

KIMCO REALTY CORP
Form DEF 14A
March 16, 2016

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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 [X]
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 §240.14a-12

KIMCO REALTY CORPORATION
(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.

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- 1) Amount Previously Paid:
 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party:
 - 4) Date Filed:
-

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PROXY STATEMENT

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3333 New Hyde Park Road
New Hyde Park, NY 11042-0020

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Dear Stockholder:

We cordially invite you to attend the annual stockholders meeting of Kimco Realty Corporation, a Maryland corporation (the Company). The meeting will be held on Tuesday, April 26, 2016 at 10:00 a.m. (local time), at the Grand Hyatt New York, 109 East 42nd Street, New York, NY 10017. At the annual meeting, stockholders will be asked to consider and vote upon the following matters:

1. the election of eight directors to serve for a term ending at the 2017 annual meeting of stockholders and until their successors are duly elected and qualify;
2. the advisory resolution to approve the Company's executive compensation (Say-on-Pay) as described in the Proxy Statement;
3. the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2016; and
4. such other business as may properly come before the meeting or any postponement(s) or adjournment(s) thereof.

The Proxy Statement more fully describes these proposals.

The Board of Directors of the Company recommends that stockholders vote FOR the election of each of the Board of Director nominees named in the Proxy Statement; FOR the advisory resolution to approve the Company's executive compensation as described in the Proxy Statement; and FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2016.

Only holders of our common stock, par value \$0.01 per share (Common Stock), at the close of business on Monday, March 7, 2016, the record date, are entitled to notice of and to vote at the annual meeting and any postponement or adjournment thereof.

We are pleased to take advantage of the Securities and Exchange Commission rules allowing companies to furnish proxy materials to their stockholders over the Internet. We believe that this e-proxy process will expedite stockholders' receipt of proxy materials, lower the costs and reduce the environmental impact of our annual meeting. We will send a full set of proxy materials or a Notice of Internet Availability of Proxy Materials (the Notice of Internet Availability) on or about March 16, 2016, and provide access to our proxy materials over the Internet, beginning on March 16, 2016, for the holders of record and beneficial owners of our Common Stock as of the close of business on the record date. The Notice of Internet Availability instructs you on how to access and review the Proxy Statement and our annual report. The Notice of Internet Availability also instructs you on how you may authorize your proxy over the Internet.

YOUR VOTE IS IMPORTANT TO US. Whether or not you plan to attend the annual meeting, please authorize your proxy as soon as possible to ensure that your shares will be represented at the annual meeting.

By Order of the Board of Directors,

Bruce M. Rubenstein
Executive Vice President, General Counsel and Secretary
March 16, 2016

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2016 PROXY STATEMENT AT A GLANCE

The following executive summary is intended to provide a broad overview of the items that you will find elsewhere in this Proxy Statement. As this is only a summary, we encourage you to read the entire Proxy Statement for more information about these topics prior to voting.

ANNUAL MEETING OF STOCKHOLDERS

April 26, 2016 at 10:00 am (local time)

Grand Hyatt New York
109 East 42nd Street
New York, NY 10017

Record Date: Stockholders as of the close of business on March 7, 2016 are entitled to vote.

Admission: Please follow the instructions on page 57.

MEETING AGENDA AND VOTING MATTERS

PROPOSAL	BOARD'S VOTING RECOMMENDATION	PAGE REFERENCES (for more detail)
1. Election of Directors	FOR EACH NOMINEE	14
2. Advisory Resolution to Approve Executive Compensation	FOR	53
3. Ratification of Independent Accountants	FOR	55

DIRECTOR NOMINEES (PROPOSAL 1)

EACH DIRECTOR NOMINEE IS ELECTED ANNUALLY BY A MAJORITY OF VOTES CAST.

(see pages 14 through 18 of this Proxy Statement for further detail)

Milton Cooper Richard G. Dooley Joe Grills Colombe M. Nicholas
Philip E. Coviello Conor C. Flynn Frank Lourenso Richard B. Saltzman

QUALIFICATIONS OF OUR BOARD OF DIRECTORS

Business Leadership									
REIT/Real Estate									
Public Company Executive									
Investment/Financial									
Legal									
Risk Oversight									

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NAME	AGE	DIRECTOR SINCE	INDEPENDENT	COMMITTEES
Milton Cooper	87	Co-Founder		-
Philip E. Coviello	72	2008		AC*, CC, NCG
Richard G. Dooley	86	1991		AC, CC, NCG*
Conor C. Flynn	35	2016		-
Joe Grills	80	1997		AC, CC*, NCG
Frank Lourenso	75	1991		AC, CC, NCG
Colombe M. Nicholas	71	2011		CC, NCG
Richard B. Saltzman	59	2003		CC, NCG

(AC) Audit Committee (CC) Executive Compensation Committee (NCG) Nominating and Corporate Governance Committee (*) Chair

Attendance: Attendance at Board and Committee meetings during 2015 averaged over 98% for directors as a group, and no director attended fewer than 93% of the aggregate of the total meetings of the Board and of the Committees on which such director serves.

CORPORATE GOVERNANCE HIGHLIGHTS**INDEPENDENCE**

We have an Executive Compensation Committee that is 100% independent. The Committee engages its own compensation consultant and affirms each year that the consultant has no conflicts of interest and is independent.

NO HEDGING OR PLEDGING TRANSACTIONS

We have a policy prohibiting all directors and named executive officers (NEOs) from engaging in any hedging transactions with respect to equity securities of the Company held by them, which includes the purchase of any financial instrument (including prepaid variable forward contracts, equity swaps, and collars) designed to hedge or offset any decrease in the market value of our equity securities. We also have a policy that prohibits directors and NEOs from using the Company's Common Stock in any pledging transactions.

COMPENSATION CLAWBACK POLICY

We may seek repayment of cash and equity incentive compensation paid to NEOs in the event of a material misstatement of the Company's financial results where an NEO engaged in actual fraud or willful unlawful misconduct that materially contributed to the need to restate the Company's financial results.

STOCK OWNERSHIP

We have stock ownership guidelines for our directors and executive officers. As of December 31, 2015, each of the directors and executive officers who were employed with us satisfied his or her individual stock ownership requirement.

See page 19 for a detailed discussion of our stock ownership guidelines.

CHANGE OF CONTROL PAYMENTS

We maintain an executive severance plan with a double trigger change in control arrangement that covers our NEOs and certain other members of the Company's senior management. The executive severance plan does not provide for any gross-up payments for taxes.

STOCKHOLDER ENGAGEMENT

The Board of Directors believes that accountability to stockholders is a mark of good corporate governance and is critical to the Company's success. The Company regularly communicates with its stockholders throughout the year to better understand their views on a range of topics and to provide perspective on the Company's corporate governance policies and practices.

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During 2015, the Company met with more than half of our top 25 stockholders (representing approximately 37% of our outstanding shares of Common Stock). Topics discussed included our strategy and performance, board composition and structure, executive compensation program and sustainability initiatives. We solicited feedback from stockholders on these subjects and reported their responses to our Board of Directors. The Company also held an Investor Day event in December 2015 to provide an update to stockholders on the execution of our strategic plan and introduce the Company's new five-year organizational outlook.

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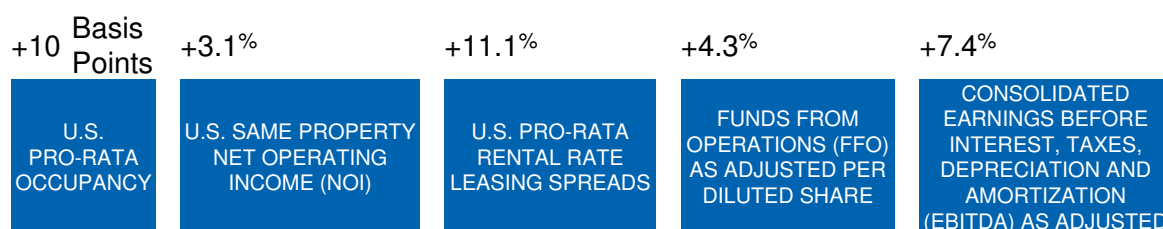
2016 PROXY STATEMENT AT A GLANCE

ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION (PROPOSAL 2)

We are requesting that the stockholders approve, on an advisory basis, the compensation of the NEOs as disclosed in this Proxy Statement. The Board of Directors recommends a vote FOR Proposal 2 as it believes that the 2015 compensation decisions are consistent with key objectives of Kimco's executive compensation program: to promote long-term performance through emphasis on the individual performances and achievements of our executive officers, commensurate with

our business results, and to successfully execute our strategy to be the premier owner and operator of open-air shopping centers through investments primarily in the U.S. This proposal was supported by over 98% of the votes cast in 2015 and 2014. Please see the Compensation Discussion and Analysis, Summary Compensation Table and other compensation tables and disclosures beginning on page 27 of this Proxy Statement for a full discussion of our executive compensation.

2015 PERFORMANCE HIGHLIGHTS



See Annex A starting on page 58 for the definition of U.S. Same Property NOI, a reconciliation of income from continuing operations to U.S. Same Property NOI, the definition of FFO as adjusted, a reconciliation of net income to FFO as adjusted, the definition of EBITDA as adjusted, and a reconciliation of net income to EBITDA as adjusted. U.S. pro-rata occupancy refers to our proportional ownership percentage being applied against properties in which we own less than a 100% interest. The increase in pro-rata U.S. cash-basis leasing spreads represents the difference between new rent and prior rent for the same spaces on all renewals, options, or new leases executed during 2015, subject to certain exclusions.

We were able to deliver improved financial results and make progress on our business development strategies. Highlights of the 2015 fiscal year included:

Increased funds from operations (FFO) (non- GAAP) to \$1.56 per diluted share for the year ended December 31, 2015, representing a 7.6% increase from \$1.45 per diluted share for the year ended December 31, 2014. See Annex A starting on page 58 for the definition of FFO and a reconciliation of net income to FFO.

Achieved FFO as adjusted (non-GAAP) of \$1.46 per diluted share for the full year 2015, representing a 4.3% increase over 2014 FFO as adjusted of \$1.40 per diluted share. See Annex A starting on page 58 for the definition of FFO as adjusted and a reconciliation of net income to FFO as adjusted.

U.S. pro-rata occupancy reached 95.8% as of December 31, 2015, representing an increase of 10 basis points from the 2014 year end level of 95.7%.

Reduced the number of joint ventures by five, resulting in the reduction of five joint venture partners.

Executed 1,016 leases totaling over 6.5 million square feet in the Company's operating portfolio comprised of 888 new leases and 628 renewals and options.

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Acquired interests in 59 retail properties (57 acquired from existing joint ventures), totaling 9.4 million square feet of gross leasable area (GLA) for an aggregate purchase price of \$2.1 billion, of which \$1.4 billion was the Company's pro-rata share.

Disposed of ownership interests in 95 properties (34 wholly owned and 61 joint ventures) in the U.S., totaling 6.8 million square feet of GLA for an aggregate sales price of \$762.9 million, of which \$481.5 million was the Company's pro-rata share. Additionally, during 2015, the Company disposed of its remaining operating property in Chile for a sales price of \$51.3 million. This transaction resulted in the release of a cumulative foreign

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currency translation loss of \$19.6 million due to the Company's liquidation of its investment in Chile offset by a gain on sale of \$1.8 million, after income tax expense.

Completed the sale of 27 properties in Canada, totaling approximately 6.9 million square feet of GLA, for an aggregate sales price of \$1.4 billion of which \$683.7 million was the Company's pro-rata share.

Executed over \$1.5 billion of financing transactions during 2015, which was primarily used for the refinancing and repayment of debt resulting in savings of approximately \$20 million annually.

ANNUAL DIVIDEND HISTORY: 2011-2016 (per common share)

* Estimated full year 2016 dividend based on quarterly dividend paid January 15, 2016.

ALIGNMENT OF PAY WITH PERFORMANCE

The following graph shows pay and performance over the five-year period from 2011 to 2015 (as more fully described in the section titled "Compensation Discussion and Analysis Executive Summary" beginning on page 27 of this Proxy Statement). This graph shows the correlation between our

net income, EBITDA as adjusted and FFO as adjusted per diluted share, and the total compensation we paid to our Chief Executive Officer (CEO) from 2011 to 2015, based on the amounts reported in the summary compensation tables of our proxy statements for these years.

*In the graph EBITDA, as adjusted is replaced by Retail EBITDA, as adjusted for the years 2011 to 2014, as this measure was used to determine performance-based compensation during 2011 to 2014. Retail EBITDA, as adjusted excludes the effect of non-retail EBITDA.

**The Total Compensation for 2011 does not include Mr. Henry's unrestricted award of 75,000 shares of the Company's Common Stock which was awarded to Mr. Henry in 2011 upon achieving his 10 year anniversary at the Company, pursuant to his original 2001 employment agreement.

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The table below summarizes the 2015 total compensation paid to each NEO (see pages 27 through 49 of this Proxy Statement for further detail).

NAME	SALARY (\$)	STOCK AWARDS (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)	ALL OTHER COMPENSATION (\$)	TOTAL (\$)
Milton Cooper	750,000	1,237,437	908,416	21,681	2,917,534
David B. Henry	850,000	1,383,513	993,580	8,600	3,235,693
Conor C. Flynn	799,230	1,381,036	993,580	28,191	3,202,037
Glenn G. Cohen	650,000	1,642,816	596,148	23,613	2,912,577

SIGNIFICANT PORTION OF PAY IS PERFORMANCE-BASED & AT RISK*

Consistent with our executive compensation program, the significant majority of the total compensation during 2015 for our CEO, Mr. Henry, and all other NEOs was incentive-based, commensurate with business results, and at risk unless such business results were achieved, as illustrated below. See page 30 for a discussion of the components of our executive compensation program.

* Amounts are based on the Summary Compensation Table on page 41.

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**BEST PRACTICE COMPENSATION FEATURES
THAT ALIGN PAY AND PERFORMANCE**

WHAT WE DO

- DO** maintain majority voting for the election of directors (uncontested elections)
- DO** align pay and performance by linking a significant portion of total compensation to the achievement of a balanced mix of Company and individual performance criteria tied to operational and strategic objectives established at the beginning of the performance period by the Executive Compensation Committee and the Board
- DO** deliver a substantial portion of the value of equity awards in performance shares if our total stockholder return for a performance period is less than the minimum target level, no performance shares are earned or issued with respect to the performance period
- DO** maintain rigorous stock ownership guidelines for directors and NEOs
- DO** maintain a clawback policy
- DO** conduct annual assessments of compensation at risk
- DO** have an Executive Compensation Committee comprised solely of independent directors
- DO** retain an independent compensation consultant that reports directly to the Executive Compensation Committee and performs no other services for management
- DO** provide caps on annual and long-term incentive plan awards

WHAT WE DON'T DO

- NO** compensation or incentives that encourage risks reasonably likely to have a material adverse effect on the Company
- NO** tax gross ups for any executive officers
- NO** "single-trigger" change in control cash or equity payments
- NO** re-pricing or buyouts of underwater stock options
- NO** hedging or pledging transactions involving our securities
- NO** guaranteed cash incentive compensation or equity grants
- NO** long-term employment contracts with executive officers

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RECENT AWARDS

DOW JONES SUSTAINABILITY NORTH AMERICA INDEX

Selected based on economic, environmental and social performance

2015 GRESB GREEN STAR COMPANY

Highest designation for Global Real Estate Sustainability Benchmark (GRESB) respondents

2015 GREEN LEASE LEADER

NEWSWEEK TOP GREEN COMPANIES IN THE U.S.

2015 LIGHTING ENERGY EFFICIENCY IN PARKING CAMPAIGN

Largest Absolute Number of Facility Upgrades

Best Use of Controls

Largest Absolute Area

AUDITORS (PROPOSAL 3)

We are requesting that the stockholders ratify the appointment of the Company's independent registered public accounting firm for 2016. The Board of Directors recommends a vote FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2016.

TYPE OF FEES	2015	2014
Audit Fees ⁽¹⁾	\$1,698,647	\$1,452,608
Audit-Related Fees	-	-
Tax Fees ⁽²⁾	-	\$20,805
All Other Fees ⁽³⁾	\$1,800	\$2,420