

DUKE REALTY CORP
Form DEF 14A
March 15, 2017

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:

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

Duke Realty Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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600 East 96th Street
Suite 100
Indianapolis, Indiana 46240
(317) 808-6000

March 15, 2017

Dear Shareholder:

The Board of Directors and officers of Duke Realty Corporation join me in extending to you a cordial invitation to attend our annual meeting of shareholders. This meeting will be held on Wednesday, April 26, 2017, at 3:00 p.m. local time, at the Conrad Indianapolis, 50 West Washington Street, Indianapolis, Indiana 46204. To reserve your seat at the annual meeting, please call 317-808-6005 or send an e-mail to ir@dukerealty.com. As in past years, we believe that both the shareholders and management of Duke Realty Corporation can gain much through participation at this meeting. Our objective is to make it as informative and interesting as possible.

This year we again are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their shareholders over the Internet. We believe that this e-proxy process will expedite shareholders' receipt of proxy materials, while lowering the costs of delivery and reducing the environmental impact of our annual meeting. On or about March 15, 2017, we mailed to a majority of our shareholders a notice containing instructions on how to access our proxy statement and 2016 Annual Report to shareholders and how to vote online. All other shareholders will receive these materials by mail. The proxy statement contains instructions on how you can

(i) receive a paper copy of the proxy statement and 2016 Annual Report, if you only received a notice by mail, or (ii) elect to receive future proxy statements and annual reports over the Internet, if you received them by mail this year.

Whether or not you plan to attend the annual meeting, we urge you to vote promptly by mail, by telephone or on the Internet in order to ensure that we record your votes on the business matters presented at the annual meeting.

We look forward to seeing you on April 26th.

Sincerely,

/s/ JAMES B. CONNOR

James B. Connor
President and Chief Executive Officer

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600 East 96th Street
Suite 100
Indianapolis, Indiana 46240
(317) 808-6000

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be held April 26, 2017

Notice is hereby given that the 2017 Annual Meeting of Shareholders, or the Annual Meeting, of Duke Realty Corporation, or the Company, will be held at the Conrad Indianapolis, 50 West Washington Street, Indianapolis, Indiana 46204, on Wednesday, April 26, 2017, at 3:00 p.m. local time. At the Annual Meeting, the shareholders will be asked to act on the following:

1. To elect ten directors to serve on the Company's Board of Directors for a one-year term ending at the 2018 Annual Meeting of Shareholders;
2. To vote on an advisory basis to approve the compensation of the Company's named executive officers for 2016;
3. To vote on an advisory basis to approve the frequency of shareholder votes on the compensation of named executive officers;
4. To ratify the reappointment of KPMG LLP as the Company's independent registered public accountants for the fiscal year 2017; and
5. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

Only shareholders of record at the close of business on February 24, 2017 are entitled to notice of and to vote at the Annual Meeting or at any adjournments or postponements thereof. At least a majority of the outstanding shares of common stock of the Company entitled to vote at the Annual Meeting present in person or by proxy is required for a quorum.

YOUR VOTE IS IMPORTANT!

Submitting your proxy does not affect your right to vote in person if you attend the Annual Meeting. Instead, it benefits the Company by reducing the expenses of additional proxy solicitation. Therefore, you are urged to submit your proxy as soon as possible, regardless of whether or not you expect to attend the Annual Meeting. You may revoke your proxy at any time before its exercise by (i) delivering written notice of revocation to the Company's Corporate Secretary, Ann C. Dee, at the above address, (ii) submitting to the Company a duly executed proxy card bearing a later date, (iii) voting via the Internet or by telephone at a later date, or (iv) appearing at the Annual Meeting and voting in person; provided, however, that no such revocation under clause (i) or (ii) shall be effective until written notice of revocation or a later dated proxy card is received by the Company's Corporate Secretary at or before the Annual Meeting, and no such revocation under clause (iii) shall be effective unless received on or before 11:59 p.m., Indianapolis local time, on April 25, 2017.

When you submit your proxy, you authorize James B. Connor and Ann C. Dee or either one of them, each with full power of substitution, to vote your shares at the Annual Meeting in accordance with your instructions or, if no instructions are given, to vote for the election of the director nominees, for approval, on an advisory basis, of the compensation of the Company's named executive officers, for an advisory shareholder vote on named executive officer compensation every "1 year," for ratification of the appointment of the independent auditors for 2017, and to vote in their discretion on any other business that may properly come before the Annual Meeting and any adjournments or

postponements of the Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials for the
Annual Meeting to be Held on April 26, 2017

The Company's proxy statement, proxy card and 2016 Annual Report are available at <http://www.proxyvote.com>.

By order of the Board of Directors,

/s/ ANN C. DEE

Indianapolis,
Ann C. Dee
Indiana

Executive Vice President, General Counsel and Corporate Secretary

March

15,

2017

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2017 PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement, or the 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.

General

The Board of Directors of Duke Realty Corporation, or the Company, is soliciting proxies to be voted at its 2017 Annual Meeting of Shareholders, or the Annual Meeting. The Proxy Statement provides the information shareholders need to know to vote by proxy or in person at the Annual Meeting. Shareholders do not need to attend the Annual Meeting in person in order to vote. Voting instructions are below.

Annual Meeting of Shareholders

• Time and Date 3:00 p.m. local time, April 26, 2017

• Place The Conrad Indianapolis, 50 West Washington Street, Indianapolis, Indiana 46204

• Record Date February 24, 2017

• Voting All shareholders of record as of the close of business on the Record Date are entitled to vote at the Annual Meeting. Each share of common stock outstanding on the Record Date is entitled to one vote on each item submitted for consideration.

In order for any business to be conducted, the holders of a majority of the shares of common stock entitled to vote at the Annual Meeting must be present, either in person or represented by proxy. For the purpose of determining the presence of a quorum, abstentions and broker non-votes (which occur when shares held by brokers or nominees for beneficial owners are voted on some matters but not on others) generally will be counted as present. As of the Record Date, 355,560,004 shares of common stock were issued and outstanding.

Meeting Agenda

• Election of ten directors

• Advisory vote to approve named executive officer compensation

• Advisory vote on frequency of shareholder votes on the compensation of named executive officers

• Ratification of KPMG as auditors for 2017

• Transaction of other business that may properly come before the meeting

Voting

Listed below are the alternatives for casting votes at the Annual Meeting.

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Vote, sign and date your proxy card and mail it in the enclosed postage-paid envelope.

Vote in person at the Annual Meeting. For driving directions to the Annual Meeting, please call 317-808-6005.

Call toll-free 1-800-690-6903 and follow the instructions. You will be prompted for certain information that can be found on your proxy card.

Log on to <http://www.proxyvote.com> and follow the on-screen instructions. You will be prompted to enter certain information that can be found on your proxy card.

Note: Please refer to the specific instructions set forth on the Notice or printed proxy materials.

If you have shares held by a broker, you may instruct your broker to vote your shares by following the instructions that the broker provides to you. Most brokers offer voting by mail, telephone and on the Internet.

When you return a properly executed proxy card, the Company will vote the shares that the proxy card represents in accordance with your directions. If you return the signed proxy card with no direction on a proposal, the Company will vote your proxy "FOR" each director nominee in Proposal One, "FOR" Proposal Two, in favor of holding a non-binding shareholder vote on the compensation of the Company's named executive officers every "1 Year," and "FOR" Proposal Four, and in accordance with the proxy holder's discretion on any other matter that may properly come before the Annual Meeting including any adjournment or postponement thereof.

You may revoke your proxy at any time before its exercise by:

- (i) delivering written notice of revocation to the Company's Corporate Secretary, Ms. Ann C. Dee, at 600 East 9th Street, Suite 100, Indianapolis, Indiana 46240;
- (ii) submitting to the Company a duly executed proxy card bearing a later date;
- (iii) voting via the Internet or by telephone at a later date; or
- (iv) appearing at the Annual Meeting and voting in person.

provided, however, that no such revocation under clause (i) or (ii) shall be effective until written notice of revocation or a later dated proxy card is received by the Company's Corporate Secretary at or before the Annual Meeting, and no such revocation under clause (iii) shall be effective unless received on or before 11:59 p.m., Indianapolis local time, on April 25, 2017.

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Voting Matters

	Board Vote Recommendation	Page Reference (for more detail)
Election of Directors	FOR EACH DIRECTOR NOMINEE	7
Advisory Vote to Approve Compensation of Named Executive Officers	FOR	25
Advisory Vote on Frequency of Shareholder Votes On Compensation of Named Executive Officers	Every 1 Year	26
Ratification of KPMG as Auditors for 2017	FOR	60

Board Nominees

We are asking shareholders to elect ten directors to serve for a one-year term that will expire at the Company's 2018 Annual Meeting or until their successors have been elected and qualified. The Board of Directors did not nominate our current Chairman of the Board, Mr. Dennis D. Oklak, to stand for re-election to the Board of Directors. In addition, Mr. Thomas J. Baltimore informed the Board of Directors that he also will not be standing for re-election.

The biographical information of each director nominee begins on page 8. Each director nominee is elected annually by the affirmative vote of at least a majority of the shareholders present in person or represented by proxy and entitled to vote for the election of directors. An abstention will result in a nominee receiving fewer affirmative votes and therefore will have the same effect as a vote against the nominee. Brokers are not entitled to vote uninstructed shares on director elections; therefore, broker non-votes are not considered entitled to vote and will not have an impact on the election of directors.

Advisory Vote on Named Executive Officer Compensation

We are asking shareholders to approve, on an advisory basis, our named executive officer compensation as discussed and disclosed in this Proxy Statement, including the Compensation Discussion and Analysis beginning on page 27 and the tables and narratives that follow under Executive Compensation beginning on page 45. The proposal to approve, on an advisory basis, the compensation of the Company's named executive officers will be approved if the votes cast in favor of the proposal exceed the votes cast against the proposal. Abstentions and broker non-votes will not be treated as votes cast and therefore will not have an impact on the vote to approve the compensation.

We have designed our executive compensation program to attract and retain the highest quality executive officers, directly link their pay to the Company's performance, and build value for our shareholders. Our program provides total compensation opportunities at levels that are competitive in our industry, ties a significant portion of each executive's compensation to achieving our key business objectives, and closely aligns the interests of our executives with the interests of our shareholders. In sum, our compensation is designed to reward executives when the Company achieves strong financial and operational results, and likewise to provide reduced pay when financial and operating results are not as strong. We believe the 2016 compensation of our named executive officers is reflective of and consistent with that intent.

Advisory Vote on Frequency of Shareholder Votes on Named Executive Officer Compensation

We are asking shareholders to approve, on an advisory basis, the frequency with which they wish to have an advisory say-on-pay vote on named executive officer compensation. Shareholders may indicate whether they would like to

have a say-on-pay vote every one, two or three years, or they may abstain from voting. We recommend that the shareholders vote for a one-year frequency, but we will take into account the frequency selected by shareholders, which will be the one receiving the highest number of votes. Abstentions and broker non-votes will not be treated as votes cast and therefore will not have an impact on the vote to approve the frequency of say-on-pay votes.

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Auditors

We are asking shareholders to ratify the reappointment of KPMG LLP as the Company's independent registered public accountants for the 2017 fiscal year. In order to ratify the selection of KPMG, the votes cast in favor of the proposal must exceed the votes cast against the proposal. Abstentions will not be treated as votes cast and therefore will not have an impact on the ratification of KPMG as our independent registered public accountants. The ratification of the selection of KPMG as the Company's independent registered public accountants for 2017 will be deemed to be a discretionary matter and brokers will be permitted to vote uninstructed shares as to such matter. Set forth below is summary information with respect to KPMG's fees for services provided in 2016 and 2015.

Audit Fees: \$1,354,220 for 2016 and \$1,290,960 for 2015.

Audit-Related Fees: \$43,000 for 2016 and \$38,500 for 2015. These fees include employee benefit plan audits and other accounting related consultation.

Tax Fees: \$169,847 for 2016 and \$4,209 for 2015. These fees include services for various tax consulting matters and for 2016, includes \$148,338 approved by the Audit Committee for a special project.

All Other Fees: None.

Other

Your proxy gives discretionary authority to Mr. James B. Connor and Ms. Ann C. Dee with respect to any other matters that might be brought before the Annual Meeting. If you are a record owner and you sign a proxy card but do not provide instructions with respect to any proposal on such card, the proxy holder will vote in accordance with the Board of Director's recommendations for such proposal. If you are a beneficial owner (i.e. you hold your shares through a broker or other nominee) and you sign voting instructions but do not provide instructions with respect to any proposal, the broker will vote on your behalf only on such proposals over which it has discretionary authority (Proposal Four), and for all other proposals (Proposals One, Two and Three), your instructions will be counted as broker non-votes.

Shareholder Proposals for 2018 Annual Meeting

The deadline for shareholder proposals to be included in our proxy statement for the 2018 annual meeting of shareholders is November 15, 2017. If a shareholder wishes to present a proposal at the 2018 annual meeting, whether or not the proposal is intended to be included in the 2018 proxy material, the Company's bylaws require that the shareholder give advance written notice to the Company's Corporate Secretary 120 days prior to the one year anniversary of the date when the proxy statement was released to shareholders in connection with the previous year's annual meeting, which for the 2018 annual meeting would also be November 15, 2017.

Shareholder proposals should be submitted in writing to the Company (Attention: Ms. Ann C. Dee, Corporate Secretary). Any such proposals must comply with all applicable SEC rules and the requirements set forth in the Company's bylaws.

Mailing Date/Internet Availability of Proxy Materials

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This Proxy Statement, the enclosed proxy card and our 2016 Annual Report or a Notice of Internet Availability of Proxy Materials, or the Notice, were mailed or e-mailed to shareholders beginning on or about March 15, 2017. The Notice contains instructions on how to access the proxy materials online. Shareholders who received the Notice by mail or e-mail will not receive a printed copy of the proxy materials in the mail unless they request a copy in the manner described in the Notice. All shareholders will be able to access the proxy materials on the website referred to in the

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Notice and this Proxy Statement and will be able to request to receive a printed set of the proxy materials by mail or electronically, in either case, free of charge.

In addition to the solicitation of proxies by use of the mail, officers and regular employees of the Company may solicit proxies by telephone, facsimile, e-mail or personal interviews without additional compensation. It is also contemplated that brokerage houses will forward the proxy materials to shareholders at the request of the Company. Receipt of more than one proxy card indicates that a shareholder has multiple accounts at the transfer agent or with stockbrokers. Shareholders should complete and return all proxy cards received to ensure that all of their shares are voted.

Shareholders of record that desire to receive future proxy statements and annual reports electronically should log on to <http://www.proxyvote.com> and follow the instructions to vote using the Internet and, when prompted, indicate that they agree to receive or access proxy materials electronically in future years. Shareholders will need to refer to the Company number and control number found on the proxy card. Shareholders may cancel this electronic enrollment if they later wish to receive proxy statements and annual reports by regular mail.

Proxy Solicitation

The solicitation is being made by the Company, and the Company will bear the cost of preparing, printing, assembling and mailing the Notice, Proxy Statement, proxy card and other materials that may be sent to shareholders in connection with this solicitation. The Company also may reimburse brokerage houses and other custodians, nominees and fiduciaries for their expenses incurred in forwarding solicitation materials to the beneficial owners of shares held of record by such persons.

Information about Communications with Duke Realty Corporation and Our Board of Directors

The Company provides a procedure for the Board of Directors to accept communications from shareholders of the Company that are reasonably related to protecting or promoting legitimate shareholder interests. Such procedure can be found on the Investor Relations/Corporate Governance section of the Company's website at <http://www.dukerealty.com>.

You may also contact the Board of Directors, by writing to:

Board of Directors
c/o the Corporate Secretary
600 East 96