

Piedmont Office Realty Trust, Inc.

Form DEF 14A

March 22, 2017

TABLE OF CONTENTS

SCHEDULE 14A

(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT

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-11(c) or § 240.14a-12

PIEDMONT OFFICE REALTY TRUST, 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)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

TABLE OF CONTENTS

March 22, 2017

Dear Stockholder:

Attached for your review is a notice of the 2017 Annual Meeting of Stockholders and Proxy Statement for Piedmont Office Realty Trust, Inc. (“Piedmont”). YOUR VOTE IS VERY IMPORTANT. Please respond immediately to help us avoid potential delays and additional expense to solicit votes.

We are asking you to read the enclosed materials and to vote on the election of your board of directors, the ratification of the appointment of our independent registered public accounting firm for fiscal 2017, the approval, on an advisory basis, of the compensation of our named executive officers, the approval, on an advisory basis, of the frequency of future advisory votes on executive compensation and the approval of our Amended and Restated 2007 Omnibus Incentive Plan. You will find more detail about these proposals in the attached documents. We ask that you review these documents thoroughly and submit your vote as soon as possible in advance of the annual meeting on May 18, 2017.

If you have any questions, please call your broker or financial advisor, or contact Piedmont Shareowner Services by calling 866-354-3485 or emailing investor.services@piedmontreit.com. To view our latest regulatory filings and updates, including Form 8-K filings, please visit our website at www.piedmontreit.com.

Thank you for your support of Piedmont and for your prompt vote.

Sincerely,

/s/ DONALD A. MILLER, CFA

Donald A. Miller, CFA

Chief Executive Officer

Piedmont Office Realty Trust, Inc.

TABLE OF CONTENTS

PIEDMONT OFFICE REALTY TRUST, INC.

11695 Johns Creek Parkway, Suite 350

Johns Creek, Georgia 30097

Notice of Annual Meeting of Stockholders
and Proxy Statement

To Be Held May 18, 2017

Dear Stockholder:

On Thursday, May 18, 2017, Piedmont Office Realty Trust, Inc. (“Piedmont”), a Maryland corporation, will hold its 2017 Annual Meeting of Stockholders (the “Annual Meeting”) at the Metropolitan Club, 5895 Windward Parkway #100, Alpharetta, GA 30005. The meeting will begin at 11:00 a.m. Eastern daylight time.

The purpose of this Annual Meeting is to:

(i)

elect eight directors identified in the 2017 proxy statement to hold office for terms expiring at our 2018 annual meeting;

(ii)

ratify the appointment of Ernst & Young LLP as Piedmont’s independent registered public accounting firm for fiscal 2017;

(iii)

approve, on an advisory basis, the compensation of our named executive officers;

(iv)

approve, on an advisory basis, the frequency of future advisory votes on executive compensation;

(v)

approve our Amended and Restated 2007 Omnibus Incentive Plan; and

(vi)

transact any other business as may properly come before the meeting.

Your board of directors has selected March 9, 2017 as the record date for determining stockholders entitled to vote at the meeting.

On April 3, 2017, we will begin mailing our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy materials, including our 2017 proxy statement and our Annual Report to Stockholders for fiscal 2016, and how to vote online.

Whether or not you plan to attend the meeting, your vote is very important, and we encourage you to vote promptly. You may vote via a toll-free telephone number or over the Internet. If you received a paper copy of the proxy card by mail, you may sign, date, and mail the proxy card in the envelope provided. Instructions regarding all three methods offered for voting are contained in the proxy card or Notice of Internet Availability of Proxy Materials. If you execute a proxy but later decide to attend the meeting in person, or for any other reason desire to revoke your proxy, you may do so at any time before 11:59 p.m. Eastern daylight time on May 17, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ THOMAS A. MCKEAN

Thomas A. McKean

Associate General Counsel and Corporate Secretary

Atlanta, Georgia

March 22, 2017

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to Be Held on May 18, 2017: Our 2017 proxy statement and our Annual Report to Stockholders for fiscal 2016 are available at

www.envisionreports.com/PDM.

TABLE OF CONTENTS

PIEDMONT OFFICE REALTY TRUST, INC

PROXY STATEMENT

2017 ANNUAL MEETING OF STOCKHOLDERS

TABLE OF CONTENTS

	Page No.
<u>2017 Proxy Statement At a Glance</u>	<u>1</u>
<u>Questions and Answers</u>	<u>5</u>
<u>Proposal I: Election of Directors</u>	<u>9</u>
<u>Proposal II: Ratification of Ernst & Young LLP as Independent Registered Public Accounting Firm for Fiscal 2017</u>	<u>12</u>
<u>Proposal III: Advisory Vote to Approve Named Executive Officer Compensation</u>	<u>14</u>
<u>Proposal IV: Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation</u>	<u>15</u>
<u>Proposal V: Approval of our Amended and Restated 2007 Omnibus Incentive Plan</u>	<u>16</u>
<u>Certain Information about Management</u>	<u>24</u>
<u>Information Regarding the Board of Directors and Committees</u>	<u>27</u>
<u>Executive Compensation</u>	<u>33</u>
<u>Summary Compensation Table</u>	<u>44</u>
<u>Realized Pay Table</u>	<u>45</u>
<u>Grants of Plan Based Awards</u>	<u>47</u>
<u>Outstanding Equity Awards at Fiscal Year End</u>	<u>48</u>
<u>Stock Vested</u>	<u>49</u>
<u>Nonqualified Deferred Compensation</u>	<u>49</u>
<u>Change of Control</u>	<u>50</u>
<u>Director Compensation</u>	<u>51</u>
<u>Equity Compensation Plan Information</u>	<u>52</u>
<u>Compensation Committee Report</u>	<u>52</u>
<u>Compensation Policies and Practices as they Relate to Risk Management</u>	<u>53</u>
<u>Certain Relationships and Related Transactions</u>	<u>53</u>
<u>Stock Ownership</u>	<u>54</u>
<u>Audit Committee Report</u>	<u>55</u>
<u>Stockholder Proposals</u>	<u>56</u>
<u>Householding</u>	<u>56</u>
<u>Other Matters</u>	<u>56</u>
Appendix A— Piedmont Office Realty Trust, Inc. Amended and Restated 2007 Omnibus Incentive Plan	A-1

TABLE OF CONTENTS

2017 PROXY STATEMENT AT A GLANCE

The below summary highlights information contained elsewhere in this proxy statement. It is only a summary and does not contain all information that you should consider and you should read the proxy statement in its entirety before casting your vote.

Annual Meeting Logistics

Thursday, May 18, 2017, at 11:00 Eastern daylight time

The Metropolitan Club, 5895 Windward Parkway #100, Alpharetta, GA 30005

Record date is March 9, 2017

Meeting Agenda and Voting Recommendations

Proposal	Board Vote Recommendation	Page
I Elect eight directors nominated by the Board of Directors for one year terms	FOR ALL	9
II Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm	FOR	12
III Approve, on an advisory basis, executive compensation	FOR	14
IV Approve, on an advisory basis, how often stockholders will be asked to vote on executive compensation	ANNUALLY	15
V Approve our Amended and Restated 2007 Omnibus Incentive Plan	FOR	16

Proposal I: Election of Directors

The Board is asking you to elect the eight nominees listed below for terms that expire at the 2018 annual meeting of stockholders. Our current Chairman, Michael R. Buchanan, is not standing for re-election because he is approaching his 15-year term limit. The size of the Board will be reduced to eight members upon his retirement at the Annual Meeting. 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.

For complete information about the nominees, see “Proposal I” and “Information Regarding the Board of Directors”. Summarized information is as follows:

Name	Age	Occupation	Year First Became a Director	Independent	Board Committees
Kelly H. Barrett	52	Senior Vice President - Home Services, The Home Depot	2016	Yes	Audit Nominating and Governance
Wesley E. Cantrell	82	Former President, Chief Executive Officer and Chairman, Lanier Worldwide	2007	Yes	Nominating and Governance* Compensation

Edgar Filing: Piedmont Office Realty Trust, Inc. - Form DEF 14A

Barbara B. Lang	73	Managing Principal and Chief Executive Officer of Lang Strategies, LLC	2015	Yes	Compensation; Nominating and Governance
Frank C. McDowell	68	Former President, Chief Executive Officer and Director of BRE Properties, Inc.	2008	Yes	Compensation* Nominating and Governance
Raymond G. Milnes, Jr.	65	Former Partner, KPMG LLP	2011	Yes	Audit* Capital
Donald A. Miller, CFA	54	President and Chief Executive Officer, Piedmont Office Realty Trust, Inc.	2007	No	
Jeffrey L. Swope	66	Managing Partner and Chief Executive Officer, Champion Partners Ltd.	2008	Yes	Capital* Compensation
Dale H. Taysom	68	Former Global Chief Operating Officer, Prudential Real Estate Investors	2015	Yes	Audit Capital

*
Denotes committee chair

TABLE OF CONTENTS

Proposal II: Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm

The Board is asking you to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2017.

Proposal III: Approve, on an advisory basis, executive compensation

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 our compensation programs are designed to:

attract and retain candidates capable of performing at the highest levels of our industry;

create and maintain a performance-focused culture, by rewarding outstanding company and individual performance based upon objective predetermined metrics;

reflect the qualifications, skills, experience and responsibilities of each named executive officer;

link incentive compensation levels with the creation of stockholder value;

align the interests of our executives and stockholders by creating opportunities and incentives for executives to increase their equity ownership in us; and

motivate our executives to manage our business to meet and appropriately balance our short- and long-term objectives.

Proposal IV: Approve, on an advisory basis, how often stockholders will be asked to vote on executive compensation

The board of directors recommends that future advisory votes on executive compensation should be held annually.

Proposal V: Approve our Amended and Restated 2007 Omnibus Incentive Plan

The Board of Directors is asking you to approve the Piedmont Office Realty Trust, Inc. Amended and Restated 2007 Omnibus Incentive Plan (the "A&R Incentive Plan") which will replace the Piedmont Office Realty Trust, Inc. 2007 Omnibus Incentive Plan (the "2007 Omnibus Incentive Plan") that was approved by stockholders April 11, 2007. The Board of Directors approved the A&R Incentive Plan on March 20, 2017 in order to (i) increase the number of shares of common stock available for issuance from 4,666,667 to 5,666,667, (ii) extend the expiration date for ten years following the expiration of our existing 2007 Omnibus Incentive Plan, and (iii) make certain other amendments to the 2007 Omnibus Incentive Plan. For a full description of the A&R Incentive Plan, see page 16.

TABLE OF CONTENTS

Compensation and Governance Practices:

What We Do

What We Don't Do

DO require stockholder approval in the event a staggered Board is ever proposed

NO staggered Board

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

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

DO have a separate Chairman and Chief Executive Officer.

NO tax gross ups for any executive officers

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.

NO re-pricing or buyouts of underwater stock options

DO restrict board terms to 15 years

NO reportable transactions with any of our directors or executive officers

DO require an annual performance evaluation of our Board

NO hedging or pledging transactions involving our securities

DO align pay and performance by linking a majority 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.

NO guaranteed cash incentive compensation or equity grants with executive officers

DO deliver a substantial portion of the value of equity awards in performance shares. For 2016, 50% of our executive officers equity award opportunity was tied to our Company's total stockholder return relative to our peer group.

NO long-term employment contracts with executive officers

DO maintain stock ownership guidelines for directors and executive officers

NO supplemental executive benefits to our NEOs

DO maintain a clawback policy for our CEO, CFO and CAO

