

SIMON PROPERTY GROUP INC /DE/
Form DEF 14A
March 28, 2018

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Simon Property Group, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (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:
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Total fee paid:

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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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March 28, 2018

Dear Fellow Shareholders:

Please join me and the Board of Directors at our 2018 Annual Meeting of Shareholders on May 8, 2018, at our headquarters in Indianapolis, Indiana. The business to be conducted at the meeting is explained in the attached Notice of Annual Meeting and Proxy Statement. We are pleased to furnish proxy materials to our shareholders over the Internet. We believe that this e-proxy process expedites shareholders' receipt of proxy materials, while also lowering the costs and reducing the environmental impact of our Annual Meeting.

Simon Property Group continued its track record of posting the strongest financial results in our industry. I would like to thank our employees for their hard work and dedication and our shareholders for their continued interest and support of our Company.

Whether or not you plan to attend the meeting in person, please read the Proxy Statement and vote your shares. Instructions for voting by mail, Internet and telephone are included in your Notice of Internet Availability of Proxy Materials or proxy card (if you receive your materials by mail). We hope that after you have reviewed the Proxy Statement you will vote in accordance with the Board's recommendations. Your vote is important to us and our business.

Sincerely,

David Simon

Chairman of the Board and Chief Executive Officer

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

MAY 8, 2018
8:30 A.M. (EDT)

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

ITEMS OF BUSINESS

1. Elect the thirteen director nominees named in this Proxy Statement, including three directors to be elected by the voting trustees who vote the Class B common stock;
2. Advisory vote to approve the compensation of our Named Executive Officers;
3. Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018;
4. Shareholder Proposal, if properly presented; and
5. Other business as may properly come before the meeting or any adjournments or postponements of the meeting.

RECORD DATE

You can vote if you were a shareholder of record on March 15, 2018 (the "Record Date").

ANNUAL REPORT

Our 2017 Annual Report to Shareholders accompanies, but is not part of, or incorporated into, this Proxy Statement.

PROXY VOTING

On or about March 28, 2018, a Notice of Internet Availability of Proxy Materials and Notice of Annual Meeting of Shareholders (the "Notice") is first being mailed to our shareholders of record as of the Record Date and our proxy materials are first being posted on the website referenced in the Notice (www.proxyvote.com). As more fully described in the Notice, all shareholders may choose to access our proxy materials on the website referred to in the Notice or may request a printed set of our proxy materials. In addition, the Notice and website provide information regarding how you may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. For those shareholders who previously requested to receive proxy materials in printed form by mail or electronically by email on an ongoing basis, you will receive those materials as you requested.

Shareholders as of the Record Date are invited to attend the Annual Meeting, but if you cannot attend in person, please vote in advance of the meeting by using one of the methods described in the Proxy Statement. Shareholders may vote their shares (1) in person at the Annual Meeting, (2) by telephone, (3) through the Internet or (4) by completing and mailing a proxy card if you receive your proxy materials by mail. Specific instructions for voting by telephone or through the Internet are included in the Notice. If you attend and vote at the meeting, your vote at the meeting will replace any earlier vote you cast.

By order of the Board of Directors,

Steven E. Fivel
General Counsel and Secretary

March 28, 2018

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2 SIMON PROPERTY GROUP 2018 PROXY STATEMENT

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

PROPOSALS WHICH REQUIRE YOUR VOTE

PROPOSAL		MORE INFORMATION	BOARD RECOMMENDATION	BROKER NON-VOTES	ABSTENTIONS	VOTES REQUIRED FOR APPROVAL
1	Elect the thirteen director nominees named in this Proxy Statement	Page 13	FOR ALL NOMINEES	Do not impact outcome	Do not impact outcome	More votes FOR than AGAINST. Under our By-Laws, a nominee who receives more AGAINST votes than FOR votes will be required to tender his or her resignation.
2	Advisory vote to approve the compensation of our Named Executive Officers	Page 23	FOR	Do not impact outcome	Do not impact outcome	Majority of votes cast.
3	Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018	Page 44	FOR	N/A	Do not impact outcome	Majority of votes cast.
4	Shareholder proposal requesting	Page 46	AGAINST	Do not impact outcome	Do not impact outcome	Majority of votes cast.

that any future
employment
agreement
with our CEO
not provide
any
termination
benefits
following a
change in
control

**BY INTERNET USING A
COMPUTER**

BY TELEPHONE

BY MAIL

Vote 24/7
www.proxyvote.com

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

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

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

Review and download easy to read versions of our Proxy Statement and Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the "Annual Report").

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

SIMON PROPERTY GROUP 2018 PROXY STATEMENT 3

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

ELIGIBILITY TO VOTE (page 49)

You can vote if you were a shareholder of record at the close of business on the Record Date (March 15, 2018).

HOW TO CAST YOUR VOTE (page 3)

You can vote by any of the following methods:

Internet: Go to www.proxyvote.com until 11:59 P.M. EDT on May 7, 2018;

Telephone: Call 1-800-690-6903 until 11:59 P.M. EDT on May 7, 2018;

Mail: Complete, sign and return your proxy or voting instruction card; or

In Person: Vote in person by ballot at the Annual Meeting.

GOVERNANCE OF THE COMPANY (page 8)

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

1. ELECTION OF DIRECTORS (page 13)

NAME OF INDEPENDENT DIRECTOR	AGE	OCCUPATION	COMMITTEE MEMBERSHIPS
Glyn F. Aeppel	59	President and CEO of Glencove Capital	Governance and Nominating
Larry C. Glasscock	70	Retired Chairman of WellPoint, Inc. (now Anthem, Inc.)	Lead Independent Director, Audit, Governance and Nominating
Karen N. Horn, Ph.D.	74	Senior Managing Director of Brock Capital Group	Governance and Nominating (Chair)
Allan Hubbard	70	Co-Founder, Chairman and Partner of E&A Companies	Compensation, Governance and Nominating
Reuben S. Leibowitz	70	Managing Member of JEN Partners	Compensation (Chair), Audit
Gary M. Rodkin	65	Retired Chief Executive Officer and Director of ConAgra Foods, Inc.	Governance and Nominating

Stefan M. Selig	54	Founder of BridgePark Advisors LLC	Audit
Daniel C. Smith, Ph.D.	60	Professor of Marketing at the Kelley School of Business, Indiana University, and President and CEO of the Indiana University Foundation	Compensation
J. Albert Smith, Jr.	77	Chairman, Chase Bank in Central Indiana and Managing Director of J.P. Morgan Private Bank	Audit (Chair), Compensation
Marta R. Stewart	60	Retired Executive Vice President and Chief Financial Officer of Norfolk Southern Corporation	Audit

NAME OF DIRECTOR	AGE	OCCUPATION	COMMITTEE MEMBERSHIPS
David Simon	56	Chairman of the Board and Chief Executive Officer of the Company	None
Richard S. Sokolov	68	President and Chief Operating Officer of the Company	None
Herbert Simon	83	Chairman Emeritus of the Board of the Company	None

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PROXY SUMMARY

2. ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS (page 23)

3. COMPENSATION DISCUSSION AND ANALYSIS (page 24)

The Compensation Committee of the Board believes that the Company's rigorous performance-based compensation programs operated to align shareholders' interests with the compensation of our named executive officers ("NEOs") in 2017. The Compensation Committee is confident that our executive compensation program is appropriately designed to incent strong performance over the longer term.

4. RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (page 44)

5. SHAREHOLDER PROPOSAL (page 46)

VOTING PROPOSALS	BOARD'S RECOMMENDATIONS
Proposal 1 Elect the thirteen director nominees named in this Proxy Statement	FOR ALL NOMINEES (page 13)
Proposal 2 Advisory vote to approve the compensation of our Named Executive Officers	FOR (page 23)
Proposal 3 Ratify the appointment of Ernst & Young, LLP as our independent registered public accounting firm for 2018	FOR (page 44)
Proposal 4 Shareholder proposal requesting that any future employment agreement with our CEO not provide any termination benefits following a change in control	AGAINST (page 46)

PROXY STATEMENT

This Proxy Statement and accompanying proxy card are being made available to shareholders on or about March 28, 2018, in connection with the solicitation by the Board of Directors (the "Board") of Simon Property Group, Inc. ("Simon", "SPG", "we", "us", "our" or the "Company") of proxies to be voted at the 2018 Annual Meeting of Shareholders (the "Annual Meeting") to be held at the corporate headquarters of the Company located at 225 West Washington Street, Indianapolis, Indiana 46204, on May 8, 2018, at 8:30 a.m. (EDT). As required by rules adopted by the U.S. Securities and Exchange Commission (the "SEC"), the Company is making this Proxy Statement and its Annual Report available to shareholders electronically via the Internet. In addition, SPG is using the SEC's "Notice and Access" rules to provide shareholders with more options for receipt of these materials. Accordingly, on March 28, 2018, the Company will begin mailing the Notice of Internet Availability of Proxy Materials (the "Notice") to shareholders containing instructions on how to access this Proxy Statement and the Company's Annual Report via the Internet, how to vote online or by telephone, and how to receive paper copies of the documents and a proxy card.

SUMMARY OF 2017 FINANCIAL PERFORMANCE

This summary provides highlights of certain information in this Proxy Statement. This summary does not contain all of the information that you should consider and therefore you should read the entire Proxy Statement before voting. For more complete information regarding the Company's 2017 performance you should review the Company's Form 10-K for the year ended December 31, 2017 and Form 8-K furnished to the SEC on January 31, 2018.

In 2017, the Company continued to deliver consistent strong growth across our key financial metrics.

In 2017 we generated funds from operations ("FFO") of \$11.21 per share; the highest we have ever reported. See "Where do I find reconciliation of Non-GAAP terms to GAAP terms?" in the section of this Proxy Statement titled "Frequently Asked Questions and Answers" on page 52. Our FFO compound annual growth rate ("CAGR") for the period from 2010 through 2017 was 12.2%.

Reported FFO per share

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SUMMARY OF 2017 FINANCIAL PERFORMANCE

In 2017 we paid dividends per share of \$7.15; the highest ever paid by the Company. The CAGR for our annual dividend payments for the period from 2010 through 2017 was 15.6%. The Company has a track record of returning funds to shareholders not only in the form of dividends, but over the last three years through a share repurchase program as well. In 2017, aggregating the Company's dividend payments and share repurchase program, the Company returned \$3.0 billion to its shareholders. Over the last eight years we have returned more than \$15.5 billion to our shareholders.

Funds Returned to Shareholders
(\$ in billions, except per share amounts)

Our Return on Equity increased from 13.4% in 2010 to 53.0% in 2017.

Return on Equity

SIMON PROPERTY GROUP 2018 PROXY STATEMENT 7

Table of Contents**CORPORATE GOVERNANCE OF THE COMPANY****BOARD LEADERSHIP STRUCTURE**

Our Governance Principles provide for a strong Lead Independent Director role.

The Lead Independent Director presides over all meetings of the Board at which the Chairman of the Board (the "Chairman") is not present, including the regularly conducted executive sessions of the independent directors, sets Board agendas and facilitates interactions between the independent directors and the senior management team. In March of 2014, Larry C. Glasscock was appointed by our independent directors to serve as our Lead Independent Director.

David Simon has served since 2007 as the Chairman and Chief Executive Officer ("CEO"). The Board continues to believe that having David Simon fill these two leadership roles is an appropriate and efficient leadership structure. Together, our Lead Independent Director and the Chairman and CEO, deliver clear leadership, responsibility and accountability, effective decision-making and a cohesive corporate strategy.

Ten of our director nominees are independent under the requirements set forth in the NYSE Listed Company Manual. All of the members of the Audit Committee, Governance and Nominating Committee, and Compensation Committee are independent directors under the listing requirements and rules of the NYSE and other applicable laws, rules, and regulations.

We recognize the importance of refreshing our Board. Consistent with this belief, in the last four years we have appointed four new directors, including two new directors in the last six months.

The average tenure of our independent directors has decreased from 10.6 years to 7.5 years since July 22, 2015, as shown in the graphs below.

SUMMARY OF BOARD EXPERIENCE

	G. AEPPEL	L. GLASSCOCK	K. HORN	A. HUBBARD	R. LEIBOWITZ	G. RODKIN	S. SELIG	A. SMITH	D. SMITH	M. STEWART	D. SIMON
	X	X	X		X	X	X	X		X	X
	X	X	X	X	X	X		X	X		X
	X	X			X			X			X
	X		X			X	X		X		X
				X		X			X		

		X	X			X				
cal										
at	X	X	X	X	X		X	X	X	X

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CORPORATE GOVERNANCE OF THE COMPANY

THE BOARD BELIEVES THAT ITS MEMBERS SHOULD:

exhibit high standards of independent judgment and integrity;

have diverse experiences and backgrounds, including racial and gender diversity; and

have a strong record of achievements;

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

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

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

leadership of large and complex organizations;

strategic planning;

accounting and finance;

real estate acquisitions, development, and operations;

e-commerce related internet-based businesses;

banking, legal, and corporate governance;

capital markets;

government and governmental relationships; and

retail marketing;

international business.

THE BOARD'S ROLE IN OVERSIGHT OF RISK MANAGEMENT

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

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

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

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

DIRECTOR INDEPENDENCE

The Board has adopted standards to assist it in making determinations of director independence. These standards incorporate, and are consistent with, the definition of "independent" contained in the NYSE Listed Company Manual and other applicable laws, rules and regulations in effect from time to time regarding director independence. These standards are included in our Governance Principles, which are available at governanceprinciples.simon.com. In March 2014, the Board amended and restated the Governance Principles to strengthen the role of the Lead Independent Director. The Board has affirmatively determined that each person nominated by the Board for election as a director by the holders of voting shares of common stock and listed in this Proxy Statement meets these standards and is independent.

David Simon, Richard S. Sokolov and Herbert Simon are our employees and are not considered independent directors.

POLICIES ON CORPORATE GOVERNANCE

Good corporate governance is important to ensure that the Company is managed for the long-term benefit of its shareholders and to enhance the creation of long-term shareholder value. Each year, the Governance and Nominating Committee reviews our Governance Principles and recommends to the Board any suggested modifications. Also, the Audit Committee obtains reports from management and the Company's senior internal auditing executive that the Company and its subsidiaries are operating in conformity

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CORPORATE GOVERNANCE OF THE COMPANY

with the Company's Code of Business Conduct and Ethics, which can be found at codeofconduct.simon.com and advises the Board with respect to the Company's policies and procedures regarding compliance with the Company's Code of Business Conduct and Ethics. In addition, each of the Board's standing committees reviews its written charter on an annual basis to consider whether any changes are required. These charters are located on our website at committeecomposition.simon.com. In addition to clicking on the preceding links, the current version of each of these documents is available by visiting www.simon.com and navigating to "Governance" by clicking on "Investors", or by requesting a printed copy without charge upon written request to our Secretary at 225 West Washington Street, Indianapolis, Indiana 46204.

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

ADOPTION OF PROXY ACCESS BY-LAW

In March 2017, after extensive analysis, the Governance and Nominating Committee recommended, and the Board adopted, through an amendment to our Amended and Restated By-Laws (the "By-Laws"), the ability of a shareholder, or a group of up to 20 shareholders, owning at least three percent of the Company's outstanding Class A common stock continuously for at least three years, to nominate and include in the Company's proxy materials director nominees constituting up to the greater of two nominees or 20% of the number of directors on the Board that the Class A common shareholders are entitled to elect, provided that the shareholders and the nominees satisfy the requirements in our By-Laws.

MAJORITY VOTE STANDARD FOR ELECTION OF DIRECTORS

Our By-Laws provide for a majority of votes cast standard for the election of directors in an uncontested election. The majority of votes cast standard for purposes of the election of director nominees means that in order for a director to be elected, the number of votes cast FOR a director's election must exceed the number of votes cast AGAINST that director's election. Any director who, in an uncontested election, receives a greater number of AGAINST votes than FOR votes must promptly tender his or her resignation to the Board, subject to its acceptance. The Governance and Nominating Committee will promptly consider the tendered resignation and recommend to the Board whether to accept or reject it. Both the Governance and Nominating Committee and the Board may consider any factors they deem appropriate and relevant to their actions. The Board will act on the tendered resignation, taking into account the Governance and Nominating Committee's recommendation. The affected director cannot participate in any part of the process. We will publicly disclose the Board's decision by a press release, a filing with the SEC or other broadly disseminated means of communication within 90 days after the shareholders' vote has been certified.

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

NOMINATIONS FOR DIRECTORS

The Governance and Nominating Committee will consider director nominees recommended by shareholders. A shareholder who wishes to recommend a director candidate in this manner should send such recommendation to our Secretary at 225 West Washington Street, Indianapolis, Indiana 46204, who will forward it to the Governance and Nominating Committee. Any such recommendation shall include a description of the candidate's qualifications for Board service, the candidate's written consent to be considered for nomination and to serve if nominated and elected, as well as the addresses and telephone numbers for contacting the shareholder and the candidate for more information. A shareholder who wishes to nominate an individual as a director candidate at an annual meeting of shareholders, rather than either recommend the individual to the Governance and Nominating Committee as a nominee or utilize the proxy access process described above and set forth in Section 1.11 of our By-Laws, shall comply with the advance notice requirements for shareholder nominations set forth in Section 1.10 of our By-Laws.

Our Governance Principles provide that all candidates for election as members of the Board should possess high personal and professional ethics, integrity and values and be committed to representing the long-term interests of our shareholders and otherwise fulfilling the responsibilities of directors as described in our Governance Principles. In 2016, we amended our Governance Principles to clearly reflect and communicate the Board's long-standing diversity goals including, without limitation, the pursuit of racial and gender diversity taking into account the skills and other attributes the Board believes are required for any new director. Our Governance Principles further provide that if our directors simultaneously serve on more than four boards of public companies, including our Board, then the Board or Governance and Nominating Committee must determine that serving on more than four public company boards does not impair the ability of the director to serve as an effective member of our Board. In recommending

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CORPORATE GOVERNANCE OF THE COMPANY

candidates to the Board for election as directors, the Governance and Nominating Committee will consider the foregoing minimum qualifications as well as each candidate's credentials, keeping in mind our desire, as stated in our Governance Principles, to have a Board representing diverse experiences and backgrounds, as well as expertise in or knowledge of specific areas that are relevant to our business activities. Although we do not have term limits or a mandatory retirement age for our directors, we do believe that periodic board refreshment is beneficial. Consistent with this belief, in the last four years we have appointed four new directors, including two new directors in the last six months.

COMMUNICATIONS WITH THE BOARD

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

SHAREHOLDER ENGAGEMENT AND OUTREACH

The Company continued to engage with shareholders representing well over 50% of the shares outstanding and entitled to vote at the Annual Meeting, in 2017 and early 2018 concerning, among other things, executive compensation and sustainability. In addition, since our 2017 annual meeting and before mailing this Proxy Statement, our executive officers and certain independent members of our Board have considered the input received from shareholders (in face-to-face discussions, conference calls, and/or written communication).

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") requires our directors, executive officers and beneficial owners of more than 10% of our capital stock to file reports of ownership and changes of ownership with the SEC and the NYSE. Based on our records and other information, we believe that during the year ended December 31, 2017 all applicable Section 16(a) filing requirements were met.

TRANSACTIONS WITH RELATED PERSONS

On an annual basis, each director and executive officer is obligated to complete a director and officer questionnaire, which requires disclosure of any transactions with us in which the director or executive officer, or any member of his or her immediate family, has or will have an interest. Pursuant to our Code of Business Conduct and Ethics at codeofconduct.simon.com, which is also available in the Governance section of our website at investors.simon.com, the Audit Committee must review and approve all related person transactions in which any executive officer, director, director nominee or more than 5% shareholder of the Company, or any of their immediate family members, had, has or will have a direct or indirect material interest. Pursuant to the charter of the Audit Committee, which is available in the Governance section of our website at investors.simon.com, the Audit Committee may not approve a related person transaction unless (1) it is in, or not inconsistent with, our best interests and (2) where applicable, the terms of such transaction are at least as favorable to us as could be obtained from an unrelated third party. Our Restated Certificate of Incorporation requires that at least a majority of our directors be neither our employees nor members or affiliates of members of the Simon family. Our Restated Certificate of Incorporation further requires that transactions involving the Company, individually or in our capacity as general partner of our subsidiary, Simon Property Group, L.P. (the "Operating Partnership"), and any entity in which any of the Simons has an interest must, in addition to any other vote that may be required, be approved in advance by a majority of such independent directors. We currently have ten independent directors serving on the Board.

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

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CORPORATE GOVERNANCE OF THE COMPANY

TRANSACTIONS WITH THE SIMONS

Pursuant to management agreements that provide for our receipt of a management fee and reimbursement of our direct and indirect costs, we have managed since 1993 two shopping centers owned by entities in which David Simon and Herbert Simon have ownership interests that were not contributed to the Operating Partnership. In addition, in 2017 we assisted Melvin Simon & Associates, Inc. ("MSA") and certain of its affiliates with placement of the property and casualty insurance programs required for certain retail and other commercial buildings and improvements owned by MSA or its affiliates. MSA is owned 30.94% by trusts for the benefit of Herbert Simon, 3.04% by a trust for the benefit of David Simon, and by certain other shareholders. In 2017, we received \$3,962,127 in fees and reimbursements from MSA and its affiliates for rendering management and insurance-related services to MSA and its affiliates. These agreements have been reviewed and approved by the Audit Committee. In 2017, we reimbursed David Simon \$2,038,260 for the Company-related business use of his personal aircraft. Our reimbursement for use of David Simon's personal aircraft is based upon a below-market hourly cost of operating the aircraft and the verified number of hours used for Company business, plus reimbursement for certain out-of-pocket expenses. These reimbursements were reviewed and approved by the Audit Committee.

We provide MSA with office space and legal, human resource administration, property specific financing and other support services, and MSA paid us \$600,000 for these services in 2017, which is net of our reimbursement of Herbert Simon for costs incurred to operate his personal aircraft when used for Company related business purposes. These payments and reimbursements were reviewed and approved by the Audit Committee.

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PROPOSAL 1: Election of Directors

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

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

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

NOMINEES FOR DIRECTOR TO BE ELECTED BY HOLDERS OF VOTING SHARES

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE FOLLOWING INDEPENDENT DIRECTOR NOMINEES:

Glyn F. Aepfel

Age: 59

Director since: 2016

Committees Served: Governance and Nominating

Other Public Directorships:

AvalonBay

Communities, Inc.

President and Chief Executive Officer of Glencove Capital, a lifestyle hospitality investment and advisory company that she founded, since 2010. From October 2008 to May 2010, Ms. Aepfel served as Chief Investment Officer of Andre Balazs Properties, an owner, developer and operator of lifestyle luxury hotels. From April 2006 to October 2008, she served as Executive Vice President of Acquisitions and Development for Loews Hotels and was a member of its executive committee. From April 2004 to April 2006, she was a principal of Aepfel and Associates, a hospitality advisory development company, during which time she assisted Fairmont Hotels and Resorts in expanding in the United States and Europe. Prior to April 2004, Ms. Aepfel held executive positions with Le Meridien Hotels, Interstate Hotels & Resorts, Inc., FFC Hospitality, LLC, Holiday Inn Worldwide and Marriott Corporation. Ms. Aepfel currently serves on the board of directors of AvalonBay Communities, Inc., where she is a member of the

Larry C. Glasscock

Age: 70

Director since: 2010

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

Other Public Directorships: Zimmer Biomet

Holdings, Inc. and Sysco Corporation

Former Chairman of WellPoint, Inc. (now Anthem, Inc.) a healthcare insurance company, from November 2005 to March 2010. Mr. Glasscock also served as President and Chief Executive Officer of WellPoint, Inc. from 2004 to 2007. Mr. Glasscock previously served as Chairman, President and Chief Executive Officer of Anthem, Inc. from 2003 to 2004 and served as President and Chief Executive Officer of Anthem, Inc. from 2001 to 2003. Mr. Glasscock also previously served as a director of Anthem, Inc., and as a director for Sprint Nextel Corporation until 2013. Mr. Glasscock is currently the non-executive Chairman of the Board for Zimmer Biomet Holdings, Inc. and a director of Sysco Corporation.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Mr. Glasscock served as the Chief Executive Officer of the nation's leading health benefits company for many years. He has experience in leading a large public company, setting and implementing strategic plans, developing and implementing turnaround and growth strategies, and developing talent and

audit committee and chair of the investment and finance committee. She also serves on the board of Exclusive Resorts, LLC, and Gilbane Inc., both privately held companies. Ms. Aeppel previously served on the boards of Key Hospitality Acquisition Corporation, Loews Hotels Corporation and Sunrise Senior Living, Inc.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Ms. Aeppel has more than 30 years of experience in property acquisitions, development and financing.

Ms. Aeppel has experience in both public and private companies focusing on the acquisition, operation and branding of hotel properties, including serving as Chief Investment Officer at Andre Balazs Properties and Executive Vice President, Acquisitions and Development, of Loews Hotel Corporation. She is a member of our Governance and Nominating Committee.

participating in successful leadership transitions.

Mr. Glasscock also has experience leading acquisitions of companies. In addition, he worked in financial services for 20 years and can identify meaningful metrics to assess a company's performance. He also serves, and has served for over 15 years, as a director of other public companies.

Mr. Glasscock serves as our Lead Independent Director and serves on our Governance and Nominating Committee and Audit Committee. The Board has determined that he is an "audit committee financial expert".

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PROPOSAL 1: Election of Directors

Karen N. Horn, Ph.D.

Age: 74

Director since: 2004

**Committees Served: Governance
and Nominating
(Chair)**

Other Public Directorships: None

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

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

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

Allan Hubbard

Age: 70

Director since: 2009

**Committees Served: Compensation,
Governance and Nominating**

Other Public Directorships: None

Co-Founder and Chairman and Partner of E&A Companies, a privately-held holding company that acquires and operates established companies, since 1977. Mr. Hubbard served as Assistant to the President for Economic Policy and director of the National Economic Council for the George W. Bush administration. He also served as Executive Director of the President's Council on Competitiveness for the George H.W. Bush administration. Mr. Hubbard previously served as a director of Acadia Healthcare, Anthem, Inc., PIMCO Equity Series, and PIMCO Equity Series VIT.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

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

Reuben S. Leibowitz

Age: 70

Director since: 2005

Committees Served: Compensation (Chair), Audit

Other Public Directorships: None

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

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

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

Gary M. Rodkin

Age: 65

Director since: 2015

Committees Served: Governance and Nominating

Other Public Directorships: McCormick & Company, Incorporated

Chief Executive Officer and member of the board of ConAgra Foods, Inc. from 2005 until his retirement in May 2015. Mr. Rodkin was Chairman and Chief Executive Officer of PepsiCo Beverages and Foods North America from February 2003 to June 2005. Mr. Rodkin joined PepsiCo in 1998, after it acquired Tropicana, where Mr. Rodkin had served as President since 1995. From 1979 to 1995, Mr. Rodkin held marketing and general management positions of increasing responsibility at General Mills, with his last three years at the company as President, Yoplait-Colombo. Mr. Rodkin currently serves on the board of directors of McCormick & Company, Incorporated, where he is a member of their Nominating/Corporate Governance committee. In the past five years, he has served as a director of ConAgra Foods, Inc. and Avon Products, Inc.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Mr. Rodkin has extensive experience in the leadership and management of a large packaged food company and expertise in branding and marketing of food and foodservice operations globally as the former Chief Executive Officer of ConAgra Foods, Inc. Mr. Rodkin serves on our Governance and Nominating Committee.

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PROPOSAL 1: Election of Directors

Stefan M. Selig

Age: 54

Director since: 2017

Committees Served: Audit

Other Public Directorships: Entercom Communications Corp. and Safety, Income & Growth Inc.

Daniel C. Smith, Ph.D.

Age: 60

Director since: 2009

Committees Served: Compensation

Other Public Directorships: None

Founder of BridgePark Advisors LLC, a strategic advisory firm. Prior to that Mr. Selig served as the Undersecretary of the Commerce for International Trade for the U.S. Department of Commerce from 2014 - 2016. Mr. Selig previously was with Bank of America Merrill Lynch from 1999 - 2014, ultimately serving as Executive Vice Chairman of Global Corporate and Investment Banking. Mr. Selig was referred to our Lead Independent Director by our Chairman and Chief Executive Officer. Our Lead Independent Director reviewed Mr. Selig's qualifications, background and experience, and also conducted an interview before he was presented to the Governance and Nominating Committee for a series of interviews with members of the Committee as well as other independent directors. At the conclusion of the evaluations conducted at these interviews and meetings, the Governance and Nominating Committee recommended Mr. Selig's appointment to the Board. The Board appointed Mr. Selig as a director in November 2017, and he is now standing for election to a full term.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Mr. Selig is a highly accomplished banker and senior executive who has served in prominent leadership roles in both the private and public sectors. Mr. Selig also has extensive government and economic policy experience, having served as Undersecretary of the Commerce for International Trade for the U.S. Department of Commerce. Mr. Selig currently serves on the board of directors of Entercom Communications Corp. and Safety, Income & Growth Inc. Mr. Selig serves on our Audit Committee. The Board of Directors has determined that he is an "audit committee financial expert".

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

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

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

J. Albert Smith, Jr.

Age: 77

Director since: 1993

**Committees Served: Audit (Chair),
Compensation**

Other Public Directorships: None

Marta R. Stewart

Age: 60

Director since: 2018

Committees Served: Audit

Other Public Directorships: None

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

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Mr. Smith has served as Chairman, President and Managing Director of the Midwest operations of a major financial institution for a number of years during which time he has been involved in real estate lending activities. Through these experiences he has developed expertise in financial management and credit markets. He served as our Lead Independent Director until March 2014 and currently serves on our Compensation Committee and our Audit Committee, which he chairs. The Board has determined that he is an "audit committee financial expert".

Executive Vice President and Chief Financial Officer of Norfolk Southern Corporation, one of the nation's premier transportation companies, from 2013 until her retirement in August 2017. Mrs. Stewart joined Norfolk Southern Corporation in 1983 and served in several finance positions before being named Vice President and Controller in 2003 and then Vice President and Treasurer in 2009. Mrs. Stewart was identified as part of a search process conducted by a nationally recognized executive search firm that had been retained by the Governance and Nominating Committee. Mrs. Stewart was presented to the Governance and Nominating Committee for a series of interviews with members of the Committee as well as other directors. At the conclusion of these interviews and meetings, the Governance and Nominating Committee evaluated Mrs. Stewart and ultimately recommended her appointment to the Board. The Board appointed Mrs. Stewart as a director in February 2018, and she is now standing for election to a full term.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Mrs. Stewart has more than 30 years of experience in finance and served as Chief Financial Officer for one of the largest railway companies in the world. In that role, Mrs. Stewart gained extensive experience in the leadership and management as well as expertise in accounting systems and controls of a Fortune 500 company traded on the NYSE. Mrs. Stewart serves on our Audit Committee. The Board of Directors has determined that she is an "audit committee financial expert".

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PROPOSAL 1: Election of Directors

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

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

The voting trustees who vote the Class B common stock have agreed to elect Richard S. Sokolov to the Board. The voting trustees have an agreement requiring that each of them vote for each other as Class B director nominees.

David Simon

Class B Director Nominee

Age: 56

Director since: 1993

Other Public Directorships:

Klépierre, S.A

Richard S. Sokolov

Class B Director Nominee

Age: 68

Director since: 1996

Other Public Directorships: None

Chairman of the Company since 2007 and CEO of the Company or its predecessor since 1995; a director of the Company or its predecessor since its incorporation in 1993; and President of the Company's predecessor from 1993 to 1996. From 1988 to 1990, Mr. Simon was Vice President of Wasserstein Perella & Company. From 1985 to 1988, he was an Associate at First Boston Corp. In the past five years, he previously served as a director of Washington Prime Group (formerly WP Glimcher). He is the son of the late Melvin Simon and the nephew of Herbert Simon.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Mr. Simon has served as our CEO or the CEO of our predecessor for over 20 years. During that time he has provided leadership in the development and execution of our successful growth strategy, overseeing numerous strategic acquisitions that have been consolidated into what is recognized as the nation's leading retail real estate company. He gained experience in mergers and acquisitions while working at major Wall Street firms before joining his father and uncle.

President and Chief Operating Officer and a director of the Company or its predecessor since 1996. President and Chief Executive Officer of DeBartolo Realty Corporation from its incorporation in 1994 until it merged with our predecessors in 1996. Mr. Sokolov joined its predecessor, The Edward J. DeBartolo Corporation, in 1982 as Vice President and General Counsel and was named Senior Vice President, Development and General Counsel in 1986. In the past five years, he previously served as a director of Washington Prime Group (formerly WP Glimcher).

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

Mr. Sokolov has served as our President and Chief Operating Officer since 1996 immediately following our acquisition of DeBartolo Realty Corporation. Mr. Sokolov had served as Chief Executive Officer and President of DeBartolo Realty Corporation and Senior Vice President Development and General Counsel of its predecessor operations for a number of years. Mr. Sokolov is a past Chairman of the International Council of Shopping Centers ("ICSC") and currently serves as a trustee and a member of the ICSC Nominating Committee.

Herbert Simon

Class B Director Nominee

Age: 83

Director since: 1993

Other Public Directorships: The Cheesecake Factory Incorporated

Chairman Emeritus of the Board of the Company since 2007. Co-Chairman of the Board of the Company or its predecessor from 1995 to 2007. Mr. Simon was Chief Executive Officer and a director of the Company's predecessor from its incorporation in 1993 to 1995. He also serves on the Board of Governors for the National Basketball Association ("NBA") and as Chairman of the Board of MSA. He is the uncle of David Simon, Chairman and CEO of the Company.

SPECIFIC QUALIFICATIONS AND EXPERIENCE OF PARTICULAR RELEVANCE TO OUR COMPANY

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

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PROPOSAL 1: Election of Directors

MEETINGS AND COMMITTEES OF THE BOARD

MEETINGS AND ATTENDANCE

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

All of our directors attended the 2017 annual meeting. During 2017, the Board met five times.

All of our directors participated in more than 85% of the aggregate number of meetings of the Board and the committees on which they serve in 2017.

EXECUTIVE SESSIONS OF INDEPENDENT DIRECTORS

The independent directors meet in executive session without management present in connection with each regularly scheduled Board meeting as well as when the need arises. During 2017, the independent directors had executive sessions after each Board meeting. The Lead Independent Director presided over these executive sessions and meetings of the independent directors.

The name of the current Lead Independent Director is posted in the Governance section of our website, www.simon.com, under "Investors". The Board's Lead Independent Director is appointed by the independent members of the Board and the responsibilities of the Lead Independent Director are discussed in the section of this Proxy Statement titled "Corporate Governance of the Company Board Leadership Structure."

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

We believe that our Lead Independent Director is performing his duties in an effective manner. Under our Governance Principles, the Lead Independent Director is empowered to:

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

serve as a liaison between the Chairman and the independent directors, including by facilitating communication and sharing of views between the independent directors and the Chairman;

approve materials sent to the Board and advise on such information;

approve meeting agendas for the Board and coordinate with the Chairman with respect to developing such agendas;

approve meeting schedules for the Board to assure there is sufficient time for discussion of all agenda items and coordinate with the Chairman with respect to developing such schedules;

call meetings of the independent directors;

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

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

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PROPOSAL 1: Election of Directors

COMMITTEE FUNCTION AND MEMBERSHIP

THE AUDIT COMMITTEE

Members:
J. Albert Smith, Jr. (Chair)
Larry C. Glasscock
Reuben S. Leibowitz
Stefan M. Selig
Marta R. Stewart

Nine meetings during 2017

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

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

THE COMPENSATION COMMITTEE

Members:
Reuben S. Leibowitz
(Chair)
Allan Hubbard
Daniel C. Smith, Ph.D.
J. Albert Smith, Jr.

Six meetings during 2017

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

The Compensation Committee has authority to retain the advice and assistance of compensation consultants and legal, accounting or other advisors. The committee retained its current consultant, Semler Brossy Consulting Group, LLC ("Semler Brossy"), in December 2011. Semler Brossy does not provide any other services to management of the Company. The consultant assists the Committee in the review and design of our executive compensation program. In addition, in 2018, Semler Brossy, at the request of the Governance and Nominating Committee, reviewed the Board's compensation program, and recommended certain changes described in "Compensation of Independent Directors" below. No member of the Compensation Committee during

2017 was an officer, employee or former officer of us or any of our subsidiaries or had any relationship requiring disclosure in this Proxy Statement pursuant to SEC regulations. None of our executive officers served as a member of a compensation committee or a director of another entity under the circumstances requiring disclosure in this Proxy Statement pursuant to SEC regulations.

THE GOVERNANCE AND NOMINATING COMMITTEE

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

Four meetings during 2017

Karen N. Horn, Ph.D. (Chair)
Glyn F. Aeppel
Larry C. Glasscock
Allan Hubbard
Gary M. Rodkin

DIRECTOR COMPENSATION

COMPENSATION OF INDEPENDENT DIRECTORS

The Board of Directors believes that competitive compensation arrangements are necessary to attract and retain qualified independent directors. On February 12, 2018, after conducting an extensive market review with respect to both other leading companies of similar size to the Company as well as an industry peer group, under supervision of the Governance and Nominating Committee, and upon recommendation of the Compensation Committee's independent compensation consultant, Semler Brossy, the Board approved changes to the compensation arrangements for independent directors of the Company. These are the first changes made to the overall compensation program for the Board's independent directors since 2015.

The Company will continue to compensate its independent directors through the use of annual retainers. Effective as of May 8, 2018, the Company will provide each independent director an annual cash retainer of \$110,000 and an annual restricted stock award with a grant date value of \$175,000. These are increases of \$10,000 and \$25,000 respectively. These were the only changes made to independent director compensation. In addition to the annual cash and restricted stock retainers for service as a director

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described above, each independent director will continue to receive additional annual retainers based on his or her role(s) as a committee chairperson, a committee member or Lead Independent Director. The chairperson of the Audit Committee and the chairperson of the Compensation Committee each are paid an annual retainer of \$35,000. The chairperson of the Governance and Nominating Committee is paid an annual retainer of \$25,000. Each member of the Audit Committee and Compensation Committee is paid a \$15,000 annual retainer. Each member of the Governance and Nominating Committee is paid a \$10,000 annual retainer. The annual retainer for the Lead Independent Director is \$50,000. These committee chairperson, committee member and Lead Independent Director retainers are paid 50% in cash and 50% in restricted stock.

DIRECTOR STOCK OWNERSHIP GUIDELINES

We have a stringent stock retention policy that further aligns our directors' financial interests with those of our shareholders. The Company believes that it is advisable for its independent directors to retain a fixed dollar amount of Company common stock as opposed to a fixed number of common shares. The stock ownership guidelines for each of the Company's independent directors require that each independent director own \$850,000 worth of common stock of the Company (or the equivalent amount of limited partnership units of the Operating Partnership) by no later than six years after the date he or she is elected to the Board. Stock options and unvested shares of restricted stock do not count toward this requirement. The ownership guidelines also require independent directors to hold shares acquired upon the vesting of restricted stock awards received as compensation for their service on the Board and its Committees, together with all dividends paid on such awards utilized to purchase additional shares of the Company's common stock, in the director account of the Company's deferred compensation plan until the director retires, dies or becomes disabled, or otherwise no longer serves as a director.

Any director who is prohibited by law or by applicable regulation of his or her employer from having an ownership interest in our securities will be exempt from this requirement until the restriction is lifted, at which time he or she will have the following six-year period to comply with the ownership guidelines. The Board may grant exceptions on a case by case basis.

As of March 15, 2018, all independent directors of the Board have met or, within the applicable period, are expected to meet, these stock ownership guidelines.

2017 INDEPENDENT DIRECTOR COMPENSATION

The following table sets forth information regarding the compensation we paid to our independent directors for 2017:

NAME(1)	FEES EARNED OR PAID IN			STOCK AWARDS(2)	TOTAL
	CASH				
Glyn F. Aeppel(3)	\$ 111,250	\$ 151,735	\$ 262,985		
Larry C. Glasscock(3)	\$ 141,250	\$ 183,706	\$ 324,956		
Karen N. Horn Ph.D.	\$ 112,500	\$ 159,190	\$ 271,690		
Allan Hubbard	\$ 112,500	\$ 159,190	\$ 271,690		
Reuben S. Leibowitz	\$ 125,000	\$ 171,448	\$ 296,448		
Gary M. Rodkin(3)	\$ 108,750	\$ 151,735	\$ 260,485		
Stefan M. Selig(4)	\$ 11,977	\$ 79,583	\$ 91,560		
Daniel C. Smith, Ph.D.	\$ 107,500	\$ 154,220	\$ 261,720		
J. Albert Smith, Jr.	\$ 125,000	\$ 171,448	\$ 296,448		
Marta R. Stewart(5)	\$ 0	\$ 0	\$ 0		

(1)

David Simon, Richard S. Sokolov and Herbert Simon, who were also directors during 2017, are not included in this table because they are not independent directors and did not receive any compensation for their service as directors. In 2017, Herbert Simon received \$100,000 in employment compensation for his service as our Chairman Emeritus. The compensation paid to Mr. David Simon and Mr. Sokolov as executive officers of the Company is shown in the 2017 Summary Compensation Table in this Proxy Statement.

- (2) Represents the ASC 718 grant date fair value of the restricted stock awarded to the directors. Restricted stock granted to directors must be held in the director deferred compensation account and dividends on the restricted shares must be reinvested in additional shares of common stock which also must be held in the director deferred compensation account. One of our directors elected to defer their cash compensation.
- (3) Ms. Aeppel, Mr. Glasscock and Mr. Rodkin received cash compensation in the amount of \$6,250, \$3,750, and \$3,750, respectively for service on an ad hoc subcommittee established in 2016 and disbanded after the first quarter in 2017.
- (4) Mr. Selig joined our Board effective November 10, 2017.
- (5) Mrs. Stewart joined our Board effective February 12, 2018 and therefore, did not receive any compensation from the Company in 2017.
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Table of Contents**PROPOSAL 1: Election of Directors**

The following table sets forth the aggregate number of shares of our restricted common stock held by each independent director as of December 31, 2017.

NAME OF INDEPENDENT DIRECTOR	NUMBER OF SHARES OF RESTRICTED STOCK(1)
Glyn F. Aeppel	1,644
Larry C. Glasscock	6,315
Karen N. Horn, Ph.D.	12,995
Allan Hubbard	7,338
Reuben S. Leibowitz	11,495
Gary M. Rodkin	2,327
Stefan M. Selig	486
Daniel C. Smith, Ph.D.	7,308
J. Albert Smith, Jr.	16,681
Marta R. Stewart(2)	0

(1) The amounts shown above include the restricted shares granted under our independent director compensation program, as described above. The amounts shown above do not include shares acquired from the reinvestment of dividends which are required to be reinvested in additional shares of common stock which also must be held in the director deferred compensation account, as explained in footnote (2) of the previous table, and do not include any other shares owned by the independent directors. See, "Ownership of Equity Securities of the Company by Directors and Executive Officers" on page 21.

(2) Mrs. Stewart joined our Board effective February 12, 2018 and did not hold any restricted shares of the Company as of December 31, 2017.

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PROPOSAL 1: Election of Directors

OWNERSHIP OF EQUITY SECURITIES OF THE COMPANY

DIRECTORS AND EXECUTIVE OFFICERS

As of March 15, 2018, the existing directors, director nominees and executive officers identified below:

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

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

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

NAME	SHARES AND UNITS BENEFICIALLY OWNED		UNITS BENEFICIALLY OWNED	
	NUMBER(1)(2)	PERCENT(3)	NUMBER	PERCENT(4)
David Simon(5) Glyn F. Aeppel	27,664,187	8.23%	26,079,673	7.31%