

RETAIL PROPERTIES OF AMERICA, INC.

Form DEF 14A

March 31, 2014

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

Retail Properties of America, Inc.

(Name of Registrant as Specified In Its Charter)

Edgar Filing: RETAIL PROPERTIES OF AMERICA, INC. - Form DEF 14A

(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 2014 Annual Meeting of Stockholders (the **Annual Meeting**) of Retail Properties of America, Inc. (the **Company**). The Annual Meeting will be held on May 22, 2014 at 9:00 a.m. Pacific Time at the W Seattle Hotel, 1112 Fourth Avenue, Seattle, Washington, 98101.

The purposes of the Annual Meeting are:

To elect nine directors, nominated by the Board of Directors of the Company, to hold office until the 2015 annual meeting of stockholders and until their successors are elected and qualify;

To approve the Company's executive compensation on an advisory basis;

To approve the Retail Properties of America, Inc. 2014 Long-Term Equity Compensation Plan;

To ratify the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2014; and

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 14, 2014 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 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/ Dennis K. Holland

Dennis K. Holland

Dated: March 31, 2014

Secretary

Important Notice Regarding the Availability of Proxy Materials for Stockholder Meeting To Be Held on May 22, 2014:

Edgar Filing: RETAIL PROPERTIES OF AMERICA, INC. - Form DEF 14A

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

Table of Contents

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING</u>	1
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	5
<u>Nominees for Election as Directors</u>	6
<u>CORPORATE GOVERNANCE AND BOARD MATTERS</u>	10
<u>Corporate Governance Profile</u>	10
<u>Board Meetings in 2013</u>	11
<u>Committees of the Board</u>	12
<u>Guidelines on Corporate Governance and Code of Business Conduct and Ethics</u>	14
<u>Communications with the Board</u>	14
<u>Director Compensation</u>	15
<u>OUR EXECUTIVE OFFICERS</u>	17
<u>Biographies of our Executive Officers</u>	17
<u>EXECUTIVE COMPENSATION</u>	18
<u>Compensation Discussion and Analysis</u>	18
<u>Executive Compensation Committee Report</u>	35
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	36
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	36
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	37
<u>PROPOSAL 2 ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION</u>	37
<u>PROPOSAL 3 APPROVAL OF THE RETAIL PROPERTIES OF AMERICA, INC. 2014 LONG-TERM EQUITY COMPENSATION PLAN</u>	38
<u>PROPOSAL 4 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	45
<u>Principal Accounting Fees and Services</u>	46
<u>MISCELLANEOUS AND OTHER MATTERS</u>	46
<u>Stockholder Proposals for the 2015 Annual Meeting</u>	46
<u>Other Matters</u>	47

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 22, 2014

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 22, 2014 at 9:00 a.m. Pacific Time at the W Seattle Hotel, 1112 Fourth Avenue, Seattle, Washington, 98101. Please contact the Company's Investor Relations department at (800) 541-7661 or 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 March 31, 2014, we will begin mailing the proxy materials to all stockholders of record as of the close of business on March 14, 2014, the record date fixed by the Board for determining the holders of record of our 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 March 31, 2014, 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 14, 2014, which is referred to as the record date, you are entitled to receive notice of the Annual Meeting and to vote shares of 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 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 236,563,863 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

Table of Contents

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 the Company's Investor Relations department at (800) 541-7661 or 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 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.

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 21, 2014. The Internet proxy authorization procedures are designed to authenticate stockholders' identities and to allow stockholders 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 phone number provided on their proxy card or Notice until 11:59 p.m. Eastern Time, on May 21, 2014. 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 by touch-tone telephone or over the Internet, 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. **If you vote via mail, you do not need to return your proxy card.**

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 meeting. Please refer to the voter instruction cards used by your bank, broker or other nominee for specific instructions on methods of voting, including by telephone or using the Internet.

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. 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 2014; and (v) in the discretion of such person(s) upon such matters not presently known or determined that properly may 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 giving written notice of the revocation to our Secretary, by delivering a later-dated proxy (which automatically revokes the earlier proxy), or by voting in person at the Annual Meeting. For

Table of Contents

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 given, but your presence (without further action) at the Annual Meeting will not constitute revocation of a previously given proxy.

What happens if I do not provide instructions to my bank, broker or other nominee on how to vote the shares that I own beneficially?

Other than for the proposal to ratify the Company's selection of its independent registered public accounting firm (Proposal 4), banks, brokers and other nominees of record holding shares beneficially owned by their clients do not have the ability to cast votes on the matters presented for consideration at the Annual Meeting unless they have received instructions from the beneficial owner of the shares. Accordingly, if you do not instruct your bank, broker or other nominee on how to vote in the election of the directors (Proposal 1), the advisory resolution approving executive compensation (Proposal 2) or on the Retail Properties of America, Inc. 2014 Long-Term Equity Compensation Plan (Proposal 3), no votes will be cast on these proposals on your behalf.

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 phone or over the Internet) or attend the 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.

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 nine 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. 2014 Long-Term Equity Compensation Plan:* The affirmative vote of a majority of votes cast is required for the approval of the Retail Properties of America, Inc. 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 of the 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 2014:* 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 2014.

Table of Contents

In respect of Proposals 1, 2 and 4, abstentions and broker non-votes will not be counted as votes cast. In respect of Proposal 3, abstentions will be treated as votes cast, 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. The proposal regarding the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2014 is a matter considered routine under applicable rules and, therefore, no broker non-votes are expected to exist in connection with the proposal regarding the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2014.

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, letter, telephone, telegram, 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. In addition, we have engaged Morrow & Co., LLC, 470 West Avenue, Stamford, Connecticut 06902, to assist with the solicitation of proxies on our behalf for an estimated fee of \$7,500 plus expenses.

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 acted 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.

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 an annual report and proxy statement 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 or calling our Investor Relations department at: Investor Relations, Retail Properties of America, Inc., 2021 Spring Road, Suite 200, Oak Brook, IL 60523 or by

Table of Contents

contacting us by telephone at (800) 541-7661. For future annual meetings, a stockholder may request separate annual reports or proxy statements, or may request the householding of such materials, by contacting us as noted above.

This proxy statement and our annual report to stockholders are available at <http://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 the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of the 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 call the SEC at (800) SEC-0330 for further information regarding the public reference facilities. Our SEC filings are also available to the public on the website maintained by the SEC at <http://www.sec.gov>.

PROPOSAL 1 ELECTION OF DIRECTORS

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

Based on the recommendation of the Nominating and Corporate Governance Committee, or the NCG Committee, our Board has nominated Mr. Gerald M. Gorski, Mr. Frank A. Catalano, Jr., Mr. Paul R. Gauvreau, Mr. Steven P. Grimes, Mr. Richard P. Imperiale, Mr. Peter L. Lynch, Mr. Kenneth E. Masick, Ms. Barbara A. Murphy and Mr. Thomas J. Sargeant for election as directors at the Annual Meeting. Each nominee, other than Mr. Lynch, is currently serving as a director of the Company. Mr. Lynch, a director nominee who has not previously stood for election, was initially identified as a potential candidate for election to the Board by a third party search firm that was retained by the NCG Committee to assist in the identification and evaluation of director candidates. 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 they 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. In addition, our Board has determined that Mr. Lynch will satisfy the definition of "independent" under the NYSE's listing standards upon his election.

The election of members of the Board is conducted on an annual basis. Each individual elected to the Board serves a one-year term and until his or her successor is elected and qualifies. Accordingly, the term of office of each of our current directors will expire at the Annual Meeting. Six of the nominees have been directors since January 1, 2008, four of whom have been directors since 2003. Information regarding the business experience of each nominee is provided below based upon information furnished to us by the individuals named.

Table of Contents

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 15, 2014.

Name, Positions With

RPAI and Age

GERALD M. GORSKI
Director since 2003 and Chairman of the Board since 2010

Age 70

FRANK A. CATALANO, JR. Director since 2003

Age 52

PAUL R. GAUVREAU

Director since 2003

Age 74

Business Experience

Gerald M. Gorski has been one of our directors since July 1, 2003 and Chairman of the Board since October 12, 2010. He has been a Partner in the law firm of Gorski & Good LLP, Wheaton, Illinois since 1978. Mr. Gorski's practice is focused on governmental law, and he represents numerous units of local government in Illinois. Mr. Gorski has served as a Special Assistant State's Attorney and Special Assistant Attorney General in Illinois. He received a B.A. from North Central College with majors in Political Science and Economics and a J.D. from DePaul University Law School. Mr. Gorski serves as the Vice Chairman of the Board of Commissioners for the DuPage Airport Authority. Further, Mr. Gorski has also served as Chairman of the Board of Directors of the DuPage National Technology Park. He has written numerous articles on various legal issues facing Illinois municipalities and has been a speaker at a number of municipal law conferences. Mr. Gorski was also a 2013 National Association of Corporate Directors, or NACD, Board Leadership Fellow.

Frank A. Catalano, Jr. has been one of our directors since our inception on March 5, 2003. Since 1999, Mr. Catalano has served as President of Catalano & Associates, a real estate company that engages in brokerage and property management services and the rehabilitation and leasing of office buildings. Mr. Catalano's experience also includes mortgage banking. From February 2008 until 2011, he was with Gateway Funding Diversified Mortgage Services, L.P., a residential mortgage banking company, as their Regional Vice President. From 2002 until August 2007, he was a Vice President of American Home Mortgage Company. He also was Regional Vice President of Flagstar Bank from January 2001 through March 2002 and President and Chief Executive Officer of CCS Mortgage, Inc., which was sold to Flagstar Bank in 2000, from 1995 through 2000. Mr. Catalano is currently a member of the Elmhurst Memorial Healthcare Board of Governors and formerly served as the chairman of the board of the Elmhurst Chamber of Commerce. Mr. Catalano was also a 2013 NACD Board Leadership Fellow. He holds a real estate broker's license.

Paul R. Gauvreau has been one of our directors since our inception on March 5, 2003. He is the retired Chief Financial Officer, Financial Vice President and Treasurer of Pittway Corporation, a NYSE listed manufacturer and distributor of professional burglar and fire alarm systems and equipment from 1966 until its sale to Honeywell, Inc. in 2001. He was President of Pittway's non-operating real estate and leasing subsidiaries through 2001. He also was a financial consultant to Honeywell, Inc., Genesis Cable, L.L.C. and ADUSA, Inc. Additionally, he was a director and audit committee member of Cylink Corporation, a NASDAQ Stock Market listed manufacturer of voice and data security products from 1998 until its merger with Safenet, Inc. in February 2003.

Table of Contents**Name, Positions With****RPAI and Age****Business Experience**

	Mr. Gauvreau holds an MBA from the University of Chicago and a BSC from Loyola University of Chicago. He is on the Board of Trustees and a member of the Finance Committee of Benedictine University, Lisle, Illinois and a member of the Board of Directors of the Children's Brittle Bone Foundation, Pleasant Prairie, Wisconsin.
STEVEN P. GRIMES	Steven P. Grimes serves as our President and Chief Executive Officer and as a Director. Mr. Grimes has served as one of our directors since March 8, 2011 and as our President and Chief Executive Officer since October 13, 2009. Previously, Mr. Grimes served as our Chief Financial Officer since the internalization of our management on November 15, 2007 through December 31, 2011; Chief Operating Officer since our internalization through October 12, 2009 and Treasurer from October 14, 2008 through December 31, 2011. Prior to our internalization, Mr. Grimes served as Principal Financial Officer and Treasurer and the Chief Financial Officer of Inland Western Retail Real Estate Advisory Services, Inc., which was our former business manager/advisor, since February 2004. Prior to joining our former business manager/advisor, Mr. Grimes served as a Director with Cohen Financial, a mortgage brokerage firm, and as a senior manager with Deloitte in their Chicago-based real estate practice. Mr. Grimes is also an active member of various real estate trade associations, including NAREIT and the Real Estate Roundtable. Mr. Grimes received his B.S. in Accounting from Indiana University.
Director since March 8, 2011; President and Chief Executive Officer since October 13, 2009	
Age 47	
RICHARD P. IMPERIALE	Richard P. Imperiale has been one of our directors since January 2008. Mr. Imperiale is President and founder of the Uniplan Companies, a Milwaukee, Wisconsin based investment advisory holding company that, together with its affiliates, manages and advises over \$2.2 billion in client accounts. Uniplan, Inc. was founded by Mr. Imperiale in 1984 and specializes in managing equity-income, REIT and micro cap specialty portfolios for clients. Mr. Imperiale started his career as a credit analyst for the First Wisconsin National Bank (now U.S. Bank). In 1983, Mr. Imperiale joined B.C. Ziegler & Company, a Midwest regional brokerage firm where he was instrumental in the development of portfolio strategies for one of the first hedged municipal bond mutual funds in the country. Mr. Imperiale is widely quoted in local and national media on matters pertaining to investments and has authored several books on investing, including, <i>Real Estate Investment Trusts: New Strategies For Portfolio Management</i> , published by John Wiley & Sons, 2002. Mr. Imperiale was also a 2013 NACD Board Leadership Fellow. He attended Marquette University Business School where he received a B.S. in Finance.
Director since 2008	
Age 54	
PETER L. LYNCH	Peter L. Lynch was Chief Executive Officer, from 2004 through 2006, and Chairman of the board of directors, President and Chief Executive Officer, from 2006 through March 2012, of Winn-Dixie Stores, Inc., a supermarket chain operating approximately 485 combination food and drug stores throughout the South, which was a NASDAQ-listed company prior to its merger with BI-LO, LLC in December 2011. From 1998 through 2003, he held various positions of increasing responsibility, including President and Chief Operating Officer and Executive Vice President-Operations, with Albertson's, Inc., a national retail food and drug chain comprised of 2,500 stores operating under the Albertson's,
Nominee for director	
Age 62	

Table of Contents**Name, Positions With****RPAI and Age****Business Experience**

<p>KENNETH E. MASICK</p> <p>Director since 2008</p> <p>Age 68</p>	<p>Jewel/Osco, ACME, Sav-on and Osco names. While at Albertson's Inc., Mr. Lynch spearheaded the successful merger of American Stores Company, which operated food and drug stores in the Midwest, into Albertson's Inc. Mr. Lynch also held executive positions with Jewel/Osco, including President of the ACME division and Senior Vice President of Store Operations. Mr. Lynch began his career with Star Markets Company, a regional retailer, serving as Vice President of Operations and Vice President of Human Resources before being named its President. Mr. Lynch is a member of the Board of Trustees of Nichols College. Mr. Lynch received a B.S. in Finance in 1974 from Nichols College.</p> <p>Kenneth E. Masick has been one of our directors since January 2008. He retired from Wolf & Company LLP, certified public accountants, in April 2009, having been there as a partner since its formation in 1978. That firm, one of the largest in the Chicago area, specializes in audit, tax and consulting services to privately owned businesses. Mr. Masick was partner-in-charge of the firm's audit and accounting department and was responsible for the firm's quality control. His accounting experience also includes feasibility studies and due diligence activities with acquisitions. Mr. Masick has been in public accounting since his graduation from Southern Illinois University in 1967. Mr. Masick also holds Series 7, 24, 27 and 63 licenses from Financial Industry Regulatory Authority. He also was treasurer and director of Wolf Financial Management LLC, a securities broker-dealer firm.</p>
<p>BARBARA A. MURPHY</p> <p>Director since 2003</p> <p>Age 76</p>	<p>Barbara A. Murphy has been one of our directors since July 1, 2003. Ms. Murphy is the Chairwoman of the DuPage Republican Party and current Committeeman for The Milton Township Republican Central Committee in Illinois. After serving for twenty years, she recently retired as a Trustee of Milton Township in Illinois. Ms. Murphy is a former member of the Illinois Motor Vehicle Review Board and the Matrimonial Fee Arbitration Board, and has previously served on the DuPage Civic Center Authority Board, the DuPage County Domestic Violence Task Force and the Illinois Toll Highway Advisory Committee and as a founding member of the Family Shelter Service Board. Ms. Murphy also previously served as the Chairman for the Milton Township Republican Central Committee in Illinois and as the Republican Party's State Central Committeewoman for the Sixth Congressional District. Ms. Murphy also has experience as the co-owner of a small retail business.</p>
<p>THOMAS J. SARGEANT</p> <p>Director since June 2013</p> <p>Age 55</p>	<p>Thomas J. Sargeant has been one of our directors since June 13, 2013. Mr. Sargeant has been the Chief Financial Officer of AvalonBay Communities, Inc., or its predecessor company since 1995. From 1986 through 1995, Mr. Sargeant held various finance positions with AvalonBay Communities, Inc.'s predecessor companies, including Chief Financial Officer, Secretary, Treasurer, Group Financial Officer and Controller. From 1984 until 1986, Mr. Sargeant held a financial position with Ingersoll Rand. From 1980 to 1984, Mr. Sargeant held various roles at Arthur Andersen & Company serving clients primarily related to the construction and real estate industries. Mr. Sargeant is a certified public accountant and received a B.S. in Business Administration in 1980 from the University of South Carolina.</p>

Table of Contents

Involvement in Certain Legal Proceedings. In February 2005, Winn Dixie Stores, Inc. (Winn Dixie) filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code. Nominee Peter L. Lynch joined Winn Dixie as chief executive officer in December 2004 and was specifically recruited by Winn Dixie to help address performance issues Winn Dixie was facing. Shortly after being appointed chief executive officer, Mr. Lynch concluded that making a Chapter 11 filing provided the best opportunity for the turnaround of Winn Dixie and ultimately guided Winn Dixie through its emergence from bankruptcy in November 2006.

Diversity. Neither the NCG Committee nor the Board has a specific policy with regard to the consideration of diversity in identifying director nominees, although both may consider diversity when identifying and evaluating proposed director candidates.

Director Qualifications. In concluding that each of the foregoing directors should serve as a director, the NCG Committee and the Board focused on each director s participation and performance on the Board during his or her tenure, as well as each director s experience, qualifications, attributes and skills discussed in each director s individual biographies set forth above. In particular, with respect to each Director, the NCG Committee and the Board noted the following:

Mr. Gorski s experience as a lawyer and focus on local government law not only gives the Board a valuable perspective on the numerous legal issues (including land use law) that the Company faces, but also on local political issues;

Mr. Catalano s experience in running a firm engaged in the brokerage, management, rehabilitation and leasing of commercial property coincides closely with the business of the Company;

Mr. Gauvreau s financial experience, including his serving as the chief financial officer of a NYSE-listed company and on the audit committee of a NASDAQ-listed company provides financial expertise to the Board and the Audit Committee;

Mr. Grimes s experience and position as the Company s Chief Executive Officer;

Mr. Imperiale s experience in the brokerage and investment advisory industries allows him to provide useful oversight and advice as we look to refinance debt and strengthen our balance sheet;

Mr. Masick s experience as a certified public accountant and experience in providing audit, tax and consulting services to privately-owned businesses provides financial expertise to the Board and the Audit Committee;

Ms. Murphy s public service and experience in operating her own business bring a different perspective to evaluating our relationships with public officials, tenants and customers of our tenants;

Mr. Sargeant s financial and real estate experience, including his experience serving as chief financial officer of a NYSE-listed real estate investment trust for over 15 years, provides financial expertise to the Board and the Audit Committee; and

Mr. Lynch s significant leadership experience, including his serving as president and chief executive officer of a NASDAQ-listed company for approximately eight years, and his extensive knowledge of financial management, strategic business planning, mergers and acquisitions and retail and non-retail operations.

Vote Required

Edgar Filing: RETAIL PROPERTIES OF AMERICA, INC. - Form DEF 14A

The affirmative vote of a majority of the votes cast is required for the election of each of the nine directors to be elected at the Annual Meeting, which means that a director nominee will only be elected if the

Table of Contents

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. Broker non-votes, if any, and abstentions will not be treated as votes cast.

THE BOARD UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE ELECTION OF EACH OF ITS NOMINEES.

CORPORATE GOVERNANCE AND BOARD MATTERS

Corporate Governance Profile

We have structured our corporate governance in a manner we believe closely aligns our interests with those of our stockholders. Notable features of our corporate governance structure include the following:

the Board is not staggered, with each of our directors subject to re-election annually;

of the nine persons who currently serve on the Board, eight have been affirmatively determined by the Board to be independent for purposes of the NYSE's listing standards;

we have a majority voting standard for uncontested director elections;

three members of our Audit Committee qualify as audit committee financial experts as defined by SEC rules;

we have an independent Chairman of the Board;

we have opted out of the Maryland business combination and control share acquisition statutes and provide that we may not opt in without stockholder approval;

we do not have a stockholder rights plan, and we provide that, in the future, we will not adopt a stockholder rights plan unless our stockholders approve in advance the adoption of a plan or, if adopted by the Board, we will submit the stockholder rights plan to our stockholders for a ratification vote within 12 months of the adoption or the plan will terminate; and

we intend to conduct an annual stockholders' advisory vote on executive compensation in accordance with the stockholders' advisory vote on the frequency of executive compensation.

Board of Directors. Our Board is currently comprised of nine members. The current members of our Board are Mr. Gerald M. Gorski, Mr. Kenneth H. Beard, Mr. Frank A. Catalano, Jr., Mr. Paul R. Gauvreau, Mr. Steven P. Grimes, Mr. Richard P. Imperiale, Mr. Kenneth E. Masick, Ms. Barbara A. Murphy and Mr. Thomas J. Sargeant.

Board Leadership Structure. Since its inception, the Company has had separate individuals serving in the positions of Chief Executive Officer and Chairman of the Board. The Board believes this structure best serves the Company by allowing one person (Chief Executive Officer) to focus his efforts on setting the strategic direction of the Company and providing day-to-day leadership of the Company while the other person (Chairman of the Board) can focus on presiding at meetings of the Board and overall planning and relations with the directors. The Board believes that the needs of a corporation with the large portfolio of properties and the wide spectrum of issues that we face are best met by allowing these two different functions to be handled by two separate individuals.

Edgar Filing: RETAIL PROPERTIES OF AMERICA, INC. - Form DEF 14A

Executive Sessions. Non-management directors meet in executive session without management present at regularly scheduled meetings and at such other times that the non-management directors deem appropriate.

Table of Contents

The independent directors also meet in executive session at least once per year. The Chairman of the Board acts as the presiding director for these executive sessions of non-management directors provided that if the Chairman of the Board is not an independent director or is not present, the Chair of the NCG Committee shall act as the presiding director and if such chair is not present, the directors present at the executive session shall determine the director to preside at such executive session by majority vote.

Board Role in Risk Management. The Board plays an important role in the risk oversight of the Company, primarily through direct decision-making authority with respect to significant matters and the oversight of management by the Board and its committees.

In particular, the Board administers its risk oversight function through (1) the review and discussion of regular periodic reports to the Board and its committees on topics relating to the risks that we face, including, among others, market conditions, tenant concentrations and credit worthiness, leasing activity and expirations, compliance with debt covenants, management of debt maturities, access to debt and equity capital markets, existing and potential legal claims against us and various other matters relating to our business, (2) the required approval by the Board (or a committee thereof) of significant transactions and other decisions, including, among others, significant acquisitions and dispositions of properties, certain new borrowings and the appointment of our senior executives, (3) the direct oversight of specific areas of our business by the compensation, audit and NCG committees, and (4) regular periodic reports from our auditors and other outside consultants regarding various areas of potential risk, including, among others, those relating to our qualification as a REIT and our internal controls and financial reporting. The Board also relies on management to bring significant matters affecting the Company to its attention.

Pursuant to its charter, the Audit Committee is specifically responsible for discussing with management the guidelines and policies that govern the process by which the Company's exposure to risk is assessed and managed. As part of this discussion, the Audit Committee may discuss or consider major financial risk exposures and the steps management has taken to monitor and control such exposures. The results of the risk assessment are discussed with management and are reviewed quarterly by the committee. In addition, our Non-Retaliation Policy enables anonymous and confidential submission by employees of complaints or concerns regarding a violation of applicable laws, regulations, or business ethical standards or a questionable accounting, accounting control or auditing matter. These complaints or concerns may be submitted directly to the compliance officer who is responsible for administering the program, or if they involve the Company's accounting, auditing or internal auditing controls and disclosure practices, directly to the Audit Committee.

Given its role in the risk oversight of the Company, the Board believes that any leadership structure that it adopts must allow it to effectively oversee the management of the risks relating to our operations. Although there are different leadership structures that could allow the Board to effectively oversee the management of such risks, and while the Board believes its current leadership structure enables it to effectively manage such risks, it was not the primary reason the Board selected its current leadership structure over other potential alternatives. See the discussion under the heading *Board Leadership Structure* above for a discussion of why the Board has determined that its current leadership structure is appropriate.

Board Meetings in 2013

The Board met 10 times during 2013. Each director who was a director during 2013 attended more than 75% of the aggregate of (1) the total number of meetings of the Board (held during the period for which he or she has been a director) and (2) the total number of meetings of all committees of the Board on which the director served (during the periods he or she served). We do not have a policy with regard to Board members' attendance at annual stockholder meetings. However, each director who was a director at such time attended the 2013 Annual Meeting, with the exception of Ms. Murphy.

Table of Contents**Committees of the Board**

The Board has established three standing committees: the Audit Committee, the Executive Compensation Committee and the NCG Committee. The composition of each of the Audit Committee, the Executive Compensation Committee and the NCG Committee complies with the listing requirements and other rules and regulations of the NYSE, as amended or modified from time to time. All members of the committees described below are independent as such term is defined in the NYSE's listing standards and as affirmatively determined by the Board.

Board Committee	Chairman	Members
Audit Committee	Paul R. Gauvreau	Kenneth H. Beard Kenneth E. Masick Thomas J. Sargeant
Executive Compensation Committee	Frank A. Catalano, Jr.	Richard P. Imperiale Barbara A. Murphy
Nominating and Corporate Governance Committee	Richard P. Imperiale	Gerald M. Gorski Kenneth E. Masick

Audit Committee

The Board has established an Audit Committee comprised of Messrs. Beard, Gauvreau, Masick and Sargeant. Mr. Gauvreau serves as the Chair of the Audit Committee. The Board has determined that Messrs. Gauvreau, Masick and Sargeant each qualify as an audit committee financial expert under the applicable SEC rules. The Audit Committee operates under a written charter approved by the Board. A copy of the charter is available on our website at www.rpai.com under Corporate Governance on the Investor Relations page.

The Audit Committee is responsible for the engagement of our independent registered public accounting firm, reviewing the plans and results of the audit engagement with our independent registered public accounting firm, approving services performed by, and the independence of, our independent registered public accounting firm, considering the range of audit and non-audit fees, and consulting with our independent registered public accounting firm regarding the adequacy of our internal accounting controls. The Audit Committee held four meetings in 2013.

Audit Committee Report. The members of the Audit Committee of the Board submit this report in connection with the committee's review of the financial reports for the fiscal year ended December 31, 2013 as follows:

1. The Audit Committee has reviewed and discussed with management the audited financial statements for Retail Properties of America, Inc. for the fiscal year ended December 31, 2013.
2. The Audit Committee has discussed with representatives of Deloitte & Touche LLP the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.
3. The Audit Committee has received the written disclosures and the letter from the independent accountant required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with the independent accountant the independent accountant's independence.

Table of Contents

Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 for filing with the SEC.

Submitted by the Audit Committee

Kenneth H. Beard

Paul R. Gauvreau

Kenneth E. Masick

Thomas J. Sargeant

Executive Compensation Committee

The Board has established an Executive Compensation Committee comprised of Mr. Catalano, Mr. Imperiale and Ms. Murphy. Mr. Catalano serves as the chair of the Executive Compensation Committee. The Executive Compensation Committee operates under a written charter approved by the Board. A copy of the charter is available on our website at www.rpai.com under Corporate Governance on the Investor Relations webpage. The Executive Compensation Committee held five meetings in 2013.

The Executive Compensation Committee provides assistance to the Board in discharging its responsibilities relating to the compensation of our directors, executive officers and other employees, and develops and implements our compensation policies. The Executive Compensation Committee's responsibilities include, among others, (i) reviewing and approving corporate goals and objectives relating to the compensation of the Chief Executive Officer, evaluating the performance of our Chief Executive Officer in light of these goals and objectives, and determining and approving the compensation of the Chief Executive Officer based on such evaluation, and (ii) determining and approving the compensation of all executive officers other than the Chief Executive Officer.

Compensation Committee Interlocks and Insider Participation. During 2013, the members of the Executive Compensation Committee consisted of Frank A. Catalano, Jr. (chair), Richard P. Imperiale and Barbara A. Murphy. None of the members of the Executive Compensation Committee has any relationship with us requiring disclosure under Item 404 of Regulation S-K. No member of the Executive Compensation Committee is a current or former officer or employee of ours or any of our subsidiaries. None of our executive officers serves as a member of the board of directors or compensation committee of any company that has one or more of its executive officers serving as a member of our Board or Executive Compensation Committee.

Nominating and Corporate Governance Committee

The Board has established an NCG Committee. The members of the NCG Committee who selected the nominees for the Board who appear on this proxy statement are comprised of Messrs. Gorski, Imperiale and Masick. Mr. Imperiale serves as the chair of the NCG Committee. The NCG Committee operates under a written charter approved by the Board. A copy of the charter is available on our website at www.rpai.com under Corporate Governance on the Investor Relations webpage. The NCG Committee held five meetings in 2013. The NCG Committee will consider for recommendation to the Board nominations made by stockholders that comply with the procedures described below under the caption *Stockholder Proposals for the 2015 Annual Meeting*, including, without limitation, providing notice setting forth all information required by the rules of the SEC or Section 12 of our bylaws, as the case may be. We did not receive any stockholder recommendations for director candidates for election at the Annual Meeting.

The NCG Committee identifies possible director nominees (whether through a recommendation from a stockholder or otherwise) and makes an initial determination as to whether to conduct a full evaluation of the candidate(s). This initial determination is based on the information provided to the NCG Committee when the

candidate is recommended, the NCG Committee's own knowledge of the prospective candidate and information,

Table of Contents

if any, obtained by the NCG Committee's inquiries. The preliminary determination is based primarily on the need for additional Board members to fill vacancies, expand the size of the Board or obtain representation in market areas without Board representation and the likelihood that the candidate can satisfy the evaluation factors described below. If the members of the NCG Committee determine that additional consideration is warranted, the NCG Committee may gather additional information about the candidate's background and experience. The members of the NCG Committee take into account many factors, including the nominee's ability to make independent analytical inquiries, general understanding of marketing, finance, accounting and other elements relevant to the success of a public company in today's business environment, understanding of the Company's business on a technical level, and other community service, business, educational and professional background. Each director must also possess fundamental qualities of intelligence, honesty, good judgment, high ethics and standards of integrity, fairness and responsibility. In determining whether to recommend a director for re-election, the NCG Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board.

The members of the NCG Committee may consider all facts and circumstances that it deems appropriate or advisable, including, among other things, the skills of the prospective director candidate, his or her depth and breadth of business experience or other background characteristics, his or her independence and the needs of the Board. In connection with this evaluation, the members of the NCG Committee determine whether to interview the candidate. If the members of the NCG Committee decide that an interview is warranted, one or more of those members, and others as appropriate, interview the candidate in person or by telephone. After completing this evaluation and interview, the full Board would nominate such candidates for election. Other than circumstances in which we may be legally required by contract or otherwise to provide third parties with the ability to nominate directors, the NCG Committee will evaluate all proposed director candidates that it considers or who have been properly recommended to it by a stockholder based on the same criteria and in substantially the same manner, with no regard to the source of the initial recommendation of the proposed director candidate.

Guidelines on Corporate Governance and Code of Business Conduct and Ethics

The Board, upon the recommendation of the NCG Committee, has adopted guidelines on corporate governance establishing a common set of expectations to assist the Board in performing its responsibilities. Our corporate governance policies and guidelines address a number of topics, including, among other things, director qualification standards, majority voting, director responsibilities, the responsibilities and composition of the Board committees, director access to management and independent advisors, dir