

MACK CALI REALTY CORP  
Form 8-K  
March 14, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

---

**FORM 8-K**

---

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): **March 14, 2016 (March 8, 2016)**

---

**MACK-CALI REALTY CORPORATION**

(Exact Name of Registrant as Specified in Charter)

**Maryland**  
(State or Other Jurisdiction  
of Incorporation)

**1-13274**  
(Commission File Number)

**22-3305147**  
(IRS Employer  
Identification No.)

**343 Thornall Street, Edison, New Jersey,**  
(Address of Principal Executive Offices)

**08837-2206**  
(Zip Code)

Edgar Filing: MACK CALI REALTY CORP - Form 8-K

(732) 590-1000

(Registrant's telephone number, including area code)

**MACK-CALI REALTY, L.P.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**333-57103**  
(Commission File Number)

**22-3315804**  
(IRS Employer  
Identification No.)

**343 Thornall Street, Edison, New Jersey,**  
(Address of Principal Executive Offices)

**08837-2206**  
(Zip Code)

(732) 590-1000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On March 8, 2016, the board of directors (the Board of Directors) of Mack-Cali Realty Corporation (the Company or the General Partner), the general partner of Mack-Cali Realty, L.P. (the Operating Partnership), approved the recommendations and ratified the determinations of the Executive Compensation and Option Committee of the Board of Directors (the Compensation Committee) and authorized the General Partner to grant Long-Term Incentive Plan (LTIP) awards to the management teams of the Company and Roseland, including all of the Company's executive officers (the 2016 LTIP Awards). All of the 2016 LTIP Awards will be in the form of units in the Operating Partnership (LTIP Units) and shall constitute awards under Company's stockholder approved 2013 Stock Incentive Plan. For Messrs. Rudin, DeMarco and Tycher, approximately twenty-five percent (25%) of the target 2016 LTIP Award will be in the form of a time-based award that will vest after three years on March 8, 2019 (the 2016 TBV LTIP Units), and the remaining approximately seventy-five percent (75%) of the target 2016 LTIP Award will be a performance-based award under a new Outperformance Plan (the 2016 OPP) adopted by the Board of Directors consisting of a multi-year, performance-based equity compensation plan and related forms of award agreement (the 2016 PBV LTIP Units). For all other executive officers, approximately forty percent (40%) of the target 2016 LTIP Award will be in the form of 2016 TBV LTIP Units and the remaining approximately sixty percent (60%) of the target 2016 LTIP Award will be in the form of 2016 PBV LTIP Units.

The 2016 OPP is designed to align the interests of senior management to relative and absolute performance of the Company over a three-year performance period from March 8, 2016 through March 7, 2019. The senior management team that received 2016 LTIP Awards includes the eight executive officers identified in this Current Report on Form 8-K and twelve additional senior vice presidents of the Company and Roseland. Participants in the 2016 OPP will only earn the full awards if, over the three-year performance period, the Company achieves a fifty percent (50%) absolute total stockholder return (TSR) and if the Company is in the 75th percentile of performance versus the NAREIT Office Index. The Board of Directors designed the 2016 OPP to conform to the highest form of best compensation practices in the industry.

The material terms of the 2016 LTIP Awards are discussed further below in this Current Report on Form 8-K.

Also on March 8, 2016, the Board of Directors approved the recommendations and ratified the determinations of the Compensation Committee to:

1. Award cash bonuses to executive officers of the Company for 2015 performance as follows:

a. Mitchell E. Rudin, Chief Executive Officer:	\$	900,000
b. Michael J. DeMarco, President and Chief Operating Officer:	\$	900,000
c. Marshall B. Tycher, President of Roseland Residential Trust (Roseland):	\$	2,000,000
d. Anthony Krug, Chief Financial Officer:	\$	300,000
e. Gary T. Wagner, Chief Legal Officer:	\$	150,000
f. Ricardo Cardoso, Executive Vice President and Chief Investment Officer:	\$	150,000

Edgar Filing: MACK CALI REALTY CORP - Form 8-K

g. Robert Andrew Marshall, Chief Operating Officer of Roseland:	\$	350,000
h. Christopher DeLorenzo, Executive Vice President, Leasing:	\$	150,000

The bonus awards for Messrs. Rudin and DeMarco for 2015 were based on the Compensation Committee's assessment of their development of the Company's new three year strategic plan announced in September 2015 and pro-rated based on their approximate service period with the Company in 2015.

Edgar Filing: MACK CALI REALTY CORP - Form 8-K

2. Set the annual base salaries of the executive officers of the Company for 2016 effective as of January 1, 2016 as follows:

a. Mitchell E. Rudin, Chief Executive Officer:	\$	750,000
b. Michael J. DeMarco, President and Chief Operating Officer:	\$	750,000
c. Marshall B. Tycher, President of Roseland:	\$	750,000
d. Anthony Krug, Chief Financial Officer:	\$	500,000
e. Gary T. Wagner, Chief Legal Officer:	\$	400,000
f. Ricardo Cardoso, Executive Vice President and Chief Investment Officer:	\$	400,000
g. Robert Andrew Marshall, Chief Operating Officer of Roseland:	\$	450,000
h. Christopher DeLorenzo, Executive Vice President, Leasing:	\$	450,000

3. Establish 2016 target annual bonus opportunities for the executive officers of the Company as set forth below, which may be earned from 0% to 200% of such target amount, in each case subject to the attainment of criteria described below.

a. Mitchell E. Rudin, Chief Executive Officer:	\$	750,000
b. Michael J. DeMarco, President and Chief Operating Officer:	\$	750,000
c. Marshall B. Tycher, President of Roseland:	\$	750,000
d. Anthony Krug, Chief Financial Officer:	\$	200,000
e. Gary T. Wagner, Chief Legal Officer:	\$	160,000
f. Ricardo Cardoso, Executive Vice President and Chief Investment Officer:	\$	160,000
g. Robert Andrew Marshall, Chief Operating Officer of Roseland:	\$	225,000
h. Christopher DeLorenzo, Executive Vice President, Leasing:	\$	180,000

The determination of 2016 bonuses for Messrs. Rudin and DeMarco will be based 90% on Company performance measures and 10% on the Compensation Committee's assessment of individual performance. The determinations of 2016 bonuses for Messrs. Krug, Wagner, Cardoso and DeLorenzo will be based 75% on Company performance measures and 25% on the Compensation Committee's assessment of individual performance. The 2016 Company performance measures approved by the Compensation Committee and ratified and adopted by the Board of Directors are:

Metric	Weight	Threshold	Target	Maximum
Core FFO (Funds From Operations) per Share	65%	\$ 2.00	\$ 2.04	\$ 2.10
Year-end Percent Leased - Office	25%	88.0%	89.0%	90.0%

Edgar Filing: MACK CALI REALTY CORP - Form 8-K

Disposition Volume(1)	10%	\$	400,000,000	\$	500,000,000	\$	600,000,000
-----------------------	-----	----	-------------	----	-------------	----	-------------

---

(1) Relates to the total sale price of office properties to be disposed of pursuant to the Company's three year strategic plan announced in September 2015 that are completed in 2016.

Performance between threshold and maximum will be determined based on linear interpolation.

## Edgar Filing: MACK CALI REALTY CORP - Form 8-K

The determination of 2016 bonuses for Messrs. Tycher and Marshall will be based 75% on Roseland performance measures and 25% on the Compensation Committee's assessment of individual performance. The 2016 Roseland performance measures approved by the Compensation Committee and ratified and adopted by the Board of Directors are:

Metric	Weight	Threshold	Target	Maximum
Multi-Family Development Volume	60%	600 units	675 units	800 units
Year-end Occupancy - Multi-Family(1)	20%	93.0%	94.0%	95.0%
Roseland Equity Raise(2)	20%	\$ 100,000,000	\$ 200,000,000	\$ 300,000,000

(1) Excludes non-stabilized buildings and units taken out of service for repositioning.

(2) As part of the Company's three year strategic plan announced in September 2015, the Company will seek to raise capital through the sale of equity interests in Roseland in a private placement to institutional investors or joint venture partners.

Performance between threshold and maximum will be determined based on linear interpolation.

Under the 2016 OPP described above, participants, including the Company's executive officers and the management teams of the Company and Roseland, have the opportunity to vest in 2016 PBV LTIP Units that ultimately may be settled in common stock of the Company according to the following schedules, with linear interpolation for performance between levels:

Performance Level	Absolute TSR (50% of total 2016 PBV LTIP Units)		Relative TSR (50% of total 2016 PBV LTIP Units)	
	Company Absolute 3-Year TSR	Payout as % of Maximum LTIP Units	CLI 3-Year TSR Percentile Rank	Payout as % of Maximum LTIP Units
< Threshold	<21%	0%	< 45th Percentile	0%
Threshold	21%	25%	45th Percentile	25%
Target	35.5%	62.5%	60th Percentile	62.5%
Maximum	50%	100%	75th Percentile	100%

If the designated performance objectives are achieved, 2016 PBV LTIP Units are also subject to time-based vesting requirements, with 50% of vested 2016 PBV LTIP Units vesting at the end of the performance period on March 7, 2019, and the remaining 50% of vested 2016 PBV LTIP Units vesting 25% each on March 7, 2020 and March 7, 2021.

The executive officers of the Company received the following 2016 LTIP Awards:

Executive Officer	2016 TBV LTIP Units(1)	Maximum 2016 PBV LTIP Units(2)
-------------------	------------------------	--------------------------------

Edgar Filing: MACK CALI REALTY CORP - Form 8-K

Mitchell E. Rudin	23,041	118,989
Michael J. DeMarco	23,041	118,989
Marshall B. Tycher	23,041	118,989
Anthony Krug	7,373	11,899
Gary T. Wagner		