Stockholders, and how you may vote by proxy.

Who is entitled to vote?

If you were a stockholder of record as of the close of business on March 20, 2018, which is referred to as the record date, you are entitled to receive notice of the Annual Meeting and to vote the shares of Class A common stock that you held as of the close of business on the record date at the Annual Meeting. Each of the outstanding shares of Class A common stock, as of the record date, is entitled to one vote on all matters to be voted upon at the Annual Meeting. On the record date, there were 219,495,346 shares of Class A common stock issued and outstanding. We refer to our Class A common stock as our common stock.

Who can attend the meeting?

Only persons who are stockholders of record of shares of common stock of the Company at the close of business on the record date or their designated proxies or who are invited guests of the Company may attend and be admitted to the Annual Meeting. All stockholders attending the Annual Meeting will be required to show photo identification (a valid driver's license, state identification or passport) prior to admission. If a stockholder's shares are registered in the name of a broker, bank or other nominee, the stockholder must also bring a proxy or a letter from that broker, bank or other nominee or their most recent brokerage account statement that confirms that the stockholder was a beneficial

owner of our shares as of the record date. We reserve the right to determine the validity of any purported proof of beneficial ownership. Please contact our Investor Relations department via email at IR@rpai.com if you plan to attend. Cameras (including cell phones with photographic capabilities), recording devices and other electronic devices will not be permitted to be used at the Annual Meeting.

How do I vote?

If some or all of your shares are registered in your own name with our transfer agent, you are a stockholder of record or record holder with respect to such shares, and you can vote those shares either in person at the Annual Meeting or by proxy without attending the Annual Meeting by any of the following methods:

1

TABLE OF CONTENTS

By Internet. Stockholders may authorize a proxy to vote via the Internet by using the website provided on their proxy card or Notice until 11:59 p.m. Eastern Time on May 23, 2018. The Internet proxy authorization procedures are designed to authenticate stockholders' identities and to allow stockholders to authorize a proxy to vote their shares and confirm that their instructions have been properly recorded. **If you vote via the Internet, you do not need to return your proxy card.**

By Telephone. Stockholders may authorize a proxy to vote via touch-tone telephone by calling the toll-free telephone number provided on their proxy card or Notice until 11:59 p.m. Eastern Time on May 23, 2018. The touch-tone telephone proxy authorization procedures are designed to authenticate stockholders' identities and to allow stockholders to authorize a proxy to vote their shares and confirm that their instructions have been properly recorded. **If you vote via telephone, you do not need to return your proxy card.**

By Mail. If you received printed materials and you choose not to authorize your proxy over the Internet or by touch-tone telephone, please complete the paper proxy card and return it to our transfer agent in the pre-addressed, postage-paid envelope provided with this proxy statement.

Please refer to the Notice or, if you received printed materials, the enclosed proxy card for voting instructions.

If you hold some or all of your shares in street name, you must either direct the bank, broker or other nominee as to how to vote your shares or obtain a proxy from the bank, broker or other nominee to vote at the Annual Meeting. Please refer to the voter instruction cards used by your bank, broker or other nominee for specific instructions on methods of voting, including using the Internet or by telephone.

Each executed and timely-returned proxy will be voted in accordance with the directions indicated on it. Except for broker non-votes described below, executed but unmarked proxies will be voted by the person(s) named thereon (i) for the election of the nominees named herein as directors (or a substitute for a nominee if such nominee is unable or refuses to serve); (ii) for the approval of an advisory resolution approving the Company's executive compensation; (iii) for the approval of the Retail Properties of America, Inc. Amended and Restated 2014 Long-Term Equity Compensation Plan; (iv) for the ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2018; and (v) in the discretion of such person(s) upon such matters not presently known or determined that may properly come before the Annual Meeting.

Can I revoke or change my proxy?

Yes. If you are a stockholder of record, you may revoke or change your proxy at any time before the shares it represents are voted by (i) giving written notice of the revocation to our Secretary, (ii) delivering a later-dated proxy (which automatically revokes the earlier proxy), or (iii) voting in person at the Annual Meeting. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, bank or other nominee or, if you have obtained a legal proxy from your broker, bank or other nominee giving you the right to vote your shares, by attending the Annual Meeting and voting in person. If you are a stockholder of record as of the record date attending the Annual Meeting, you may vote in person whether or not a proxy has been previously submitted, but your presence (without further action) at the Annual Meeting will not constitute revocation of a previously submitted proxy.

What constitutes a quorum?

The presence, in person or by proxy, at the Annual Meeting of holders of a majority of our outstanding shares of common stock entitled to vote on the record date constitutes a quorum for the transaction of business at the Annual Meeting. If you have returned valid proxy instructions (in writing, by telephone or over the Internet) or attend the

Annual Meeting and vote in person, your shares will be counted for purposes of determining whether there is a quorum. Abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum. A broker non-vote occurs when a nominee (such as a custodian or bank) holding shares for a beneficial owner returns a signed proxy but does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

TABLE OF CONTENTS

What vote is required to approve each Proposal assuming a quorum is present?

1. *Election of Directors:* The affirmative vote of a majority of the votes cast is required for the election of each of the eight directors to be elected at the Annual Meeting, which means that a director nominee will only be elected if the votes cast for such nominee's election exceed the votes cast against such nominee's election. There are no cumulative voting rights in the election of directors.

2. *Approval of Executive Compensation on an Advisory Basis:* The affirmative vote of a majority of the votes cast is required to approve the Company's executive compensation on an advisory basis.

3. *Approval of the Retail Properties of America, Inc. Amended and Restated 2014 Long-Term Equity Compensation Plan:* The affirmative vote of a majority of the votes cast is required for the approval of the Retail Properties of America, Inc. Amended and Restated 2014 Long-Term Equity Compensation Plan. In addition, the rules of the New York Stock Exchange (NYSE) require that the votes for the proposal must be at least a majority of all votes cast on the proposal, including votes for and against and abstentions.

4. *Ratification of the Selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2018:* The affirmative vote of a majority of the votes cast is required to ratify the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2018.

Abstentions and broker non-votes will not be counted as votes cast for purposes of Proposals 1, 2 and 4. With respect to Proposal 3, abstentions will be treated as votes cast, thus having the effect of a vote against the proposal, but broker non-votes will not be counted as votes cast. A broker non-vote occurs when a nominee (such as a custodian or bank) holding shares for a beneficial owner returns a signed proxy but does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, under the rules of various national and regional securities exchanges, the organization that holds your shares may generally vote on routine matters but cannot vote on non-routine matters.

How do I learn the results of the vote?

Voting results of the Annual Meeting will be disclosed on a Form 8-K filed with the Securities and Exchange Commission (SEC) within four business days after the Annual Meeting.

What is the cost of proxy solicitation?

We will bear all expenses incurred in connection with the solicitation of proxies. In an effort to have as large a representation at the Annual Meeting as possible, special solicitations of proxies may, in certain circumstances, be made by the Company's officers, directors and employees by mail, personal contact, telephone, facsimile or other electronic means. They will not receive any additional compensation for those activities, but they may be reimbursed for their out-of-pocket expenses. We may also reimburse brokers, banks, nominees and other fiduciaries for postage and reasonable clerical expenses of forwarding the proxy material to their principals who are beneficial owners of shares of our common stock.

Will stockholders be asked to vote on any other matters?

As of the date of this proxy statement, the above-referenced proposals are the only matters we are aware of that are to be voted upon at the Annual Meeting. If any other matter should properly come before the Annual Meeting, the persons appointed by you in your proxy will vote on those matters in accordance with the recommendation of the Board, or, in the absence of such a recommendation, in accordance with their discretion. The affirmative vote of a majority of the votes cast on any such other matter will be required for approval.

TABLE OF CONTENTS

How can I manage the number of Proxy Statements and Annual Reports I receive?

The rules of the SEC permit companies to provide a single copy of our proxy statement and annual report to households in which more than one stockholder resides. This process is known as householding. Stockholders who share an address and who have been previously notified that their broker, bank or other intermediary will be householding their proxy materials will receive only one copy of our proxy statement and annual report unless they have affirmatively objected to the householding notice.

Stockholders sharing an address who received only one set of these materials may request a separate copy which will be sent promptly at no cost by writing our Investor Relations department at: Investor Relations, Retail Properties of America, Inc., 2021 Spring Road, Suite 200, Oak Brook, IL 60523 or by contacting us via email at IR@rpai.com. For future annual meetings, a stockholder may request separate proxy statements or annual reports, or the householding of such materials, by contacting us as noted above.

This proxy statement and our annual report to stockholders are available at www.rpai.com/proxy.

Where can I find more information about the Company?

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information we file with the SEC at their Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please contact the SEC at (800) SEC-0330 for further information regarding their public reference facilities. Our SEC filings are also available to the public on the SEC's website at www.sec.gov.

TABLE OF CONTENTS

PROPOSAL 1 - ELECTION OF DIRECTORS

PROPOSAL NO. 1: ELECTION OF EIGHT INDIVIDUALS TO SERVE AS DIRECTORS TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF STOCKHOLDERS AND UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFY.

The Board currently consists of nine directors, each of whom has a term that expires at the Annual Meeting. Based on the recommendation of the Nominating and Corporate Governance Committee (the NCG Committee), our Board has nominated each of our current Board members to stand for re-election at the Annual Meeting, except for Paul R. Gauvreau, who will not be standing for re-election as a member of the Board. Upon the expiration of Mr. Gauvreau's term as a director at the Annual Meeting, the number of directors that will constitute our Board will be decreased from nine to eight.

Each nominee is currently serving as a director of the Company. We have no reason to believe that any of the nominees will be unable or unwilling to serve, if elected. However, should any nominee be unable or unwilling to accept the office of director, and if the Board shall designate a substitute nominee, the persons named as proxies will vote for the election of the substitute nominee designated by the Board, and if none, for such other persons as the Board shall determine. After an evaluation, the Board determined that all of the current directors of the Company satisfy the definition of independent under the NYSE's listing standards, except for Steven P. Grimes.

The election of members of the Board is conducted on an annual basis. The individuals elected to the Board serve a one-year term and until their successors are elected and qualify. Accordingly, the term of office of each of our current directors will expire at the Annual Meeting. Information regarding the business experience of each nominee is provided below based upon information furnished to us by the individuals named.

Nominees for Election as Directors

The following sets forth information with regard to the nominees for election to the Board, with ages set forth as of March 20, 2018.

Name, Positions With RPAI and Age	Business Experience
<p>GERALD M. GORSKI Director since 2003 and Chairman of the Board since 2010 Age 74</p>	<p>Gerald M. Gorski has been one of our directors since 2003 and Chairman of the Board since 2010. Mr. Gorski was a Partner in the law firm of Gorski & Good LLP, Wheaton, Illinois from 1978 through 2016. Mr. Gorski's practice focused on governmental law, and he represented numerous units of local government in Illinois. Mr. Gorski has served as a Special Assistant State's Attorney and a Special Assistant Attorney General in Illinois. Mr. Gorski served as the Vice Chairman of the Board of Commissioners for the DuPage Airport Authority and the Chairman of the Board of Directors of the DuPage National Technology Park. Mr. Gorski has written numerous articles on various legal issues facing Illinois municipalities and has been a speaker at various municipal law conferences. Mr. Gorski is a National Association of Corporate Directors, or NACD, Board Leadership Fellow. Mr. Gorski received a B.A. from North Central College with majors in Political Science and Economics and a J.D. from DePaul University Law School.</p>
<p>BONNIE S. BIUMI</p>	<p>Bonnie S. Biumi has been one of our directors since 2015. Ms. Biumi has over 30 years of experience in public accounting and as a Chief Financial Officer or other senior-level financial position at both public and private companies. Most recently, Ms. Biumi served as President and</p>

Director since 2015 Chief Financial Officer of Kerzner International Resorts, Inc., a developer, owner and operator of destination resorts, casinos and luxury hotels, from 2007 to 2012. Ms. Biumi also previously held

Age 55