

KITE REALTY GROUP TRUST
Form DEF 14A
April 17, 2015

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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

KITE REALTY GROUP TRUST

(Name of Registrant as Specified In Its Charter)

N/A

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

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April 17, 2015

Dear Fellow Shareholder:

I am pleased to invite you to the 2015 Annual Meeting of Shareholders of Kite Realty Group Trust, which will be held on Thursday, May 21, 2015, at 9:00 a.m. EDT at 30 S. Meridian Street, Eighth Floor, Indianapolis, Indiana 46204. At the meeting, shareholders will vote on the business items listed in the notice of the meeting on the following page. In addition to the formal business that will be transacted, management will report on the progress of our business and respond to comments and questions of general interest to our shareholders.

I sincerely hope that you will attend and participate in the meeting. However, whether you plan to attend or not, it is important that your shares be represented and voted. A form of proxy card and a copy of our annual report are enclosed with this annual meeting notice and proxy statement. I encourage you to review these materials carefully and to follow the voting instructions in the proxy statement to ensure that your votes are counted.

I look forward to seeing you at the annual meeting.

Sincerely,

JOHN A. KITE

Chairman of the Board and Chief Executive Officer

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**KITE REALTY GROUP TRUST
30 S. Meridian Street
Suite 1100
Indianapolis, Indiana 46204**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held on May 21, 2015**

Dear Shareholder:

You are cordially invited to attend our 2015 annual meeting of shareholders, which will be held as follows:

WHEN:

9:00 a.m. EDT on Thursday, May 21, 2015

WHERE:

Offices of Kite Realty Group Trust

30 S. Meridian Street, Eighth Floor, Indianapolis, Indiana 46204

ITEMS OF BUSINESS:

Elect nine trustees to serve one-year terms expiring in 2016;

Approve an amendment to our declaration of trust to decrease the total number of our authorized common shares from 450,000,000 to 225,000,000;

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

Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015; and

Transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

WHO CAN VOTE:

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Shareholders of record at the close of business on April 1, 2015 will be entitled to notice of and to vote at the meeting or any adjournments or postponements of the meeting.

VOTING BY PROXY:

Shareholders may complete, date and sign the accompanying proxy card and return it in the enclosed envelope.

Whether or not you plan to attend the annual meeting, we urge you to vote now. If you attend the meeting, you may withdraw your proxy and vote in person, if you so desire.

By Order of the Board of Trustees,

SCOTT E. MURRAY

Executive Vice President, General Counsel and Corporate Secretary

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PROXY STATEMENT

ABOUT THE MEETING: QUESTIONS & ANSWERS

Why am I receiving this proxy statement?

This proxy statement contains information related to the solicitation of proxies for use at our 2015 annual meeting of shareholders, to be held at 9:00 a.m. EDT on Thursday, May 21, 2015 at 30 S. Meridian Street, Eighth Floor, Indianapolis, Indiana 46204, for the purposes stated in the accompanying Notice of Annual Meeting of Shareholders. This solicitation is made by Kite Realty Group Trust on behalf of our Board of Trustees (the "Board"). "We," "our," "us," and the "Company" refer to Kite Realty Group Trust. This proxy statement, the enclosed proxy card and our 2014 annual report to shareholders are first being mailed to shareholders beginning on or about April 21, 2015.

What am I being asked to vote on, and what are the Board's voting recommendations?

Proposal	Proposal Description	Board's Voting Recommendation
<u>Proposal 1: Election of Trustees</u>	The election of nine trustees to our Board	"FOR"
<u>Proposal 2: Amendment to Declaration of Trust</u>	The amendment of our Articles of Amendment and Restatement of Declaration of Trust ("Declaration of Trust") to decrease the total number of our authorized common shares from 450,000,000 to 225,000,000	"FOR"
<u>Proposal 3: Advisory Vote on Executive Compensation</u>	The approval, on an advisory basis, of the compensation of our named executive officers	"FOR"
<u>Proposal 4: Ratification of the Appointment of Ernst & Young LLP</u>	The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2015	"FOR"

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Who is entitled to vote at the annual meeting?

The close of business on April 1, 2015 is the record date for the Annual Meeting. Only holders of record of our common shares at the close of business on the record date are entitled to receive notice of, to attend and to vote at the annual meeting. Our common shares constitute the only class of securities entitled to vote at the meeting.

What are the voting rights of shareholders?

Each common share outstanding on the record date entitles its holder to cast one vote on each matter to be voted on at the annual meeting.

Who can attend the annual meeting?

All holders of our common shares at the close of business on April 1, 2015, the record date for the annual meeting, or their duly appointed proxies, are authorized to attend the annual meeting. Admission to the meeting will be on a first-come, first-served basis. If you attend the meeting, you may be asked to present valid photo identification, such as a driver's license or passport, before being admitted. Cameras, recording devices and other electronic devices will not be permitted at the meeting.

Please also note that if you hold your shares in "street name" (that is, through a bank, broker or other nominee), you will need to bring a copy of the brokerage statement reflecting your stock ownership as of April 1, 2015.

What will constitute a quorum at the annual meeting?

The presence at the meeting, in person or by proxy, of the holders of a majority of the common shares outstanding on April 1, 2015 will constitute a quorum, permitting the shareholders to conduct business at the meeting. We will include abstentions and broker non-votes in the calculation of the number of shares considered to be present at the meeting for purposes of determining the presence of a quorum at the meeting. A broker non-vote occurs when a nominee holding shares for a beneficial owner has not received voting instructions from the beneficial owner and does not have discretionary authority to vote the shares.

As of the April 1, 2015 record date, there were 83,508,246 common shares outstanding.

How do I vote?

If your shares are registered directly in your name with our transfer agent, Broadridge Corporate Issuer Solutions, Inc., you are considered the shareholder of record with respect to those shares, and the proxy statement and proxy card were sent directly to you by us. In order to vote, you or your duly authorized agent should complete, sign and return the accompanying proxy card. You may also attend the meeting and vote in person.

If your shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar organization, then you are the beneficial owner of shares held in "street name," and the proxy statement and proxy card were forwarded to you by that organization. As a beneficial owner, you have the right to instruct that organization on how to vote the shares held in your account. You should instruct your broker or nominee how to vote your shares by following the voting instructions

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provided by your broker or nominee. You may also attend the meeting and vote in person if you bring the required proxy, as discussed below.

How are proxy card votes counted?

If the accompanying proxy card is properly completed, signed and returned to us, and not subsequently revoked, it will be voted as directed by you. If the proxy is submitted but voting instructions are not made, the persons designated as proxy holders on the proxy card will vote **"FOR"** the election of all nominees for our Board of Trustees named in this proxy statement; **"FOR"** the amendment of our Declaration of Trust to decrease the total number of our authorized common shares from 450,000,000 to 225,000,000; **"FOR"** the advisory vote on executive compensation; **"FOR"** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015; and as recommended by our Board of Trustees with regard to any other matters that may properly come before the meeting, or, if no such recommendation is given, in the Board's own discretion. If the proxy is submitted and voting instructions are made for some, but not all, of the proposals, as to matters in which instructions are given, the proxy will be voted in accordance with those instructions, and for all other proposals, the proxy will be voted as described in the prior sentence.

If your common shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar organization, under applicable rules of the New York Stock Exchange (the "NYSE") (the exchange on which our common shares are traded), the brokers will vote your shares according to the specific instructions they receive from you. If a broker that holds common shares for a beneficial owner does not receive voting instructions from that owner at least 10 days prior to the annual meeting, the broker may vote on the proposal only if it is considered a "routine" matter under the NYSE's rules. On non-routine matters, nominees do not have discretionary voting power and cannot vote without instructions from the beneficial owners, resulting in a so-called "broker non-vote." Pursuant to the rules of the NYSE, the election of trustees, the amendment of our Declaration of Trust and the approval of the compensation of our named executive officers are "non-routine" matters, and a brokerage firm may not vote without instructions from its client on these matters, resulting in a broker non-vote. In contrast, ratification of the appointment of an independent registered public accounting firm is considered a "routine" matter under NYSE's rules, which means that a broker has discretionary voting authority to the extent it has not received voting instructions from its client on the matter.

If I plan to attend the Annual Meeting, should I still vote by proxy?

Yes. Voting in advance does not affect your right to attend the annual meeting. If you send in your proxy card and also attend the annual meeting, you do not need to vote again at the annual meeting unless you want to change your vote. Written ballots will be available at the meeting for shareholders of record. If you are not a shareholder of record but hold shares through a broker or nominee (i.e., in street name), you may vote your shares in person only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the annual meeting, we recommend that you also submit your proxy or voting instructions prior to the meeting as described above so that your vote will be counted if you later decide not to attend the annual meeting.

Will any other matters be voted on?

The proposals set forth in this proxy statement constitute the only business that the Board intends to present at the annual meeting. The proxy does, however, confer discretionary authority upon the

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persons designated as proxy holders on the proxy card, or their substitutes, to vote on any other business that may properly come before the meeting. If the annual meeting is postponed or adjourned, the proxy holders can vote your shares on the new meeting date as well, unless you have revoked your proxy.

May I change or revoke my vote after I return my proxy card?

Yes. You may revoke a previously granted proxy at any time before it is exercised by (i) delivering a written notice of revocation to our Secretary at 30 S. Meridian Street, Suite 1100, Indianapolis, Indiana 46204, (ii) delivering a duly executed proxy bearing a later date to us or (iii) attending the meeting and voting in person. If your common shares are held by a broker, bank or any other persons holding common shares on your behalf, you must contact that institution to revoke a previously authorized proxy.

Who is soliciting the proxies and who pays the costs?

The enclosed proxy for the annual meeting is being solicited by the Board. Proxies also may be solicited, without additional compensation, by our trustees and officers by mail, telephone or other electronic means or in person. We are paying the costs of this solicitation, including the preparation, printing, mailing and website hosting of proxy materials. It is anticipated that banks, brokers and other custodians, nominees and fiduciaries will forward proxy materials to the beneficial owners of our common shares to obtain their voting instructions and that we will reimburse such persons for their out-of-pocket expenses.

You should rely only on the information provided in this proxy statement. We have not authorized anyone to provide you with different or additional information. You should not assume that the information in this proxy statement is accurate as of any date other than the date of this proxy statement or, where information relates to another date set forth in this proxy statement, then as of that date.

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PROPOSAL 1: ELECTION OF TRUSTEES

Our Board of Trustees is currently comprised of nine trustees, each with terms expiring at the 2015 annual meeting. The nominees, all of whom are currently serving as trustees of the Company, have been recommended by our Board of Trustees for re-election to serve as trustees for one-year terms until the 2016 annual meeting of shareholders and until their successors are duly elected and qualified.

NOMINEES FOR ELECTION AT THE 2015 ANNUAL MEETING

The nominees for election at the 2015 annual meeting are:

1. John A. Kite
2. William E. Bindley
3. Victor J. Coleman
4. Lee A. Daniels
5. Gerald W. Grupe
6. Christie B. Kelly
7. David R. O'Reilly
8. Barton R. Peterson
9. Charles H. Wurtzebach

Based on its review of the relationships between the trustee nominees and the Company, the Board of Trustees has affirmatively determined that all of our trustee nominees except for Mr. John A. Kite are "independent" trustees under the rules of the NYSE.

The Board of Trustees knows of no reason why any nominee would be unable to serve as a trustee. If any nominee is unavailable for election or service, the Board of Trustees may designate a substitute nominee and the persons designated as proxy holders on the proxy card will vote for the substitute nominee recommended by the Board of Trustees. Alternatively, the Board of Trustees may, as permitted by our bylaws, decrease the size of our Board of Trustees.

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The names, principal occupations and certain other information about the trustee nominees, as well as the key qualifications that led our Corporate Governance and Nominating Committee to conclude that such person is qualified to serve as a trustee, are set forth below.

JOHN A. KITE Chairman of the Board of Trustees and Chief Executive Officer

Age: 49

Trustee Since: 2004

Committees: None

Background: Mr. Kite has served as Chairman of the Board since December 2008, as a trustee since our formation in March 2004 and as our Chief Executive Officer since our initial public offering in August 2004. He also served as our President from our initial public offering until December 2008. From 1997 to our initial public offering in 2004, he served as President and Chief Executive Officer of our predecessor and other affiliated companies (the "Kite Companies"). Mr. Kite is responsible for the Company's strategic planning, operations, acquisitions and capital markets activities. Mr. Kite began his career in 1987 at Harris Trust and Savings Bank in Chicago and he holds a B.A. degree in Economics from DePauw University.

Qualifications: Mr. Kite's long tenure as our company's leader provides us with stability and continuity. In particular, Mr. Kite has in-depth, long-standing knowledge of our assets, operations, markets and employees. Mr. Kite continues to provide our Board of Trustees and management team with invaluable experience in managing and operating our real estate company.

WILLIAM E. BINDLEY Lead Independent Trustee

Age: 74

Trustee Since: 2004

Committees: Compensation Committee (Chairman), Corporate Governance and Nominating Committee

Background: Mr. Bindley has been Chairman of Bindley Capital Partners, LLC, a private equity investment firm headquartered in Indianapolis, Indiana, since 2001. He founded Priority Healthcare Corporation, a NASDAQ-listed national provider of bio-pharmaceuticals and complex therapies for chronic disease states. Mr. Bindley served as Chairman of Priority Healthcare from 1995 to 2002, Chief Executive Officer from 1994 to 1997 and President from May 1996 to July 1996. Mr. Bindley was the Chairman, President, Chief Executive Officer and founder of Bindley Western Industries, Inc., a national pharmaceutical distributor and nuclear pharmacy operator that was a New York Stock Exchange Fortune 200 company at the time of its merger into Cardinal Health, Inc. in February 2001. He previously served on the boards of Cardinal Health, Inc., Key Bank, NA (Cleveland, Ohio), Bindley Western Industries, Priority Healthcare Corporation, and Shoe Carnival, Inc. He received both a B.S. degree in Industrial Economics and a Doctor of Management (H.C.) degree from Purdue University. He also completed the Wholesale Management Program at the Graduate School of Business at Stanford University. He is the past Vice Chairman of the United States Ski and Snowboard Association and serves on the President's Advisory Council at Purdue University.

Qualifications: Mr. Bindley, through his extensive experience in leading health-care focused companies, brings our Board valuable insight into the operations of businesses outside of the real estate sector. Further, Mr. Bindley brings to our Board extensive public company leadership experience and is particularly well-equipped to address matters such as public company governance and compensation matters. In addition, his leadership of Bindley Capital Partners, LLC provides our Board insight into the investment community and experience with financial matters.

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VICTOR J. COLEMAN Independent Trustee

Age: 53

Trustee Since: 2012

Committees: Compensation Committee, Corporate Governance and Nominating Committee

Background: Mr. Coleman is the Chairman of the Board and Chief Executive Officer of Los Angeles-based Hudson Pacific Properties, Inc. (NYSE symbol: HPP), a New York Stock Exchange real estate investment trust. Prior to the formation of HPP, Mr. Coleman co-founded and led Arden Realty, Inc. as its President and Chief Operating Officer and as a Board Director, leading a public offering of its shares on the NYSE in 1996 and eventually selling Arden to GE Capital in 2006. From 2006 to 2009, Mr. Coleman served on the board of Douglas Emmett, Inc., a New York Stock Exchange real estate investment trust (NYSE symbol: DEI). Mr. Coleman is an active community leader serving on the boards of The Los Angeles Coalition for the Economy & Jobs, Fisher Center for Real Estate and Urban Economics, Los Angeles Sports & Entertainment Commission, Westmark School and the Los Angeles Chapter of WPO. Mr. Coleman is also a member of the President's Council of The Real Estate Roundtable, the Leadership Council of International Medical Corps and the Founding Board of Directors for the Ziman Center for Real Estate at UCLA's Anderson School of Management. Mr. Coleman holds a Master of Business Administration degree from Golden Gate University and a Bachelor of Arts from the University of California, Berkeley.

Qualifications: Mr. Coleman's significant real estate experience is an invaluable asset to our company and our Board of Trustees. Mr. Coleman brings critical real estate investment industry expertise to our company. He also has keen insight into the investment community as the chairman and chief executive officer of a publicly listed real estate investment trust.

LEE A. DANIELS Independent Trustee

Age: 73

Trustee Since: 2014

Committees: Corporate Governance and Nominating Committee

Background: Mr. Daniels founded Lee Daniels & Associates, LLC in February 2007, a consulting firm for government and community relations, where he is currently employed. Mr. Daniels also currently serves as a Distinguished Fellow in the Political Science Department and Special Assistant to the President for Government and Community Relations at Elmhurst College. From 2007 to 2012, Mr. Daniels was a licensed real estate broker (working through Lee Daniels & Associates, LLC from 2007 to 2009 and through Daniels Sloan, LLC from 2009 to 2012). From 1992 to 2006, Mr. Daniels was an equity partner at the Chicago law firm of Bell Boyd & Lloyd, and previously had been an equity partner at Katten Muchin & Zavis from 1982 to 1991 and Daniels & Faris from 1967 to 1982. From 1971 to 1974, Mr. Daniels served as Special Assistant Attorney General for the State of Illinois. Mr. Daniels served as a member of the Illinois House of Representatives from 1975 to 2007, and was Speaker of the Illinois House of Representatives from 1995 to 1997 and the Republican Leader from 1983 to 2003.

Mr. Daniels has served as a director of Inland Real Estate Income Trust, Inc., a publicly registered, non-traded real estate investment trust, since February 2012. Mr. Daniels has also served on the Board of Directors for Haymarket Center in Chicago since June 2010. Mr. Daniels previously served as an independent director of Inland Diversified Real Estate Trust, Inc., a publicly-registered, non-traded real estate investment trust, from September 2008 until June 2014. Mr. Daniels also previously served on the boards of Suburban Bank of Elmhurst and Elmhurst Federal Savings and Loan Association and on the Board of Governors and Healthcare Board of Trustees for Elmhurst Memorial Hospital. Mr. Daniels received his bachelor degree from University of Iowa in Iowa City and received his law degree from The John Marshall Law School in Chicago, Illinois.

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Qualifications: Mr. Daniels brings to the Board of Trustees a depth of knowledge and experience regarding government and community relations, based on his more than forty-five years of legal practice and government experience. He also has real estate experience as a director of publicly-registered real estate investment trusts and as a commercial real estate broker.

GERALD W. GRUPE Independent Trustee

Age: 76

Trustee Since: 2014

Committees: Audit Committee

Background: Mr. Grupe was an independent director of Inland Diversified Real Estate Trust, Inc., a publicly registered, non-traded real estate investment trust, from October 2009 until June 2014. Mr. Grupe founded Ideal Insurance Agency, Inc. ("Ideal"), serving as president and chief executive officer from June 1980 to June 2009. Ideal provides insurance program administration, claims administration and related services to public and quasi-public entities in Illinois, including representing the Volunteer Firemen's Insurance Services, for which Mr. Grupe served as regional director from June 1974 to June 2009. Mr. Grupe retired from Ideal in June 2009. In addition, Mr. Grupe served as the chairman of the board of the Illinois Public Risk Fund from 1984 to June 2006 and its treasurer from June 2006 to June 2009.

Qualifications: Mr. Grupe, through his extensive experience in the insurance industry, brings our Board of Trustees valuable insight into the operations of businesses outside of the real estate sector. His leadership of Ideal and the Illinois Public Risk Fund provides our Board with unique insight into risk management.

CHRISTIE B. KELLY Independent Trustee

Age: 54

Trustee Since: 2013

Committees: Audit Committee

Background: Ms. Kelly is the global chief financial officer of Jones Lang LaSalle Incorporated (NYSE symbol: JLL), a publicly traded financial and professional services firm specializing in real estate. She joined Jones Lang LaSalle in July 2013, bringing with her 25 years of experience in financial management, mergers and acquisitions, information technology and investment banking. From 2009 to June 2013, she was the executive vice president and chief financial officer of Duke Realty Corporation (NYSE symbol: DRE), a publicly traded real estate investment trust. Prior to that, she was a Senior Vice President, Global Real Estate, with Lehman Brothers, where she led real estate equity syndication in the United States and Canada. She spent most of her early career at General Electric, holding a variety of domestic and global leadership roles for GE Real Estate, GE Capital, GE Corporate Audit, and GE Medical Systems. During her time at GE, she led deal teams analyzing more than \$10 billion of real estate-related transactions in the mergers and acquisitions group, was a Six Sigma leader at GE Capital, achieved more than \$100 million in global sourcing savings at GE Capital IT Solutions, and held financial leadership positions in Europe, Asia, and globally. Ms. Kelly holds a B.A. degree in economics from Bucknell University.

Qualifications: Ms. Kelly's significant real estate and financial experience provides our Board of Trustees with a strong level of knowledge and expertise regarding real estate companies. Her career as a real estate investment executive enriches our corporate diversity and industry expertise. In particular, Ms. Kelly has first-hand and extensive experience in the development and operation of real estate assets through her roles with GE, Lehman Brothers, and Duke Realty. Additionally, Ms. Kelly's service as a chief financial officer of another publicly traded company provides a unique operational and financial accounting perspective to our Board of Trustees.

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DAVID R. O'REILLY Independent Trustee

Age: 40

Trustee Since: 2013

Committees: Audit Committee, Compensation Committee

Background: Mr. O'Reilly is the Executive Vice President and Chief Financial Officer of Parkway Properties, Inc., an Orlando, Florida-based publicly traded real estate investment trust (NYSE symbol: PKY). Mr. O'Reilly has held those positions since November 2011 and August 2012, respectively. He also served as the company's Chief Investment Officer from November 2011 through September 2014 and its Interim Chief Financial Officer from May 2012 through August 2012. Prior to joining Parkway, Mr. O'Reilly served as Executive Vice President of Banyan Street Capital, a real estate investment firm, from August 2011 through October 2011 and as director of Capital Markets for Eola Capital LLC from August 2009 through May 2011. Mr. O'Reilly served in the investment banking industry as Senior Vice President of Barclays Capital Inc. from September 2008 through June 2009 and in a similar capacity for Lehman Brothers from August 2001 through September 2008. During his career, Mr. O'Reilly has been involved in a broad range of financial advisory and merger and acquisition activities, including leveraged buyouts, initial public offerings and single asset and pooled CMBS transactions. Mr. O'Reilly received a B.S. degree from Tufts University and an M.B.A. from Columbia University.

Qualifications: Mr. O'Reilly's significant experience in commercial real estate investment and finance and his experience as a Chief Investment Officer and Chief Financial Officer of a publicly traded company allow him to make valuable contributions to the Company and the Board of Trustees in these areas.

BARTON R. PETERSON Independent Trustee

Age: 56

Trustee Since: 2013

Committees: Corporate Governance and Nominating Committee (Chairman)

Background: Mr. Peterson currently serves as senior vice president of corporate affairs and communications and is a member of the executive committee at Eli Lilly and Company. Prior to joining Eli Lilly, Mr. Peterson was Managing Director at Strategic Capital Partners, LLC from June 2008 to June 2009. During spring 2008, Mr. Peterson was a fellow with the Institute of Politics of Harvard University's Kennedy School of Government. During the 2008-2009 academic year, Mr. Peterson was a Distinguished Visiting Professor of Public Policy at Ball State University. He continues as a fellow with the University's Bowen Center for Public Affairs. From 2000 to 2007, Mr. Peterson served two terms as Mayor of Indianapolis, Indiana. He also served as President of the National League of Cities in 2007. Mr. Peterson received a bachelor's degree from Purdue University in 1980 and earned his law degree from the University of Michigan in 1983.

Qualifications: Mr. Peterson's experience in corporate affairs and communications at a major publicly traded company and his significant background and stature as a business and civic leader strengthen our Board of Trustees and contribute unique experience in public outreach and governance that is invaluable to our expanding company.

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CHARLES H. WURTZEBACH, PH.D. Independent Trustee

Age: 66

Trustee Since: 2014

Committees: Audit Committee (Chairman)

Background: Dr. Wurtzebach is currently Interim Chairman, Department of Real Estate, Interim Director, The Real Estate Center and the George L. Ruff Professor in Real Estate Studies in the Department of Real Estate at DePaul University in Chicago, Illinois, lecturing at both the undergraduate and graduate levels, participating in joint research projects with other faculty, and providing support to the DePaul Real Estate Center. Dr. Wurtzebach joined the faculty at DePaul University in January 2009. From 1999 to 2008, Dr. Wurtzebach served as managing director and property chief investment officer of Henderson Global Investors (North America) Inc., where he was responsible for the strategic portfolio planning and the overall management of Henderson's North American business. This included responsibility for Henderson's overall product offerings, including institutional equity, property, and retail equity and fixed interest. As property chief investment officer, Dr. Wurtzebach worked directly with Henderson's property portfolio managers developing client investment strategies. He also chaired Henderson's North American Property Investment and Management Committees. He was also a member of Henderson's Global Senior Management Team. Dr. Wurtzebach was president and chief executive officer of Heitman Capital Management from 1994 to 1998 and president of JMB Institutional Realty from 1991 to 1994. In these positions with Heitman and JMB, Dr. Wurtzebach actively supervised the financial risk exposure, financial reporting and internal control procedures of each company. In addition, Dr. Wurtzebach was the Director of the Real Estate and Urban Land Economics program within the Graduate School of Business at the University of Texas at Austin from 1974 to 1986.

Dr. Wurtzebach currently serves as an independent director of the board of directors of RREEF Property Trust, Inc., where he also serves as the Chairman of the Audit Committee. He also served as an independent director of Inland Diversified Real Estate Trust, Inc., a publicly registered, non-traded real estate investment trust, from 2009 until 2014 and as Chairman of the Audit Committee. Dr. Wurtzebach has co-authored or acted as co-editor of several books, including *Modern Real Estate*, co-authored with Mike Miles, and *Managing Real Estate Portfolios*, co-edited with Susan Hudson-Wilson. Additional publication experience includes authoring numerous academic and professional articles. A frequent featured speaker at professional and academic gatherings, Dr. Wurtzebach was the 1994 recipient of the prestigious Graaskamp Award for Research Excellence presented by the Pension Real Estate Association and is a member of the American Real Estate Society and a past president and director of the Real Estate Research Institute. Dr. Wurtzebach obtained his bachelor degree from DePaul University, a master's degree in business administration from Northern Illinois University and a Ph.D in finance from the University of Illinois at Urbana.

Qualifications: Dr. Wurtzebach brings a variety of valuable perspectives to our Board of Trustees through his academic experience as a real estate professor, industry experience as an executive for investment management companies and his board experience with a public non-listed REIT.

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VOTE REQUIRED AND RECOMMENDATION

The affirmative vote of a plurality of all the votes cast at the annual meeting is necessary for the election of a trustee. Therefore, the nine individuals with the highest number of affirmative votes will be elected to the nine trusteeships. For purposes of the election of trustees, abstentions and other shares not voted (whether by broker non-vote or otherwise) will not be counted as votes cast and will have no effect on the result of the vote. There is no cumulative voting with respect to the election of trustees.

OUR BOARD OF TRUSTEES RECOMMENDS A VOTE "FOR" EACH OF THE NOMINEES SET FORTH ABOVE.

TRUSTEE SELECTION PROCESS

QUALIFICATIONS

The Board has adopted a policy to be used for considering potential trustee candidates to further the Corporate Governance and Nominating Committee's goal of ensuring that our Board of Trustees consists of a diversified group of qualified individuals who function effectively as a group. The policy provides that qualifications and credentials for consideration as a trustee nominee may vary according to the particular areas of expertise being sought as a complement to the existing composition of the Board of Trustees. However, at a minimum, candidates for trustee must possess:

a high degree of integrity;

an ability to exercise sound judgment;

an ability to make independent analytical inquiries;

a willingness and ability to devote adequate time and resources to diligently perform Board duties; and

a reputation, both personal and professional, consistent with the image and reputation of the Company.

In addition to the aforementioned minimum qualifications, the Corporate Governance and Nominating Committee also believes that there are other qualities and skills that, while not a prerequisite for nomination, should be taken into account when considering whether to recommend a particular person. These factors include:

whether the person possesses specific expertise in the real estate industry and familiarity with general issues affecting the Company's business;

whether the person's nomination and election would enable the Board of Trustees to have a member that qualifies as an "audit committee financial expert" as defined by the Securities and Exchange Commission ("SEC");

whether the person would qualify as an "independent" trustee under the NYSE's listing standards and our corporate governance guidelines;

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the importance of continuity of the existing composition of the Board of Trustees; and

the importance of a diversified Board membership, in terms of both the individuals involved and their various experiences and areas of expertise.

IDENTIFICATION AND EVALUATION PROCESS

The Corporate Governance and Nominating Committee will seek to identify trustee candidates based on input provided by a number of sources, including (a) Corporate Governance and Nominating Committee members, (b) other members of the Board of Trustees and (c) shareholders of the Company. The Corporate Governance and Nominating Committee also has the authority to consult with or retain advisors or search firms to assist in the identification of qualified trustee candidates; however, we do not currently employ a search firm or pay a fee to any other third party to locate qualified trustee candidates.

As part of the identification process, the Corporate Governance and Nominating Committee will evaluate the skills, expertise and diversity possessed by the current Board of Trustees and whether there are additional skills, expertise or diversity that should be added to complement the composition of the existing Board. The Corporate Governance and Nominating Committee may consult with other members of the Board in connection with the identification process. The Corporate Governance and Nominating Committee also will take into account the number of trustees expected to be elected at the next annual meeting and whether existing trustees have indicated a willingness to continue to serve as trustees if re-nominated. Once trustee candidates have been identified, the Corporate Governance and Nominating Committee will then evaluate each candidate in light of his or her qualifications and credentials and any additional factors that the Corporate Governance and Nominating Committee deems necessary or appropriate. Existing trustees who are being considered for re-nomination will be re-evaluated as part of the Corporate Governance and Nominating Committee's process of recommending trustee candidates. All candidates submitted by shareholders will be evaluated in the same manner as all other trustee candidates, provided that the procedures set forth in our bylaws have been followed.

After completing the identification and evaluation process described above, the Corporate Governance and Nominating Committee will recommend to the Board of Trustees the nomination of a number of candidates equal to the number of trustee vacancies that will exist at the annual meeting of shareholders. The Board will then select the trustee nominees for shareholders to consider and vote upon at the shareholders' meeting.

SHAREHOLDER NOMINATIONS

For nominations for election to the Board of Trustees by a shareholder, the shareholder must comply with the advance notice provisions and other requirements of Article II, Section 13 of our bylaws. These notice provisions require that the shareholder must have given timely notice thereof in writing to our Secretary. To be timely, a shareholder's notice must be delivered to our Secretary at our principal executive office not less than 90 days nor more than 120 days prior to the first anniversary of the date of mailing of the notice for the preceding year's annual meeting. In the event that the date of the mailing of the notice for the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the mailing of the notice for the preceding year's annual meeting, notice by the shareholder to be timely must be delivered not less than 90 days nor more than 120 days prior to the date of mailing of the notice for such annual meeting or the

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10th day following the day on which public announcement of the date of mailing of the notice for such meeting is first made by us. The shareholder's notice must set forth:

as to each person that the shareholder proposes to nominate for election or reelection as a trustee (a) the name, age, business address and residence address of such person, (b) the class and number of shares of beneficial interest of Kite Realty Group Trust that are beneficially owned or owned of record by such person and (c) all other information relating to such person that is required to be disclosed in solicitations of proxies for election of trustees in an election contest (even if an election contest is not involved) or is otherwise required pursuant to Regulation 14A (or any successor provision) under the Exchange Act; and

as to the shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made, (a) the name and address of such shareholder as they appear on our share ledger and current name and address, if different, of such beneficial owner, and (b) the class and number of shares of each class of beneficial interest of Kite Realty Group Trust that are owned beneficially and of record by such shareholder and owned beneficially by such beneficial owner.

INDEPENDENCE OF TRUSTEES

NYSE listing standards require NYSE-listed companies to have a majority of independent board members and a nominating/corporate governance committee, compensation committee and audit committee, each comprised solely of independent trustees. Under the NYSE listing standards, no trustee of a company qualifies as "independent" unless the board of trustees of the company affirmatively determines that the trustee has no material relationship with the company (either directly or as a partner, shareholder or officer of an organization that has a relationship with such company). In addition, the NYSE listing standards contain the following restrictions upon a listed company's trustee independence:

a trustee who is an employee or whose immediate family member is an executive officer of the listed company is not independent until three years after the end of such employment relationship;

a trustee who has received or has an immediate family member who has received during any twelve-month period within the last three years more than \$120,000 in direct compensation from the listed company, other than trustee and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent;

a trustee who is or whose immediate family member is a current partner of a firm that is the company's internal or external auditor is not independent; a trustee who is a current employee of such a firm is not independent; a trustee who has an immediate family member who is a current employee of such a firm and who personally works on the listed company's audit is not independent; and a trustee who was or whose immediate family member was, within the last three years (but is no longer), a partner or employee of such a firm and personally worked on the listed company's audit within that time is not independent;

a trustee who is employed or whose immediate family member is employed as an executive officer of another company where any of the listed company's present executive officers at the same time serve or served on the other company's compensation committee is not

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independent until three years after the end of such service or the employment relationship; and

a trustee who is an executive officer or an employee or whose immediate family member is an executive officer of another company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues, is not independent.

Our Board of Trustees has evaluated the status of each trustee and has affirmatively determined after considering all facts and circumstances that each of our trustee nominees other than John A. Kite is "independent" as defined in the NYSE's listing standards. John A. Kite is not independent because he is an employee of the Company.

In making its independence determinations with respect to each trustee, the Board of Trustees considered, among other things, relationships between the Company and its trustees and their immediate family members, as well as relationships among trustees and their immediate family members. The Board also considered an arrangement by which KMI Management, LLC ("KMI"), a company in which John A. Kite and Thomas K. McGowan own direct or indirect interests, makes available to each trustee the use of an airplane owned by KMI on the same terms and conditions by which KMI makes the airplane available to our company for business-related travel and to third parties. During 2014, no trustee leased the use of the airplane. See "Certain Relationship and Related Party Transactions Contracts with KMI Management" for a description of the arrangement between our company and KMI.

TRUSTEE COMPENSATION

Under our trustee compensation program, each non-employee trustee receives the following annual compensation for his or her service as a trustee of our Company:

Retainer (Cash)	\$55,000
Equity (Common Shares)	\$75,000
Committee Member (Cash)	Additional \$5,000 to \$10,000
Committee Chair (Cash)	Additional \$10,000 to \$20,000
Lead Independent Trustee (Cash)	\$20,000

At the trustee's election, the cash retainer may be paid in deferred share units (described below) that are fully vested on the date of grant. The common share grants are subject to a one-year vesting period. In addition, each of our trustees received, and new trustees will receive, upon initial election to our Board, 750 restricted common shares that vest one year from the date of grant.

In 2006, the Board of Trustees adopted the Trustee Deferred Compensation Plan (the "Trustee Plan"), which provides a deferred compensation arrangement for non-employee trustees of the Company. Under the Trustee Plan, each non-employee trustee may elect to defer eligible fee and retainer compensation until such time as the trustee's service on the Board of Trustees is completed. Compensation that is deferred vests immediately and is credited as a number of deferred share units ("share units") to an individual account for each trustee. A share unit represents an unfunded right to receive one of the Company's common shares at a future date. Share units are credited with dividend equivalents to the extent dividends are paid on the Company's common shares.

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During 2014, Michael L. Smith, Dr. Richard A. Cosier and Gerald L. Moss each resigned from the Board. Furthermore, in connection with the Inland Diversified Merger (as defined below), three designees of Inland Diversified Lee A. Daniels, Gerald W. Grupe and Charles H. Wurtz bach were elected by the Board. Mr. Smith and Dr. Cosier previously had elected to receive share units under our Trustee Plan. Upon his retirement in 2014, Dr. Cosier converted 1,734 share units into common shares of the Company.

In order to ensure that all non-management trustees hold meaningful equity ownership positions in the Company, our Board of Trustees has established guidelines for non-management trustees regarding ownership of our common shares. According to these guidelines, each non-management trustee should own common shares in an amount equal to the lesser of 3,750 shares (adjusted to reflect our one-for-four reverse share split in August 2014) or a value of approximately four times the annual retainer paid to trustees and should achieve this share ownership level within five years after being elected to the Board.

The following table provides information on the compensation of our non-management trustees for the fiscal year ended December 31, 2014. Mr. Kite received no separate compensation for his service as a trustee of the Company. For information related to his compensation, please refer to the "Summary Compensation Table" included later in this document.

Name	Fees Paid in Cash	Common Share Awards (1)	Total
William E. Bindley	\$ 80,000	\$ 42,494	\$ 122,494
Victor J. Coleman	\$ 28,142	\$ 70,602	\$ 98,744
Dr. Richard A. Cosier (2)	\$ 26,250	\$ 42,494	\$ 68,744
Lee A. Daniels (3)	\$ 26,875	\$ 18,420	\$ 45,295
Gerald W. Grupe (4)	\$ 28,125	\$ 18,420	\$ 46,545
Christie B. Kelly	\$ 51,875	\$ 42,494	\$ 94,369
Gerald L. Moss (5)	\$ 32,500	\$ 42,494	\$ 74,994
David R. O'Reilly	\$ 44,375	\$ 42,494	\$ 86,869
Barton R. Peterson	\$	\$ 94,985	\$ 94,985
Michael L. Smith(6)	\$	\$	\$
Dr. Charles H. Wurtz bach (7)	\$ 33,125	\$ 18,420	\$ 51,545

- (1) The amounts disclosed in the "Common Share Awards" column reflect the aggregate grant date fair value of equity awards granted pursuant to the Equity Incentive Plan.
- (2) Dr. Cosier resigned from our Board of Trustees effective July 1, 2014 in connection with the Inland Diversified Merger.
- (3) Mr. Daniels was elected in July 2014 by our Board of Trustees in connection with the Inland Diversified Merger.
- (4) Mr. Grupe was elected in July 2014 by our Board of Trustees in connection with the Inland Diversified Merger.
- (5) Mr. Moss resigned from our Board of Trustees effective July 1, 2014 in connection with the Inland Diversified Merger.
- (6) Mr. Smith resigned from our Board of Trustees effective January 6, 2014.
- (7) Dr. Wurtz bach was elected in July 2014 by our Board of Trustees in connection with the Inland Diversified Merger.

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The following table provides information on the aggregate number of stock awards outstanding as of the fiscal year ended December 31, 2014 for each of the trustees included in the above Trustee Compensation Table.

Name	Restricted Common Share Awards Vested during 2014 (#)	Unvested Restricted Common Share Awards Outstanding as of December 31, 2014 (#)	Total
William E. Bindley	1,629	1,716	3,345
Victor J. Coleman	1,629	1,716	3,345
Dr. Richard A. Cosier (1)	3,345		3,345
Lee A. Daniels		750	750
Gerald W. Grupe		750	750
Christie B. Kelly	2,379	1,716	4,095
Gerald L. Moss (2)	3,345		3,345
David R. O'Reilly	750	1,716	2,466
Barton R. Peterson	750	1,716	2,466
Michael L. Smith (3)			
Charles H. Wurtz bach		750	750

- (1) Dr. Cosier resigned from our Board of Trustees, effective July 1, 2014 in connection with the Inland Diversified Merger.
- (2) Mr. Moss resigned from our Board of Trustees effective July 1, 2014 in connection with the Inland Diversified Merger.
- (3) Mr. Smith resigned from our Board of Trustees effective January 6, 2014.

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CORPORATE GOVERNANCE AND BOARD MATTERS

The business and affairs of the Company are managed under the direction of our Board, as provided by Maryland law, and the Company conducts its business through meetings of the Board and its three standing committees: the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee.

We have structured our corporate governance in a manner we believe closely aligns our interests with those of our stockholders. Notable features of our corporate governance include:

89% Independent Trustees. *Eight of our nine trustees have been determined by us to be "independent" as defined by the NYSE listing standards.*

No Classified Board. *Our trustees are elected annually for one-year terms.*

Entirely Independent Committees. *All of the members of our Audit, Compensation and Corporate Governance and Nominating Committees are independent.*

No Poison Pill. *The Company does not have a "poison pill" or shareholder rights plan.*

Lead Independent Trustee. *We have a Lead Independent Trustee to strengthen the role of our independent trustees and encourage independent Board leadership.*

Opted Out of Maryland Anti-Takeover Statutes. *We have elected not to be subject to the Maryland Business Combination Statute and the Maryland Control Share Acquisition Statute.*

Majority Voting for Trustees. *We recently adopted majority voting for uncontested trustee elections, which will become effective on June 1, 2015 and apply to our 2016 annual meeting.*

No Significant Related Party Transactions. *We do not currently have any significant related party transactions and have robust related party transaction review procedures.*

Share Ownership Guidelines. *Our share ownership guidelines require that our CEO and other named executive officers own shares with an aggregate value of 10x and 3x or 2x base salary, respectively. All non-management trustees must hold shares with an aggregate value of 4x their annual retainer, or 3,750 shares, whichever is less.*

Anti-Hedging Policy. *Our anti-hedging policy prohibits our trustees, executives and employees from engaging in transactions designed to hedge against losses from their share ownership.*

RECENT CHANGES TO OUR CORPORATE GOVERNANCE

On January 19, 2015, we amended our bylaws to replace the current plurality-vote standard for uncontested trustee elections with a majority-vote standard, effective June 1, 2015. As a result, beginning with the 2016 annual meeting of shareholders, a trustee nominee will be elected as a trustee only if the number of votes cast "for" that nominee's election exceeds the number of votes

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cast "against" that nominee's election. Trustees will continue to be elected by a plurality of the votes cast in contested elections. An election will be considered to be contested if the number of nominees exceeds the number of trustees to be elected as of the last day on which a shareholder could timely provide notice to our corporate secretary of the shareholder's intent to nominate a person for election to the Board pursuant to the advance notice provisions of our bylaws.

BOARD LEADERSHIP STRUCTURE

CHAIRMAN

Mr. John A. Kite has served as Chairman of the Board since December 2008 and as our Chief Executive Officer and member of the Board since our initial public offering in 2004. Mr. Kite also served as our President from our initial public offering to December 2008.

Periodically, the Corporate Governance and Nominating Committee gives consideration to whether the combined role of the chairman and chief executive officer continues to be appropriate for our Company. The Corporate Governance and Nominating Committee, with the consensus of the other independent trustees, has concluded that Mr. Kite's extended tenure with our Company provides stable leadership that is beneficial to us and our shareholders. In particular, the Board recognizes that, given Mr. Kite's familiarity with our real estate properties and day-to-day operations and his long-standing experience with our Company, it is valuable to have him lead our board discussions.

LEAD TRUSTEE

To strengthen the role of our independent trustees and encourage independent Board leadership, our Board of Trustees established the position of lead independent trustee in connection with our initial public offering in August 2004. Our lead independent trustee is selected on an annual basis by the Board from among the independent trustees. Mr. William E. Bindley currently serves as our lead independent trustee and has served in that capacity since our initial public offering in 2004. The role of the lead trustee, among other things, is to serve as liaison (i) between the Board and management, including the Chief Executive Officer, (ii) among independent trustees and (iii) between interested third parties and the Board of Trustees. In addition, Mr. Bindley meets several times a year with Mr. Kite, our Chairman and Chief Executive Officer.

The Board believes that our lead independent trustee is effective in mitigating any potential conflict of interest that might arise from the combined chairman/chief executive officer position. In particular, the Board recognizes that the lead independent trustee is actively engaged in setting board agendas, meets regularly with our chief executive officer to stay apprised of the important aspects of our business and presides over executive sessions of the non-management trustees at least once each quarter.

EXECUTIVE SESSIONS OF NON-MANAGEMENT TRUSTEES

Pursuant to our corporate governance guidelines and the NYSE listing standards, in order to promote open discussion among non-management trustees, our Board of Trustees devotes a portion of each regularly scheduled board meeting to executive sessions without management participation. The lead trustee presides at these sessions. In addition, our corporate governance guidelines provide that if the group of non-management trustees includes trustees who are not independent, as defined in the NYSE's listing standards, at least one such executive session convened per year shall include only independent trustees.

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BOARD MEETINGS

During 2014, the Board of Trustees met eleven times, including telephonic meetings. Each trustee attended at least 75% of meetings of the Board and applicable committees on which he or she served during his or her period of service. Trustees are expected to attend, in person or by telephone, all Board meetings and meetings of committees on which they serve. In addition, pursuant to our corporate governance guidelines, trustees are expected to attend the Company's annual meeting of shareholders. Last year, all of our trustees attended the annual meeting of shareholders.

BOARD COMMITTEES

The Board of Trustees has a standing Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. All members of the committees described below are "independent" of the Company as that term is defined in the NYSE's listing standards.

AUDIT COMMITTEE

Members:

Dr. Wurtz bach (Chair)
Mr. Grupe
Ms. Kelly
Mr. O'Reilly

Responsibilities: The principal purpose of the Audit Committee is to assist the Board of Trustees in the oversight of:

the integrity of our financial statements;

our compliance with legal and regulatory requirements;

the qualification, performance, compensation and independence of our independent auditors;

audits and other services performed by our independent auditors;

our financial statements, any significant financial reporting issues and any major issues as to the adequacy of internal controls;

the performance of our internal audit function; and

the preparation and submission of an Audit Committee Report for inclusion in the Company's proxy statement and/or annual report on Form 10-K.

Independence: Our Audit Committee's written charter requires that all members of the committee meet the independence, experience, financial literacy and expertise requirements of the NYSE, the Sarbanes-Oxley Act of 2002, the Exchange Act, and applicable rules and regulations of the SEC, all as in effect from time to time. All of the members of the Audit Committee meet the foregoing requirements. The Board of Trustees has determined that each of Christie B. Kelly, David R. O'Reilly and Dr. Charles H. Wurtz bach is an "audit committee financial expert" as defined by the rules and regulations of the SEC.

Meetings: The Audit Committee met five times in 2014, including telephonic meetings.

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COMPENSATION COMMITTEE

Members:

Mr. Bindley (Chair)
Mr. Coleman
Mr. O'Reilly

Responsibilities: The principal responsibilities of the Compensation Committee are to:

establish and approve the compensation of our Chief Executive Officer and evaluate his performance in light of those goals and objectives;

determine and approve the compensation of the other executive officers;

recommend to the Board the compensation of trustees;

provide a description of the processes for the determination of executive and trustee compensation for inclusion in the proxy statement;

oversee and assist the Company in preparing the Compensation Discussion and Analysis for inclusion in the proxy statement; and

prepare and submit a Compensation Committee Report for inclusion in the Company's proxy statement.

Independence: All of the members of our Compensation Committee are independent in accordance with the NYSE's listing standards and in accordance with our Corporate Governance Guidelines and the Compensation Committee Charter.

Meetings: The Compensation Committee met nine times in 2014, including telephonic meetings.

At its first regularly scheduled meeting each year, the Compensation Committee evaluates the components of each executive officer's total compensation. Typically, the Chief Executive Officer makes compensation recommendations to the Compensation Committee with respect to the executive officers who report to him. The Compensation Committee may accept or reject such recommendations and also makes the sole determination of the compensation for the Chief Executive Officer.

The Compensation Committee may utilize, from time to time, the services of a compensation consultant or other advisor after taking into consideration all factors relevant to the independence from management of such compensation consultant or other advisor. The Compensation Committee will be directly responsible for the appointment, compensation, and oversight of the work of any compensation consultant or other advisor retained by the Compensation Committee.

In 2014, the Compensation Committee engaged FTI Consulting, Inc., a nationally recognized consulting firm, to undertake a comprehensive review of the Company's compensation policies for its executive officers, to advise the Committee and to provide recommendations regarding various compensation decisions to be made by the Committee. The Committee took these recommendations into account in making base salary determinations and incentive compensation awards to its

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executive officers, developing new executive employment agreements and establishing a new incentive plan for the Company's executive officers and other employees.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

Members: **Responsibilities:** The principal responsibilities of the Corporate Governance and Nominating Committee are to:

Mr. Peterson (Chair)
Mr. Bindley
Mr. Coleman
Mr. Daniels

identify individuals who are qualified to serve as trustees;

recommend such individuals to the Board of Trustees, either to fill vacancies that occur on the Board of Trustees from time to time or in connection with the selection of trustee nominees for each annual meeting of shareholders;

periodically assess the size of the Board of Trustees to ensure it can effectively carry out its obligations;

develop, recommend, implement and monitor our corporate governance guidelines and our codes of business conduct and ethics;

oversee the evaluation of the Board of Trustees and its committees and management;

ensure that we are in compliance with all NYSE corporate governance listing requirements; and

review and evaluate potential related party transactions in accordance with policies and procedures adopted by the Company from time to time.

Independence: All of the members of our Corporate Governance and Nominating Committee are independent in accordance with the NYSE's listing standards and in accordance with our Corporate Governance Guidelines and the Corporate Governance and Nominating Committee Charter.

Meetings: The Corporate Governance and Nominating Committee met five times in 2014, including telephonic meetings.

BOARD'S ROLE IN RISK OVERSIGHT

One of our Board's important roles is to oversee various risks that we may face from time to time. While the full Board has primary responsibility for risk oversight, it relies on its committees, as appropriate, to monitor and address the risks that may be within the scope of a particular committee's expertise or charter. For example, the Audit Committee oversees the preparation and filing of our financial statements, compliance with legal and regulatory requirements and the performance of our internal audit function. The Board believes that the composition of its committees and the distribution of the particular expertise of each committee's members make this an appropriate structure to more effectively monitor these risks.

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An important feature of the Board's risk oversight function is to receive periodic updates from its committees and members of management, as appropriate. Each of the three standing committees addresses risks specific to its respective area of oversight as follows:

Audit Committee: The Audit Committee, which meets at least quarterly and reports its findings to the Board, performs a lead role in helping our Board fulfill its responsibilities for oversight of our financial reporting, internal audit function, risk management and compliance with legal and regulatory requirements. Our Audit Committee reviews periodic reports from our independent registered public accounting firm regarding potential risks, including risks related to our internal controls. Our Audit Committee also annually reviews, approves and oversees an internal audit plan developed by our internal auditing personnel with the goal of helping us systematically evaluate the effectiveness of our risk management, control and governance processes; periodically meets with our internal auditing personnel to review the results of our internal audits; and directs or recommends to the Board actions or changes it determines appropriate to enhance or improve the effectiveness of our risk management.

Compensation Committee: The Compensation Committee, in consultation with the Company's executive officers, reviews the Company's policies and procedures with respect to risk assessment and risk management for compensating all employees of the Company, including non-executive employees, on an annual basis and periodically reports its findings to the Board. The Compensation Committee does not believe there are any risks from the Company's compensation policies and practices for its employees that are reasonably likely to have a material adverse effect on the Company.

Nominating and Corporate Governance Committee: The Nominating and Corporate Governance Committee monitors the general operations of the Board and the effectiveness of our corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct.

In addition to getting direct information on risk management from its committees, the Board receives regular updates directly from members of executive management. In particular, due to his executive management position, Mr. Kite frequently communicates with other members of our management and periodically updates the Board on the important aspects of the Company's day-to-day operations. The Board also receives regular updates from a member of senior management regarding legal and regulatory developments and policies and mitigation plans intended to address the related risks. Mr. Kite meets or speaks by telephone individually with each of the trustees on at least an annual basis and several times each year with the lead independent trustee. Other members of management also have direct access to the chairperson of each Board committee and our lead independent trustee.

COMMITTEE CHARTERS AND CORPORATE GOVERNANCE DOCUMENTS

Our Board of Trustees maintains charters for all Board committees and has adopted a written set of corporate governance guidelines, a code of business conduct and ethics and a code of ethics for our principal executive officers and senior financial officers. Our committee charters, corporate governance guidelines, code of business conduct and ethics and code of ethics are available on our website at www.kiterealty.com. Each of these documents is also available in print to any shareholder who sends a written request to such effect to Investor Relations, Kite Realty Group Trust, 30 S. Meridian Street, Suite 1100, Indianapolis, Indiana 46204.

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COMMUNICATIONS WITH THE BOARD

Shareholders and other interested parties may communicate with the Board by communicating directly with the presiding lead independent trustee by sending any correspondence they may have in writing to the "Lead Trustee" c/o Chief Financial Officer of Kite Realty Group Trust, 30 S. Meridian Street, Suite 1100, Indianapolis, Indiana 46204, who will then directly forward such correspondence to the lead trustee. The lead trustee will decide what action, if any, should be taken with respect to the communication, including whether such communication should be reported to the Board of Trustees.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Compensation Committee of our Board of Trustees are William E. Bindley (chairman), Victor J. Coleman, and David R. O'Reilly, each of whom is an independent trustee. None of our named executive officers served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board of Trustees or the Compensation Committee. Accordingly, during 2014 there were no interlocks with other companies within the meaning of the SEC's proxy rules.

EXECUTIVE OFFICERS

Our executive officers are:

John A. Kite	Chairman of the Board of Trustees and Chief Executive Officer
Thomas K. McGowan	President and Chief Operating Officer
Daniel R. Sink	Executive Vice President and Chief Financial Officer
Scott E. Murray	Executive Vice President, General Counsel and Corporate Secretary

The names, principal occupations and certain other information about our executive officers are set forth below, other than John A. Kite, whose background information is described above under the heading "Proposal 1 Election of Trustees." Our executive officers comprise all of our "NEOs" for 2014.

THOMAS K. MCGOWAN President and Chief Operating Officer

Mr. McGowan has served as President since 2008 and Chief Operating Officer since our initial public offering in 2004. Previously, he served as our Senior Executive Vice President and Executive Vice President. Mr. McGowan is primarily responsible for overseeing the development, redevelopment, leasing, construction and asset management functions of the Company. Before joining the Kite Companies, Mr. McGowan worked for eight years for real estate developer Mansur Development Corporation and he holds a B.A. degree in Political Science from Indiana University.

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DANIEL R. SINK Executive Vice President and Chief Financial Officer

Mr. Sink has served as Executive Vice President and Chief Financial Officer since 2007. Previously, he had been Senior Vice President and Chief Financial Officer since our initial public offering in August 2004. His responsibilities include overseeing the Company's real estate finance area, corporate accounting, corporate tax planning, financial budgeting and administration. From 1989 through 1999, Mr. Sink was a senior manager of Olive, LLP (a predecessor of BKD, LLP), acting as a tax specialist in charge of the tax consulting for the central Indiana real estate/construction group. Mr. Sink is a Certified Public Accountant, and holds a B.S. degree in Accounting from Indiana University.

SCOTT E. MURRAY Executive Vice President, General Counsel and Corporate Secretary

Mr. Murray has served as Executive Vice President, General Counsel and Corporate Secretary since 2014. Mr. Murray is responsible for managing the Company's legal affairs, which includes advising the company with respect to legal issues, managing the company's legal department, and engaging and directing outside counsel. Prior to joining the company, Mr. Murray was a commercial litigation partner in the national law firm of Barnes & Thornburg, LLP from 2006 to 2014 and an associate practicing commercial litigation at McDermott, Will & Emery, LLP from 2001 to 2006. Mr. Murray received a B.S. degree from Indiana University and a J.D. degree from Harvard Law School.

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PROPOSAL 2: AMENDMENT TO DECLARATION OF TRUST TO DECREASE AUTHORIZED SHARES

Our Board is requesting shareholder approval of an amendment to our Declaration of Trust (the "Charter Amendment") to decrease the number of common shares authorized for issuance from 450,000,000 to 225,000,000. This amendment would replace existing Section 6.1, Article VI of our Declaration of Trust in its entirety with the following:

Section 6.1. Authorized Shares. The beneficial interest of the Trust shall be divided into shares of beneficial interest (the "Shares"). The Trust has authority to issue 225,000,000 common shares of beneficial interest, \$0.01 par value per share ("Common Shares"), and 40,000,000 preferred shares of beneficial interest, \$0.01 par value per share ("Preferred Shares")."

Our Board has unanimously approved the Charter Amendment, declared it advisable and in the best interests of our shareholders and directed that the Charter Amendment be submitted for consideration by our shareholders. If approved by our shareholders, the Charter Amendment will become effective upon the filing of Articles of Amendment containing the Charter Amendment with the Maryland State Department of Assessments and Taxation, which we expect to file promptly after receiving shareholder approval.

BACKGROUND AND REASONS FOR THE PROPOSED AMENDMENT

Our Declaration of Trust currently allows us to issue up to 450,000,000 common shares and 40,000,000 preferred shares. As of April 1, 2015, we had 83,508,246 common shares outstanding and 366,491,754 common shares remaining available for issuance.

As described in more detail in the "Compensation Discussion and Analysis," on July 1, 2014 we completed a merger with Inland Diversified Real Estate Trust, Inc. ("Inland Diversified") pursuant to which Inland Diversified was merged into our subsidiary in exchange for approximately 201.1 million of our common shares (the "Inland Diversified Merger"). Prior to closing this transaction, our Declaration of Trust allowed us to issue only up to 200 million common shares. In order for us to issue the required amount of common shares at closing, it was necessary to amend our Declaration of Trust to increase our authorized common shares to 450 million. We obtained shareholder approval for that amendment at our special meeting of shareholders on June 24, 2014, which was the meeting at which our shareholders also approved the Inland Diversified Merger. Immediately following completion of the Inland Diversified Merger, we therefore had 450 million common shares authorized and approximately 332.7 million common shares issued and outstanding.

Given this large number of shares issued and outstanding and for other business reasons, on August 11, 2014 we completed a one-for-four reverse share split of our common shares, which reduced the number of our outstanding common shares to approximately 83.2 million. However, the reverse share split did not reduce the total number of our authorized common shares, which remained at 450 million. Therefore, the combination of the increase in our authorized shares followed by the one-for-four reverse share split resulted in a substantial number of authorized but unissued shares under our Declaration of Trust.

In light of this result, our Board has evaluated and considered the number of common shares that should be authorized for issuance in our Declaration of Trust. In addition, in connection with the reverse share split we engaged in discussions with institutional shareholders and proxy advisory firms, which generally disfavor a large number of authorized but unissued shares, about the

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appropriate number of authorized common shares. Our Board has therefore determined that it is in the best interests of the Company and our shareholders to amend our Declaration of Trust to decrease the number of authorized common shares from 450,000,000 to 225,000,000.

EFFECT OF THE PROPOSED AMENDMENT

The amendment would decrease the total number of authorized common shares from 450,000,000 to 225,000,000. The amendment would not change any of the current rights or privileges of our common shares or their par value and would not impact the total number of authorized preferred shares or the rights and privileges of our preferred stock. Although the amendment would not limit our ability to use our common shares for future corporate purposes (including paying future share dividends, raising capital through common share offerings, funding future employee benefit plan obligations and issuing common shares in acquisitions or other strategic transactions), it would decrease the number of authorized shares available for such purposes.

Under Maryland law, our shareholders do not have a right to dissent and are not entitled to appraisal rights with respect to the proposed amendment, and we will not independently provide our shareholders with any such rights.

VOTE REQUIRED AND RECOMMENDATION

The affirmative vote of the holders of two-thirds of our outstanding common shares is required to approve the amendment to the Declaration of Trust. For purposes of approving the amendment, abstentions and other shares not voted (whether by broker non-vote or otherwise) will have the same effect as votes against the proposal, although abstentions and broker non-votes will count towards the presence of a quorum.

OUR BOARD OF TRUSTEES RECOMMENDS A VOTE "FOR" APPROVAL OF THE AMENDMENT TO OUR DECLARATION OF TRUST TO DECREASE THE TOTAL NUMBER OF OUR AUTHORIZED COMMON SHARES.

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PROPOSAL 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION

We are presenting this proposal, commonly known as a "say-on-pay" proposal, to provide shareholders the opportunity to vote to approve, on a non-binding advisory basis, the compensation of our named executive officers ("NEOs") as described in this proxy statement.

We believe our executive compensation policies and procedures are centered on pay-for-performance principles and are closely aligned with the long-term interests of our shareholders. As described under the heading "Compensation Discussion and Analysis," our executive compensation program is designed to attract and retain outstanding executives, to reward them for superior performance and to ensure that compensation provided to them remains competitive. We seek to align the interests of our executives and shareholders by tying compensation to the achievement of key operating objectives that we believe enhance shareholder value over the long term and by encouraging executive share ownership so that a portion of each executive's compensation is tied directly to shareholder value.

For these reasons, we are recommending that our shareholders vote "FOR" the following resolution:

"RESOLVED, that the shareholders hereby approve the compensation of the Company's named executive officers, as disclosed in the Compensation Discussion and Analysis, the compensation tables and the related narrative executive compensation disclosure contained in this proxy statement."

While the vote on this resolution is advisory in nature and therefore will not bind us to take any particular action, our Board of Trustees intends to carefully consider the shareholder vote resulting from the proposal in making future decisions regarding the compensation of our named executive officers.

VOTE REQUIRED AND RECOMMENDATION

The affirmative vote of a majority of the votes cast at the annual meeting with respect to the matter is required to endorse (on a non-binding advisory basis) the compensation of our named executive officers. For purposes of the vote on this proposal, abstentions and other shares not voted (whether by broker non-vote or otherwise) will not be counted as votes cast and will have no effect on the result of the vote.

OUR BOARD OF TRUSTEES RECOMMENDS A VOTE "FOR" APPROVAL OF THE ADVISORY RESOLUTION DESCRIBED ABOVE.

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COMPENSATION DISCUSSION AND ANALYSIS

Our Compensation Discussion and Analysis is organized as follows:

Topics	Page
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Results of 2014 Advisory Vote on Executive Compensation	36
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HIGHLIGHTS

2014 was a transformational and extraordinary year for us. In addition to delivering strong financial performance, we successfully completed the \$2.1 billion Inland Diversified Merger, significantly enhancing our property portfolio's quality and enabling us to improve key financial metrics. Following the Inland Diversified Merger, we made significant changes to our compensation program to make it more objective, formulaic and transparent, and we also granted substantial one-time awards to compensate and retain our NEOs in light of the unique accomplishments, challenges, and opportunities that 2014 presented. We discuss these factors in detail in the following pages, and we summarize our 2014 Operational Achievements and Compensation Highlights below:

2014 Operational Achievements

- ii
Transformed the Company from a small cap retail REIT to the ninth largest retail shopping center REIT in the United States through the Inland Diversified Merger
- ii
Obtained investment grade credit ratings from two nationally-recognized credit rating agencies, improving our ability to efficiently source capital
- ii
Substantially increased our geographic and tenant diversity, decreasing our exposure to localized economic slowdowns and individual tenant failures
- ii
Increased our FFO per share by ~5%
- ii
Increased our AFFO by ~19%

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ii	Increased our quarterly dividend payments by 8%
ii	Increased our annualized base rent per square foot by ~15%
ii	Increased our portfolio's average shopping center size by ~12%
ii	Increased same-store net operating income by 4.7%
ii	Achieved an overall leasing percentage of 94.8%
ii	Increased the small-shop leasing percentage to 85.7%
ii	Achieved \$48 million in positive net cash flow after dividends and capital expenditures, exclusive of costs associated with the Inland Diversified Merger
ii	Reduced adjusted net debt to EBITDA to 6.5x compared to 7.4x at the end of 2013
ii	Successfully integrated a \$300 million, nine-property portfolio acquired at the end of 2013
ii	Agreed to sell \$318 million of non-core assets acquired in the Inland Diversified Merger
ii	Achieved \$17 million of G&A expense synergies following the Inland Diversified Merger
ii	Amended our unsecured revolving credit facility and term loan to reduce their interest rates, double the availability and extend the maturity dates to 2018 and 2019, respectively
ii	Established six regional offices, introduced a first-class software platform and hired new staff to execute
ii	Made substantial progress in completing several development and redevelopment projects, including bringing two projects into the operating portfolio

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ii

Generated a three-year total shareholder return of 81%, outperforming our peer group median, the SNL Retail REIT Index, the SNL US Equity REIT Index, and the Russell 3000

Our chief executive officer and the rest of our executive team drove the Company to reach these milestones. The Compensation Committee believes that, as a direct result of Mr. Kite's and his team's leadership, we are poised for continued growth and increased success in the coming years that will benefit our shareholders.

2014 Compensation Highlights

ii

Conducted a comprehensive review of our executive compensation policies given the increased operational complexities and responsibilities of our executive officers after the Inland Diversified Merger

ii

Negotiated new employment agreements with Messrs. Kite, McGowan and Sink to implement today's best practices by:

- Eliminating the right to treat a change in control, by itself, as an event permitting resignation and the collection of severance payments
- Eliminating excise tax gross-up payments
- Requiring waiver and release agreements as prerequisites to the executives' receiving severance payments
- Increasing the non-compete periods for Messrs. Kite and McGowan from 12 to 18 months

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ii	Calibrated base salaries to align with our New Peer Group (as defined below)
ii	Approved special one-time bonus awards for Messrs. Kite, McGowan and Sink that: <ul style="list-style-type: none">- Rewarded superior performance in enhancing the Company's portfolio and financial metrics through the Inland Diversified Merger- Served to retain executive talent in a very competitive environment- Took into account these executives' voluntary waivers of their contractual change-in-control rights in connection with the Inland Diversified Merger and their willingness to enter into new, more shareholder-friendly employment agreements- Were comprised primarily of restricted stock that vests over four years and is subject to additional three-year no-sell provisions
ii	Adopted an Outperformance Plan to provide bonus opportunities if certain absolute and relative total-shareholder-returns ("TSR") are achieved
ii	Replaced our previous discretionary cash bonus system with a more objective, formula-based plan
ii	Approved grants of performance share units that will be earned over a three-year period based on our performance compared to the SNL US REIT Retail Shopping Center Index
ii	Adopted an anti-hedging policy that prohibits our trustees, executives and employees from engaging in transactions designed to hedge against losses from their share ownership

The Compensation Committee recognizes that, as a result of the special one-time bonus award, our CEO's total reported compensation appears outsized with respect to the Company's peers and its historical practices. But as highlighted above and discussed in the following sections, we believe the cumulative effects of 2014's unique events justified the special one-time award. We also believe that the award's structure - consisting mostly of restricted stock that vests over four years and is subject to a three-year no-sell provision - maximizes the likelihood of retention and closely ties the award's overall value to the Company's long-term performance. We discuss the multiple factors we considered in the following sections and ask you to take all of them into account as you evaluate the Company's 2014 executive compensation. We have been and will continue to be committed to rewarding and retaining our key executives while protecting our shareholders' interests. We believe that we successfully accomplished these objectives in 2014 in light of unique circumstances. Looking forward to 2015 and beyond, we fully expect our compensation awards will normalize and be consistent with our peers.

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COMPENSATION PHILOSOPHY AND OBJECTIVES

Our compensation program is designed to attract and retain outstanding senior executives, ensure that compensation provided to them remains competitive relative to the compensation paid to similarly-situated senior executives at comparable publicly traded REITs, and reward them for superior performance. The program is designed to reward both short- and long-term performance and to align our senior executives' and shareholders' interests. To that end, we believe the compensation packages we provide to our NEOs should include both cash and share-based incentive compensation that reward performance as measured, in large part, against corporate and individual goals that will enhance shareholder value over the long term.

We believe the overall compensation of our senior executives primarily should reflect their accomplishments as a management team in achieving established key operating objectives. We also believe the achievement of these key objectives will ultimately enhance shareholder value as reflected in an increased market price of our shares. We believe the compensation of our senior executives should not be based on the short-term performance of our shares, whether favorable or unfavorable. In this regard, the restricted common shares historically granted to our senior executives vest over a service period ranging from three to five years, and certain grants in 2014 included a three-year "no-sell" restriction prohibiting the executive officers from transferring the shares for a three-year period after the award vests, except to the extent necessary to satisfy tax obligations. We believe the long-term price of our shares will reflect our operating performance, which is indicative of the management of our company by our senior executives. Our senior executives also are subject to the downside risk of a decrease in the value of their compensation in the event the price of our common shares declines.

The Compensation Committee is responsible for establishing, implementing and continually monitoring adherence with our compensation philosophy as applied to our NEOs. For more information related to the processes and procedures of the Compensation Committee in determining the compensation for our NEOs, including the role of any named executive officer in this process, see "Information Regarding Corporate Governance and Board and Committee Meetings Board Committees Compensation Committee," above.

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Consistent with our overall philosophy and objectives, certain compensation practices we follow and those that we avoid are as follows:

What we do

Pay for performance. *With our outperformance plan, our performance share awards and our discretionary incentive share awards, we place a heavy emphasis on performance-based compensation to align our executives' and shareholders' interests.*

Equity in Lieu of Cash. *We provide our executives the option to receive 50% of their cash bonuses in restricted shares, and we provide an equity match award of up to 20% to encourage our executives to do so.*

Stock Ownership Guidelines. *In order to further align our executives' and shareholders' interests, our share ownership guidelines require our CEO and other NEOs to own shares with an aggregate value of 10x and 3x or 2x base salary, respectively.*

Double Trigger Severance. *Under our executives' new employment agreements, a "change in control," by itself, is not sufficient to trigger severance and equity acceleration it must also be accompanied by a qualifying termination.*

Independent Compensation Consultant. *The Compensation Committee has retained FTI Consulting, a nationally recognized compensation consulting firm, to review and provide recommendations regarding our executive compensation program.*

Compensation Risk Assessment. *The Compensation Committee conducted a compensation risk assessment to ensure that our executive compensation program does not encourage excessively risky behaviors.*

What we don't do

No Excess Perquisites. *We do not provide any supplemental executive retirement plans, company cars, club memberships or other significant perquisites.*

No Tax Gross Ups. *Our executives are not entitled to gross-up payments in the event they are required to pay excise taxes upon a change in control.*

No Hedging. *Our anti-hedging policy prohibits our executives from engaging in transactions designed to hedge against losses from their share ownership.*

No Single Trigger Severance. *Our executives are not entitled to severance or equity acceleration upon the occurrence of a change in control, by itself, in the absence of a qualifying termination.*

No Executive Retirement or Health Benefits. *Our executive officers participate in the same retirement and health plans as our other employees.*

IMPACT OF THE INLAND DIVERSIFIED MERGER

As referenced above, we successfully completed the \$2.1 billion Inland Diversified Merger on July 1, 2014. The retail portfolio we acquired through the Inland Diversified Merger included 60 properties in 23 states. The transaction more than doubled our portfolio to 131 properties totaling 20.3 million owned square feet across 26 states. We subsequently agreed to sell 15 of the Inland Diversified

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properties that did not meet our investment strategy. In connection with the Inland Diversified Merger, our Board was increased to 9 members 6 of whom were existing Kite Realty board members and 3 of whom were designated by Inland Diversified.

The Inland Diversified Merger transformed our company into the ninth largest retail shopping center REIT in the United States. It diversified our geographic footprint, enhanced our asset quality and provided financial and operational benefits, including a substantial increase in cash flow, a substantial increase in liquidity and a reduced cost of capital. It strengthened our balance sheet by improving our net debt to EBITDA ratio significantly and reduced our overall exposure to development risk. In sum, we believe this was the most important transaction in the Company's history.

Under the terms of our executive officers' then-existing employment agreements, the Inland Diversified Merger was a "change in control" entitling the executives to resign, collect substantial payments of cash severance, accelerate all of their unvested restricted shares and share options and receive excise tax gross-up payments. Each of our executives willingly waived his rights under these agreements in order to facilitate the Inland Diversified Merger.

Our executive officers were instrumental in executing on this transformational transaction, including identifying the opportunity, negotiating favorable terms, waiving rights that would have provided them with substantial personal benefits, driving the complicated transaction to completion and successfully integrating the Inland Diversified portfolio into our existing platform.

Accordingly, the Compensation Committee undertook a comprehensive review of our executive compensation policies in 2014 and concluded that the following steps were warranted:

New Employment Agreements. The Compensation Committee negotiated and recommended, and the Board approved, new employment agreements for our NEOs to replace their legacy agreements, which dated back to our 2004 IPO. In connection with these new employment agreements, our NEOs agreed to several concessions that significantly reduced their benefits in order to conform the agreements to current market practices. See "Compensation of Executive Officers Additional Information Related to Summary Compensation Table and Grants of Plan-Based Awards Table" for a discussion of these new employment agreements. The concessions made by each NEO included:

- replacing the "modified single trigger" provision with a "double trigger" provision that eliminates the executive's right to treat a change in control, by itself, as an event that permits him to resign and collect severance payments;
- eliminating entitlement to gross-up payments equal to the sum of any excise taxes required to be paid and the amount necessary to put the executive in the same after-tax position as if no excise taxes had been imposed on change in control payments;
- agreeing to execute a waiver and release of claims in connection with a severance payment event, which was not required by the executive's previous employment agreements; and
- increasing the non-compete periods for Messrs. Kite and McGowan from 12 to 18 months following separation.

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Adjusted Base Salaries. The Compensation Committee approved an increase in the base salaries of Messrs. Kite, McGowan and Sink to bring base salaries more in line with its New Peer Group (as defined below). See " Components of Executive Compensation Base Salaries" for a discussion of these revised base salaries. These increases ranged from 12-16% over each executive's prior base salary.

Special One-Time Awards. In recognition of the successful completion of the Inland Diversified Merger, the anticipated new employment agreements and our interest in retaining these NEOs in light of the competitive market environment, the Compensation Committee approved cash awards of \$750,000 and restricted common share awards of \$7.0 million to Messrs. Kite, McGowan and Sink. See " Components of Executive Compensation Special One-Time Awards" for a discussion of these special one-time awards. Simultaneously, we also approved awards of approximately \$400,000 in cash and \$465,000 in restricted common shares to 15 additional Company employees who made significant contributions to the successful completion of the Inland Diversified Merger.

Outperformance Plan. To further align their interests with our shareholders and to encourage our senior officers and other key employees to "outperform" and create shareholder value, the Compensation Committee approved and adopted the 2014 Outperformance Plan under the 2013 Equity Incentive Plan. Under this program, the Compensation Committee awarded a bonus pool with a maximum payout of \$7.5 million to approximately 20 Company employees, including the Company's NEOs, if and to the extent that the Company achieves specified relative and absolute total shareholder returns over a three-year period beginning on July 1, 2014 and ending on June 30, 2017. See " Components of Executive Compensation Share-Based Incentive Compensation Awards Outperformance Plan" for a discussion of the Outperformance Plan.

The Compensation Committee carefully considered the foregoing awards and agreements before approving them, and received valuable input from its compensation consultant with respect to market practices and shareholder preferences. The Compensation Committee considered waiting to implement these arrangements until the end of the 2014 fiscal year, but decided that it was important to act promptly upon completion of the Inland Diversified Merger for a number of reasons, including the following:

The Compensation Committee believed that any stock award to senior management in connection with the merger should be timely granted to ensure alignment with existing shareholders and the Company's post-merger performance. If the Company's stock price were to rise following the merger, the stock awarded to management would reflect that increase. Conversely, if the stock price were to fall, the award's value would similarly decrease. Under either scenario, the Compensation Committee believed it was appropriate to align the ultimate value of the one-time stock awards to the Company's post-merger performance and management's ability to successfully execute, integrate, and achieve the projected efficiencies.

The Compensation Committee believed that waiting several months to approve awards would dilute their impact and create a risk that senior executives might depart without knowing their contributions were valued, particularly in light of contemporaneous and expected executive-level vacancies in the industry and the competitive landscape for executive talent.

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The Compensation Committee strongly believed it was important to send a timely and meaningful message to the Company's senior management team that it was appreciative of its efforts in consummating a transaction that the Compensation Committee believes has the ability to transform the Company into one of the most significant publicly traded retail shopping center REITs.

RESULTS OF 2014 ADVISORY VOTE ON EXECUTIVE COMPENSATION

In establishing and recommending compensation for 2014 performance for our NEOs, the Compensation Committee reviewed the results of the vote on the non-binding resolution to approve the 2013 compensation of our NEOs at our 2014 Annual Meeting of Shareholders. At our 2014 Annual Meeting of Shareholders, over 91.8% of the shares voted were voted in support of the compensation paid to our NEOs for 2013. Based on the results of the executive compensation shareholder advisory vote for 2013, the Compensation Committee and the Board concluded that the compensation paid to our NEOs and our overall compensation philosophy enjoy strong shareholder support and do not require revision to address any shareholder concerns.

Additionally, based on the results of the non-binding shareholder advisory vote on the frequency of shareholder votes on executive compensation at our 2011 Annual Meeting of Shareholders, the Compensation Committee and the Board determined that shareholder advisory votes on the compensation of NEOs will take place every year, until and unless our shareholders vote to hold such advisory votes with a different frequency.

COMPENSATION CONSULTANT

In May 2014, the Compensation Committee engaged FTI Consulting, a nationally recognized compensation consulting firm, to undertake a comprehensive review of the compensation policies for our NEOs and provide recommendations regarding various compensation decisions to be made by the Compensation Committee. FTI Consulting replaced Towers Watson, our previous compensation consultant, which provided advice with respect to awards made in early 2014. The Compensation Committee took the recommendations of both consultants into account in making base salary determinations and incentive compensation awards to our NEOs.

PEER GROUP AND BENCHMARKING

In making compensation decisions, the Compensation Committee compares the Company's compensation programs and performance to certain peer group companies. For compensation decisions made in early 2014, the Compensation Committee, with the assistance of its former compensation consultant, used a peer group consisting of the following companies: Acadia Realty Trust; Cedar Realty Trust, Inc.; DDR Corp.; Equity One, Inc.; Excel Trust, Inc.; Federal Realty Investment Trust; Inland Real Estate Corporation; Kimco Realty Corporation; Ramco-Gershenson Properties Trust; Regency Centers Corporation; Retail Opportunity Investments Corp.; Retail Properties of America, Inc.; Saul Centers, Inc.; Urstadt Biddle Properties Inc.; Weingarten Realty Investors; and Whitestone REIT (the "Old Peer Group"). As a result of our merger with Inland Diversified and based on the assistance of its new compensation consultant, the Compensation

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Committee revised the peer group that the Compensation Committee considers. The revised peer group now includes the following 14 companies (the "New Peer Group"):

Comparable Group Rationale

Company	Implied		Total	Retail	Comparable	Implied		Total
	Market Capitalization	Enterprise Value				Assets	Product Assets	
Acadia Realty Trust	2,298.9	3,498.2	2,732.6	ü	ü	ü	ü	ü
DDR Corp.	6,631.0	12,196.4	9,541.9	ü	ü		ü	
Equity One, Inc.	3,176.6	4,689.4	3,262.2	ü	ü	ü	ü	ü
Federal Realty Investment Trust	9,278.5	11,769.3	4,546.9	ü	ü			ü
Glimcher Realty Trust	1,608.2	3,770.3	3,528.0	ü		ü	ü	ü
Inland Real Estate Corporation	1,096.7	2,107.8	1,573.0	ü	ü		ü	
Pennsylvania Real Estate Investment Trust	1,663.9	3,355.6	2,540.0	ü		ü	ü	ü
Ramco-Gershenson Properties Trust	1,495.8	2,506.7	1,948.4	ü	ü	ü	ü	