

COLUMBIA PROPERTY TRUST, INC.
Form DEF 14A
March 17, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a - 6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a – 12

COLUMBIA PROPERTY TRUST, INC.

(Name of Registrant as Specified in its Charter)

Payment of Filing Fee:

No fee required.

Fee computed on table below per Exchange Act Rules 14-a-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 No.:

(3) Filing Party:

(4) Date Filed:

One Glenlake Parkway, Suite 1200
Atlanta, Georgia 30328

March 17, 2017

Dear Stockholder:

We cordially invite you to attend the 2017 Annual Meeting of Stockholders of Columbia Property Trust, Inc., to be held on Tuesday, May 2, 2017, at 9:00 a.m. Eastern Time, at The Westin Atlanta Perimeter North, 7 Concourse Parkway, NE, Atlanta, Georgia 30328. The items of business are listed in the following Notice of Annual Meeting of Stockholders and are more fully addressed in the proxy statement.

Please review the proxy statement thoroughly and submit your vote as soon as possible in advance of the annual meeting on May 2, 2017. **Your vote is very important. Please respond immediately to help us avoid potential delays and additional expenses to solicit votes.**

We are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to certain of our stockholders over the Internet. We believe that this e-proxy process expedites stockholders' receipt of proxy materials, while also lowering our costs and reducing the environmental impact of our annual meeting.

On behalf of your Board of Directors, thank you for your support of Columbia Property Trust, Inc.

Sincerely,

John L. Dixon
Chairman of the Board

Whether or not you plan to attend the meeting and vote in person, we urge you to have your vote recorded as early as possible. Stockholders have the following three options for submitting their votes by proxy:

- (1) over the Internet at the web address noted in the Notice of Internet Availability of Proxy Materials or proxy card (if you received a proxy card),**
- (2) by telephone through the number noted in the proxy card (if you received a proxy card), or**
- (3) by signing and dating your proxy card (if you received a proxy card) and mailing it in the prepaid and addressed envelope enclosed therewith.**

Your vote is very important! Your immediate response will help avoid potential delays and may save us significant additional expenses associated with soliciting stockholder votes.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 2, 2017
Columbia Property Trust, Inc.
One Glenlake Parkway, Suite 1200
Atlanta, Georgia 30328

Time: 9:00 a.m. Eastern Time

Date: May 2, 2017

Place: The Westin Atlanta Perimeter North, 7 Concourse Parkway, NE, Atlanta, Georgia 30328

Record Date: Stockholders of record at the close of business on February 21, 2017, are entitled to notice of and to vote at the annual meeting or any adjournments or postponements thereof.

- Purpose:**
- (1) Elect ten directors nominated by the Board of Directors for one year terms;
 - (2) Ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2017;
 - (3) Approve, on an advisory basis, executive officer compensation, sometimes referred to as a “say on pay”;
 - (4) Approve the Amended and Restated 2013 Long-Term Incentive Plan;
 - (5) Approve an amendment to our Second Amended and Restated Articles of Incorporation; and
 - (6) Consider and act upon such other business as may properly come before the annual meeting or any adjournments or postponements thereof.

Whether or not you plan to attend the meeting and vote in person, we urge you to have your vote recorded as early as possible. Stockholders have the following three options for submitting their votes by proxy:

- (1) **over the Internet at the web address noted in the Notice of Internet Availability of Proxy Materials or proxy card (if you received a proxy card),**
- (2) **by telephone through the number noted in the proxy card (if you received a proxy card), or**

(3) by signing and dating your proxy card (if you received a proxy card) and mailing it in the prepaid and addressed envelope enclosed therewith.

Your vote is very important! Your immediate response will help avoid potential delays and may save us significant additional expenses associated with soliciting stockholder votes.

Important Notice regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on May 2, 2017: The proxy statement and 2016 Annual Report are available at:

<http://www.columbia.reit/proxy>

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2017 PROXY STATEMENT AT A GLANCE

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting Logistics

May 2, 2017, at 9:00 a.m. Eastern Time

The Westin Atlanta Perimeter North, 7 Concourse Parkway, NE, Atlanta, Georgia 30328

The record date is February 21, 2017

Meeting Agenda and Voting Matters

Proposal	Board Vote Recommendation	Page
1. Elect ten directors nominated by the Board of Directors for one year terms	FOR ALL	7
2. Approve, on an advisory basis, executive officer compensation	FOR	39
3. Ratify the appointment of our independent registered public accounting firm	FOR	43
4. Approve the Amended and Restated 2013 Long Term Incentive Plan	FOR	46
5. Approve an amendment to our Second Amended and Restated Articles of Incorporation	FOR	55

Election of Directors (Proposal 1)

The Board of Directors, or the Board, of Columbia Property Trust, Inc. (“we,” “us,” “our,” or the “Company”) is asking you to elect the ten nominees for director named below for terms that expire at the 2018 annual meeting of stockholders. The directors will be elected by a plurality vote; however, our Corporate Governance Guidelines require that each director will offer to resign if the director receives a greater number of votes “withheld” than votes “for” such election in an uncontested election of directors.

The following table provides summary information about the ten director nominees. For further information about the nominees, see “**Director Nominations and Current Nominees.**”

Name	Age	Occupation	Year First Became a Director	Independent	Board Committees
Carmen M. Bowser	62	Former Managing Vice President, Commercial Real Estate Division, Capital One Bank, N.A	2016	Yes	Audit Nominating / Governance
Charles R. Brown	78	Chairman, CRB Realty Associates	2003	Yes	Audit Investment
Richard W. Carpenter	80	Chairman of the Board, MidCountry Financial Corp.	2003	Yes	Executive Compensation Investment (C) Executive (C)
John L. Dixon*	74	Former President and Director, Pacific Select Group, LLC	2008	Yes	Nominating / Governance (C) Compensation
David B. Henry	68	Former Chief Executive Officer and Vice-Chairman, Kimco Realty Corporation	2016	Yes	Nominating / Governance Compensation (C)
Murray J. McCabe	49	Managing Partner, Blum Capital Partners, L.P.	2013	Yes	Investment
E. Nelson Mills	56	President and Chief Executive Officer, Columbia Property Trust, Inc.	2007	No	Executive Compensation
Michael S. Robb	69	Former Executive Vice President of the Real Estate Division of Pacific Life Insurance Company	2015	Yes	Investment
George W. Sands	71	Former Partner, KPMG LLP	2010	Yes	Audit (C) Nominating / Governance
Thomas G. Wattles	65	Former Executive Chairman, DCT Industrial Trust, Inc.	2013	Yes	Audit Investment

*Independent Chairman of the Board

(C)

Denotes committee chair

Advisory Approval of Executive Compensation (Proposal 2)

The Board of Directors is asking you to approve, on an advisory basis, the compensation of the Named Executive Officers, or NEOs, as disclosed in this proxy statement. We believe that our compensation policies and practices reflect the following objectives of our compensation program:

to attract, retain, and motivate talented executives;

to provide incentives for the attainment of short-term operating objectives and strategic long-term performance goals; and

to emphasize and award achievement of long-term objectives that are consistent with our strategic focus on growth, operations, brand development, and stockholder returns.

Ratification of the Appointment of the Independent Registered Public Accounting Firm (Proposal 3)

The Board of Directors is asking you to ratify the selection of Deloitte & Touche LLP, or Deloitte, as our independent registered public accounting firm for the year ending December 31, 2017.

Approve the Amended and Restated 2013 Long-Term Incentive Plan (Proposal 4)

The Board of Directors is asking you to approve the amendment and restatement of the Columbia Property Trust, Inc. 2013 Long-Term Incentive Plan to increase the shares of our common stock available for issuance by 2,800,000 shares and to make certain other amendments to the existing plan.

For a full description of Proposal 4 and the proposed Amended and Restated 2013 Long-Term Incentive Plan, see “**PROPOSAL 4 – Approve the Amended and Restated 2013 Long-Term Incentive Plan**” herein.

Approve an Amendment to our Second Amended and Restated Articles of Incorporation (Proposal 5)

The Board of Directors is asking you to approve an amendment to our Second Amended and Restated Articles of Incorporation to clarify that stockholders have the right to amend the Company's Bylaws.

For a full description of Proposal 5 and the proposed Charter Amendment, see "**PROPOSAL 5 – Approve an Amendment to our Second Amended and Restated Articles of Incorporation**" herein.

2016 Company Highlights

We had another significant year in 2016, including:

selling six properties in outlying markets for \$660.5 million in 2016 and selling five additional properties for \$539.5 million in January 2017, furthering our focus on key markets;

issuing \$350 million aggregate principal amount of 3.650% senior unsecured notes due in August 15, 2026, at a price of \$996.26 per \$1000 in principal amount, which were used to redeem the \$250 million of 5.875% unsecured notes approximately two years prior to maturity; and

leasing over 1.0 million square feet of space, including a 30-year, full building lease at our 222 East 41st Street Building.

Best Practice Governance and Compensation Features that Align Pay and Performance

We believe that our compensation programs encourage executive decision-making that is aligned with the long-term interests of our stockholders by tying a meaningful portion of pay to Company performance over a multi-year period through awarding a meaningful portion of each executive's compensation in the form of equity awards vesting over a multi-year period. Other compensation and governance practices that support these principles, each of which is described in more detail herein, include the following:

What We Do

DO have a board comprised of a super-majority of independent directors. Nine of our ten directors currently serving are independent in accordance with New York Stock Exchange ("NYSE") listing standards and our Corporate Governance Guidelines.

DO have a separate Chairman and Chief Executive Officer.

DO maintain a majority voting policy requiring that, in any uncontested election, as a condition to nomination, each director irrevocably agrees to offer to resign if the director receives a greater number of votes "withheld" than votes "for" such election.

DO align pay and performance by linking a significant portion of total compensation to the achievement of a balanced mix of Company and individual performance criteria tied to operational and strategic objectives established at the beginning of the performance period by the Compensation Committee and the Board.

DO deliver a substantial portion of the value of equity awards in performance shares. For 2016, 70% of the total payout opportunity for all executive officers was tied to our Company's total stockholder return as measured against the MSCI US REIT Index and our peer group.

DO maintain stock ownership guidelines for directors and executive officers

DO maintain a clawback policy

DO conduct annual assessments of compensation at risk

DO have an Compensation Committee comprised solely of independent directors

DO retain an independent compensation consultant that reports directly to the Compensation Committee and performs no other services for management

DO cap incentive compensation. Incentive awards include minimum and maximum performance thresholds with funding that is based on actual results measured against the preapproved goals that are clearly defined.

What We Don't Do

NO compensation or incentives that encourage risks reasonably likely to have a material adverse effect on the Company

NO tax gross ups for any executive officers

NO "single-trigger" change in control cash or equity payments

NO re-pricing or buyouts of underwater stock options

NO hedging or pledging transactions involving our securities

NO guaranteed cash incentive compensation or equity grants with executive officers

NO long-term employment contracts with executive officers

Alignment of Pay with Performance

A significant portion of the total compensation for our chief executive officer and chief financial officer as well as other named executive officers is performance based.

Under our 2016 short-term cash incentive compensation program ("2016 STIC"), 67% of the total payout opportunity for our chief executive officer and chief financial officer was tied to the achievement of financial metrics and primary business plan objectives established at the beginning of the year.

Under our 2016 long-term incentive plan (“2016 LTIP”), 70% of the total payout opportunity for all executive officers was tied to our Company’s total stockholder return (“TSR”) as measured against the MSCI US REIT Index and our peer group.

Our 2017 short-term cash incentive compensation program (“2017 STIC”) uses performance metrics that are expected to be more difficult to achieve than in previous years.

Our 2017 long-term incentive plan (“2017 LTIP”) has been restructured to eliminate all discretion by evaluating performance entirely based on total stockholder return, and to measure performance over a three-year period, instead of a one year period.

Since a substantial component of our executive officers’ compensation is tied to our financial performance and stock performance, management believes that our compensation program is aligned with the interests of our stockholders.

A Significant Portion of Pay is Performance-Based and At Risk

Consistent with our executive compensation program, the majority of the total compensation during 2016 for our chief executive officer and other named executive officers was performance-based and at risk:

E. Nelson Mills	All Other Named
Chief Executive Officer and President	Executive Officers

PROPOSAL 1 - ELECTION OF DIRECTORS

At the annual meeting, you and the other stockholders will vote on the election of ten nominees to our Board of Directors. Those persons elected will serve as directors for a one year term until the 2018 annual meeting and until their successors are duly elected and qualified.

The Board of Directors has nominated the following persons for election as directors:

Carmen M. Bowser

Charles R. Brown

Richard W. Carpenter

John L. Dixon

David B. Henry

Murray J. McCabe

E. Nelson Mills

Michael S. Robb

George W. Sands

Thomas G. Wattles

Each of the nominees for director is a current member of our Board of Directors. Detailed information on each nominee is provided below under the heading, “**Director Nominations and Current Nominees**—Information Regarding Nominees.”

Recommendation

Your Board of Directors unanimously recommends a vote “***FOR***” all ten nominees for director.

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GENERAL INFORMATION ABOUT THE BOARD OF DIRECTORS

Our Board of Directors has oversight responsibility for our operations and makes all major decisions concerning our business. We currently have ten directors.

Term of Office

All of our directors have been nominated for election to serve one year terms that will expire at the 2018 annual meeting and until their successors are elected and qualified.

Communicating with the Board of Directors

Any stockholder or interested parties who wish to communicate directly with our Board of Directors, with our independent Chairman, or with our nonmanagement directors as a group may do so by writing to our Corporate Secretary at One Glenlake Parkway, Suite 1200, Atlanta, Georgia 30328.

We have established several means for stockholders to communicate concerns directly with the Board of Directors. If the concern relates to our financial statements, accounting practices, or internal controls, stockholders should submit the concern in writing to the Chairman of our Audit Committee in care of our Corporate Secretary at the address noted above. If the concern relates to our governance practices, business ethics, or corporate

conduct, stockholders should submit the concern in writing to the Chairman of our Nominating and Corporate Governance Committee in care of our Corporate Secretary at the address noted above. If uncertain as to which category a concern relates, a stockholder may communicate the concern to any one of the independent directors in care of our Corporate Secretary at the address noted above.

Please specify to whom your letter should be directed. Once the communication is received and reviewed by the Corporate Secretary, it will be promptly forwarded to the addressee. Advertisements, solicitations for business, requests for employment, requests for contributions, or other inappropriate material will not be forwarded to our directors.

Meetings of Directors and Attendance at the Annual Meeting

During 2016, the Board held seven meetings. All of the directors attended at least 98% of all of the meetings of the Board and the committees on which they served. We expect that all directors serving at the time of the Annual Meeting of Stockholders will attend the meeting in the absence of a compelling reason. At the annual meeting held in 2016, all of the directors then serving attended the meeting.

DIRECTOR NOMINATIONS AND CURRENT NOMINEES

Information Regarding Nominees

Biographical information about the ten nominees for director and the experience, qualifications, attributes, and skills considered by our Nominating and Corporate Governance Committee and the Board of Directors in determining that the nominee should serve as a director appears below.

Name	Position(s)	Age	Year First Became a Director
E. Nelson Mills	President, Chief Executive Officer and Director	56	2007