

SL GREEN REALTY CORP
Form 8-K
February 05, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported):

February 2, 2018

SL GREEN REALTY CORP.

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other
Jurisdiction of
Incorporation)

1-13199
(Commission
File Number)

13-3956775
(IRS Employer
Identification No.)

10170

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420 Lexington Avenue
New York, New York
(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: **(212) 594-2700**

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Extension of Matthew DiLiberto as Chief Financial Officer

On February 2, 2018, Matthew DiLiberto and SL Green Realty Corp. (the Company) agreed to extend Mr. DiLiberto's term as Chief Financial Officer for an additional three years through January 1, 2021. The following summarizes the material terms of the new agreement entered into by the Company and Mr. DiLiberto in connection with this extension:

Term: Three years (1/1/18 – 1/1/21)

Base Salary: \$550,000 per year

Annual Bonus: May be awarded in amounts deemed appropriate by the Compensation Committee to reward Mr. DiLiberto for job performance, which may be based on the achievement of specific goals established in advance by the Compensation Committee.

LTIP Units: The Company granted Mr. DiLiberto LTIP units having the following terms:

| # of Units | Vesting |
|------------|--|
| 15,000 | January 1, 2019, 2020 and 2021, in equal installments, subject to continued employment |
| 15,000 | January 1, 2019, 2020 and 2021, in equal installments, subject to continued employment and achievement of performance-based criteria. In each case, from 50-100% vesting based on achievement of either annual growth in FFO (with such adjustments as the Compensation Committee determines to be appropriate for comparability between periods) of 2.5-5% per year or TRS in the top one-third to two-thirds of the SNL Office REIT Index, respectively, for the prior year (or on a cumulative basis from 2018 through such year or a subsequent quarter during the term). No vesting unless the 50% threshold performance criteria described above is met. |

Severance Benefits: If Mr. DiLiberto's employment is terminated by the Company without Cause or by Mr. DiLiberto for Good Reason during the term, Mr. DiLiberto will be entitled to the following payments or benefits:

| Termination Without Change-in-Control | Termination in Connection with Change-in-Control |
|--|--|
| <ul style="list-style-type: none"> • 1x average annual base salary and bonus • Pro-rata bonus for partial year • Acceleration of all unvested equity awards (other than OPP awards) • 12 months of benefit continuation payments | <ul style="list-style-type: none"> • 2x average annual base salary and bonus • Pro-rata bonus for partial year • Acceleration of all unvested equity awards (other than OPP awards) • 24 months of benefit continuation payments |

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Post-Change-in-Control Salary: For periods following a Change-in-Control, in lieu of the compensation described above, Mr. DiLiberto will be entitled to receive salary payable in cash at a per annum rate equal to the sum of his annual base salary in effect prior to the Change-in-Control plus his annual bonus and the value of his deferred compensation contributions, if any, and his equity awards (other than those granted under any future outperformance plans) that vested during the most recent fiscal year prior to the Change-in-Control.

Restrictive Covenants: Mr. DiLiberto will not compete with the Company while employed and until 12 months after termination for any reason other than non-renewal of the term or termination in connection with a

Change-in-Control. Mr. DiLiberto has also agreed to non-solicitation, non-disparagement and non-interference covenants.

The terms Cause, Good Reason and Change-in-Control, as used above, are specifically defined in Mr. DiLiberto's new employment agreement. The discussion above is qualified in its entirety by reference to the copy of the employment agreement by and between the Company and Mr. DiLiberto, which is being filed with this Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| Exhibit Number | Description of Exhibits |
|----------------|--|
| 10.1 | <u>Amended and Restated Employment and Noncompetition Agreement, dated as of February 2, 2018, by and between SL Green Realty Corp. and Matthew DiLiberto.</u> |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SL GREEN REALTY CORP.

| | |
|--------|--|
| By: | <i>/s/ Andrew S. Levine</i> |
| Name: | Andrew S. Levine |
| Title: | Executive Vice President, Chief Legal Officer and General Counsel |

Date: February 5, 2018