

RETAIL PROPERTIES OF AMERICA, INC.
Form DEF 14A
August 01, 2012
Table of Contents

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant X

Filed by a Party other than the Registrant O

Check the appropriate box:

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

Retail Properties of America, Inc.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

Table of Contents

RETAIL PROPERTIES OF AMERICA, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Our Stockholders:

You are cordially invited to attend the 2012 Annual Meeting of Stockholders of Retail Properties of America, Inc. (the Annual Meeting). The Annual Meeting will be held on October 9, 2012 at 10:00 a.m. Central Time at the Hilton Dallas / Southlake Town Square, 1400 Plaza Place, Southlake, Texas, 76092.

The purposes of the Annual Meeting are:

- To elect eight directors, nominated by the Board of Directors, to hold office until the 2013 annual meeting and until their successors are elected and qualify;
- To approve the company's executive compensation on an advisory basis;
- To ratify the selection of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2012; and
- To transact any other business as may properly come before the meeting or any adjournments or postponements of the meeting.

The Board of Directors has fixed the close of business on July 13, 2012 as the record date for determining stockholders of record entitled to notice of and to vote at the meeting.

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

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

By order of the Board of Directors,

/s/ Dennis K. Holland
Dennis K. Holland
Secretary

Dated: July 31, 2012

Important Notice Regarding the Availability of Proxy Materials for Stockholder Meeting To Be Held on October 9, 2012:

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

Table of Contents

TABLE OF CONTENTS

	Page
<u>ABOUT THE ANNUAL MEETING</u>	1
<u>PROPOSAL 1 - ELECTION OF DIRECTORS</u>	5
<u>Nominees for Election as Directors</u>	5
<u>Corporate Governance Profile</u>	9
<u>Board Meetings in 2011</u>	10
<u>Committees of the Board of Directors</u>	10
<u>Guidelines on Corporate Governance and Code of Business Conduct and Ethics</u>	12
<u>Communications with the Board</u>	13
<u>Director Compensation</u>	13
<u>OUR EXECUTIVE OFFICERS</u>	14
<u>Biographies of our Executive Officers</u>	14
<u>EXECUTIVE COMPENSATION</u>	17
<u>Compensation Discussion and Analysis</u>	17
<u>Equity Plans</u>	22
<u>Executive Compensation Committee Report</u>	27
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	27
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	30
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	31
<u>PROPOSAL 2 - ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION</u>	31
<u>PROPOSAL 3 - RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	32
<u>Principal Accounting Fees and Services</u>	32
<u>MISCELLANEOUS AND OTHER MATTERS</u>	33
<u>Stockholder Proposals for the 2013 Annual Meeting</u>	33
<u>Other Matters</u>	33

Table of Contents

**RETAIL PROPERTIES OF AMERICA, INC.
2901 BUTTERFIELD ROAD
OAK BROOK, ILLINOIS 60523**

**PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD OCTOBER 9, 2012**

This proxy statement contains information related to the Annual Meeting of Stockholders of Retail Properties of America, Inc. (the Company, we, our or us), which will be held on October 9, 2012 at 10:00 a.m. Central Time at the Hilton Dallas / Southlake Town Square, 1400 Plaza Place, Southlake, Texas, 76092. Please contact our Director of Investor Relations, Dione K. McConnell, at (630) 368-2249 or via email at IR@rpai.com if you plan to attend.

ABOUT THE ANNUAL MEETING

Why did you send me this Proxy Statement?

We sent you this proxy statement and the proxy card because our Board of Directors (Board) is soliciting a proxy from you to vote your shares at the Annual Meeting. This proxy statement contains information we are required to provide to you and is designed to assist you in voting your shares. On or about August 1, 2012, we will begin mailing the proxy materials to all stockholders of record as of the close of business on July 13, 2012, the record date fixed by our Board for determining the holders of record of our common stock, \$.001 par value per share, entitled to notice of and to vote at the Annual Meeting.

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

Certain of our stockholders will receive a Notice of Internet Availability of Proxy Materials, or Notice, which was sent to stockholders on or about August 1, 2012, containing information on the availability of our proxy materials on the Internet. Stockholders who received the Notice by mail will not receive a printed copy of our proxy materials unless requested in the manner described in the Notice. The Notice explains how to access and review this proxy statement and our Annual Report to Stockholders, and how you may vote by proxy.

Who is entitled to vote?

Each of the outstanding shares of common stock, as of the record date, is entitled to one vote on all matters to be voted upon at the Annual Meeting. On the record date, there were 230,643,556 shares of common stock issued and outstanding, consisting of 85,088,389 shares of Class A Common Stock, 48,518,389 shares of Class B-1 Common Stock, 48,518,389 shares of Class B-2 Common Stock and 48,518,389 shares of Class B-3 Common Stock. We refer to our Class A, B-1, B-2 and B-3 shares collectively as our common stock.

Who can attend the meeting?

Only persons who are stockholders as of the record date or who are invited guests of the Company may attend and be admitted to the Annual Meeting. All stockholders attending the Annual Meeting will be required to show photo identification (a valid driver's license, state identification or passport) prior to admission. If a stockholder's shares are registered in the name of a broker, bank or other nominee, the stockholder must also bring a proxy or a letter from that broker, bank or other nominee or their most recent brokerage account statement that confirms that the stockholder was a beneficial owner of our shares as of the record date. Please contact our Director of Investor Relations, Dione K. McConnell, at (630) 368-2249 or via email at IR@rpai.com if you plan to attend. Cameras (including cell phones with photographic capabilities), recording devices and other electronic devices will not be permitted to be used at the meeting.

Table of Contents

How do I vote?

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

By Internet. Stockholders may authorize a proxy to vote via the Internet at www.proxyvoting.com/RPAI until 11:59 p.m. Eastern Time, on October 8, 2012. The Internet proxy authorization procedures are designed to authenticate stockholders' identities and to allow stockholders to vote their shares and confirm that their instructions have been properly recorded.

By Telephone. Stockholders may authorize a proxy to vote via touch-tone telephone by calling the toll-free phone number provided on their proxy card until 11:59 p.m. Eastern Time, on October 8, 2012. The touch-tone telephone proxy authorization procedures are designed to authenticate stockholders' identities and to allow stockholders to authorize a proxy to vote their shares and confirm that their instructions have been properly recorded.

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

Please refer to the enclosed proxy card for voting instructions.

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

Each executed and timely returned proxy will be voted in accordance with the directions indicated on it. Except for broker non-votes described below, executed but unmarked proxies will be voted by the person(s) named thereon (i) for the election of the nominees named herein as directors (or a substitute for a nominee if such nominee is unable or refuses to serve); (ii) for the approval of an advisory resolution approving the Company's executive compensation; (iii) for the ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2012; and (iv) in the discretion of such person(s) upon such matters not presently known or determined that properly may come before the Annual Meeting.

Can I revoke or change my proxy?

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

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

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

Other than for the proposal to ratify the Company's selection of its independent registered public accounting firm (Proposal 3), banks, brokers and other nominees of record holding shares beneficially owned by their clients do not have the ability to cast votes on the matters presented for consideration at the Annual Meeting unless they have received instructions from the beneficial owner of the shares. Accordingly, if you do not instruct

Table of Contents

your bank, broker or other nominee on how to vote in the election of the directors (Proposal 1) or the advisory resolution approving executive compensation (Proposal 2), no votes will be cast on these proposals on your behalf.

What constitutes a quorum?

Presence in person or by proxy at the Annual Meeting of holders of a majority of our outstanding shares on the record date constitutes a quorum permitting the conduct of business at the meeting. If you have returned valid proxy instructions (in writing, by phone or over the Internet) or attend the meeting and vote in person, your shares will be counted for purposes of determining whether there is a quorum. Abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum but will not be counted as votes cast. A broker non-vote occurs when a nominee (such as a custodian or bank) holding shares for a beneficial owner returns a signed proxy but does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

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

- *Election of directors:* The affirmative vote of a plurality of all the votes cast for the election of directors is required for the election of each of the eight directors to be elected at the Annual Meeting, which means that the eight nominees who receive the highest number of properly executed votes will be elected as directors, even if those nominees do not receive a majority of the votes cast. There are no cumulative voting rights in the election of directors.
- *Approval of Executive Compensation on an Advisory Basis:* The affirmative vote of a majority of the votes cast is required to approve the Company's executive compensation on an advisory basis.
- *Ratification of the Selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2012:* The affirmative vote of a majority of the votes cast is required to ratify the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2012.

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

If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, under the rules of various national and regional securities exchanges, the organization that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. The proposal regarding the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2012 is a matter considered routine under applicable rules and, therefore, no broker

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

non-votes are expected to exist in connection with the proposal regarding the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2012.

How do I learn the results of the vote?

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

What is the cost of proxy solicitation?

We will bear all expenses incurred in connection with the solicitation of proxies. Our officers, directors and employees may solicit proxies by mail, personal contact, letter, telephone, telegram, facsimile or other electronic means. They will not receive any additional compensation for those activities, but they may be reimbursed for their out-of-pocket expenses. In addition, we have hired Morrow & Co., LLC to solicit proxies on

Table of Contents

our behalf. We expect that the fee of soliciting proxies on our behalf will be approximately \$6,500 plus costs and expenses.

Will stockholders be asked to vote on any other matters?

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

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

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

Stockholders sharing an address who received only one set of these materials may request a separate copy which will be sent promptly at no cost by writing or calling our Investor Relations department at: Investor Relations, Retail Properties of America, Inc., 2901 Butterfield Road, Oak Brook, IL 60523 or by contacting us by telephone at (630) 368-2249. For future Annual Meetings, a stockholder may request separate annual reports or proxy statements, or may request the householding of such materials, by contacting us as noted above.

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

Where can I find more information about the Company?

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information we file with the SEC at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information regarding the public reference facilities. Our SEC filings are also available to the public on the website maintained by the SEC at <http://www.sec.gov>.

Note Regarding Recapitalization

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

On March 21, 2012, we paid a stock dividend pursuant to which each then outstanding share of our Class A Common Stock received:

- one share of our Class B-1 Common Stock; plus
- one share of our Class B-2 Common Stock; plus
- one share of our Class B-3 Common Stock.

Prior to the payment of this stock dividend, we effectuated a ten to one reverse stock split of our then outstanding common stock. Immediately following the reverse stock split, but prior to the payment of the stock dividend, we redesignated all of our common stock as Class A Common Stock. We refer to these transactions as the Recapitalization. The Recapitalization had the effect of reducing the total number of outstanding shares of our common stock but did not affect stockholders' voting rights or proportional ownership in the Company. Unless otherwise indicated, all information in this proxy gives effect to, and all share and per share amounts have been retroactively adjusted to give effect to, the Recapitalization.

Table of Contents

PROPOSAL 1 - ELECTION OF DIRECTORS

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

Our Board currently consists of eight directors. The Board size was reduced from nine to eight following the resignation of Brenda G. Gujral as a director on May 31, 2012. Each current Board member has been nominated by the Board for election as a director at the Annual Meeting. After an evaluation, our Board determined that all of our directors satisfy the definition of independent under the New York Stock Exchange (NYSE) listing standards, except for Steven P. Grimes.

The election of members of the Board is conducted on an annual basis. Each individual elected to the Board serves a one-year term and until his or her successor is elected and qualifies. Accordingly, the term of office of each of our current directors will expire at the Annual Meeting. At that meeting, each current director will be nominated to stand for re-election as a director. We have no reason to believe that any of the nominees will be unable or unwilling to serve, if elected. However, should any nominee be unable or unwilling to accept the office of director, and if the Board shall designate a substitute nominee, the persons named as proxies will vote for the election of the substitute nominee designated by the Board, and if none, for such other persons as they shall determine. Five of our current directors have been directors since 2003, and two of our current directors have been directors since January 1, 2008. Information regarding the business experience of each nominee is provided below based upon information furnished to us by the individuals named.

Nominees for Election as Directors

The following sets forth information with regard to the nominees for election to our Board, with ages set forth as of January 1, 2012.

**NAME, POSITIONS WITH
RPAI AND AGE**

BUSINESS EXPERIENCE

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

Age 68

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

KENNETH H. BEARD
Director since 2003

Kenneth H. Beard has been one of our directors since our inception on March 5, 2003. He is President and Chief Executive Officer of KHB Group, Inc. and Midwest Mechanical Construction, mechanical engineering and construction companies. From 1999 to 2002, he was President and Chief Executive Officer of Exelon Services, a subsidiary of Exelon Corporation

Age 72

that engaged in the design, installation and servicing of heating, ventilation and air conditioning facilities for commercial and industrial customers and provided energy-related services. From 1974 to 1999, Mr. Beard was President and Chief Executive Officer of Midwest Mechanical, Inc., a heating, ventilation and air conditioning construction

Table of Contents

**NAME, POSITIONS WITH
RPAI AND AGE**

BUSINESS EXPERIENCE

	<p>and service company that he founded in 1974. From 1964 to 1974, Mr. Beard was employed by The Trane Company, a manufacturer of heating, ventilating and air conditioning equipment. Mr. Beard holds an MBA and BSCE from the University of Kentucky and is a licensed mechanical engineer. He is past chairman of the foundation board of the Wellness House in Hinsdale, Illinois, a cancer support organization and serves on the Dean's Advisory Council of the University of Kentucky, School of Engineering. Mr. Beard is a past member of the Oak Brook, Illinois, Plan Commission (1981 to 1991) and a past board member of Harris Bank, Hinsdale, Illinois (1985 to 2004).</p>
<p>FRANK A. CATALANO, JR. Director since 2003</p> <p>Age 50</p>	<p>Frank A. Catalano, Jr. has been one of our directors since our inception on March 5, 2003. Mr. Catalano's experience includes mortgage banking. Since February 1, 2008, he has been with Gateway Funding Diversified Mortgage Services, L.P., a residential mortgage banking company, as their Regional Vice President. From 2002 until August 2007, he was a Vice President of American Home Mortgage Company. He also was President and Chief Executive Officer of CCS Mortgage, Inc. from 1995 through 2000. Since 1999, Mr. Catalano has also served as President of Catalano & Associates. Catalano & Associates is a real estate company that engages in brokerage and property management services and the rehabilitation and leasing of office buildings. Mr. Catalano is currently a member of the Elmhurst Memorial Healthcare Board of Governors and formerly served as the chairman of the board of the Elmhurst Chamber of Commerce. Mr. Catalano holds a mortgage banker's license.</p>
<p>PAUL R. GAUVREAU Director since 2003</p> <p>Age 72</p>	<p>Paul R. Gauvreau has been one of our directors since our inception on March 5, 2003. He is the retired Chief Financial Officer, Financial Vice President and Treasurer of Pittway Corporation, a NYSE listed manufacturer and distributor of professional burglar and fire alarm systems and equipment from 1966 until its sale to Honeywell, Inc. in 2001. He was President of Pittway's non-operating real estate and leasing subsidiaries through 2001. He also was a financial consultant to Honeywell, Inc., Genesis Cable, L.L.C. and ADUSA, Inc. Additionally, he was a director and audit committee member of Cylink Corporation, a NASDAQ Stock Market listed manufacturer of voice and data security products from 1998 until its merger with Safenet, Inc. in February 2003. Mr. Gauvreau holds an MBA from the University of Chicago and a BSC from Loyola University of Chicago. He is on the Board of Trustees and a member of the Finance Committee of Benedictine University, Lisle, Illinois and a member of the Board of Directors of the Children's Brittle Bone Foundation, Pleasant Prairie, Wisconsin.</p>
<p>STEVEN P. GRIMES Director since March 8, 2011; President and Chief Executive Officer since October 13, 2009</p> <p>Age 45</p>	<p>Steven P. Grimes serves as our President and Chief Executive Officer and as a Director. Mr. Grimes has served as one of our directors since March 8, 2011 and as our President and Chief Executive Officer since October 13, 2009. Previously, Mr. Grimes served as our Chief Financial Officer since the internalization of our management on November 15, 2007 through December 31, 2011; Chief Operating Officer since our internalization through October 12, 2009 and Treasurer from October 14, 2008 through December 31, 2011. Prior to our internalization, Mr. Grimes served as Principal Financial Officer and Treasurer and the Chief Financial Officer of Inland Western Retail Real Estate Advisory Services, Inc., which was our former business manager/advisor, since February</p>

Table of ContentsNAME, POSITIONS WITH
RPAI AND AGE

BUSINESS EXPERIENCE

	2004. Prior to joining our former business manager/advisor, Mr. Grimes served as a Director with Cohen Financial, a mortgage brokerage firm, and as a senior manager with Deloitte in their Chicago-based real estate practice, where he was a national deputy real estate industry leader. Mr. Grimes is also an active member of various real estate trade associations, including the Real Estate Roundtable. Mr. Grimes received his B.S. in Accounting from Indiana University and is a Certified Public Accountant.
RICHARD P. IMPERIALE Director since 2008 Age 52	Richard P. Imperiale has been one of our directors since January 2008. Mr. Imperiale is President and founder of Forward Uniplan Advisors, Inc., a Milwaukee, Wisconsin based investment advisory holding company that, together with its affiliates, manages and advises over \$500 million in client accounts. Forward Uniplan Advisors, Inc. was founded by Mr. Imperiale in 1984 and specializes in managing equity, REIT and specialty portfolios for clients. Mr. Imperiale started his career as a credit analyst for the First Wisconsin National Bank (now U.S. Bank). In 1983, Mr. Imperiale joined B.C. Ziegler & Company, a Midwest regional brokerage firm where he was instrumental in the development of portfolio strategies for one of the first hedged municipal bond mutual funds in the country. Mr. Imperiale is widely quoted in local and national media on matters pertaining to investments and authored the book <i>Real Estate Investment Trusts: New Strategies For Portfolio Management</i> , published by John Wiley & Sons, 2002. He attended Marquette University Business School where he received a B.S. in Finance.
KENNETH E. MASICK Director since 2008 Age 66	Kenneth E. Masick has been one of our directors since January 2008. He retired from Wolf & Company LLP, certified public accountants, in April 2009, having been there as a partner since its formation in 1978. That firm, one of the largest in the Chicago area, specializes in audit, tax and consulting services to privately owned businesses. Mr. Masick was partner-in-charge of the firm's audit and accounting department and was responsible for the firm's quality control. His accounting experience also includes feasibility studies and due diligence activities with acquisitions. Mr. Masick has been in public accounting since his graduation from Southern Illinois University in 1967. Mr. Masick also holds Series 7, 24, 27 and 63 licenses from Financial Industry Regulatory Authority. He also was treasurer and director of Wolf Financial Management LLC, a securities broker-dealer firm. Mr. Masick was a director of Inland Retail Real Estate Trust, Inc. from December 1998 until it was acquired in February 2007.
BARBARA A. MURPHY Director since 2003 Age 74	Barbara A. Murphy has been one of our directors since July 1, 2003. Ms. Murphy is the Chairwoman of the DuPage Republican Party and current Committeeman for The Milton Township Republican Central Committee in Illinois. After serving for twenty years, she recently retired as a Trustee of Milton Township in Illinois. Ms. Murphy is currently a member of the Illinois Motor Vehicle Review Board and the Matrimonial Fee Arbitration Board, and has previously served on the DuPage Civic Center Authority Board, the DuPage County Domestic Violence Task Force and the Illinois Toll Highway Advisory Committee and as a founding member of the Family Shelter Service Board. Ms. Murphy also previously served as the Chairman for the Milton Township Republican Central Committee in Illinois and as the Republican Party's State Central

Table of Contents

**NAME, POSITIONS WITH
RPAI AND AGE**

BUSINESS EXPERIENCE

Committeewoman for the Sixth Congressional District. Ms. Murphy also has experience as the co-owner of a small retail business.

THE BOARD'S RECOMMENDATION

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE
FOR

GERALD M. GORSKI,

KENNETH H. BEARD,
FRANK A. CATALANO, JR.,
PAUL R. GAUVREAU,
STEVEN P. GRIMES,
RICHARD P. IMPERIALE,
KENNETH E. MASICK, AND
BARBARA A. MURPHY
ITS NOMINEES FOR ELECTION AS DIRECTORS

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

Director Qualifications. In concluding that each of the foregoing Directors should serve as a Director, the Nominating and Corporate Governance Committee, or Nominating Committee, and the Board focused on each Director's participation and performance on the Board during his or her tenure, as well as each Director's experiences, qualifications, attributes and skills discussed in each of their individual biographies set forth elsewhere herein. In particular, with respect to each Director, the Nominating Committee and the Board noted the following:

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

- Mr. Beard's experience in engineering and construction services, as well as his expertise in corporate acquisition and finance, enable him to provide insight relating to the Company's joint venture, development and other activities;

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

- Mr. Catalano's experience in running a firm engaged in the brokerage, management, rehabilitation and leasing of commercial property coincides closely with the business of the Company;
- Mr. Gauvreau's financial experience, including his serving as the chief financial officer of a NYSE-listed company and on the audit committee of a NASDAQ-listed company, qualifies him to serve as chairman of our Audit Committee;
- Mr. Grimes's experience and position as our Chief Executive Officer;
- Mr. Imperiale's experience in the brokerage and investment advisory industries allows him to provide useful oversight and advice as we look to refinance debt and strengthen our balance sheet, as well as to address issues with respect to our securities portfolio;
- Mr. Masick's experience as a certified public accountant and experience in providing audit, tax and consulting services to privately-owned businesses provides financial expertise to the Board and the Audit Committee; and

Table of Contents

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

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

Executive Sessions. Non-management directors meet in executive session without management present at regularly scheduled meetings and at such other times that the non-management directors deem appropriate. The independent directors also meet in executive session at least once per year. The Chairman of the Board acts as the presiding director for these executive sessions of non-management directors provided that if the Chairman of the Board is not an independent director or is not present, the Chair of the Nominating Committee shall act as the presiding director and if such chair is not present, the directors present at the executive session shall determine the director to preside at such executive session by majority vote.

Board Role in Risk Management. General oversight of risk management is a function undertaken by the entire Board. All major purchases and sales of property are reviewed and approved by the Board. As part of this review and approval process, the Board considers, among other things, the risks posed by such activities and receives input on various aspects of those risks, including operational, financial, legal and regulatory, and reputational risk, from senior management, including the Chief Investment Officer, Chief Financial Officer, Chief Accounting Officer and the General Counsel. In addition, the Audit Committee regularly receives reports from the Chief Financial Officer and Chief Accounting Officer, as well as from the Company's independent auditors and other outside professionals, with respect to financial and operational controls and risk assessment, and reports on these matters to the Board.

Compensation Policy and Risk. The Compensation Committee has reviewed our compensation policies and practices and does not believe such policies and practices are reasonably likely to have a material adverse effect on the Company.

Corporate Governance Profile

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

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

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

- of the eight persons who currently serve on the Board, seven have been affirmatively determined by the Board to be independent for purposes of the NYSE's listing standards;
- at least one of our directors qualifies as an audit committee financial expert as defined by SEC rules;
- we have an independent Chairman of our Board;
- we have opted out of the Maryland business combination and control share acquisition statutes and provide that we may not opt in without stockholder approval;
- we do not have a stockholder rights plan, and we provide that, in the future, we will not adopt a stockholder rights plan unless our stockholders approve in advance the adoption of a plan or, if adopted by our Board, we will submit the stockholder rights plan to our stockholders for a ratification vote within 12 months of the adoption or the plan will terminate; and

Table of Contents

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

Board Meetings in 2011

Our Board met 14 times during 2011. Each director who was a director during 2011 attended more than 75% of the aggregate of (1) the total number of meetings of our Board (held during the period for which he or she has been a director) and (2) the total number of meetings of all committees of our Board on which the director served (during the periods he or she served). We do not have a policy with regard to Board members attendance at annual stockholder meetings. However, each director who was a director at such time attended the 2011 Annual Meeting, with the exception of Ms. Murphy.

Committees of the Board of Directors

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

Board Committee	Chairman	Members
Audit Committee	Paul R. Gauvreau	Kenneth H. Beard Kenneth E. Masick
Executive Compensation Committee (1)	Frank A. Catalano, Jr.	Richard P. Imperiale Barbara A. Murphy
Nominating and Corporate Governance Committee	Richard P. Imperiale	Gerald M. Gorski Kenneth E. Masick

(1) Brenda G. Gujral served as a member of the Executive Compensation Committee until April 5, 2012 and as a member of the Board until May 31, 2012. Ms. Gujral was not independent as such term is defined in the NYSE s listing standards.

Audit Committee.

Our Board has established an Audit Committee comprised of Messrs. Beard, Gauvreau, and Masick. Mr. Gauvreau serves as the Chair of the Audit Committee and our Board has determined that he qualifies as an audit committee financial expert under the applicable SEC rules. The Audit Committee operates under a written charter approved by the Board of Directors. A copy of the charter is available on our website at

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

www.rpai.com under corporate governance on the investor relations page.

The Audit Committee is responsible for the engagement of our independent registered public accounting firm, reviewing the plans and results of the audit engagement with our independent registered public accounting firm, approving services performed by, and the independence of, our independent registered public accounting firm, considering the range of audit and non-audit fees, and consulting with our independent registered public accounting firm regarding the adequacy of our internal accounting controls. The Audit Committee held four meetings during 2011.

Audit Committee Report. The members of the Audit Committee of the Board submit this report in connection with the committee's review of the financial reports for the fiscal year ended December 31, 2011 as follows:

Table of Contents

1. The Audit Committee has reviewed and discussed with management the audited financial statements for Retail Properties of America, Inc. for the fiscal year ended December 31, 2011.

2. The Audit Committee has discussed with representatives of Deloitte & Touche LLP the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

3. The Audit Committee has received the written disclosures and the letter from the independent accountant required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with the independent accountant the independent accountant's independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 for filing with the SEC.

Submitted by the Audit Committee

Kenneth H. Beard
Paul R. Gauvreau
Kenneth E. Masick

Executive Compensation Committee.

Our Board has established an Executive Compensation Committee comprised of Mr. Catalano, Mr. Imperiale and Ms. Murphy. Mr. Catalano serves as the chair of the Executive Compensation Committee. The Executive Compensation Committee operates under a written charter approved by the Board. A copy of the charter is available on our website at www.rpai.com under "corporate governance" on the investor relations webpage. The Executive Compensation Committee held four meetings during 2011.

The Executive Compensation Committee provides assistance to the Board in discharging its responsibilities relating to the compensation of our directors, executive officers and other employees, and develops and implements our compensation policies. The Executive Compensation Committee's responsibilities include, among others, (i) reviewing and approving corporate goals and objectives relating to the compensation of our Chief Executive Officer, evaluating the performance of the Chief Executive Officer in light of these goals and objectives, and determining and approving the compensation of the Chief Executive Officer based on such evaluation, and (ii) determining and approving the compensation of all executive officers other than the Chief Executive Officer. The Board reviews and approves non-employee director compensation, although the Executive Compensation Committee may make recommendations to the Board with respect to such compensation. It is likely that our Chief Executive Officer will provide input into executive compensation decisions. The Executive Compensation Committee has not delegated its authority to others. We did not hire a compensation consultant to assist the Executive Compensation Committee in determining compensation for 2011.

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

Compensation Committee Interlocks and Insider Participation. During 2011, the members of the Executive Compensation Committee consisted of Frank A. Catalano, Jr. (chair), Brenda G. Gujral, Richard P. Imperiale and Barbara A. Murphy. Brenda G. Gujral served as our Chief Executive Officer until November 15, 2007 and as a director until May 31, 2012. Additionally, we are required to disclose certain relationships and related transactions with Ms. Gujral. See Certain Relationships and Related Transactions. None of the other members of the Executive Compensation Committee has any relationship with us requiring disclosure under applicable rules and regulations of the SEC. No other member of our Executive Compensation Committee is a current or former officer or employee of ours or any of our subsidiaries. None of our executive officers serves as a member of the board of directors or compensation committee of any company that has one or more of its executive officers serving as a member of our Board or Executive Compensation Committee.

Table of Contents

Nominating and Corporate Governance Committee.

Our Board has established a Nominating and Corporate Governance Committee. The members of the Nominating Committee who selected the nominees for the Board who appear on this proxy statement are comprised of Messrs. Gorski, Imperiale and Masick. Mr. Imperiale serves as the chair of the Nominating Committee. The Nominating Committee operates under a written charter approved by the Board. A copy of the charter is available on our website at www.rpai.com under corporate governance on the investor relations webpage. The Nominating Committee held four meetings during 2011. The Nominating Committee will consider for recommendation to the Board nominations made by stockholders that comply with the procedures described below under the caption Stockholder Proposals for the 2013 Annual Meeting, including, without limitation, providing notice setting forth all information required by the rules of the SEC or Section 12 of our bylaws, as the case may be.

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

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

Guidelines on Corporate Governance and Code of Business Conduct and Ethics

Our Board, upon the recommendation of the Nominating Committee, has adopted guidelines on corporate governance establishing a common set of expectations to assist the Board in performing its responsibilities. The corporate governance policies and guidelines address a number of topics, including, among other things, director qualification standards, director responsibilities, the responsibilities and composition of the Board committees, director access to management and independent advisors, director compensation, management succession and evaluations of the performance of the Board. Our corporate governance guidelines meet the requirements of the NYSE's listing standards and are publicly available on our website at www.rpai.com under corporate governance on the investor relations webpage. Our Board also has adopted a code of business conduct and ethics, which includes a conflicts of interest policy, that applies to all of our directors and executive officers. The Code of

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

Business Conduct and Ethics meets the requirements of a code of ethics as defined by the rules and regulations of the SEC and is publicly available on our website at www.rpai.com under corporate governance on the investor relations webpage. A printed copy of our corporate governance guidelines and our code of business conduct and

Table of Contents

ethics may also be obtained by any stockholder upon request. We intend to disclose on this website any amendment to, or waiver of, any provision of our code of business conduct and ethics applicable to our directors and executive officers that would otherwise be required to be disclosed under the rules of the SEC or the NYSE.

Communications with the Board

Stockholders or other interested parties may communicate with any directors of the Company or the Board as group by writing to them at [Name(s) of Director(s)/Board of Directors of Retail Properties of America, Inc.], c/o General Counsel, Retail Properties of America, Inc., 2901 Butterfield Road, Oak Brook, Illinois 60523, and the General Counsel will promptly forward all correspondence to the addressee(s).

Stockholders or other interested parties may communicate with non-management directors of the Company as a group by writing to Non-Management Directors of Retail Properties of America, Inc., c/o General Counsel, Retail Properties of America, Inc., 2901 Butterfield Road, Oak Brook, Illinois 60523, and the General Counsel will promptly forward all correspondence to the addressees.

Director Compensation

Cash Compensation

During 2011, each director (other than Ms. Gujral and Mr. Grimes, who were not entitled to receive any compensation from the Company for their service on the Board or any of its committees) received an annual director fee of \$50,000. The independent chairman of the Board receives an additional annual fee of \$25,000, the chairman of the Audit Committee receives an additional annual fee of \$10,000, and the chairmen of the Executive Compensation Committee and the Nominating Committee receive an additional annual fee of \$5,000. The annual fee for the chairmen of the Executive Compensation Committee and the Nominating Committee increased to \$10,000 on January 1, 2012. In addition, each director receives \$1,000 for attending in person or \$750 for attending via telephone, each meeting of the Board, and \$500 for attending, whether in person or via telephone, each committee meeting.

Equity Compensation

Each non-employee director is entitled to be granted an option under our Independent Director Stock Option Plan to acquire 2,000 shares of Class A Common Stock or, to the extent that a sufficient number of shares of Class A Common Stock is not available under the plan, shares of Class B Common Stock with the earliest conversion date, as of the date he or she initially becomes a director (the Initial Option). In addition, each non-employee director is entitled to be granted an option to acquire 2,000 shares of Class A Common Stock or, to the extent that a sufficient number of shares of Class A Common Stock is not available under the plan, shares of Class B Common Stock with the earliest conversion date, on the date of each annual stockholders meeting, so long as the director remains a member of the Board on such date (each, a Subsequent Option). Initial Options are granted at the fair market value of a share on the date of grant. Subsequent Options are granted at the fair market value of a share on the last business day preceding the date of each annual stockholders meeting. All such options become fully exercisable on the second anniversary of the date of grant.

Options granted under the Independent Director Stock Option Plan are exercisable until the first to occur of:

- the tenth anniversary of the date of grant;
- the removal for cause of the director as a director; or
- three months following the date the director ceases to be a director for any other reason except death or disability.

Table of Contents

The options may be exercised by payment of cash or through the delivery of our common stock. They are generally exercisable in the case of death or disability for a period of one year after death or the disabling event, provided that the death or disabling event occurs while the person is a director. However, if the option is exercised within the first six months after it becomes exercisable, any shares issued pursuant to such exercise may not be sold until the six month anniversary of the date of the grant of the option. Notwithstanding any other provisions of the Independent Director Stock Option Plan to the contrary, no option issued pursuant thereto may be exercised if such exercise would jeopardize our status as a real estate investment trust (REIT) under the Internal Revenue Code of 1986, as amended (the Code).

2011 Director Compensation Table

The following table sets forth a summary of the compensation we paid to our directors during 2011:

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$)(1)(2)	Total (\$)
Gerald M. Gorski	89,750	8,943	98,693
Kenneth H. Beard	64,250	8,943	73,193
Frank A. Catalano, Jr.	72,250	8,943	81,193
Paul R. Gauvreau	74,000	8,943	82,943
Steven P. Grimes (3)			
Brenda G. Gujral (3)			
Richard P. Imperiale	74,500	8,943	83,443
Kenneth E. Masick	67,000	8,943	75,943
Barbara A. Murphy	63,750	8,943	72,693

(1) As of December 31, 2011, each of the directors other than Mses. Gujral and Murphy and Mr. Grimes held unexercised options to purchase 2,500 shares of Class A Common Stock and 7,500 shares of Class B Common Stock. As of December 31, 2011, Ms. Murphy held unexercised options to purchase 2,350 shares of Class A Common Stock and 7,050 shares of Class B Common Stock and Ms. Gujral and Mr. Grimes held no unexercised options.

(2) The option awards were valued using the Black-Scholes option pricing model and the following assumptions: expected term of options 5 years, expected volatility 30%, expected dividend yield 3.56% and risk-free interest rate 1.14%.

(3) Ms. Gujral and Mr. Grimes do not receive any fees or other remuneration for serving as directors.

OUR EXECUTIVE OFFICERS**Biographies of our Executive Officers**

Our executive officers are appointed by, and serve at the discretion of, the Board. They will continue to serve in their respective offices until they resign or their successors are elected and qualify. None of our executive officers has a written severance agreement with us. *See the discussion under Executive Compensation Compensation Discussion and Analysis herein.* The following sets forth information regarding our executive officers (other than Steven P. Grimes, our Chief Executive Officer and President, whose biography appears above under the caption, *Proposal 1 Election of Directors Nominees for Election as Directors*), with ages set forth as of January 1, 2012:

**NAME, POSITIONS WITH
RPAI AND AGE**

BUSINESS EXPERIENCE

ANGELA M. AMAN
Executive Vice President, Chief Financial
Officer and Treasurer since January 1, 2012

Angela M. Aman serves as Executive Vice President, Chief Financial Officer and Treasurer of the Company. Ms. Aman joined the Company as Director of Capital Markets on August 4, 2011 and served as Vice President Director of Capital Markets since October 11, 2011. She now serves as our Executive Vice President, Chief Financial Officer and Treasurer since January 1, 2012. Prior to joining the Company,

Age 32

Table of Contents

**NAME, POSITIONS WITH
RPAI AND AGE**

BUSINESS EXPERIENCE

Ms. Aman was a Portfolio Manager with RREEF, the real estate investment management business of Deutsche Bank, for six years. As part of their North American investment group, she focused on retail and regional mall companies. Ms. Aman started her career in investment banking at Deutsche Bank, where she spent four years with real estate group underwriting debt and equity offerings, as well as advising clients on mergers and acquisitions and additional strategic transactions. Ms. Aman received her B.S. in Economics from The Wharton School of The University of Pennsylvania.

NIALL J. BYRNE
Vice President and President of Property Management since November 15, 2007; Executive Vice President since October 12, 2010

Age 55

Niall J. Byrne serves as our Executive Vice President and President of Property Management. In this role, Mr. Byrne is responsible for the oversight of all the property management functions for our portfolio. Mr. Byrne has served as our Executive Vice President since October 12, 2010 and as our President of Property Management since the internalization of our management on November 15, 2007. Prior to that time, he served as a Senior Vice President of RPAI HOLDCO Management LLC (f/k/a Inland Holdco Management LLC), which was a property management company affiliated with our former business manager/advisor, since 2005. In this role, Mr. Byrne was responsible for the oversight of all of the property management, leasing and marketing activities for our portfolio and was involved in our development, acquisitions and joint venture initiatives. Previously, from 2004 to 2005, Mr. Byrne served as Vice President of Asset Management of American Landmark Properties, Ltd., a private real estate company, where he was responsible for a large commercial and residential portfolio of properties. Prior to joining American Landmark Properties, Ltd., Mr. Byrne served as Senior Vice President/Director of Operations for Providence Management Company, LLC, or PMC Chicago, from 2000 to 2004. At PMC Chicago, he oversaw all aspects of property operations, daily management and asset management functions for an 8,000-unit multi-family portfolio. Prior to joining PMC Chicago, Mr. Byrne also had over 15 years of real estate experience with the Chicago based Habitat Company and with American Express/Balcor and five years of public accounting experience. Mr. Byrne received his B.S. in Accounting from DePaul University and is a Certified Public Accountant.

SHANE C. GARRISON
Chief Investment Officer since November 15, 2007; Executive Vice President since October 12, 2010; Chief Operating Officer since January 1, 2012

Age 42

Shane C. Garrison serves as our Executive Vice President, Chief Investment Officer and Chief Operating Officer. In this role, Mr. Garrison is responsible for several operating functions within the Company, including leasing, property management, asset management, which includes acquisitions and dispositions, joint ventures and construction operations. He also serves as an Executive Committee member of our joint venture entity MS Inland Fund, LLC and as an Advisory Board member of our joint venture entities RC Inland L.P. and RC Inland REIT LP. Mr. Garrison has served as our Chief Operating Officer since January 1, 2012, as our Executive Vice President since October 12, 2010 and as our Chief Investment Officer since the internalization of our management on November 15, 2007. Prior to that time, Mr. Garrison served as Vice President of Asset Management of RPAI US Management LLC (f/k/a Inland US Management LLC), which was a property management company affiliated with our former

Table of Contents

**NAME, POSITIONS WITH
RPAI AND AGE**

BUSINESS EXPERIENCE

business manager/advisor, since 2004. In this prior role, Mr. Garrison underwrote over \$1.2 billion of assets acquired by us, and went on to spearhead our development and joint venture initiatives. Previously, Mr. Garrison had served as head of asset management for ECI Properties, a small boutique owner of industrial and retail properties, and the general manager of the Midwest region for Circuit City, a large electronics retailer. Mr. Garrison received his B.S. in Business Administration from Illinois State University and an MBA in Real Estate Finance from DePaul University.

DENNIS K. HOLLAND
General Counsel and Secretary since November 15, 2007; Executive Vice President since October 12, 2010

Age 59

Dennis K. Holland serves as our Executive Vice President, General Counsel and Secretary. In this role, Mr. Holland manages our legal department and is involved in all aspects of our business, including real estate acquisitions and financings, sales, securities laws, corporate governance matters, leasing and tenant matters and litigation management. Mr. Holland has served as our Executive Vice President since October 12, 2010 and as our General Counsel and Secretary since the internalization of our management on November 15, 2007. Prior to that time, he served as Associate Counsel of The Inland Real Estate Group, Inc., an affiliate of our former business manager/advisor, since December 2003. Prior to December 2003, Mr. Holland served as Deputy General Counsel of Heller Financial, Inc., and General Counsel of its real estate group, and in a business role with GE Capital following its acquisition of Heller Financial. Mr. Holland received his B.S. in Economics from Bradley University in 1974 and a J.D. from the John Marshall Law School in 1979.

JAMES W. KLEIFGES
Chief Accounting Officer since November 15, 2007; Executive Vice President since October 12, 2010

Age 61

James W. Kleifges serves as our Executive Vice President and Chief Accounting Officer. Mr. Kleifges has served as our Executive Vice President since October 12, 2010 and as our Chief Accounting Officer since the internalization of our management on November 15, 2007. Prior to that time, he served as Chief Accounting Officer of Inland Western Retail Real Estate Advisory Services, Inc., our former business manager/advisor, since March 2007. Mr. Kleifges served as Vice President, Chief Financial Officer, Treasurer and Assistant Secretary of Inland Retail Real Estate Trust, Inc., a publicly held retail real estate investment trust, from January 2005 until the acquisition of the company by a third party in February 2007 in a transaction valued in excess of \$6 billion. From August 2004 through December 2004, Mr. Kleifges was the Vice President, Corporate Controller for the external business manager/advisor of Inland Retail Real Estate Trust, Inc. From April 1999 to January 2004, Mr. Kleifges was Vice President/Corporate Controller of Prime Group Realty Trust, an office and industrial real estate investment trust based in Chicago, Illinois, with assets in excess of \$1 billion. Prior to joining Prime Group, Mr. Kleifges held senior financial and operational positions in various private and public real estate companies located in Chicago, Illinois and Denver, Colorado. Mr. Kleifges also was a Senior Manager with KPMG in Chicago, Illinois completing a career in public accounting from June 1972 to December 1982. Mr. Kleifges earned his B.A. in Accounting from St. Mary's University in Winona, Minnesota and has been a Certified Public Accountant since 1974.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following discussion and analysis is set forth with respect to the compensation and benefits for the Company's Chief Executive Officer and Chief Financial Officer and the other three officers included in the 2011 Summary Executive Compensation Table included herein (together, the Company's Named Executive Officers) for the Company's fiscal year ended December 31, 2011 (fiscal 2011).

Compensation Committee Members, Independence and Responsibility

The compensation and benefits payable to the Named Executive Officers are established by the Board with the assistance of the Executive Compensation Committee of the Board (the Committee). The Committee is currently comprised of Frank A. Catalano, Jr. (Chairman), Richard P. Imperiale and Barbara A. Murphy. Brenda G. Gujral served on the Committee until April 5, 2012. Each of Messrs. Catalano and Imperiale and Ms. Murphy (but not Ms. Gujral) is (i) an independent director within the meaning of the NYSE's listing standards, (ii) a non-employee director within the meaning of Rule 16b-3 of the Exchange Act, and (iii) an outside director within the meaning of the regulations promulgated pursuant to Section 162(m) of the Code.

The Committee operates under a written charter adopted by the Board. Pursuant to its charter, the Committee is charged with reviewing and approving the Company's compensation philosophy and is responsible for assuring that the officers and key management personnel of the Company and its subsidiaries are effectively compensated in terms that are motivating, internally equitable and externally competitive. Pursuant to its charter, the Committee's function is to:

- review (in consultation with management or the Board), recommend to the Board for approval and evaluate the compensation plans, policies and programs of the Company, especially those regarding executive compensation;
- determine the compensation of the chief executive officer and all other executive officers of the Company; and
- produce an annual report on executive compensation for inclusion in the Company's proxy materials in accordance with applicable rules and regulations.

Objectives and Structure of Our Compensation Program

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

The primary objectives of our executive compensation programs are: (i) to attract, retain and reward experienced, highly motivated executives who are capable of leading us effectively and contributing to our long-term growth and profitability, (ii) to motivate and direct the performance of management with clearly-defined goals and measures of achievement, and (iii) to align the interests of management with the interests of our stockholders.

We attempt to achieve our objectives through offering the opportunity to earn a combination of cash and equity-based compensation to provide appropriate incentives for our executives. Executive officers are eligible to receive a combination of (i) annual base salary, (ii) annual cash incentive compensation, and (iii) equity grants under our Stock Incentive Plan. Each of the Named Executive Officers participates in the same benefits programs available to all of our employees: health and dental insurance; group term life insurance; short-term disability coverage; and tax-qualified 401(k) plan. The Company does not provide additional perquisites to the Named Executive Officers.

As part of its efforts, the Committee set the objectives of our compensation program. In 2008, the Committee informally compared compensation against peer group data to gain a sense of market compensation, but no benchmarking was used. The peer group selected by the Committee consisted of the following nine publicly-traded REITs with a substantial retail shopping center portfolio:

Table of Contents

DDR Corp.	Inland Real Estate Corporation
Regency Centers Corporation	Kimco Realty Corporation
Cedar Shopping Centers, Inc.	Ramco-Gershenson Properties Trust
Equity One, Inc.	Weingarten Realty Investments
Federal Realty Investment Trust	

For 2009 and 2010, none of the management team, other than Mr. Grimes, had an increase in base salary over the 2008 amounts. The 2011 base salary increases for the management team were determined by the Committee and approved by the Board. The Committee did not use peer benchmarking and did not engage a compensation consultant to determine the 2011 increases.

2011 Executive Compensation

In fiscal 2011, the Committee considered a combination of base salary, cash incentive compensation, equity awards and other benefits to meet its compensation objectives. The proportions of these elements were determined by the Committee in its discretion, considering, among other things, the Committee's understanding of prevailing practices in the marketplace and the historical compensation by the Company of the Company's Named Executive Officers. In establishing base salaries and incentive compensation targets for 2011, the Committee considered present compensation, market competitiveness in relation to the Company's performance and capital structure, the roles, responsibilities and performance of each of the Named Executive Officers, the contribution of each of the Named Executive Officers to the Company's business, an analysis of job requirements, and the prior experience and accomplishments of each of the Named Executive Officers. For incentive compensation for 2011, the Committee established a program utilizing pre-established corporate and individual performance measures. Under the program, each Named Executive Officer has the opportunity to receive up to a specified dollar amount of restricted stock based on the achievement of these performance measures, as described in more detail below. The Committee believes that incentive compensation tied to appropriate pre-established performance measures allows the Committee to incentivize the Named Executive Officers to achieve specific goals that the Committee believes are important to the Company's overall success and achievement of its strategic goals and directly reward the achievement of these goals. The Committee also believes that supplementing base salary with incentive compensation assists the Company's efforts to retain outstanding executive officers. Finally, the Committee views the granting of restricted stock as a means of aligning management and stockholder interests, providing incentives and rewarding management's long-term perspective, and retaining the services of the Named Executive Officers.

We increased the annual base salaries for the Named Executive Officers, effective January 1, 2011. Among other reasons, the Board made these adjustments as none of the management team, other than Mr. Grimes, had an increase in base salary during the period from January 1, 2008 through January 1, 2011, the effective date of such adjustments, despite undertaking increased workloads due to the economic recession and the reallocation of duties of the Company's previous President and Chief Executive Officer, who resigned in 2009. The incentive compensation arrangement for the management team is such that awards, if any, will be made in shares of common stock of the Company rather than cash, if certain goals are achieved. Additionally, on May 10, 2011, the Board of Directors awarded, as a supplement to the executive bonus program, a one-time, nominal award of \$20,000 in cash to each of the Named Executive Officers as a discretionary bonus for 2011.

In determining overall compensation for each Named Executive officer for fiscal 2011, the Committee generally considered a number of factors on a subjective basis, including, but not limited to, (i) the scope of the officer's responsibilities within the Company; (ii) the experience of the officer within our industry and at the Company; (iii) performance of the Named Executive Officer and his or her contribution to the Company; (iv) the Company's financial budget and general wage level throughout the Company for fiscal 2011; (v) a review of historical compensation information for the individual officer; (vi) a subjective determination of the compensation needed to motivate and retain that individual; (vii) the recommendations of the Chief Executive Officer (and the recommendation of the Chairman of the Board with respect to th