

SIMON PROPERTY GROUP INC /DE/
Form DEF 14A
April 10, 2014

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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

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Simon Property Group, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
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- (4) Proposed maximum aggregate value of transaction:
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 - (1) Amount Previously Paid:
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April 8, 2014

Dear Fellow Stockholders:

Please join me and the entire Board of Directors at our 2014 Annual Meeting of Stockholders on May 15, 2014 at our headquarters in Indianapolis, Indiana. The business to be conducted at the meeting is explained in the attached Notice of Annual Meeting and Proxy Statement.

We are not complacent as a Company; we continue to improve SPG for the benefit of its stockholders. Our 2013 performance was outstanding and I thank our employees for their hard work and dedication.

We hope that after you have reviewed the Proxy Statement you will vote at the meeting in accordance with the Board's recommendations. Thank you for your continued support of our Company. Your vote is important to us and our business. You will find instructions on how to vote on page 2. I look forward to seeing you at the Annual Meeting.

Sincerely,

David Simon

Chairman of the Board and Chief Executive Officer

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

MAY 15, 2014

8:30 A.M. (EDT)

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

ITEMS OF BUSINESS

1. To elect ten directors, including three directors to be elected by the voting trustees, who vote the Class B common stock,
2. To hold the annual advisory vote to approve executive compensation,
3. To ratify and approve the Company's Amended and Restated 1998 Stock Incentive Plan,
4. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2014, and
5. To transact such other business as may properly come before the meeting.

RECORD DATE

You can vote if you are a stockholder of record on March 14, 2014 (the "Record Date").

ANNUAL REPORT

Our 2013 annual report to stockholders accompanies, but is not part of these proxy materials.

PROXY VOTING

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

By order of the Board of Directors,

James M. Barkley
Secretary

April 8, 2014

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

PROPOSALS WHICH REQUIRE YOUR VOTE

PROPOSAL		MORE INFORMATION	BOARD RECOMMENDATION	BROKER NON-VOTES	ABSTENTIONS	VOTES REQUIRED FOR APPROVAL
1	To elect ten directors, including three directors to be elected by the voting trustees who vote the Class B common stock.	Page 10	FOR all nominees	Do not count	Do not count	Majority of the votes cast. Under our By-Laws, a nominee who receives more AGAINST votes than FOR votes will be required to tender his or her resignation. Majority of votes cast.
2	To hold the annual advisory vote to approve executive compensation.	Page 19	FOR	Do not count	Vote against	
3	To ratify and approve the Amended and Restated 1998 Stock Incentive Plan.	Page 47	FOR	Vote against	Vote against	Majority of the voting shares present in person or by proxy. In addition, the rules of the New York Stock Exchange, or NYSE, require the number of votes cast in favor of Proposal 3 must represent more than

						50% of all shares entitled to vote on such proposal. Majority of votes cast.
4	To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2014.	Page 57	FOR	Vote for	Vote against	

BY INTERNET USING A COMPUTER

BY TELEPHONE

BY MAIL

Vote 24/7
www.proxyvote.com

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

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

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

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

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

2 SIMON PROPERTY GROUP 2014 PROXY STATEMENT

Table of Contents**PROXY SUMMARY**

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

ELIGIBILITY TO VOTE (page 60)

You can vote if you were a stockholder of record at the close of business on March 14, 2014.

HOW TO CAST YOUR VOTE (page 2)

You can vote by any of the following methods:

Internet: www.proxyvote.com until 11:59 P.M. EDT on May 14, 2014

Telephone: 1-800-690-6903 until 11:59 P.M. EDT on May 14, 2014; or

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

GOVERNANCE OF THE COMPANY (page 6)

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

BOARD NOMINEES (page 10)

NAME OF INDEPENDENT DIRECTOR	AGE	OCCUPATION	COMMITTEE MEMBERSHIPS	OTHER PUBLIC COMPANY BOARDS
Melvyn E. Bergstein	72	Retired Chairman of the Board of Diamond Management & Technology Consultants, Inc.	Audit and Compensation	None
Larry C. Glasscock	66	Retired Chairman of WellPoint, Inc.	Lead Independent Director, Audit, Governance and Nominating	Zimmer Holdings, Inc., and Sysco Corporation
Karen N. Horn, Ph.D.	70	Retired President, Global Private Client Services and Managing Director, Marsh, Inc.	Governance and Nominating (Chair)	Eli Lilly & Company, Norfolk Southern Corporation, and T. Rowe Price Mutual Funds
Allan Hubbard	66	Co-Founder and Chief Executive Officer, E&A Industries, Inc.	Compensation, Governance and	Acadia Healthcare

Reuben S. Leibowitz	66	Managing Member of JEN Partners	Nominating Compensation (Chair), Audit	AV Homes, Inc.
Daniel C. Smith, Ph.D.	56	Professor of Marketing at the Kelley School of Business, Indiana University, and President and CEO of the Indiana University Foundation	Compensation, Governance and Nominating	None
J. Albert Smith, Jr.	73	Chairman, Chase Bank in Central Indiana and Managing Director of J.P. Morgan Private Bank	Audit (Chair)	None

NAME OF DIRECTOR	AGE	OCCUPATION	COMMITTEE MEMBERSHIPS	OTHER PUBLIC COMPANY BOARDS
David Simon	52	Chairman of the Board and Chief Executive Officer of the Company	None	Klépierre, S.A.
Richard S. Sokolov	64	President and Chief Operating Officer of the Company	None	
Herbert Simon	79	Chairman Emeritus of the Board of the Company	None	The Cheesecake Factory Incorporated

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PROXY SUMMARY

VOTING PROPOSALS		RECOMMENDATION AND PAGE REFERENCE FOR MORE DETAIL
Proposal 1	To elect ten directors, including three directors to be elected by the voting trustees who vote the Class B common stock.	FOR All nominees (page 10)
Proposal 2	To hold the annual advisory vote to approve executive compensation.	FOR (page 19)
Proposal 3	To ratify and approve the Amended and Restated 1998 Stock Incentive Plan.	FOR (page 47)
Proposal 4	To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2014.	FOR (page 57)

EXECUTIVE COMPENSATION (page 32)

COMPENSATION DISCLOSURE AND ANALYSIS (page 21)

The Committee actively engaged with our stockholders beginning in 2012 and continuing through 2013 regarding our NEO and CEO compensation programs and carefully considered that input as we reviewed and implemented design changes to our executive compensation programs. Our Compensation Committee engaged with stockholders owning more than 58% of our outstanding common shares in face-to-face discussions, conference calls and/or written communications during the following time frames:

Between the publication of our 2013 Proxy Statement and the 2013 Annual Meeting,

Between the 2013 Annual Meeting and the end of 2013, and

Early in 2014, prior to the publication of this 2014 Proxy Statement.

We modified Mr. Simon's 2011 CEO Retention Agreement to include performance conditions, in addition to the previously-included service-based requirements.

We added a "double trigger" vesting requirement to Mr. Simon's 2011 CEO Retention Agreement which requires both a change in control of the Company and a termination based on a material change in the CEO's employment circumstance before any acceleration of the 2011 CEO Retention Agreement.

Our Compensation Committee took the following actions with respect to our executive compensation programs:

We reduced Mr. Simon's 2013-2015 LTIP opportunity,

We reduced or held flat the performance based LTIP opportunities for the 2013-2015 award cycle for all of our other Named Executive Officers, or "NEOs",

We decreased the Annual Cash Incentive compensation amounts for our CEO in 2013 and all but one of our other NEOs,

The 2014 Annual Cash Incentive compensation program opportunities for our CEO and other NEOs are the same as 2013 and are reduced from 2012,

We reduced Mr. Simon's 2014-2016 LTIP opportunity and the LTIP opportunities for the other NEOs were held generally flat, except for one NEO, and

We made no increase to 2014 base salaries for any of our NEOs, including our CEO.

During 2013, we also provided additional disclosure related to the processes we follow in determining the performance based awards made under our Annual Cash Incentive compensation program.

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PROXY SUMMARY

2011-2013 EXECUTIVE TOTAL DIRECT COMPENSATION MIX (page 25)

We have significantly increased the percentage of performance based compensation for our CEO and other NEOs as shown in our charts below. We increased the alignment of executive compensation with stockholders' interests by focusing on increasing long-term stockholder value.

SAY ON PAY (page 19)

We are asking our stockholders to approve on an advisory basis our executive compensation for 2013.

RATIFICATION AND APPROVAL OF THE AMENDED AND RESTATED 1998 STOCK INCENTIVE PLAN (page 47)

RATIFICATION OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (page 57)

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PROXY STATEMENT

This Proxy Statement and accompanying proxy are being provided to stockholders on or about April 10, 2014 in connection with the solicitation by the Board of Directors of Simon Property Group, Inc. ("Simon", "SPG", "we", "us", "our" or the "Company") of proxies to be voted at the 2014 Annual Meeting of Stockholders on May 15, 2014.

CORPORATE GOVERNANCE OF THE COMPANY

BOARD LEADERSHIP STRUCTURE

We recently revised our Governance Principles to strengthen the Lead Independent Director role and our Independent Directors appointed a new Lead Independent Director to succeed our long-standing Lead Independent Director.

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

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

7 of our 10 Directors are independent under the rules set forth in the NYSE listed company rules.

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

SUMMARY OF BOARD EXPERIENCE

	M. BERGSTEIN	L. GLASSCOCK	K. HORN	A. HUBBARD	R. LEIBOWITZ	A. SMITH	D. SMITH	D. SIMON	R. SOKOLOV
of financial l capital market	X	X	X		X	X		X	
Chief Executive sident Experience	X	X	X	X	X	X		X	X
estate or l real estate		X			X	X		X	X
national exposure	X		X	X			X	X	
	X						X		

marketing-related
experience
cultural or geopolitical

X X

X

background/management

X

X

X

X

X

X

X

X

X

THE BOARD OF DIRECTORS BELIEVES THAT ITS MEMBERS SHOULD:

exhibit high standards of independent judgment and integrity;

have diverse experiences and backgrounds; and

have a strong record of achievements;

be committed to enhancing stockholder value on a long-term basis
and have sufficient time to carry out their duties.

have an understanding of our business and the competitive
environment in which we operate;

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CORPORATE GOVERNANCE OF THE COMPANY

In addition, the Board of Directors has determined that the Board as a whole should strive to have the right mix of characteristics and skills necessary to effectively perform its oversight responsibilities. The Board believes that directors with one or more of the following skills can assist in meeting this goal:

- | | |
|--|---|
| leadership of large and complex organizations; | relevant industries; |
| accounting and finance; | real estate acquisitions, development and operations; |
| e-commerce related internet based businesses; | banking, legal and corporate governance; |
| capital markets; | government and governmental relationships; and |
| retail marketing; | international business. |
| strategic planning; | |

BOARD'S ROLE IN OVERSIGHT OF RISK MANAGEMENT

While risk management is primarily the responsibility of our management, the Board of Directors provides overall risk oversight focusing on the most significant risks we face. We have implemented a Company-wide enterprise risk management process to identify and assess the major risks we face and develop strategies for controlling, mitigating and monitoring risk. As part of this process, we gather information throughout our Company to identify and prioritize these major risks. The identified risks and risk mitigation strategies are validated with management and discussed with the Audit Committee on an ongoing basis.

The Audit Committee reviews our risk management programs and reports on these items to the full Board. Our Vice President of Audit Services is responsible for supervising the enterprise risk management process and in that role reports directly to the Audit Committee. Other members of senior management who have responsibility for designing and implementing various aspects of our risk management process also regularly meet with the Audit Committee. The Audit Committee discusses our identified financial and operational risks with our Chief Executive Officer and Chief Financial Officer and receives reports from other members of senior management with regard to our identified risks.

The Compensation Committee is responsible for overseeing any risks relating to our compensation policies and practices. Specifically, the Compensation Committee oversees the design of incentive compensation arrangements of our executive officers to implement our pay-for-performance philosophy without encouraging or rewarding excessive risk taking by our executive officers.

Our management regularly conducts additional reviews of risks, as needed, or as requested by the Board or Audit Committee.

DIRECTOR INDEPENDENCE

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The Board has adopted standards to assist it in making determinations of director independence. These standards incorporate, and are consistent with, the definition of "independent" contained in the New York Stock Exchange listing rules. These standards are included in our Governance Principles, which are available at governanceprinciples.simon.com. The Board has amended and restated the Governance Principles to strengthen the role of the Lead Independent Director (see page 14 for more information). The Board has affirmatively determined that each of the persons nominated for election as directors by the holders of voting shares meets these standards and is independent.

David Simon, Richard Sokolov and Herbert Simon are our employees and are not considered Independent Directors.

POLICIES ON CORPORATE GOVERNANCE

Good corporate governance is important to ensure that the Company is managed for the long-term benefit of its stockholders and to enhance the creation of long-term stockholder value. Each year, the Board or one of its committees reviews our Governance Principles, the written charters for each of the Board's standing committees at committeecomposition.simon.com and our Code of Business Conduct and Ethics at codeofconduct.simon.com. The current version of each of these documents is available by clicking on any of the previous links or by visiting www.simon.com, in the Investors/Corporate Governance section at investors.simon.com, or by requesting a copy in print without charge upon written request to our Secretary at 225 West Washington Street, Indianapolis, Indiana 46204.

We will also either disclose on Form 8-K and/or post on our Internet website any substantive amendment to, or waiver from, a provision of the Code of Business Conduct and Ethics that applies to any of our directors or executive officers.

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CORPORATE GOVERNANCE OF THE COMPANY

MAJORITY VOTE STANDARD FOR ELECTION OF DIRECTORS

Our By-Laws provide for a majority voting standard for the election of directors. This means that any director who, in an uncontested election, receives a greater number of "against" votes than "for" votes must promptly tender his or her resignation to the Board of Directors, subject to its acceptance. The Governance and Nominating Committee will promptly consider the tendered resignation and recommend to the Board whether to accept or reject it. Both the Governance and Nominating Committee and the Board may consider any factors they deem appropriate and relevant to their actions.

The Board will act on the tendered resignation, taking into account the Governance and Nominating Committee's recommendation. The affected director cannot participate in any part of the process. We will publicly disclose the Board's decision by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication within 90 days after the vote is certified.

In a contested election (in which the number of nominees exceeds the number of directors to be elected), the standard for election of directors will be a plurality of the votes cast by the holders of shares entitled to vote on the election of directors, provided a quorum is present.

NOMINATIONS FOR DIRECTORS

The Governance and Nominating Committee will consider director nominees recommended by stockholders in accordance with the requirements of our By-Laws. A stockholder who wishes to recommend a director candidate should send such recommendation to our Secretary at 225 West Washington Street, Indianapolis, Indiana 46204, who will forward it to the Governance and Nominating Committee. Any such recommendation should include a description of the candidate's qualifications for Board service, the candidate's written consent to be considered for nomination and to serve if nominated and elected, and addresses and telephone numbers for contacting the stockholder and the candidate for more information. A stockholder, who wishes to nominate an individual as a director candidate at the annual meeting of stockholders, rather than recommend the individual to the Governance and Nominating Committee as a nominee, shall comply with the requirements described above and in addition must comply with the advance notice requirements for stockholder nominations set forth in our By-Laws.

Our Governance Principles provide that all candidates for election as members of the Board should possess high personal and professional ethics, integrity and values and be committed to representing the long-term interests of our stockholders and otherwise fulfilling the responsibilities of directors as described in our Governance Principles. Our Governance Principles further provide that our directors should not serve on more than four boards of public companies, including our Board, unless the Board or Governance and Nominating Committee determines that serving on more than four public company boards does not impair the ability of the director to serve as an effective member of our Board. In recommending candidates to the Board for election as directors, the Governance and Nominating Committee will consider the foregoing minimum qualifications as well as each candidate's credentials, keeping in mind our desire, as stated in our Governance Principles, to have a Board representing diverse experiences and backgrounds, as well as expertise in or knowledge of specific areas that are relevant to our business activities.

COMMUNICATIONS WITH THE BOARD

The Board has implemented a process by which our stockholders and other interested parties may communicate with one or more members of our Board, its committees or the Independent Directors as a group in a writing addressed to Simon Property Group, Inc., Board of Directors, c/o Secretary, 225 West Washington Street, Indianapolis, Indiana 46204. The Board has instructed our Secretary to promptly forward all such communications to the specified addressees thereof.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, requires our directors, executive officers and beneficial owners of more than 10% of our capital stock to file reports of ownership and changes of ownership with the Securities and Exchange Commission and the New York Stock Exchange. Based on our records and other information, we believe that during the year ended December 31, 2013 all applicable Section 16(a) filing requirements were met.

TRANSACTIONS WITH RELATED PERSONS POLICY

On an annual basis, each director and executive officer is obligated to complete a director and officer questionnaire which requires disclosure of any transactions with us in which the director or executive officer, or any member of his or her immediate family, has an interest. Pursuant to our Code of Business Conduct and Ethics at *codeofconduct.simon.com*, which is also available in the Corporate Governance section at *investors.simon.com*, the Audit Committee must review and approve all related person transactions

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CORPORATE GOVERNANCE OF THE COMPANY

in which any executive officer, director, director nominee or more than 5% stockholder of the Company, or any of their immediate family members, has a direct or indirect material interest. Pursuant to the charter of the Audit Committee, which is available in the Corporate Governance section at *investors.simon.com*, the Audit Committee may not approve a related person transaction unless (1) it is in or not inconsistent with our best interests and (2) where applicable, the terms of such transaction are at least as favorable to us as could be obtained from an unrelated third party. Our Charter requires that at least a majority of our directors be neither our employees nor members or affiliates of the Simons. Our Charter further requires that transactions involving us in our capacity as general partner of the Operating Partnership, in which any of the Simons has an interest must, in addition to any other vote that may be required, be approved in advance by a majority of such "Independent Directors." We currently have seven Independent Directors serving on the Board.

Our General Counsel is charged with reviewing any conflict of interest involving any other employee.

TRANSACTIONS WITH THE SIMONS

We have managed since 1993 two shopping centers which are owned by entities in which David Simon and Herbert Simon have ownership interests that were not contributed to our majority owned subsidiary, Simon Property Group, L.P., or the "Operating Partnership", pursuant to management agreements that provide for our receipt of a management fee and reimbursement of our direct and indirect costs. In addition, in 2013 we assisted Melvin Simon & Associates, Inc., or MSA, and certain of its affiliates with placement of the property and casualty insurance programs required for certain retail and other commercial buildings and improvements owned by MSA or its affiliates. In 2013, we received \$4,509,668 in fees and reimbursements from MSA and its affiliates for rendering management and insurance-related services to MSA and its affiliates. These agreements have been reviewed and approved by the Audit Committee.

We reimbursed David Simon \$1,150,036 for the business use of his personal aircraft. In addition, we reimbursed MSA \$171,550 for maintenance, pilot and other support services that MSA provided with respect to our use of David Simon's personal aircraft. Our reimbursement for use of David Simon's personal aircraft is based upon a below market hourly cost of operating the aircraft and the verified number of hours of our business use, plus reimbursement for certain out-of-pocket expenses. These reimbursements were reviewed and approved by the Audit Committee.

We provide MSA with office space and legal, human resource administration, property specific financing and other support services and MSA paid us \$600,000 for these services in 2013, which is net of our reimbursement for Herbert Simon for costs incurred to operate his personal aircraft when used for business purposes. The payments and reimbursements were reviewed and approved by the Audit Committee.

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PROPOSAL 1: Election of Directors

The Board of Directors currently consists of ten members. Based on the recommendation of the Governance and Nominating Committee, the Board has nominated the following seven persons listed as "Nominees for Director to be Elected by Holders of Voting Shares." All of the nominees are current directors.

The voting trustees who vote the Class B common shares have nominated the three persons listed below as "Nominees for Director to be Elected by the Voting Trustees Who Vote the Class B Common Stock". All of the nominees are currently Class B directors.

Our employment agreement with Richard Sokolov contemplates that he will be elected to the Board of Directors, and the voting trustees who vote the Class B common shares have agreed to elect Richard Sokolov to the Board. The voting trustees have an agreement requiring that each of them vote for each other as Class B director nominees.

We expect each nominee for election as a director will be able to serve if elected. If any nominee is not able to serve, proxies will be voted in favor of the remainder of those nominated and may be voted for substitute nominees.

The names, principal occupations and certain other information about the nominees for director, as well as key experiences, qualifications, attributes and skills that led the Governance and Nominating Committee to conclude that such person is currently qualified to serve as a director, are set forth on the following pages.

NOMINEES FOR DIRECTORS TO BE ELECTED BY HOLDERS OF VOTING SHARES

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE FOLLOWING INDEPENDENT DIRECTOR NOMINEES:

Melvyn E. Bergstein

Age: 72

Director since: 2001

**Committees Served: Audit,
Compensation**

Other Public Directorships: None

Chairman of the Board of Directors of Diamond Management & Technology Consultants, Inc., or Diamond, a management and advisory firm, from 2006 until November 2010, at which time Diamond was sold to PricewaterhouseCoopers LLC. Previously served as Chairman and CEO of Diamond and its predecessors, Diamondcluster, Inc. and Diamond Technology Partners, Inc. since its founding in 1994. From 1968 to 1989, Mr. Bergstein served in several capacities with Arthur Andersen & Co.'s consulting division (now Accenture).

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR

Larry C. Glasscock

Age: 66

Director since: 2010

**Committees Served: Lead
Independent Director, Audit,
Governance and Nominating**

**Other Public Directorships: Zimmer
Holdings, Inc. and Sysco
Corporation**

Former Chairman of WellPoint, Inc., a healthcare insurance company, from November 2005 to March 2010. Mr. Glasscock also served as President and Chief Executive Officer of WellPoint, Inc. from 2004 to 2007. Mr. Glasscock previously served as Chairman, President and Chief Executive Officer of Anthem, Inc. from 2003 to 2004 and served as President and Chief Executive Officer of Anthem, Inc. from 2001 to 2003. Mr. Glasscock previously served as a director of WellPoint, Inc.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

COMPANY

As the co-founder of a publicly-held consulting company of which he served as its chairman and chief executive officer or the chairman and chief executive officer of its predecessors for twelve years, Mr. Bergstein has gained experience in finance, investor relations, compensation and strategic planning. He served on the board of Arthur Andersen & Co. from 1986 until he resigned from the firm in 1989. During that time, he was elected chairman of the Consulting Oversight Committee of the Andersen Board. Early in his Andersen career, he became a CPA in the State of New Jersey (1972). He serves on our Audit Committee and Compensation Committee. The Board of Directors has determined that he is an "audit committee financial expert".

Mr. Glasscock served as the chief executive officer of the nation's leading health benefits company for many years. He has experience in leading a large public company, setting and implementing strategic plans, developing and implementing turnaround and growth strategies, and developing talent and participating in successful leadership transitions. Mr. Glasscock also has experience leading acquisitions of companies, particularly over the last 10 years. In addition, he also worked in financial services for 20 years, and can identify meaningful metrics to assess a company's performance. He also serves, and has served, for over 15 years as a director of other public companies. Mr. Glasscock serves as our Lead Independent Director and serves on our Governance and Nominating Committee and Audit Committee and has been designated an "audit committee financial expert".

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PROPOSAL 1: Election of Directors

Karen N. Horn, Ph.D.

Age: 70

Director since: 2004

Committees Served: Governance and Nominating (Chair)

Other Public Directorships: Eli Lilly and Company, Norfolk Southern Corporation, T. Rowe Price Mutual Funds

Retired President, Global Private Client Services and Managing Director, Marsh, Inc., a subsidiary of MMC, having served in these positions from 1999 to 2003. Prior to joining Marsh, she was Senior Managing Director and Head of International Private Banking at Bankers Trust Company; Chairman and Chief Executive Officer, Bank One, Cleveland, N.A.; President of the Federal Reserve Bank of Cleveland; Treasurer of Bell of Pennsylvania; and Vice President of First National Bank of Boston. Ms. Horn has served as Senior Managing Director of Brock Capital Group, a corporate advisory and investment banking firm, since 2003. She is also Vice Chairman of the U.S.-Russia Foundation and a member of the board of the National Bureau of Economic Research. She previously served as a director of Georgia-Pacific Corporation and Fannie Mae.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Dr. Horn has more than 30 years of experience in international finance and management, including her service as president of the Federal Reserve Bank of Cleveland and as a senior executive of a number of financial institutions. These experiences provide her with expertise in financial management and economic policy and an in-depth knowledge of the capital markets in which we actively participate. Dr. Horn serves as a director of several other publicly-held companies. She is a member of our Governance and Nominating Committee which she chairs.

Allan Hubbard

Age: 66

Director since: 2009

Committees Served: Compensation, Governance and Nominating

Other Public Directorships: Acadia Healthcare

Co-Founder, Chairman and Chief Executive Officer of E&A Industries, Inc., a privately-held holding company which acquires and operates established manufacturing companies. Mr. Hubbard served as Assistant to the President for Economic Policy and director of the National Economic Council for the George W. Bush administration. He also served as Executive Director of the President's Council of Competitiveness for the George H.W. Bush administration. Mr. Hubbard previously served as a director of WellPoint, Inc., PIMCO Equity Series and PIMCO Equity Series VIT.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Mr. Hubbard has more than 30 years' experience as an entrepreneur having founded and led a company that acquires and grows companies in North America and Europe. He served on the board of directors of a major, publicly-held healthcare company for a number of years during which time he served on that board's audit, compensation and governance committees. Mr. Hubbard also has extensive government and economic policy experience having held key economic positions in the administrations of two U.S. Presidents. He is an honors graduate of Harvard Business School with an emphasis in finance and an honors graduate of Harvard Law School. Mr. Hubbard serves on our Compensation Committee and Governance and Nominating Committee.

Reuben S. Leibowitz

Age: 66

Director since: 2005

Committees Served: Compensation (Chair), Audit

Other Public Directorships: AV Homes Inc.

Daniel C. Smith, Ph.D.

Age: 56

Director since: 2009

Committees Served: Compensation, Governance and Nominating

Other Public Directorships: None

Managing Member of JEN Partners, a private equity firm, since 2005. Mr. Leibowitz was a Managing Director of Warburg Pincus from 1984 to 2005. He was a director of Chelsea Property Group, Inc. from 1993 until it was acquired by the Company in 2004.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Mr. Leibowitz led a major private equity firm's real estate activities for many years and in that role was responsible for developing long-term corporate strategies. Mr. Leibowitz practiced 15 years as a CPA, including a number of years specializing in tax issues, and is an attorney. He has an in-depth understanding of our Premium Outlets® platform having served as a director of Chelsea Property Group, the publicly-held company we acquired in 2004. He serves on our Audit Committee and Compensation Committee which he chairs. He has been designated as an "audit committee financial expert".

Professor of Marketing at the Kelley School of Business, Indiana University and President and CEO of the Indiana University Foundation. Served as Dean of the Kelley School from 2005 - 2012. Dr. Smith joined the faculty of the Kelley School in 1996 and has served as Chair of the Marketing Department, Chair of the MBA Program, and Associate Dean of Academic Affairs.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Dr. Smith has spent over 30 years teaching, conducting research, and consulting in the areas of marketing strategy, brand management, financial management, compensation, human resource development and corporate governance. He served as Dean of one of the country's top-rated and largest business schools, and now is the CEO of one of the nation's largest university foundations with \$2.0 billion of assets. Both as Dean and Foundation CEO, he was/is responsible for financial oversight and long term financial planning, hiring and retention policies, compensation policies, public relations and overall long term strategy. He serves on our Governance and Nominating Committee and Compensation Committee.

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PROPOSAL 1: Election of Directors

J. Albert Smith, Jr.

Age: 73

Director since: 1993

Committees Served: Audit (Chair)

Other Public Directorships: None

Chairman, Chase Bank in Central Indiana since 2014 and Managing Director of J.P. Morgan Private Bank since 2005. Mr. Smith was President of Bank One Central Indiana from 2001 to 2005; Managing Director of Banc One Corporation from 1998 to 2001; President of Bank One, Indiana, NA from 1994 to 1998; and President of Banc One Mortgage Corporation from 1974 to 1994.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Mr. Smith has served as Chairman, president and managing director of the Midwest operations of a major financial institution for a number of years during which time he has been involved in real estate lending activities. Through these experiences he has developed expertise in financial management and credit markets. He served as our Lead Independent Director until March 2014 and is a member of our Audit Committee which he chairs. He has been designated an "audit committee financial expert".

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PROPOSAL 1: Election of Directors

NOMINEES FOR DIRECTOR TO BE ELECTED BY THE VOTING TRUSTEES WHO VOTE THE CLASS B COMMON STOCK

David Simon

Class B Director Nominee

Age: 52

Director since: 1993

Other Public Directorships:

Klépierre, S.A.

Chairman of the Board of the Company since 2007 and Chief Executive Officer of the Company or its predecessor since 1995; a director of the Company or its predecessor since its incorporation in 1993. President of the Company's predecessor from 1993 to 1996. From 1988 to 1990, Mr. Simon was Vice President of Wasserstein Perella & Company. From 1985 to 1988, he was an Associate at First Boston Corp. He is the son of the late Melvin Simon and the nephew of Herbert Simon.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

David Simon has served as our Chief Executive Officer or the chief executive officer of our predecessor for 19 years. During that time he has provided leadership in the development and execution of our successful growth strategy, overseeing numerous strategic acquisitions that have been consolidated into what is recognized as the nation's leading retail real estate company. He gained experience in mergers and acquisitions while working at major Wall Street firms before joining his father and uncle. Mr. Simon serves on the National Association of Real Estate Investment Trusts' board of governors which gives him an industry-wide perspective that extends beyond our own operations.

Richard S. Sokolov

Class B Director Nominee

Age: 64

Director since: 1996

Other Public Directorships: None

President and Chief Operating Officer and a director of the Company or its predecessor since 1996. President and Chief Executive Officer of DeBartolo Realty Corporation from its incorporation in 1994 until it merged with our predecessors in 1996. Mr. Sokolov joined its predecessor, The Edward J. DeBartolo Corporation, in 1982 as Vice President and General Counsel and was named Senior Vice President, Development and General Counsel in 1986.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Richard S. Sokolov has served as our President and Chief Operations Officer since 1996 immediately following our acquisition of DeBartolo Realty Corporation. Mr. Sokolov had served as chief executive officer and president of DeBartolo Realty Corporation and senior vice president development and general counsel of its predecessor operations for a number of years. Mr. Sokolov serves as a trustee and a member of the Nominating Committee of the International Council of Shopping Centers, the leading industry organization for retail real estate companies.

Herbert Simon

Class B Director Nominee

Age: 79

Director since: 1993

Other Public Directorships: The Cheesecake Factory Incorporated

Chairman Emeritus of the Board of the Company since

2007. Co-Chairman of the Board of the Company or its predecessor from 1995 to 2007. Mr. Simon was Chief Executive Officer and a director of the Company's predecessor from its incorporation in 1993 to 1995. He also serves on the Board of Governors for the National Basketball Association and as Chairman of the Board of MSA.

**SPECIFIC QUALIFICATIONS AND EXPERIENCE
OF PARTICULAR RELEVANCE TO OUR
COMPANY**

Herbert Simon is our co-founder and Chairman Emeritus. The retail real estate business that he and his brother, the late Melvin Simon, started decades ago established the foundation for all of our current operations and record of achievement. Mr. Simon's leadership of the Indiana Pacers NBA basketball franchise has led to his service on the board of directors of the National Basketball Association.

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PROPOSAL 1: Election of Directors

MEETINGS AND COMMITTEES OF THE BOARD

ALL OF OUR DIRECTORS ATTENDED 100% OF BOARD AND COMMITTEE MEETINGS

MEETINGS AND ATTENDANCE

Our business, property and affairs are managed under the direction of our Board of Directors. Members of our Board of Directors are kept informed of our business through discussions with our Chairman and Chief Executive Officer, other executive officers and our Lead Independent Director, by reviewing materials provided to them, by visiting our offices and properties, and by participating in meetings of the Board and its committees. Directors are also expected to use reasonable efforts to attend the annual meeting of stockholders.

All directors attended the 2013 annual meeting. During 2013, the Board of Directors met six times. The Board conducts many of its oversight responsibilities through its Audit Committee, Compensation Committee, and Governance and Nominating Committee.

During 2013, our directors participated in 100% of the aggregate number of meetings of the Board and the committees on which they serve.

EXECUTIVE SESSIONS OF INDEPENDENT DIRECTORS

The Independent Directors meet in executive session without management present in connection with each regularly scheduled Board meeting. During 2013, the Independent Directors held four executive sessions. The Lead Independent Director presides over these executive sessions.

The name of the current Lead Independent Director is posted in the Corporate Governance Section at *investors.simon.com*. The Board's Lead Independent Director is appointed by the Independent Board members and the effectiveness of the Lead Independent Director shall be discussed in the Proxy Statement provided to stockholders in connection with each annual meeting.

In March, 2014, we amended and restated our Governance Principles to strengthen the role of the Lead Independent Director. The Lead Independent Director performs the duties specified in these Governance Principles and such other duties as are assigned from time to time by the Independent Directors of the Board.

Under these Governance Principles, the Lead Independent Director is empowered to:

preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the Independent Directors;

serve as a liaison between the Chairman and the Independent Directors;

approve information sent to the Board;

approve meeting agendas for the Board;

approve meeting schedules to assure there is sufficient time for discussion of all agenda items;

call meetings of the Independent Directors;

if requested by major stockholders, ensures that he or she is available for consultation and direct communication; and

retain outside advisors and consultants to report directly to the Board on Board-wide matters.

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COMMITTEE FUNCTION AND MEMBERSHIP

THE AUDIT COMMITTEE

Members: J. Albert Smith, Jr. (Chair), Melvyn E. Bergstein, Larry C. Glasscock, Reuben S. Leibowitz

The Audit Committee assists the Board in monitoring the integrity of our financial statements, the qualifications, independence and performance of our independent registered public accounting firm, the performance of our internal audit function and our compliance with legal and regulatory requirements. The Audit Committee has sole authority to appoint, or replace our independent registered public accounting firm and pre-approves the auditing services and permitted non-audit services to be performed by our independent registered public accounting firm, including the fees and terms thereof. The Audit Committee has authority to retain legal, accounting or other advisors. The Audit Committee reviews and discusses with management and our independent registered public accounting firm our annual audited financial statements, our quarterly earnings releases and financial statements, significant financial reporting issues and judgments made in connection with the preparation of our financial statements and any major issues regarding the adequacy of our internal controls. It also issues the report on its activities which appears on page 57 of this Proxy Statement. The charter of the Audit Committee requires that each member meet the independence and experience requirements of the NYSE, the Exchange Act and the rules and regulations of the Securities and Exchange Commission.

9 meetings during 2013, Audit Committee members attended 100% of the meetings.

The Board of Directors has determined that each of the current members of the Audit Committee qualifies as an "audit committee financial expert" as defined by rules of the Securities and Exchange Commission.

THE COMPENSATION COMMITTEE

Members: Reuben S. Leibowitz (Chair), Melvyn E. Bergstein, Allan Hubbard, Daniel C. Smith, Ph.D.

The Compensation Committee (1) sets remuneration levels for our executive officers, (2) reviews significant employee benefit programs, (3) establishes and administers our executive compensation programs and our stock incentive plan, (4) discusses with management the Compensation Discussion and Analysis, and, if appropriate, recommends its inclusion in our annual report on Form 10-K and Proxy Statement, and (5) issues the report on its activities which appears on page 19 of this Proxy Statement. The charter of the Compensation Committee requires that each member meet the independence requirements of the NYSE and the rules and regulations of the Securities and Exchange Commission.

8 meetings during 2013, Compensation Committee members attended 100% of the meetings.

The Compensation Committee has authority to retain the advice and assistance of compensation consultants and legal, accounting or other advisors. The committee retained its current consultant, Semler Brossy Consulting Group, LLC, in December 2011. Semler Brossy does not provide any other services to management of the Company. The consultant assists the committee in the review and design of our executive compensation programs. No member of the Compensation Committee during 2013 was an officer, employee or former officer of us or any of our subsidiaries or had any relationship requiring disclosure in this Proxy Statement pursuant to Securities and Exchange Commission regulations. None of our executive officers served as a member of a compensation committee or a director of another entity under the

circumstances requiring disclosure in this Proxy Statement pursuant to Securities and Exchange Commission regulations.

THE GOVERNANCE AND NOMINATING COMMITTEE

Members: Karen N. Horn, Ph.D. (Chair)
Larry C. Glasscock
Allan Hubbard
Daniel C. Smith, Ph.D.

The Governance and Nominating Committee nominates persons to serve as directors and, in accordance with our Governance Principles, proscribes appropriate qualifications for Board members. The committee develops and recommends to the Board the Governance Principles applicable to the Company and the Board, leads the Board in its annual evaluation of the Board's performance, oversees the assessment of the independence of each director, reviews compliance with stock ownership guidelines and makes recommendations regarding compensation for non-employee directors. Members of the Governance and Nominating Committee are responsible for screening director candidates, but may solicit advice from our Chief Executive Officer and other members of the Board. The Governance and Nominating Committee has the authority to retain legal, accounting or other advisors, and has sole authority to approve the fees and other terms and conditions associated with retaining any such external advisors. The charter of the Governance and Nominating Committee requires that each member meet the independence requirements of the NYSE.

4 meetings during 2013, Governance and Nominating Committee members attended 100% of the meetings.

Table of Contents**PROPOSAL 1: Election of Directors****DIRECTOR COMPENSATION****COMPENSATION OF INDEPENDENT DIRECTORS**

The Board of Directors believes that competitive compensation arrangements are necessary to attract and retain qualified Independent Directors. The key components of our current Independent Director compensation program are an annual cash retainer, cash fees for meeting attendance, annual restricted stock grants and additional compensation to committee chairs and the Lead Independent Director.

During 2013, we paid each Independent Director an annual cash retainer of \$70,000 and restricted stock award with a grant date value of \$82,500. We also paid each Independent Director a fee of \$2,000 for attending each Board meeting and \$1,500 for attending each committee meeting.

Independent Directors who serve as chairpersons of standing committees receive an additional annual cash fee of \$10,000 and a restricted stock award with a grant date value of \$10,000 (in the case of the Audit and Compensation Committees) or \$7,500 and a restricted stock award with a grant date value of \$7,500 (in the case of the Governance and Nominating Committee). In addition, the Lead Independent Director receives an annual cash fee of \$12,500 and a restricted stock award with a grant date value of \$12,500.

DIRECTOR OWNERSHIP GUIDELINES

We have a stringent stock retention policy that further aligns our Board of Directors' interests with our stockholders. Each of our Independent Directors is required to own not less than 3,000 shares of our common stock or units of the Operating Partnership within two years after he or she is initially elected to the Board and not less than 5,000 shares of our common stock within three years from such date. At current market prices, these guidelines equate to 6 times and 11 times of our annual cash retainer, respectively.

In addition, our Independent Directors are required to hold vested restricted stock awards, together with all dividends paid on such awards, in the director account of our deferred compensation plan until the director retires, dies or becomes disabled, or otherwise no longer serves as a director.

Any director who is prohibited by law or by applicable regulation of his or her employer from having an ownership interest in our securities will be exempt from this requirement until the restriction is lifted, at which time he or she will have the following two-year and three-year periods to comply with the ownership guidelines. Stock options and unvested shares of restricted stock do not count toward these goals. As of March 14, 2014, all of our Independent Directors were in compliance with the ownership guidelines.

2013 INDEPENDENT DIRECTOR COMPENSATION

The following table sets forth information regarding the compensation we paid to our Independent Directors for 2013:

NAME (a)(1)	FEES		TOTAL (\$)(h)
	EARNED OR PAID IN CASH (\$)(b)	STOCK AWARDS(2) (\$) (c)	
Melvyn E. Bergstein	112,000	82,500	194,500
Larry C. Glasscock	101,500	82,500	184,000
Karen N. Horn Ph.D.	95,500	90,000	185,500
Allan Hubbard	104,500	82,500	187,000
Reuben S. Leibowitz	122,000	92,500	214,500
Daniel C. Smith, Ph.D.	104,500	82,500	187,000
J. Albert Smith, Jr.	118,000	105,000	223,000

(1)

David Simon, Richard S. Sokolov and Herbert Simon, who were also directors during 2013, are not included in this table because they did not receive any additional compensation for their service as directors. In 2013, Herbert Simon received \$100,000 in employment compensation for his service as our Chairman Emeritus. The compensation received by David Simon and Richard Sokolov is shown in the Summary Compensation Table in the Proxy Statement.

(2)

Represents the ASC 718 grant date fair value of the restricted stock awards to the directors. Restricted stock awards granted to directors must be held in the director deferred compensation account and dividends on the restricted shares must be reinvested in additional shares of common stock which also must be held in the director deferred compensation account. Two of our directors elected to defer their cash compensation and reinvest it in common stock beginning in the first quarter of 2014. These shares are the only other assets in the director deferred compensation account.

The following table sets forth the aggregate number of shares of our restricted common stock held by each Independent Director as of December 31, 2013.

NAME OF INDEPENDENT DIRECTOR	NUMBER OF SHARES OF RESTRICTED STOCK(1)
Melvyn E. Bergstein	11,058
Larry C. Glasscock	2,811
Karen N. Horn, Ph.D.	9,887
Allan Hubbard	4,300
Reuben S. Leibowitz	8,164
Daniel C. Smith, Ph.D.	4,300
J. Albert Smith, Jr.	13,350

(1)

The amounts shown above do not include shares acquired from the reinvestment of dividends which is required and as explained in footnote (2) above and do not include other shares owned by non-employee Directors. See, Ownership of Equity Securities of the Company by Directors and Officers on page 17.

Table of Contents**PROPOSAL 1: Election of Directors****OWNERSHIP OF EQUITY SECURITIES OF THE COMPANY BY DIRECTORS AND EXECUTIVE OFFICERS**

As of March 14, 2014, the director nominees and executive officers identified below:

Owned beneficially the indicated number and percentage of common shares and Class B common stock treated as a single class; and

Owned beneficially the indicated number and percentage of units which are exchangeable for common shares on a one-for-one basis or cash, as determined by the Company. The number of units includes earned and fully vested performance based LTIP units which are convertible at the option of the holder into units on a one-for-one basis.

Unless otherwise indicated in the footnotes to the table, shares or units are owned directly and the indicated person has sole voting and investment power.

NAME	SHARES AND UNITS BENEFICIALLY OWNED		UNITS BENEFICIALLY OWNED		ADDITIONAL INFORMATION
	NUMBER(1)(2)	PERCENT(3)	NUMBER	PERCENT(4)	
David Simon	26,701,762	7.95%	25,126,042	6.91%	Includes common shares, shares of Class B common stock and units beneficially owned by the MSA group. See "PRINCIPAL STOCKHOLDERS."
Melvyn E. Bergstein	27,489	*			
Larry C. Glasscock	6,536	*			
Karen N. Horn, Ph.D.	12,008	*			
Allan Hubbard	8,631	*			
Reuben S. Leibowitz	30,190	*			Does not include 6,000 shares of common stock held by charitable foundations of which Mr. Leibowitz is an officer or trustee. Mr. Leibowitz disclaims beneficial ownership of these shares.
Daniel C. Smith, Ph.D.	6,408	*			
J. Albert Smith, Jr.	32,414	*			
Herbert Simon	26,701,762	7.95%	25,126,042	6.91%	Includes common shares, shares of Class B common stock and units beneficially owned by the MSA group. See "PRINCIPAL STOCKHOLDERS."
Richard S. Sokolov	534,353	*	186,407	*	

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Stephen E. Sterrett	201,746	*	107,040		* Includes 32,000 vested LTIP units owned by a trust for the benefit of Mr. Sterrett's spouse who also serves as trustee of the trust. Mr. Sterrett disclaims beneficial ownership of these LTIP units.
James M. Barkley	196,328	*	107,040		*
David J. Contis	26,163	*			
All Directors and executive officers as a group (13 people)	27,784,028	8.27%	25,526,529	7.02%	Does not include 4,172,426 units beneficially owned by or for the benefit of Simon family members as to which members of the MSA group do not have voting or dispositive power.

*

Less than one percent

(1)

Includes the following common shares that may be issued upon exchange of units (including vested LTIP units) held by the following persons on March 14, 2014: David Simon, Herbert Simon and other members of the MSA group (as defined in the Principal Stockholders table on page 18 25,126,042; Richard S. Sokolov 186,407; Stephen E. Sterrett 107,040; James M. Barkley 107,040; and all directors and executive officers as a group 25,526,529. Units are exchangeable either for common shares (on a one-for-one basis) or for cash.

(2)

Includes the following restricted shares which are subject to vesting requirements: Melvyn E. Bergstein 466; Larry C. Glasscock 466; Karen N. Horn, Ph.D. 508; Allan Hubbard 466; Reuben S. Leibowitz 522; Daniel C. Smith, Ph.D. 466; J. Albert Smith, Jr. 593; David J. Contis 11,213; and all directors and executive officers as a group 14,700. Includes shares acquired through the reinvestment of dividends on common shares held in the Director Deferred Compensation Plan.

(3)

At March 14, 2014, there were 310,650,536 shares of common stock and 8,000 shares of Class B common stock outstanding. Upon the occurrence of certain events, shares of Class B common stock convert automatically into common shares (on a one-for-one basis). These percentages assume the exchange of units for common shares only by the applicable beneficial owner.

(4)

At March 14, 2014, Simon Property Group, L.P. had 363,480,966 units outstanding of which we owned, directly or indirectly, 310,658,536 or 85.5%. These percentages assume that no units held by limited partners are exchanged for common shares. The number of units shown does not include any unvested LTIP units awarded under a long-term incentive performance program as described in the "COMPENSATION DISCUSSION AND ANALYSIS" section of this Proxy Statement because the unvested LTIP units are subject to performance and/or time-based vesting requirements.

SIMON PROPERTY GROUP 2014 PROXY STATEMENT 17

Table of Contents**PROPOSAL 1: Election of Directors****OWNERSHIP OF EQUITY SECURITIES OF THE COMPANY****PRINCIPAL STOCKHOLDERS**

The following table sets forth certain information concerning each person (including any group) known to us to beneficially own more than five percent (5%) of any class of our voting securities as of March 14, 2014. Unless otherwise indicated in the footnotes, shares are owned directly and the indicated person has sole voting and investment power.

NAME AND ADDRESS	SHARES(1)	
	NUMBER OF SHARES	%
The Vanguard Group(2) 100 Vanguard Boulevard Malvern, PA 19355	37,060,498	11.93%(3)
Melvin Simon & Associates, Inc., et al.(4) 225 West Washington Street Indianapolis, IN 46204	26,701,762(5)	7.95%(6)
BlackRock Inc.(8) 40 East 52nd Street New York, NY 10022	24,332,474	7.83%(3)
Cohen & Steers, Inc., et al.(7) 280 Park Avenue, 10th Floor New York, NY 10017	21,391,376	6.89%(3)

- (1) Voting shares include shares of common stock and Class B common stock. Upon the occurrence of certain events, Class B common stock converts automatically into shares of our common stock (on a one-to-one basis). The amounts in the table also include shares of common stock that may be issued upon the exchange of units of limited partnership interest, or units of Simon Property Group, L.P., or the Operating Partnership, that are exchangeable either for shares of common stock (on a one-to-one basis) or for cash.
- (2) Based solely on information provided by The Vanguard Group and Vanguard Specialized Funds - Vanguard REIT Index Fund in two Schedule 13G/As filed with the Securities and Exchange Commission on February 11, 2014 and February 14, 2014, respectively. The Vanguard Group has the sole power to vote 892,294 shares of common stock and dispose of 36,313,444 shares, including 20,980,608 shares reported by Vanguard REIT Index Fund, and shared power to dispose of 747,054 shares.
- (3) Based on the assumption that the principal shareowner continued to own the number of shares reflected in the table above on March 14, 2014.
- (4) This group, or the MSA group, consists of Melvin Simon & Associates, Inc., or MSA, David Simon, Herbert Simon, two voting trusts, The Melvin Simon Family Enterprise Trust Agreement originally dated October 28, 1990, as amended and restated, or the Melvin Simon Trust, and other entities and trusts controlled by or for

the benefit of MSA, David Simon or Herbert Simon. David Simon is an executive officer and director and Herbert Simon is one of our directors. MSA is owned 69.06% by the Melvin Simon Trust and 30.94% by a trust for the benefit of Herbert Simon. A total of 890,120 common shares included in the amount reported for the group and 8,000 shares of Class B common stock are subject to the two voting trusts as to which David Simon and Herbert Simon are the voting trustees. The Melvin Simon Trust disclaims being party to any group.

- (5) Includes 1,575,720 common shares currently outstanding; 25,126,042 common shares issuable upon exchange of units; and 8,000 shares of Class B common stock. Includes 31,869 units held by the Melvin Simon Trust. Does not include 4,172,426 units that are held by or for the benefit of Simon family members as to which MSA, David Simon or Herbert Simon do not have voting or dispositive power.
- (6) Assumes the exchange of units by the subject holder only.
- (7) Based solely on information provided by Cohen & Steers, Inc., Cohen & Steers Capital Management, Inc. and Cohen & Steers UK Limited in a Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2014. Cohen & Steers, Inc., has the sole power to vote 11,796,757 shares of common stock and to dispose of 21,391,376 shares; Cohen & Steers Capital Management, Inc. has the sole power to vote 11,693,861 shares of common stock and to dispose of 21,180,361; and Cohen & Steers UK Limited, has the sole power to vote 102,896 shares of common stock and to dispose of 211,015 shares.
- (8) Based solely on information provided by BlackRock, Inc. in a Schedule 13G/A filed with the Securities and Exchange Commission on January 30, 2014.

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PROPOSAL 2: Advisory Vote to Approve Executive Compensation

In accordance with SEC rules, our stockholders are being asked to approve, on an advisory or non-binding basis, the compensation of our NEOs as disclosed in this Proxy Statement.

In 2013, the 2011 CEO Retention Agreement was modified to include performance based thresholds comprised of Funds from Operations (FFO) performance targets and to include a "double trigger" change in control vesting provision.

The 2013 annual base salaries for our CEO and all of our NEOs did not increase from the amounts that were approved in 2012. In addition, Annual Cash Incentive Compensation earned in 2013 was reduced from 2012 for our CEO and for all of our NEOs, with the exception of one NEO. Also, the grant date fair value of the LTIP units awarded to our CEO in 2013 was reduced.

Our compensation programs are designed to facilitate long-term stockholder value creation. Our focus on pay-for-performance and on corporate governance ensures alignment with the interests of stockholders.

Our alignment with stockholder interests is demonstrated in the shift over the last three years to include a higher percentage of performance based compensation in the pay mix for our NEOs. The percentage of our CEO's non-cash performance based compensation increased from 50% in 2011 to 74% in 2013.

Similarly, the percentage of non-cash performance based compensation for our other NEOs increased from 58% to 73% over the same 3-year period.

We are asking for stockholder approval of the compensation of our NEOs as disclosed in this Proxy Statement. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the policies and practices described in this Proxy Statement.

We will evaluate whether any actions are necessary to address significant concerns as a result of this advisory vote. We currently conduct annual advisory votes on executive compensation, and we expect to conduct the next advisory vote at our 2015 Annual Meeting of Stockholders.

The Board of Directors Unanimously Recommends that Stockholders Vote FOR the approval of our Executive Compensation.

COMPENSATION COMMITTEE REPORT

In 2013, we continued our active engagement with stockholders, building upon the direct Committee outreach that began in 2012. Our Committee engaged stockholders owning more than 58% of our outstanding common shares in face-to-face discussions, conference calls and/or written communications.

The Committee and our CEO took action in 2013 to modify the 2011 CEO Retention Agreement, and took the following additional actions:

- (1) include performance based thresholds comprised of Funds from Operations (FFO) performance,
- (2) include a "double trigger" change in control vesting provision, and
- (3) increase the transparency around the processes we use to determine the Annual Cash Incentive compensation for our Executive Officers.

The Committee has also recently amended the Simon Property Group, L.P. 1998 Stock Incentive Plan to limit the number of shares of common stock of the Company that may be subject to all types of awards made to any participant during a calendar year at, in the aggregate, 600,000 for 2014 and 500,000 thereafter (minus the number of shares subject to any other award made to such participant during such year). The recent amendments also set the aggregate number of shares of the Company's common stock available for awards under the 1998 Stock Incentive Plan at 16,300,000 and provide that awards of performance units must be based on the attainment of specified performance goals over a performance

cycle (and, consequently, delete a requirement that performance units based solely on completion of a period of service must have a minimum period of service of thirty-six (36) months).

The Committee believes that appropriate actions were taken in 2013 to address stockholder interests and to ensure a strong alignment between our stockholders, our performance, and our executive compensation program.

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COMPENSATION COMMITTEE REPORT

Additional details about our performance, the executive compensation program design, and changes made during 2013 are discussed in the "COMPENSATION DISCUSSION AND ANALYSIS" section below.

CHANGES TO CHIEF EXECUTIVE OFFICER COMPENSATION

The Committee and our CEO modified the 2011 CEO Retention Agreement to require the attainment of Company-based FFO performance goals, in addition to Mr. Simon's continued employment, as conditions to earning of the award as further discussed on page 28.

Our CEO's annual base salary in 2013 did not increase from his 2012 annual base salary.

Our CEO's 2013 Annual Cash Incentive compensation was reduced from the amount of his 2012 Annual Cash Incentive Compensation.

We reduced the amount of 2013-2015 LTIP units to our CEO. In addition, the amount of the 2014-2016 LTIP units to our CEO was reduced.

The Committee and our CEO also added a "double trigger" change in control vesting requirement to the 2011 CEO Retention Agreement.

CHANGES TO NAMED EXECUTIVE OFFICERS' COMPENSATION

Our NEOs' annual base salaries in 2013 did not increase from their 2012 annual base salaries.

Our NEOs' 2013 Annual Cash Incentive compensation was reduced from the amount of their 2012 Annual Cash Incentive Compensation, for all but one of our NEOs.

We formally incorporated a performance based annual FFO per share goal into the Annual Cash Incentive Compensation program. No executive officer will be eligible to receive a payout from our Annual Cash Incentive Compensation program unless the Company achieves certain pre-determined annual FFO per share goals.

We provided additional transparency by disclosing the methodology we use to determine individual awards paid under our Annual Cash Incentive program.

We reduced or held flat the grant date fair value of the LTIP units awarded to all but one of our NEOs in 2013.

The Committee held eight meetings during 2013. The meetings were designed, among other things, to facilitate and encourage free and frank discussion among Committee members, executive management, our compensation consultant and other Company personnel involved in executive compensation matters.

The Committee reviewed and discussed with management the COMPENSATION DISCUSSION AND ANALYSIS section included in this Proxy Statement. Based on its review and these discussions with management, the Committee recommended to the Board of Directors that it be

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incorporated by reference into the Company's annual report on Form 10-K for the fiscal year ended December 31, 2013, and included in the Proxy Statement for the 2014 Annual Meeting of Stockholders. The Committee remains committed to ongoing engagement and dialogue with our stockholders in the future.

The Compensation Committee:

Reuben S. Leibowitz, Chairman
Melvyn E. Bergstein
Allan Hubbard
Daniel C. Smith, Ph.D.

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COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

The Company performed well in 2013, producing excellent operational and financial results. A summary of our key milestones:

We reached new highs in 2013 for consolidated revenue and Funds From Operations, or FFO: Consolidated revenue increased 5.9% to \$5.17 billion; Net income was \$1.316 billion; and FFO increased to \$3.206 billion, or \$8.85 per diluted share, a year over year increase of 10.9%.

We increased our operating margin by 60 basis points and continue to operate at the highest net operating income (NOI) margin among our regional mall peers.

We also were very active in the capital markets: we were upgraded by both Standard and Poor's and by Moody's, we successfully issued our first Euro-denominated bonds, and we closed or locked rates on 30 secured debt transactions with a weighted average interest rate of 3.31%.

The Company has had outstanding total stockholder return, or "TSR", performance over the past 3, 5 and 10 year periods. In fact, we have outperformed the S&P 500 12 times in the last 14 years. Our use of absolute and relative TSR performance metrics over a three-year performance period is a significant way to incent the performance of our executives and is reflected in the design of our Long-Term Incentive Plan. Our TSR in 2013 was relatively flat and the Compensation Committee considered this in connection with the 2013 Annual Incentive Compensation awards made to our NEOs, including our CEO.

At our 2013 Annual Meeting, stockholders approved our advisory vote on executive compensation ("Say on Pay"). Over the remainder of 2013 and in early 2014, the Compensation Committee continued its rigorous stockholder outreach by engaging with stockholders owning more than 58% of our outstanding common shares in face-to-face discussions, conference calls and/or written communications.

The input received during this engagement was taken into consideration by our Compensation Committee in discussing the modifications made to our programs in 2013. The Compensation Committee believes that appropriate actions were taken in 2013 to address stockholder interests and to ensure a strong alignment between our stockholders and our executive compensation programs. The Compensation Committee is confident that our executive compensation program is appropriately designed to incent strong performance over the longer term.

FEEDBACK FROM STOCKHOLDER OUTREACH

We believe that our ongoing stockholder outreach process strengthens our compensation program, as well as our understanding of our stockholders' concerns and the issues on which they are focused. Between the publication of our 2013 Proxy and the publication of this 2014 Proxy, our Compensation Committee Chairman had face-to-face discussions, teleconferences, and/or written correspondence with stockholders owning more than 58% of our outstanding common shares. The Compensation Committee received input from our stockholders and diligently and carefully considered the input before implementing design changes and increasing the transparency in our executive compensation programs during 2013. As stated in our Proxy last year, we intend to continue to make this outreach a priority to ensure continued alignment between our programs and our stockholders' interests.

We continue to receive positive feedback regarding our executive compensation programs. The Compensation Committee has seriously considered the opinions expressed by advisory firms and stockholders and has included that feedback in to its decision making processes. The Compensation Committee believes that the addition of performance goals in the 2011 CEO Retention Agreement and the rigorous performance goals set in our other long term incentive programs appropriately align our executives' pay with the interests of our stockholders and that our executive compensation program is designed in the best interests of the Company and our stockholders.

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COMPENSATION DISCUSSION AND ANALYSIS

We received stockholder input and provide the following responses outlined below:

FEEDBACK ON CEO'S EMPLOYMENT AGREEMENT COMPENSATION COMMITTEE'S RESPONSE

The 2011 CEO Retention Agreement was not tied to performance conditions.

In 2013 we added performance criteria.

The performance criteria in the 2011 CEO Retention Agreement are designed to incent Mr. Simon to continue the Company's outstanding performance achieved under his leadership.

The performance criteria in the 2011 CEO Retention Agreement are also designed in the interest of aligning the modified award with the Company's pay-for-performance philosophy, which has been instrumental in the creation of exceptional long-term stockholder value.

Some stockholders wanted the Compensation Committee and Mr. Simon to consider a modification to double trigger for the 2011 CEO Retention Agreement.

We modified the 2011 CEO Retention Agreement to include a double trigger vesting provision upon change in control, which requires both a change in control and a termination based on a material change in the CEO's employment circumstance before any acceleration of the 2011 CEO Retention Agreement.

STOCKHOLDER/GOVERNANCE FRIENDLY ASPECTS OF THE CURRENT PROGRAM

WHAT WE DO

Pay for Performance Annual Cash Incentive Program. *Heavy emphasis on performance based compensation. Annual Cash Incentive compensation is paid only if certain FFO targets are achieved.*

Pay for Performance LTIP Plan*Our Long-Term Incentive Plan (LTIP) is 100% performance based and is tied to rigorous absolute (weighted 20%) and relative (weighted 80%) stock price performance goals.*

Our 2011 CEO Retention Agreement is based

WHAT WE DON'T DO

No Annual Grants of Time-Vested Restricted Stock or Options *to our NEOs.*

No Excess Perquisites and No Gross-Ups. *No supplemental executive retirement plans, company cars, club memberships or other significant perquisites.*

Limited Retirement and Health Benefits. *The Company has never had a traditional or defined benefit plan.*

on FFO performance in addition to service requirements.

A significant majority of our NEO compensation is "at-risk" based on performance. For 2013, 92.3% of our CEO's total direct compensation and 88.9% of our other NEO total direct compensation is variable and performance based.

Stock Ownership Guidelines. *Recently increased ownership guidelines for the CEO and other NEOs, from 4x to 6x and 2x to 3x base salary, respectively. In addition, all non-employee Directors must hold common stock while they serve as a Director.*

Double Trigger Equity Acceleration Upon a Change in Control. *Beginning with 2013 grants and included in our 2011 CEO Retention Agreement. During 2014, we intend to amend earlier equity grants to include similar double trigger provisions.*

Clawback Policy. *That applies in the event of any material restatement of Company's financials beginning in FY2012, whether or not fraud/misconduct is involved.*

Independent Compensation Consultant. *The Compensation Committee has utilized an independent compensation consulting firm, Semler Brossy, since the start of 2012.*

Compensation Risk Assessments. *Conducted annually to ensure the executive compensation program does not encourage excessively risky behaviors.*

No Hedging or Pledging of Company Stock. *None of our NEOs or directors has engaged in the practice of hedging or pledging Company stock.*

No Gross-Ups for Excess Parachute Payments. *We have never had any arrangements requiring us to gross-up compensation to cover taxes owed by the executives, including excise taxes payable by the executive in connection with a change in control.*

No Non-Performance Based Units. *We amended our stock incentive plan to require that awards of performance units, including LTIP units, must be conditioned upon attainment of performance goals, unless stockholders vote to approve non-performance-based units.*

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COMPENSATION DISCUSSION AND ANALYSIS

HOW PAY ALIGNS WITH PERFORMANCE

SUMMARY OF 2013 COMPANY PERFORMANCE

2013 was an outstanding year from a performance perspective. Some of the key accomplishments that the Compensation Committee considered in setting compensation levels included:

2013 FFO of \$8.85 per diluted share, well above our original guidance for 2013 of \$8.40 to \$8.50 per share;

Increased net operating margin by 60 basis points;

Completion of a number of significant capital market transactions;

Continued international expansion; and

We continue to have strong absolute and relative TSR performance over the long term. SPG has outperformed the RMS and S&P 500 in 12 of the last 14 years, and has delivered a compounded annual return to stockholders of 16% since its December 1993 IPO and for a total return of 1,915%. The Company has had outstanding total stockholder return, or "TSR", performance over the past 3, 5 and 10 year periods. Our use of absolute and relative TSR performance metrics over a three-year performance period is a significant way to incent the performance of our executives and is reflected in the design of our Long-Term Incentive Plan.

GROWTH IN FFO PER SHARE

The following "Growth in FFO per Share" chart demonstrates our absolute performance over the past three years as measured by FFO, providing a clear indication of our continued ability to deliver growth which we believe places us in the best position to create stockholder value over the long term. Our TSR in 2013 was relatively flat and the Compensation Committee considered this in connection with the 2013 Annual Incentive Compensation awards made to our NEOs, including our CEO.

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COMPENSATION DISCUSSION AND ANALYSIS

SPG'S TOTAL STOCKHOLDER RETURNS HAVE OUTPERFORMED FOR THE PAST 3, 5 AND 10 YEAR PERIODS

(1) RMS is the MSCI U.S. REIT Index.

The TSR graph above shows that our relative performance in total stockholder return has been compelling over the past three, five and ten year periods. It compares the compound annual return on our common stock (SPG) versus two key benchmarks, the S&P 500 Index and the MSCI U.S. REIT Index (RMS).

ALIGNMENT OF PAY WITH PERFORMANCE

Based on our continued strong performance, the Compensation Committee made compensation decisions for 2013 in line with our pay-for-performance philosophy:

Base salaries were unchanged from the 2012 levels in order to rely more heavily on the performance-oriented components of our compensation program.

Annual Cash Incentive Compensation was awarded at reduced levels from 2012. Mr. Simon's 2013 Annual Cash Incentive compensation was reduced and paid out at 75% of his 2012 payment. In total, Annual Cash Incentive Compensation for the remaining NEOs paid out at 88% of 2012 levels.

Our Long-Term Incentive Plan (LTIP) for 2011-2013 was earned at 100% of units granted as a direct result of our 3 year (2011-2013) TSR performance. Our absolute TSR over the three-year period was 67%, and we outperformed both the MSCI US REIT Index (30.68% increase) and the S&P 500 Index (53.29% increase), over the same three-year period, by 36 percentage points and 13 percentage points, respectively. The results of our 2011-2013 LTIP are the basis for the increase in the amounts of 2013 TDC.

Our philosophy of pay for performance has been consistent over time. Our executive compensation program is designed to ensure pay outcomes align with our operating, financial and market performance in both good and challenging times. Although we do not target a specific mix of pay, we deliver the majority of our compensation in the form of variable pay (annual and long-term incentives) to emphasize our commitment to

rewarding excellent performance or penalizing poor performance. In 2013, performance based components comprised 92% of our CEO's pay (TDC) and 89% of our other NEOs' pay (TDC).

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COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE TOTAL DIRECT COMPENSATION MIX

A significant majority of our NEO compensation is "at-risk" based on performance. For 2013, 92% of our CEO's total direct compensation and 89% of our other NEO Total Direct Compensation (TDC) was variable and performance based. Since 2011, we increased our CEO's non-cash performance based compensation from 50% of TDC to 74% of TDC. We also increased the non-cash performance based compensation for our other NEOs from 58% to 73% over the same 3-year period.

Annual Cash Incentive Compensation is paid subject to achievement of our annual financial and operating goals and on an assessment of the executives' performance against individual and company performance goals.

Our CEO's 2013 Annual Cash Incentive compensation was reduced from the amount of his 2012 Annual Cash Incentive Compensation.

Our NEOs' 2013 Annual Cash Incentive compensation was reduced from the amount of their 2012 Annual Cash Incentive Compensation, with the exception of one of our NEOs.

For more information, see page 28.

PERFORMANCE BASED LTIPS

Our LTIPs (other than under the 2011 CEO Retention Agreement) are earned based on three-year TSR performance on both an absolute basis and relative to the S&P 500 Index and to the MSCI U.S. REIT Index. LTIPs have a two-year post-performance service vesting requirement. For more information see page 29.

SUBSTANTIAL INCREASE IN PERFORMANCE BASED PAY FROM 2011-2013

Based on the pay outcomes relative to performance and the Compensation Committee's assessment of the overall design of our compensation programs, including the recent changes we have made to our compensation practices, the Compensation Committee believes that our executive officers' pay is well-aligned with our stockholders' interests.

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COMPENSATION DISCUSSION AND ANALYSIS

OBJECTIVES OF OUR EXECUTIVE COMPENSATION PROGRAM

Our executive compensation program is designed to accomplish the following objectives:

Retain a group of highly-experienced executives who have worked together as a team for a long period of time and who make major contributions to our success.

Attract other highly qualified executives to strengthen that team.

Motivate executives to contribute to the achievement of corporate and business unit goals as well as individual goals.

Emphasize equity-based incentives with long-term performance measurement periods and vesting conditions.

Align interests of executives with stockholders by linking payouts to performance measures that promote the creation of long-term stockholder value.

WHAT WE PAY AND WHY: PRINCIPAL ELEMENTS OF COMPENSATION

To accomplish our compensation objectives, we designed an executive compensation program with three major elements Base Salary, Annual Cash Incentive Compensation and Performance Based Long-Term Incentive Program.

	OBJECTIVES	KEY FEATURES
Base Salary	Provide an appropriate level of fixed compensation that will promote executive recruitment and retention.	Fixed compensation.
Annual Cash Incentive Compensation	Reward achievement of our annual financial and operating goals based on the Compensation Committee's quantitative and qualitative assessment of the executives' contributions to that performance.	Variable, short-term cash compensation. Funded upon achievement of threshold FFO level.
Performance Based Long-Term Incentive Program	Promote the creation of long-term stockholder value.	Allocated based on objective and subjective evaluation of Company, business unit, and individual performance. Variable, performance based long-term equity compensation.

Align the interests of our executives with the interests of our stockholders.

Amount is earned over a 3-year Performance Period based on

Promote the retention of our executives through multi-year service vesting requirements after they are earned.

Absolute TSR (weighted 20%);

Relative TSR (weighted 80%)

MSCI U.S. REIT Index (RMS); and

TSR Relative to S&P 500 Index.

Additional two years of service-vesting.

Maximum amount that may be earned is 100% of the target amount of performance based LTIP units awarded.

The Compensation Committee monitors the effectiveness of our compensation program on an ongoing basis. For these plans to be effective, we believe it is necessary for our compensation to be competitive with other real estate companies and also with other large public and private enterprises with which we compete for executive talent. The Compensation Committee will continue to study and implement improvements to our compensation practices.

ROLE OF MANAGEMENT IN COMPENSATION DECISIONS

Our Chief Executive Officer provides recommendations to the Compensation Committee on the compensation of each of the other executive officers. The Chief Executive Officer develops recommendations using third-party data, assessments of executives' personal performance and achievement of the Company's strategic and tactical plans, and input from our human resources department on various factors (e.g., compensation history, tenure, responsibilities, market data for competitive positions and retention concerns). The Compensation Committee considers our Chief Executive Officer's recommendations together with the input of our independent compensation consultant; however, all final compensation decisions affecting executive officer pay are made by the Compensation Committee itself. Additionally, all aspects of the Chief Executive Officer's compensation and resulting compensation decisions are determined by the Compensation Committee.

COMPANY PEER GROUP AND COMPENSATION ASSESSMENT

In December 2012, the Compensation Committee adopted an industry peer group to use as another source of data to consider in assessing and determining pay levels for our executive officers. Developing a relevant peer group is challenging for the Company because there are no retail REITs of comparable size, complexity and breadth. Non-retail REITs are not always as directly comparable to us because of the different underlying business fundamentals. Therefore, we do not intend to explicitly target pay opportunities

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or actual pay to a specific positioning against these companies; rather, this peer group is intended to provide the Compensation Committee, stockholders and proxy advisory firms with insight into overall market pay levels, market trends, "best" governance practices, and overall industry performance. We confirmed the use of this peer group by considering the methodology used by Institutional Shareholder Services, or "ISS."

The peer group is comprised of the 16 largest companies in the Real Estate industry by Market Capitalization with some restrictions to maintain a balanced mix. Specifically, the group includes:

The six largest (by market capitalization) retail REIT companies;

The six largest (by market capitalization) non-retail REITs (excluding all retail REITs); and

The four largest companies from the broader Real Estate Industry.

The Compensation Committee will continue to review our peer group annually in future years. The table below shows market capitalization and revenues for each of our peer group companies for 2013. Simon's market capitalization at the end of 2013 was \$47.3 billion and assets were \$33.3 billion.

COMPANY PEER GROUP	MARKET CAPITALIZATION (000,000s OMITTED) (12/31/13)	ASSETS (000,000s OMITTED) (12/31/13)	COMPANY TYPE
Simon Property Group (NYSE:SPG)	\$ 47,262	\$ 33,325	Retail REITs
American Tower Corporation (NYSE:AMT)	\$ 31,518	\$ 20,273	Specialized REITs
Public Storage (NYSE:PSA)	25,856	9,876	Specialized REITs
Equity Residential (NYSE:EQR)	18,698	22,835	Residential REITs
General Growth Properties, Inc. (NYSE:GGP)	18,288	25,762	Retail REITs
Ventas, Inc. (NYSE:VTR)	16,851	19,731	Specialized REITs
HCP, Inc. (NYSE:HCP)	16,597	20,076	Specialized REITs
Annaly Capital Management (NYSE:NLY)	9,446	81,922	Mortgage REITs
CBRE Group, Inc. (NYSE:CBG)	8,730	6,998	Real Estate Services
The Macerich Company (NYSE:MAC)	8,288	9,075	Retail REITs
Kimco Realty Corp. (NYSE:KIM)	8,092	9,664	Retail REITs
Realty Income Corporation (NYSE:O)	7,745	9,924	Retail REITs
Realogy Holdings Corp. (NASDAQ:RLGY)	7,229	7,326	Real Estate Services
Federal Realty Investment Trust (NYSE:FRT)	6,764	4,219	Retail REITs
Jones Lang LaSalle Incorporated (NYSE:JLL)	4,551	4,597	Real Estate Services
Taubman Centers, Inc. (NYSE:TCO)	4,033	3,506	Retail REITs
Forest City Enterprises, Inc. (NYSE: FCEA)	3,111	10,612	Real Estate Operating Companies

COMPENSATION IN 2013

The Compensation Committee made decisions impacting the compensation paid to our NEOs as reported in the 2013 Summary Compensation Table. These include: base salaries, Annual Cash Incentive compensation for 2013 performance, and long-term equity incentive opportunities in the form of performance based LTIP unit awards.

In addition to making changes to the 2011 CEO Retention Agreement in 2013, the Compensation Committee kept annual base salaries unchanged from 2012 to 2013 and decreased Annual Incentive Compensation payments for all but one of the NEOs for 2013. The Compensation Committee formalized the process for determining performance based payouts under the Annual Cash Incentive compensation program as described under the "NEO Annual Cash Incentive Compensation" section.

The 2013-2015 performance based LTIP units awarded in 2013 have a three-year performance measurement period and are then subject to a two-year vesting requirement. Because of the multiple-year performance timeframe, the Compensation Committee does not consider these awards as 2013 compensation, but rather views them as "at-risk" compensation subject to conditions that must be met in order for the executive to realize any value from the awards. However, the rules of the Securities and Exchange Commission require us to include all LTIP units awarded in 2013 as 2013 compensation in the Summary Compensation Table.

In making decisions in 2013, the Compensation Committee took into account each NEO's individual performance goals and objectives for our annual cash incentive compensation program and its assessment of the executives' contributions to the

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performance of the Company. In particular, the Compensation Committee considered the Company's performance and achievements as discussed above under the "Executive Summary" section of the COMPENSATION DISCUSSION AND ANALYSIS.

CEO COMPENSATION CHANGES IN 2013**The Compensation Committee Approved and David Simon Agreed to Modifications to the 2011 CEO Retention Agreement to Include Performance Goals**

The Compensation Committee, together with Mr. David Simon, our CEO, took steps during 2013 to modify the 2011 CEO Retention Agreement to require the attainment of Company-based performance goals, in addition to Mr. Simon's continued employment, as conditions to vesting of the award. The performance criteria in the modified award are designed to incent Mr. Simon to continue and improve upon the Company's outstanding performance achieved under his leadership, and in the interest of aligning the modified award with the Company's pay-for-performance philosophy, which has been instrumental in the creation of exceptional long-term stockholder value. Generally, to earn 100% of the award, the Company must achieve certain Funds From Operations (FFO) performance goals as summarized in the chart below.

The Compensation Committee and the CEO also added "double trigger" vesting provisions to the 2011 CEO Retention Agreement.

As stated above, the Compensation Committee and our CEO modified the 2011 CEO Retention Agreement in 2013. The performance criteria now applicable to the modified award are summarized in the table below:

Summary of 2011 CEO Retention Agreement Performance Conditions

GRANT DATE	TARGET UNITS(5)	PERFORMANCE PERIOD	FFO REQUIRED TO EARN 50%(2)(3)	FFO REQUIRED TO EARN 100%(2)(3)	VESTING DATE(4)
December 31, 2013	360,000	2015	\$ 8.07	\$ 8.86	January 1, 2018
January 1, 2014	360,000	2016	\$ 8.43	\$ 9.40	January 1, 2019
January 1, 2015(1)	280,000	2017	\$ 8.62	\$ 9.80	June 30, 2019

(1)

Pursuant to the 2011 CEO Retention Agreement, as further discussed on page 44.

(2)

Linear interpolation will be applied to determine awards between the provided ranges.

(3)

As adjusted for stock splits, spin offs and other material events impacting our FFO, as further discussed on page 45.

(4)

The 2011 CEO Retention Agreement contains a "catch up feature" which provides that any Target Units not earned for the 2015 or 2016 performance period may be earned in the subsequent performance period if FFO

exceeds the maximum required FFO for that subsequent period. For example, any units not earned in 2015 may be earned in 2016 if 2016 FFO is equal to or greater than \$9.40. This "catch up feature" does not apply to Target Units that may be granted on January 1, 2015. If Mr. Simon dies or his employment or service is terminated by us due to disability, then all of the unvested portions of the 2011 CEO Retention Award will vest automatically.

(5)

Does not include 46,439 shares of common stock that were acquired by reinvesting a portion of the funds from cash distributions on his unvested 2011 CEO Retention Agreement LTIP units in accordance with the terms of the award.

2013 NEO BASE SALARIES

During 2013, we maintained 2012 base salary levels for all of our NEOs to emphasize variable incentive pay. The Compensation Committee periodically reviews base salaries for the executive officers and makes adjustments to reflect market conditions, changes in responsibilities and merit increases.

2013 NEO ANNUAL CASH INCENTIVE COMPENSATION

The Compensation Committee rewards executives with Annual Cash Incentive Compensation for achieving the Company's financial and operating plan as well as an assessment of each individual executive officer's contributions to those achievements. Payouts under our Annual Cash Incentive Compensation program are the result of both the Company and the individuals reaching established performance targets. The Compensation Committee does not use a traditional "pool" concept for awarding annual cash incentives.

The Compensation Committee follows a 2-step process to determine what awards will be paid under the Annual Cash Incentive Compensation program each year:

1. The Company must deliver certain FFO performance during the year before any payments may be made under the plan. If threshold performance is not achieved, no payments are made. For 2013, threshold FFO performance of \$8.40 per share was achieved, so the Compensation Committee moved to step two in this process.

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COMPENSATION DISCUSSION AND ANALYSIS

2. Each individual's performance is assessed by Management and the Compensation Committee against predetermined objectives approved by the Compensation Committee early in the year. The assessment delivers a total score for each individual. Each individual's total score then determines the portion of their target Annual Incentive Compensation that has been earned.

A summary of the Executive Officers' 2013 performance objectives along with their 2013 Annual Cash Incentive Compensation payments may be found in the table below. Generally, the Compensation Committee approved lower Annual Cash Incentive Compensation.

INDIVIDUAL PERFORMANCE GOALS	2013 ANNUAL CASH INCENTIVE COMPENSATION AWARD	ANNUAL COMI
g Company to achieve FFO performance of at least \$8.40 per share ation of our development and redevelopment activity in 2013; ued international expansion; ement of successful acquisition and development activity; and ement of strategic business priorities.	\$ 3,000,000	\$
te certain NOI growth for each platform: Malls, Premium Outlets and Mills; and te strategic evaluation of certain business platforms.	\$ 1,200,000	\$
te to grow international footprint; and ent several Legal Department initiatives	\$ 825,000	\$
ement of certain balance sheet performance metrics; ate in Capital Market Activities; and te and timely filing of financial statements.	\$ 775,000	\$
ent several initiatives related to our Regional Malls platform; te certain NOI growth for the Malls platform; and e strategic operating metrics in mall platform.	\$ 950,000	\$

We typically pay Annual Cash Incentive Compensation to executive officers in February or March of the following year so the Compensation Committee has sufficient time to assess our financial performance and the executives' contributions for the preceding year.

Pursuant to David Simon's employment agreement, his target Annual Cash Incentive Compensation will be not less than 200% of his base salary. However, the Compensation Committee will determine his actual Annual Incentive Compensation, which may be more or less than target, based on his and the Company's performance.

NEO PERFORMANCE BASED LTIP PROGRAMS

The Compensation Committee believes that as the responsibilities of our executives increase, the proportion of their total compensation that is at risk and dependent on our performance should also increase. The 1998 LTIP plan authorizes a variety of awards, including stock options, restricted stock and LTIP units which represent interests in the Operating Partnership and are subject to performance conditions and/or time-based vesting requirements. Since 2010, the Compensation Committee has awarded performance based LTIP units to the NEOs. These awards require achievement of objective performance measures over three years and vest equally in two annual installments, subject to the executive maintaining employment with the Company.

LTIP units are a type of limited partnership interest issued by the Operating Partnership. Under the performance based LTIP program, LTIP units can be earned, in whole or in part, if our total stockholder return, or TSR (representing the difference between a baseline value and valuation date based on price appreciation of our common stock plus cumulative dividends we pay on our common stock without reinvestment

or compounding), exceeds the relative and absolute performance targets set by the Compensation Committee for the relevant performance period.

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The Compensation Committee believes the performance based LTIP design reflects our pay-for-performance philosophy and high expectations:

Performance requirements are rigorous, promoting long-term creation of stockholder value. For example, performance that only matches the MSCI U.S. REIT Index (RMS) or the S&P 500 will pay out at 33% of target and performance that lags the indices by more than 1% or 2%, respectively, will not result in any LTIPs being earned.

The Compensation Committee is responsible for setting performance targets each year, and expects to continue to establish challenging targets that require excellent long-term TSR performance in order to earn long-term incentive amounts.

The performance based LTIP award has a performance measurement period that measures our results over three years and requires an additional two years of pro-rata service for earned awards, ensuring longer term alignment of grants with stockholders' interests. Earned LTIP units will vest on January 1 of the second and third years following the end of the performance period, with 50% vesting each year if the participant is still a Company employee through those dates.

The number of performance based LTIP units earned is determined by the Compensation Committee at the end of the performance period using payout matrices (with linear interpolation between the specified payout percentages).

LTIP PAYOUT MATRICES

ABSOLUTE TSR		RELATIVE TSR			
WEIGHT 20%		VS. MSCI REIT INDEX		VS. S&P 500 INDEX	
PERFORMANCE	PAYOUT %	PERFORMANCE	PAYOUT %	PERFORMANCE	PAYOUT %
	OF TARGET		OF TARGET		OF TARGET
≤ 20%	0.0%	Index -1%	0.0%	Index -2%	0.0%
24%	33.3%	Index	33.3%		