

PENNSYLVANIA REAL ESTATE INVESTMENT TRUST  
Form DEF 14A  
April 18, 2019  
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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 Pursuant to §240.14a-12

**Pennsylvania Real Estate Investment Trust**

**(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.

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**PENNSYLVANIA REAL ESTATE INVESTMENT TRUST**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

MAY 30, 2019

**Date:** Thursday, May 30, 2019

**Time:** 11:00 a.m. Eastern Time

**Place:** The Bellevue

200 South Broad Street, Philadelphia, Pennsylvania 19102

**Purpose of the Meeting:**

- (1) To elect eight trustees nominated by the Board of Trustees and named in this Proxy Statement for a term expiring at the 2020 Annual Meeting of Shareholders;
- (2) To provide advisory approval of our executive compensation;
- (3) To ratify the selection of KPMG LLP as our independent auditor for 2019; and
- (4) To transact such other business as may properly be brought before the meeting or any adjournment thereof.

**Record Date:** Our Board of Trustees has fixed the close of business on April 1, 2019 as the record date for the determination of shareholders entitled to notice of and to vote at the meeting.

All shareholders are cordially invited to attend the meeting.

By Order of the Board of Trustees

LISA M. MOST

*Secretary*

Philadelphia, Pennsylvania

April 19, 2019

**Important Notice Regarding the Availability of Proxy Materials**

**for the Annual Meeting of Shareholders to be held on May 30, 2019:**

We are making this Proxy Statement, a form of proxy card, and PREIT's Annual Report to Shareholders for the fiscal year ended December 31, 2018 available electronically via the internet at [www.preit.com](http://www.preit.com) by clicking on Investors, then clicking on News & Reports, then clicking on SEC Filings and Reports and then clicking on Proxy Statements or Annual Reports, respectively.

On or before April 19, 2019, we will mail to our shareholders a Notice of Internet Availability and Proxy Materials (the Notice), which will contain instructions on how to access this Proxy Statement and our Annual Report and how to vote. Shareholders who receive the Notice will not receive a printed copy of the proxy materials in the mail, although the Notice will contain instructions regarding requesting a printed copy of the proxy materials if you so desire. Whether or not you expect to attend the meeting in person, please follow the instructions on the Notice so that your shares may be voted at the Annual Meeting. You may vote your shares by mail, by telephone or through the internet by following the instructions set forth on the Notice. If you attend the meeting, you may revoke your proxy and vote in person.

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VOTING INFORMATION

The Annual Meeting of Shareholders of Pennsylvania Real Estate Investment Trust ( PREIT or the Company ) will be held on Thursday, May 30, 2019 at 11:00 a.m. Eastern Time at The Bellevue, 200 South Broad Street, Philadelphia, Pennsylvania 19102 (the Annual Meeting ). This Proxy Statement is being mailed or made available on or about April 19, 2019 to each holder of PREIT s issued and outstanding common shares of beneficial interest entitled to vote at the meeting in order to furnish information relating to the business to be transacted at the meeting. We are mailing or making available our Annual Report to Shareholders for the fiscal year ended December 31, 2018 together with this Proxy Statement. The Annual Report is being provided for informational purposes and not as a means of soliciting your proxy.

Shareholders Entitled to Vote

We have fixed the close of business on April 1, 2019 as the record date for the Annual Meeting (the Record Date ). All holders of record of PREIT s common shares of beneficial interest as of the Record Date are entitled to notice of and are entitled to vote at the Annual Meeting and any adjournment or postponement thereof. On the Record Date, 77,383,079 common shares of beneficial interest were outstanding. Shareholders of record on the Record Date may vote by (i) internet by visiting the website specified in the Notice of Internet Availability and Proxy Materials (the Notice ), (ii) telephone using the instructions provided in the Notice, or (iii) marking, executing and returning the proxy card (located at the website specified in the Notice), in accordance with the instructions thereon. Shareholders who hold their shares in street name through a bank, broker or other holder of record (a nominee ) must vote their shares in the manner prescribed by their nominee.

Your Participation in Voting the Shares You Own Is Important

Voting your shares is important to ensure that you have a say in the governance of PREIT and to fulfill the objectives of the majority voting standard that we apply in the election of trustees. If you are receiving this Proxy Statement from a broker, bank or other financial institution, please review the proxy materials and follow the instructions on the voting instruction form to communicate your voting instructions to your broker, bank or other financial institution. We encourage you to exercise your rights and fully participate as a shareholder of PREIT.

How to Vote

We hope you will attend the Annual Meeting. Whether or not you expect to attend the meeting in person, please vote your shares by mail, by telephone or through the internet by following the instructions set forth in the Notice, so that your shares will be represented. If you receive more than one Notice because you have multiple accounts, you should submit your voting instructions with respect to each account by mail, telephone or through the internet, so that all of your shares will be voted at the Annual Meeting.

Shares Held through a Broker, Bank or Other Financial Institution

If you hold your shares through a broker, bank or other financial institution, there is a New York Stock Exchange rule that determines the manner in which your vote will be handled at the Annual Meeting. Your broker, bank or other financial institution is not permitted to vote on your behalf on the election of trustees or the proposal related to our executive compensation (i.e., Proposals One and Two described in this Proxy Statement) unless you provide specific instructions by completing and returning the voting instruction form or by following the voting instructions provided to you to vote your shares via telephone or the internet. For your vote with respect to those proposals to be counted, you need to communicate your voting instructions to your broker, bank or other financial institution before the date of the Annual Meeting, and before any earlier date specified in the voting instructions provided by your broker, bank or other financial institution.

Voting Standards Generally

On each matter subject to a vote at the Annual Meeting and any adjournment or postponement of the meeting, each holder of common shares will be entitled to one vote per share. With respect to the election of trustees (Proposal One), assuming a quorum is present, and subject to the majority voting provisions of our corporate governance guidelines, which are described in this Proxy Statement, the eight nominees receiving the highest number of votes cast at the

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### VOTING INFORMATION

meeting will be elected as trustees. With respect to the advisory approval of our executive compensation as described in the Compensation Discussion and Analysis section of this Proxy Statement and the accompanying tabular and narrative disclosure (Proposal Two), and the vote on ratification of the selection of KPMG LLP as our independent auditor for 2019 (Proposal Three), assuming a quorum is present, in each case the proposal will be approved if a majority of the shares present in person or by proxy and being cast as a vote on the proposal are voted FOR the proposal. Proposal Two is non-binding. If you mark your proxy as Withhold or Abstain on any matter, or if you give specific instructions that no vote be cast on any specific matter, the shares represented by your proxy will not be voted on that matter, but will count toward the establishment of a quorum. Proxies submitted by brokers that do not indicate a vote for some or all of the proposals because they do not have discretionary voting authority and have not received instructions as to how to vote on those proposals (so called broker non-votes ) are also considered in determining whether a quorum is present, but will not affect the outcome of any vote.

#### Voting by Proxy; Revocation of Proxies

You may vote your shares to be voted at the Annual Meeting in person or by proxy. All valid proxies received before the Annual Meeting will be voted according to their terms. If you complete your proxy properly, whether by completing and returning a proxy card or by submitting your instructions by telephone or through the internet, but do not provide instructions as to how to vote your shares, your proxy will be voted FOR the election of all trustees nominated by our Board of Trustees, FOR advisory approval of our executive compensation as described in the Compensation Discussion and Analysis section of this Proxy Statement and the accompanying tabular and narrative disclosure, and FOR the ratification of KPMG LLP as our independent auditor for 2019. If any other business is properly brought before the Annual Meeting, proxies will be voted in accordance with the judgment of the persons voting the proxies. After providing your proxy, you may revoke it at any time before it is voted at the Annual Meeting by filing an instrument revoking it with our Secretary or by submitting a duly executed proxy bearing a later date. You also may revoke your proxy by attending the Annual Meeting and giving notice of revocation. Attendance at the Annual Meeting, by itself, will not constitute revocation of a proxy.

#### Delivery of Documents to Shareholders Sharing an Address

Some banks, brokers and other nominee record holders might be participating in the practice of householding proxy statements and annual reports. This means that only one copy of our Proxy Statement and Annual Report might have been sent to multiple shareholders in your household, if you have elected to receive paper copies. We will promptly deliver a separate copy of either document to you if you request one by writing or calling us as follows: Investor Relations, Pennsylvania Real Estate Investment Trust, The Bellevue, 200 South Broad Street, Philadelphia, Pennsylvania 19102; Telephone: 215-875-0735. If you want to receive separate copies of the Annual Report and Proxy Statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household in the future, you should contact your bank, broker or other nominee record holder.

#### Solicitation of Proxies

We will bear the cost of preparing and soliciting proxies, including the reasonable charges and expenses of brokerage firms or other nominees for forwarding proxy materials to shareholders. In addition to solicitation by mail, certain trustees, officers and employees of PREIT and its subsidiaries may solicit proxies personally or by telephone or other electronic means without extra compensation, with the exception of reimbursement for actual expenses incurred in connection with the solicitation. The enclosed proxy being solicited in connection with this Proxy Statement is being solicited by and on behalf of our Board of Trustees.

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GOVERNANCE

PROPOSAL ONE Election of Trustees

Trustee Nomination Process

PREIT's trust agreement provides that nominations for election to the office of trustee at any annual meeting of shareholders are made by the Board of Trustees, or by a shareholder if such shareholder provides a notice in writing delivered to our Secretary not less than 90 nor more than 120 days before the anniversary date of the prior year's meeting, and for an election at an annual meeting that is not within 30 days of such anniversary date, or for a special meeting called for the election of trustees, not later than 10 days following the date on which notice of the date of the meeting is mailed or disclosed publicly, whichever comes first. The notice must be signed by the holders of at least two percent of the common shares outstanding on the date of the notice. Shareholders making nominations of trustee candidates must provide in the notice, among other things, (a) information regarding share ownership and any hedging or other transaction to hedge the economic risk or to increase or decrease the voting power of such shareholder, (b) a description of all agreements or understandings between any such shareholder and each nominee and any other person, pursuant to which any such shareholder has a right to vote any shares, or pursuant to which the nominee or shareholder may be entitled to compensation, reimbursement of expenses or indemnification by reason of such nomination or service as a trustee, including all such information that would be required to be disclosed under federal securities regulations if the nominee were nominated by the Board of Trustees, and (c) such other information regarding each nominee as would be required in a proxy statement had the nominee been nominated by the Board of Trustees. The complete text of these requirements is provided in Section 11.J of PREIT's trust agreement, which is available on our website at [www.preit.com](http://www.preit.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov), and a copy of which may be obtained by written request to our Secretary at our principal executive office. Nominations not made in accordance with the trust agreement procedures will not be considered, unless the number of persons properly nominated is fewer than the number of persons to be elected to the office of trustee at the Annual Meeting. In this latter event, nominations for the trustee positions that would not otherwise be filled may be made at the Annual Meeting by any person entitled to vote in the election of trustees.

Nominees for Trustee

PREIT's Board of Trustees has nominated George J. Alburger, Jr., Joseph F. Coradino, Michael J. DeMarco, JoAnne A. Epps, Leonard I. Korman, Mark E. Pasquerilla, Charles P. Pizzi and John J. Roberts for election at the Annual Meeting as trustees to serve until the Annual Meeting to be held in the spring of 2020 and until their respective successors have been duly elected and have qualified. Each of the nominees is currently serving as a trustee whose term expires at the Annual Meeting. If any of the foregoing nominees becomes unable to or declines to serve, the persons named in the accompanying proxy have discretionary authority to vote for a substitute or substitutes, unless the Board of Trustees reduces the number of trustees to be elected. The address for each nominee for the office of trustee is c/o PREIT, The Bellevue, 200 South Broad Street, Philadelphia, Pennsylvania 19102.

In selecting nominees for election to the Board of Trustees, the members of the Nominating and Governance Committee and the Board of Trustees consider a number of factors that they deem relevant to service on the Board, including (1) core competencies and willingness to participate actively in the work of the Board of Trustees and, in the case of non-management nominees, in the standing Committees of the Board of Trustees, (2) personal integrity and ethics, (3) experience and maturity of judgment, (4) potential contributions to the collective knowledge, experience and capabilities of the Board of Trustees, (5) diversity of personal and professional backgrounds, and (6) the ability to work constructively and effectively with other members of the Board of Trustees.

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GOVERNANCE

The chart below highlights several categories of skills and areas of expertise of our trustees. Generally, the Nominating and Governance Committee and the Board of Trustees consider it important that nominees have competencies in one or more of these areas. Each nominee brings his or her particular set of personal experiences and competencies to the Board of Trustees, which, taken as a whole, enable the Board of Trustees to provide effective leadership to the Company in order to achieve our strategic objectives and deliver returns to our shareholders.

The Nominating and Governance Committee and the Board of Trustees also consider it important that the Board of Trustees is comprised of individuals with varying lengths of tenure with the Company. This helps to ensure that the Board of Trustees strikes an appropriate balance of those with extensive experience with the Company and those who can bring new, fresh ideas to the Company, increasing shareholder value.

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## GOVERNANCE

**<sup>u</sup> Nominees for the Office of Trustee****GEORGE J. ALBURGER, JR. Background****Age:** 71**Trustee since:** 2017

Mr. Alburger, 71, served as the Chief Financial Officer and Treasurer of Liberty Property Trust from 1995 to 2016. He was previously an Executive Vice President of Liberty Property Trust from 2000 to 2016. Departing as Executive Vice President, Mr. Alburger worked for EBL&S Property Management, Inc. from 1982 to 1995, an owner and manager of approximately 200 shopping centers aggregating 30 million square feet of retail space. He was employed by Price Waterhouse, LLP from 1968 to 1982, finishing his career there as a Senior Manager. Mr. Alburger serves on the board of Americold Realty Trust, an international owner and operator of temperature-controlled warehouses.

**Qualifications and Experience Relevant To Us**

By virtue of his service as a senior executive of a real estate investment trust, Mr. Alburger has extensive experience in substantially all aspects of real estate investment, development and ownership, including aspects of real estate finance, operations and management, as well as experience with real estate mergers and acquisitions. That experience, coupled with his experience at a global accounting firm, provides Mr. Alburger with an exceptionally high level of accounting and audit expertise that he brings to the Board, allowing him to interact effectively with the accounting and finance managers of PREIT and with PREIT's independent auditors. Mr. Alburger also adds additional depth to the Board's competencies in the areas of organizational development and strategic planning, as well as substantial experience regarding public companies and corporate governance.

**JOSEPH F. CORADINO Background****Age:** 67

Mr. Coradino, 67, has served as the Chief Executive Officer of PREIT since 2012 and Chairman of PREIT since 2017. From 2001 to 2012, he was the President of PREIT Services, LLC and PREIT-RUBIN, Inc., and the Executive Vice President-Retail of PREIT. Prior to and in conjunction with that service, Mr. Coradino was the Executive Vice President-Retail Division and Treasurer of PREIT-RUBIN, Inc. from 1998 to 2004. From 1997 to 1998, he served as the Senior Vice President-Retail Division and Treasurer, PREIT-RUBIN, Inc. Mr. Coradino is a current trustee of Temple University

*Trustee since:* 2006

and a trustee of the International Council of Shopping Centers (ICSC), and he previously served as a director of A.C. Moore Arts & Crafts, Inc. from 2006 to 2011. The employment agreement between PREIT and Mr. Coradino provides that, during the term of his employment agreement, the Board of Trustees shall nominate him as a candidate for election to the Board of Trustees at each annual meeting at which his term as a trustee is scheduled to expire.

### **Qualifications and Experience Relevant To Us**

Mr. Coradino has been engaged in real estate development, management and leasing for substantially all of his professional life and currently serves as PREIT's Chief Executive Officer. Prior to becoming the Chief Executive Officer, Mr. Coradino served for a number of years as the senior officer for PREIT's retail operations and as the principal officer in charge of redevelopment projects. Prior to joining PREIT as a senior executive in 1997, Mr. Coradino was an executive of The Rubin Organization, which was acquired by PREIT in 1997. Mr. Coradino brings to the Board an extensive knowledge of the properties and leasing program of PREIT and of trends and developments in the retail industry that are of vital significance to PREIT.

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## GOVERNANCE

**M I C H A E L J . Background  
DEMARCO****Age:** 59**Trustee since:** 2015

Mr. DeMarco, 59, has been the Chief Executive Officer of Mack-Cali Realty Corporation since 2015. Previously, he was the Chief Investment Officer of Cantor Commercial Real Estate Company, L.P. from 2013 to 2015 and an Executive Vice President of Vornado Realty Trust from 2010 to 2013. Mr. DeMarco served as a Managing Director at Fortress Investment Group from 2007 to 2010 and a Managing Director at Lehman Brothers from 1998 to 2007. Mr. DeMarco also held senior positions at Credit Suisse First Boston and Arthur Andersen LLP. Mr. DeMarco was initially nominated to the Board in 2015 in connection with an agreement between PREIT and certain shareholders, including Land & Buildings Investment Management LLC and Land & Buildings Capital Growth Fund, L.P. Mr. DeMarco was independent of both PREIT and such investors, and the Company was not obligated under the agreement to nominate him for the Board after the 2015 Annual Meeting.

**Qualifications and Experience Relevant To Us**

From his career in real estate investment banking and commercial finance, Mr. DeMarco has extensive experience in all aspects of real estate finance and operations and real estate mergers and acquisitions, and possesses a very deep knowledge and understanding of real estate capital markets, such as the CMBS market, as well transactions and valuations. Mr. DeMarco's substantial experience enables him to offer valuable insights into the financial environment in which the Company is operating. Further, Mr. DeMarco has extensive management experience, including his current position as the Chief Executive Officer of a real estate business.

**JOANNE A. EPPS****Background****Age:** 67

Ms. Epps, 67, is Executive Vice President and Provost of Temple University, a position she has held since 2016. Ms. Epps was previously the Dean of the Temple University Beasley School of Law from 2008 to 2016, and is a member and former President of the Board of Directors of the Defenders Association of Philadelphia, and one of five members of Philadelphia's Board of Ethics. She is a member of the Board of Directors of the ABA Retirement Funds and a member of the Committee of Seventy and the Pennsylvania Women's Forum. Previously, Ms. Epps was a member of the Board of Directors of the National Association of Women Lawyer's Foundation, where she chaired the review of Board governance protocols, and she was a member of the Trinity

**Trustee since:** 2018      College Board of Trustees, where she served on the Finance and Audit Committee.

### **Qualifications and Experience Relevant To Us**

Ms. Epps has a diverse combination of legal, business, operational, and community and governmental knowledge. Ms. Epps brings to the board her many skills, including in the areas of corporate governance, finance and management, organizational development and strategic planning.

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## GOVERNANCE

**LEONARD I. KORMAN**     **Background**

Mr. Korman, 83, is Chairman and Chief Executive Officer of Korman Commercial Properties, Inc. (real estate development and management). He is a partner of The Korman Company and trustee of Thomas Jefferson University Hospitals, and a former director of CoreStates Bank, N.A. Mr. Korman served on the Regional Advisory Board of First Union National Bank, and the boards of Albert Einstein Healthcare Network, Albert Einstein Healthcare Network Board of Overseers, The Pennsylvania Academy of Fine Arts, and the Jewish Federation of Greater Philadelphia.

**Age:** 83

*Trustee since:* 1996

**Qualifications and Experience Relevant To Us**

Mr. Korman has been engaged in the acquisition, disposition, financing and management of residential and commercial real estate (including shopping centers) as an owner and senior executive for his entire adult life. In addition, he has served as a director of a large regional bank and on the boards of major community organizations. From this experience, Mr. Korman brings to the Board of Trustees an extensive knowledge of substantially all aspects of real estate investment, development and ownership, as well as valuable capabilities in strategic planning and finance.

**M A R K     E .**     **Background**  
**PASQUERILLA**

Mr. Pasquerilla, 59, is an officer and director of Pasquerilla Enterprises, LP and its subsidiaries (ownership and management of hospitality properties), a position he has held since 2006 (Chief Executive Officer since 2013, President from 2006 to 2013). From 1992 to 2006, he served as an officer and director of Crown Holding Company and its subsidiaries (Chief Executive Officer and Chairman from 1999 to 2006 and President from 1992 to 2006). In addition, Mr. Pasquerilla served as the Chairman of the Board of Trustees, President and Chief Executive Officer of Crown American Realty Trust from 1999 to 2003, Vice Chairman of Crown American Realty Trust from 1998 to 1999, and Trustee of Crown American Realty Trust from 1993 to 2003. He has been a Director of AmeriServ Financial, Inc., AmeriServ Financial Bank and AmeriServ Life Insurance Company since 1997. Mr. Pasquerilla is a board member of Concurrent Technologies Corporation, a charitable organization, a position he has held since 1990. In addition, he is current a board member of the Community Foundation for the Alleghenies, a charitable organization, which he has served since 1991. Mr. Pasquerilla has been an advisory board member of the University of Pittsburgh at

**Age:** 59

*Trustee since:* 2003

Johnstown since 1988, is a current board member of Johnstown (Pennsylvania) Area Heritage Association, and President of the Greater Johnstown Regional Partnership, and he served as Trustee of the International Council of Shopping Centers from 2002 to 2005.

### **Qualifications and Experience Relevant To Us**

As the Chairman and Chief Executive Officer of Crown American Realty Trust at the time of its merger into PREIT in 2003, Mr. Pasquerilla brings to the Board a broad understanding of the retail real estate industry. In accordance with the merger agreement between PREIT and Crown American Realty Trust in 2003, PREIT expanded the size of its Board of Trustees and elected Mr. Pasquerilla, who was a member of Crown's board at the time of the merger, to fill a vacancy created by the expansion. Mr. Pasquerilla's competencies are derived from his business experience and community service activities, and include a knowledge of real estate acquisitions, finance and management, private and public capital markets, organizational development and strategic planning.

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**CHARLES P. PIZZI**

**Background**

**Age:** 68

**Trustee since:** 2013

Mr. Pizzi, 68, is the former President and Chief Executive Officer and director of Tasty Baking Company, a position he held from 2002 until the company's sale in 2011. He is Chairman of the Board of Independence Health Group and a Director of Brandywine Realty Trust (office real estate development and management), Franklin Square Energy & Power Fund, Franklin Square Global Credit Opportunities Fund and WHYY, Inc. (Philadelphia-based public broadcaster). From 2006 to 2011, Mr. Pizzi was a director of the Federal Reserve Bank of Philadelphia, including service as Chairman from 2010 to 2011. In addition, he was a director of the Philadelphia Stock Exchange from 1997 until its acquisition by NASDAQ in 2008 and was the President and Chief Executive Officer of the Greater Philadelphia Chamber of Commerce from 1989 to 2002. In addition to the directorships noted above, Mr. Pizzi serves as a director of a variety of civic, educational, charitable and other boards, including the boards of Drexel University, Philadelphia Beltline Railroad, and the Board of Advisors of PNC Philadelphia.

**Qualifications and Experience Relevant To Us**

Mr. Pizzi's career is unusually extensive and varied, including nine years as president and chief executive officer of a public company, service as a director of companies engaged in real estate, health insurance, construction, engineering, investment and security operations, and a broad range of civic and community leadership and service. By reason of his experience, Mr. Pizzi brings to the Board a diverse combination of business, operational, public company, community and governmental knowledge and skills.

**JOHN J. ROBERTS**

**Background**

**Age:** 74

**Trustee since:** 2003

Mr. Roberts, 74, is the Former Global Managing Partner and member of the Leadership Team, PricewaterhouseCoopers LLP, completing a 35-year career with the firm in 2002. He is a director at Armstrong World Industries, Inc., Safeguard Scientifics, Inc. and Vonage Holdings Corp. Mr. Roberts is a member of the American Institute of CPAs and is a former director of SICOR, Inc., Philadelphia First Corporation, Greater Philadelphia Chamber of Commerce, Urban Affairs Partnership, and the University City Science Center. In addition, Mr. Roberts is a former member of the advisory boards of the Kellogg School of Northwestern University and the University of Southern California School of Accounting, and is a former trustee of Drexel University.



### **Qualifications and Experience Relevant To Us**

By reason of his over 35-year career in public accounting, which included service as a senior executive with a global accounting firm, and his service on the boards and audit committees of other public companies, Mr. Roberts brings an exceptionally high level of accounting and audit expertise to the Board and the Audit Committee. His experience has enabled Mr. Roberts to interact knowledgeably and effectively with PREIT's independent auditors and with the accounting and finance managers of PREIT. In addition, his experience as an accounting executive and as a board member of businesses in diverse industries and nonprofit organizations has given Mr. Roberts additional capabilities, including strategic planning and corporate governance.

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Majority Voting Standard for Trustee Elections and Board Procedures

With respect to the election of trustees, assuming a quorum is present, and subject to the majority voting provisions of our corporate governance guidelines described below, the eight nominees receiving the highest number of votes cast at the Annual Meeting will be elected trustees. If you mark your proxy as **Withhold** in the election of any of the trustees, or if you give specific instructions that no vote be cast in the election of any of the trustees, the shares represented by your proxy will not be voted in the election of such trustee(s), but will count toward the establishment of a quorum.

Pursuant to PREIT's corporate governance guidelines, if any nominee for trustee receives a greater number of **Withhold** responses regarding his or her election than votes **FOR** his or her election, that nominee will be required to promptly tender his or her resignation to the Nominating and Governance Committee of the Board of Trustees following certification of the shareholder vote. The Nominating and Governance Committee of the Board of Trustees will consider the resignation offer and recommend to the Board of Trustees whether or not to accept it. The Board of Trustees (excluding such nominee) will act on the Nominating and Governance Committee's recommendation within 90 days following certification of the shareholder vote. Thereafter, the Board of Trustees will promptly disclose its decision as to whether to accept the trustee's resignation offer (and, if applicable, the reasons for rejecting the resignation offer) in a press release to be disseminated in the manner that PREIT's press releases typically are distributed or by other means of public disclosure.

Any trustee tendering his or her resignation pursuant to the procedures described above will not participate in the Nominating and Governance Committee recommendation or any other action of the Board of Trustees regarding whether to accept the resignation offer. If each member of the Nominating and Governance Committee were to receive a majority of votes marked **Withhold** in the same election, then the independent members of our Board of Trustees who did not receive a majority of votes marked **Withhold** would appoint a committee among themselves (which may consist of some or all of them) to consider the resignations and recommend to the Board of Trustees whether to accept them.

Board Recommendation

Our Board of Trustees recommends that shareholders vote **FOR** the election of each of the individuals named in this Proxy Statement and nominated for election as trustees by our Board of Trustees.

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#### Corporate Governance and Board Matters

#### Leadership Structure

In June 2012, Joseph F. Coradino became Chief Executive Officer of PREIT and in February 2017 he became Chairman of PREIT, succeeding Ronald Rubin, who was a trustee until his decision not to stand for re-election at the 2018 Annual Meeting of Shareholders. Mr. Coradino had been a senior officer of PREIT since he joined the Company in 1997 and has been a Trustee of the Company since 2006.

The Board of Trustees has also appointed Charles P. Pizzi to a third one-year term as Lead Independent Trustee that will commence at the Annual Meeting and extend to the 2020 Annual Meeting of Shareholders of the Company. The scope of Mr. Pizzi's responsibilities in this role includes board operations, Chief Executive Officer evaluation and succession, Board of Trustees evaluation and recruitment, and, as appropriate, shareholder relations.

The Board believes that this structure, including a Lead Independent Trustee, is appropriate and effective for PREIT because it provides (i) a separate conduit through the Lead Independent Trustee between the independent trustees and the Chief Executive Officer and other executive officers of PREIT, as appropriate, (ii) a mechanism for oversight by the independent trustees, and (iii) a means of enhancing conditions for engagement by the Board in PREIT's decision-making processes. The Board currently includes seven non-employee trustees who, by virtue of their collective leadership experience and their positions on the various committees of the Board discussed below, provide significant independent leadership and direction that complements the leadership provided by the Lead Independent Trustee and Mr. Coradino.

#### Role in Risk Oversight

The full Board is responsible for, and is actively involved in, identifying and overseeing the management of the risks that PREIT faces. The Board retains direct decision-making authority regarding the most significant of these risks, and exercises its oversight of management with respect to other risks. With respect to the exercise of direct decision making, the Board generally manages these risks through the allocation of specific duties and responsibilities to its committees and the interaction of those committees, in performing the duties and responsibilities allocated to them, with various outside consultants, including our independent auditor and our compensation consultant. The Board typically performs its oversight function through review of reports from the Chairs of these committees, as well as through regular discussions and reports from management regarding significant or developing risks. Among other relevant information, the Board receives a report annually from management describing management's methodology for identifying, assessing, mitigating, monitoring and disclosing operational and other risks. In addition, the Board discusses with management, at least quarterly, any changes to the key risk factors identified in the annual report. This annual assessment and the related ongoing discussions are designed to (i) keep the Company's risk profile current, (ii) provide ongoing assessment of risks and improvement to our risk management capabilities, (iii) make sure that the Board and executive management are in alignment with respect to the Company's appetite for risk, (iv) ensure that the Company's risk culture encourages the right type of behaviors, and (v) integrate risk management with the appropriate

management processes. The Board believes that the leadership structure discussed above, which places significant authority in the hands of its independent trustees while involving the Chief Executive Officer in Board decision-making, enhances its ability to identify and oversee the risks that PREIT faces.

#### Committees of the Board

PREIT has a standing Executive Compensation and Human Resources Committee (the Compensation Committee), a standing Audit Committee, a standing Nominating and Governance Committee and, under PREIT's Related Party Transactions Policy, a standing Special Committee. PREIT's by-laws authorize the establishment of a standing Executive Committee to consist of three members. PREIT's Board of Trustees has not appointed any members to the Executive Committee. If duly constituted, the Executive Committee would be authorized to exercise all of the powers and authority of the Board of Trustees between meetings of the Board of Trustees, except for matters that are expressly reserved by PREIT's by-laws to the full Board of Trustees or to another committee of the Board of Trustees.

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**Executive Compensation and Human Resources Committee**

The Compensation Committee is comprised of Michael J. DeMarco, Chair, Leonard I. Korman, and Charles P. Pizzi. The principal duties of the Compensation Committee are to set the annual, long term and incentive compensation of PREIT's executive officers in light of existing agreements and consistent with compensation objectives and policies established by the Compensation Committee, to make recommendations to PREIT's Board of Trustees regarding equity-based plans, and to administer these plans. The Compensation Committee does not have the authority to delegate any portion of its responsibilities over the compensation of PREIT's executive officers to others, although it is assisted by, and consults with, management and independent advisors.

The Compensation Committee met eight times during 2018. Meeting agendas are set by the Chair. The Compensation Committee considers the recommendations of PREIT's Chief Executive Officer in establishing compensation for the named executive officers other than the Chief Executive Officer, and invited the Chief Executive Officer to participate in compensation deliberations by the Compensation Committee concerning PREIT's named executive officers other than the Chief Executive Officer.

The Compensation Committee has the exclusive authority to retain and terminate the services of executive compensation consultants to assist in the evaluation of executive officer compensation. The Compensation Committee evaluates the conflicts of interest of any consultant retained or to be retained consistent with its charter and applicable law. Since October 2010, the Compensation Committee has annually engaged Pay Governance, LLC to serve as the consultant to the Compensation Committee. The compensation consultant periodically advises the Compensation Committee on developing compensation trends and programs among REITs and other public companies. The compensation consultant also presents, from time to time, at the Compensation Committee's direction, compensation data from several sources, including a proprietary survey of executive compensation among REITs prepared for the National Association of Real Estate Investment Trusts ( NAREIT ) and from the proxy statements of selected REITs.

The Compensation Committee's process for setting executive compensation is described under Compensation Compensation Discussion and Analysis.

**Audit Committee**

The Audit Committee, which is comprised of John J. Roberts, Chair, George J. Alburger, and Mark E. Pasquerilla, met seven times during 2018. The principal duties of the Audit Committee are to oversee PREIT's accounting and financial reporting processes and the audit of PREIT's financial statements, to select and retain independent auditors, to review with management and the independent auditors PREIT's annual financial statements and related notes, to review PREIT's internal audit activities, to review with the independent auditors the planned scope and results of the annual audit and their reports and recommendations, and to review with the independent auditors matters relating to PREIT's system of internal controls.

PREIT's audit committee charter provides that no member of the Audit Committee may serve on the audit committee of more than two public companies other than PREIT unless the Board of Trustees determines that such service would not impair the member's ability to effectively serve on PREIT's Audit Committee. John J. Roberts presently serves on the audit committees of three public companies other than PREIT. The Board of Trustees has considered Mr. Roberts service on these other audit committees and has determined that Mr. Roberts' service on the other audit committees

will not impair his ability to effectively serve in his role on PREIT's Audit Committee.

### **Nominating and Governance Committee**

The Nominating and Governance Committee, which is comprised of Charles P. Pizzi, Chair, JoAnne A. Epps, Mark E. Pasquerilla, and John J. Roberts, met five times during 2018. The principal duties of the Nominating and Governance Committee are to identify individuals qualified to become trustees of PREIT, recommend trustee nominees and trustee committee appointments to the Board of Trustees, review annually the compensation paid to non-employee trustees, develop and recommend a set of governance principles applicable to PREIT, annually review PREIT's Chief Executive Officer succession planning and oversee the evaluation of the performance of PREIT's Board of Trustees and management with respect to matters other than compensation.

The Nominating and Governance Committee and the full Board recognize that diversity is valuable to a well-functioning board, and the Nominating and Governance Committee chooses candidates for the office of trustee

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without regard to age, sex, race, religion, national origin or sexual orientation. In selecting candidates for the position of trustee, the Nominating and Governance Committee aspires to increase Board diversity as an essential element in supporting the attainment of PREIT's strategic objectives, and considers diversity in a broad sense, including differences of perspectives, experiences, expertise, skills and background. Its charter specifies the following minimum qualifications, qualities and skills that a committee-recommended nominee must possess: the highest character and integrity; sufficient experience to enable a meaningful contribution to PREIT and its Board of Trustees; and sufficient time available to devote to PREIT's affairs and to carry out the responsibilities of a trustee. The Nominating and Governance Committee does not solicit recommendations from shareholders regarding trustee nominee candidates, but will consider any such recommendation received in writing and accompanied by sufficient information to enable the Nominating and Governance Committee to assess the candidate's qualifications, along with confirmation of the candidate's consent to serve as a trustee if elected. Such recommendations should be sent care of Lisa M. Most, General Counsel, Chief Compliance Officer and Secretary, Pennsylvania Real Estate Investment Trust, The Bellevue, 200 South Broad Street, Philadelphia, Pennsylvania 19102. Any recommendation received from shareholders after January 1 of any year will not be considered until the following year. In addition to considering candidates recommended by shareholders, the Nominating and Governance Committee considers potential candidates recommended by PREIT's current trustees and officers and is authorized to utilize independent search firms to assist in identifying candidates. The process for screening candidates is the same regardless of the source of the recommendation, but only shareholder recommendations are subject to the January 1 deadline for submission for consideration in any given year. In each case, the Nominating and Governance Committee determines whether a recommended candidate meets PREIT's minimum qualifications and possesses the qualities and skills for trustees, and whether requesting additional information or an interview is appropriate.

### **Special Committee Regarding PREIT's Related Party Transactions Policy**

The Special Committee relating to PREIT's Related Party Transactions Policy (the Special Committee) is comprised of John J. Roberts, Chair, Michael J. DeMarco, and Leonard I. Korman. This committee met once during 2018. The principal duties of the Special Committee are to administer PREIT's Related Party Transactions Policy by reviewing those transactions that PREIT's General Counsel determines to be subject to the policy. See Other Matters Related Party Transactions Policy.

### Meetings of Independent Trustees

In addition to PREIT's Board and committee meetings, the independent members of PREIT's Board of Trustees meet separately at regularly scheduled meetings. The Lead Independent Trustee presides at these meetings.

### Communicating with the Board of Trustees

Any interested party wishing to communicate with PREIT's Board of Trustees, the independent trustees or any individual PREIT trustee on a confidential basis may do so in writing addressed, as applicable, to the Board of Trustees, the independent trustees or the individual trustee and sent care of Lisa M. Most, General Counsel, Chief

Compliance Officer and Secretary, Pennsylvania Real Estate Investment Trust, The Bellevue, 200 South Broad Street, Philadelphia, Pennsylvania 19102. PREIT's General Counsel will review any such communication and will deliver such communications to the addressee.

#### Meetings of the Board of Trustees

The Board of Trustees met eight times during 2018. All of the trustees serving as trustees in 2018 attended at least 75% of Board and applicable committee meetings in 2018. The Board of Trustees' policy is that trustees are expected to attend PREIT's Annual Meeting of Shareholders. Last year, all of the trustees attended the Annual Meeting.

#### Corporate Governance Guidelines and Codes of Conduct

PREIT's corporate governance guidelines, code of business conduct and ethics for non-employee trustees, code of business conduct and ethics for officers and employees (which includes the code of ethics applicable to our chief executive officer, principal financial officer and principal accounting officer), related party transactions policy and the governing charters for the Audit, Nominating and Governance and Compensation Committees of PREIT's Board of

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Trustees are available free of charge on PREIT's website at [www.preit.com](http://www.preit.com), as well as in print to any shareholder upon request. PREIT's Board of Trustees and Nominating and Governance Committee regularly review corporate governance developments and modify these guidelines, codes and charters as warranted. Any modifications or waivers are reflected on PREIT's website as soon as practicable.

Corporate Responsibility and Environmental Sustainability

PREIT continually explores ways to better align its business strategy with its duty to be a responsible corporate citizen. We strive to be socially and environmentally conscious. We now have the capacity to produce more than 8 million kilowatt hours of electricity per year from solar arrays at five of our properties. The annual environmental benefit accrued through the production of renewable energy at these five properties is equivalent to a reduction in greenhouse gas emissions from more than 1,200 passenger vehicles. We also currently offer electric vehicle charging stations at three of our properties, with plans underway for such stations at two more mall locations. Additionally, as part of our redevelopment at Woodland Mall in Grand Rapids, Michigan, we diverted more than 20,000 tons of concrete from two former Sears buildings from landfills, instead recycling it for reuse as building pads, parking lot base and site grading during the redevelopment of the mall.

Both at our home office and on the ground at our properties, we strive to be involved in our local communities. At our home office, we participate in numerous toy and clothing drives for charities in the community and also volunteer our time at local not-for-profits. At our malls, we work with local organizations to offer fitness classes, mall-walking programs, job fairs, health and wellness events and host fundraising events for these groups to raise awareness of and funds for their charitable organizations. We have also sponsored a charitable fund that made 25 donations in 2018 to local and national charitable organizations identified by employees in our home office and at our malls.

Trustee Independence

All of PREIT's non-employee trustees are independent, which means that, if all nominees are elected, more than three quarters (seven out of eight) of the members of PREIT's Board of Trustees will be independent. For a trustee to be considered independent, PREIT's Board of Trustees must determine that the trustee does not have any direct or indirect material relationship with PREIT. PREIT's Board of Trustees has established guidelines to assist it in determining trustee independence, which are contained in the Company's corporate governance guidelines. These guidelines conform to the independence requirements contained in the New York Stock Exchange listing rules. In addition, PREIT's Board of Trustees has adopted categorical standards to assist it in making determinations of independence.

Standards of Independence

The guidelines and the categorical standards used by PREIT's Board of Trustees to determine whether a trustee is independent specify that:

































































































































































































