

SIMON PROPERTY GROUP INC /DE/  
Form DEF 14A  
March 26, 2010

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No.       )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Simon Property Group, Inc.**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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- o Fee paid previously with preliminary materials.
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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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March 26, 2010

Dear Fellow Stockholder:

It is my pleasure to invite you to the 2010 Annual Meeting of Stockholders of Simon Property Group, Inc. This year's meeting will be held on Thursday, May 6, 2010 at 10:00 a.m. (EDT), at our executive offices located at 225 West Washington Street, Indianapolis, Indiana. At the meeting, stockholders will vote on the business items listed in the notice of the meeting, which follows on the next page.

As we have done recently, we are furnishing proxy materials to many of our stockholders over the Internet. We believe that this e-proxy process expedites stockholders' receipt of proxy materials, lowers our costs and reduces the environmental impact of our annual meeting. On March 26, 2010, we mailed to a majority of our stockholders a Notice containing instructions on how to access our Proxy Statement and 2009 Annual Report to Stockholders and vote online. All other stockholders will receive these materials by mail. The proxy statement contains instructions on how you can (i) receive a paper copy of the proxy statement and annual report, if you only received a Notice by mail, or (ii) elect to receive your proxy statement and annual report over the Internet, if you received them by mail this year.

**Whether or not you plan to attend the meeting, your vote is important and we encourage you to vote promptly.**

You may vote your shares via a toll-free telephone number or over the Internet. If you received a paper copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. Instructions regarding all three methods of voting are contained in the proxy statement and on the proxy card.

I look forward to seeing you at the annual meeting.

Sincerely,

David Simon  
Chairman of the Board  
and Chief Executive Officer

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Simon Property Group, Inc.  
225 West Washington Street  
Indianapolis, Indiana 46204

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

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TIME	10:00 a.m. (EDT) on Thursday, May 6, 2010
PLACE	225 West Washington Street Indianapolis, Indiana 46204
ITEMS OF BUSINESS	<ol style="list-style-type: none"><li>(1) To elect eleven directors, including three directors to be elected by the holders of Class B common stock.</li><li>(2) To ratify the appointment of Ernst &amp; Young LLP as our independent registered public accounting firm for 2010.</li><li>(3) To transact such other business as may properly come before the meeting.</li></ol>
RECORD DATE	You can vote if you are a stockholder of record on March 8, 2010.
ANNUAL REPORT	Our 2009 annual report to stockholders accompanies but is not part of these proxy materials.
PROXY VOTING	<p>We cordially invite you to attend the meeting, but regardless of whether you plan to be present, please vote in one of these ways:</p> <ol style="list-style-type: none"><li>(1) VISIT THE WEB SITE noted on your proxy card or the Notice of Internet availability of proxy materials to vote via the Internet;</li><li>(2) If you receive a printed copy of the proxy materials by mail, USE THE TOLL-FREE TELEPHONE NUMBER shown on your proxy card (this is a free call in the U.S.);</li><li>(3) If you receive a printed copy of the proxy materials by mail, MARK, SIGN, DATE AND PROMPTLY RETURN your proxy card in the envelope provided, which requires no additional postage if mailed in the U.S.</li></ol> <p>Any proxy may be revoked at any time prior to its exercise at the meeting.</p>
ADMISSION TO THE MEETING	<p>Proof of ownership and a form of photo identification will be required for admission to the meeting. For further information on admission, please refer to the question entitled "What do I need to do to attend the meeting in person?" on page 2 of the proxy statement which follows this notice.</p>

By order of the Board of Directors.

March 26, 2010

James M. Barkley  
Secretary

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Simon Property Group, Inc.  
225 West Washington Street  
Indianapolis, Indiana 46204

**PROXY STATEMENT**

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This proxy statement and accompanying proxy are being provided to stockholders on or about March 26, 2010 in connection with the solicitation by the Board of Directors of Simon Property Group, Inc. ("Simon," "we," "us," "our" or the "company") of proxies to be voted at the 2010 annual meeting on May 6, 2010.

**QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING**

**Why did some stockholders receive a Notice of Internet Availability of Proxy Materials?**

Certain of our stockholders will receive a Notice of Internet Availability of Proxy Materials, or Notice, which was or will be sent to stockholders on or about March 26, 2010, containing information on the availability of our proxy materials on the Internet. Stockholders who received the Notice by mail will not receive a printed copy of our proxy materials unless requested in the manner described in the Notice. The Notice explains how to access and review this proxy statement and our 2009 Annual Report to Stockholders, and how you may vote by proxy.

**What is a proxy?**

A proxy is your legal designation of another person to vote on your behalf. By completing and returning the enclosed proxy card, you are giving the persons named in the proxy card, Herbert Simon and David Simon, the authority to vote your shares in the manner you indicate on your proxy card.

**Who is qualified to vote?**

You are qualified to vote on all matters presented to the stockholders at the meeting if you own shares of our common stock, par value \$.0001 per share, or Class B common stock, par value \$.0001 per share, at the close of business on March 8, 2010.

All of the Class B common shares are held by a voting trust as to which Herbert Simon and David Simon are the voting trustees. The Board is not soliciting proxies in respect of the Class B common shares.

**How many shares may vote at the meeting?**

On March 8, 2010, there were outstanding 285,897,960 shares of common stock and 8,000 shares of Class B common stock. As a result, a total of 285,905,960 shares are entitled to vote (which we refer to in this proxy statement as the "voting shares") on all matters presented to stockholders at the meeting.

**How many shares must be present to hold the meeting?**

The presence at the meeting in person or by proxy of holders of shares representing a majority of all the votes entitled to be cast at the meeting, or 142,952,981 voting shares, will constitute a quorum for the transaction of business.

**What is the difference between a "stockholder of record" and a "street name" holder?**

These terms describe how your shares are held. If your shares are registered directly in your name with BNY Mellon Shareowner Services, our transfer agent, you are a "stockholder of record." If your shares are held in the name of a brokerage, bank, trust or other nominee as a custodian, you are a "street name" holder.

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**How do I vote my shares?**

*If you are a "stockholder of record," you have several choices. You can vote your shares by proxy:*

By mailing your proxy card;

Over the telephone; or

Via the Internet.

Please refer to the specific instructions set forth on the Notice or printed proxy materials. For security reasons, our electronic voting system has been designed to authenticate your identity as a stockholder.

*If you hold your shares in "street name," your broker/bank/trustee/nominee will provide you with materials and instructions for voting your shares.*

**Can I vote my shares in person at the meeting?**

*If you are a "stockholder of record," you may vote your shares in person at the meeting. If you hold your shares in "street name," you must obtain a proxy from your broker, bank, trustee or nominee, giving you the right to vote the shares at the meeting.*

**What do I need to do to attend the meeting in person?**

Proof of stock ownership and some form of government-issued photo identification (such as a valid driver's license or passport) will be required for admission to the meeting. **Only stockholders who owned Simon Property Group, Inc. common stock as of the close of business on March 8, 2010 are entitled to attend the meeting.**

If your shares are registered in your name and you owned Simon Property Group, Inc. common stock as of the close of business on March 8, 2010, you only need to provide some form of government issued photo identification for admission.

If your shares are held in a bank or brokerage account, contact your bank or broker to obtain a written legal proxy in order to vote your shares at the meeting. If you do not obtain a legal proxy from your bank or broker, you will not be entitled to vote your shares, but you can still attend the meeting if you bring a recent bank or brokerage statement showing that you owned shares of common stock on March 8, 2010.

**What are my choices when voting?**

Proposal 1 You may cast your vote FOR ALL of the nominees for election as directors or vote AGAINST one or more of the nominees.

Proposals 2 You may cast your vote FOR or AGAINST the proposal, or you may elect to abstain from voting your shares.

**What are the Board's recommendations on how I should vote my shares?**

The Board recommends that you vote your shares as follows:

Proposal 1: **FOR ALL** of the nominees for election as directors.

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Proposal 2: **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm (independent auditors) for the year ending December 31, 2010.



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**How would my shares be voted if I do not specify how they should be voted?**

If you sign and return a proxy card without indicating how you want your shares to be voted, the persons named as proxies will vote your shares as follows:

Proposal 1: **FOR ALL** of the nominees for election as directors.

Proposal 2: **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm (independent auditors) for the year ending December 31, 2010.

**What are broker non-votes?**

A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary authority to vote for that particular proposal and has not received instructions from the beneficial owner as to how to vote its shares. Due to a recent regulatory change, Proposal 1, the election of directors, now falls into this category. If you do not provide your broker with voting instructions, your shares will not be voted on the election of directors.

**What vote is required to approve each proposal?**

The voting trustees who vote the Class B common stock have advised us that they intend to vote all shares of the Class B common stock FOR the election of all nominees and proposal 2. Accordingly, to approve each of the proposals, the following votes are required from the holders of voting shares.

Proposal	Vote Required	Impact of Abstentions and Broker Non-Votes, if any
1 election of directors	For the nominees to be elected by the holders of voting shares, approval by a majority of the votes cast. Under our By-Laws, a nominee who receives more <b>AGAINST</b> votes than <b>FOR</b> votes will be required to tender his or her resignation. See "CORPORATE GOVERNANCE MATTERS Majority Vote Standard for Election of Directors."	Abstentions and broker non-votes will not count as votes cast on the proposal and will not affect the outcome of the vote.
2 ratification of auditors	Approval by a majority of the votes cast	Abstentions and broker non-votes will not count as votes cast on the proposal and will not affect the outcome of the vote.

All shares entitled to vote at the meeting are entitled to one vote per share.

**Why did I receive more than one Notice or proxy card?**

You will receive multiple Notices or cards if you hold your shares in different ways (e.g., joint tenancy, trusts, custodial accounts) or in multiple accounts. If your shares are held by a broker (i.e., in "street name"), you will receive your proxy card or other voting information from your broker, and you will return your proxy card(s) to your broker. You should vote on and sign each proxy card you receive.

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**Can I change my vote after I have mailed in my proxy card?**

You may revoke your proxy by doing one of the following:

By sending a written notice of revocation to our Secretary at 225 West Washington Street, Indianapolis, Indiana 46204 that is received prior to the meeting, stating that you revoke your proxy;

By signing a later-dated proxy card and submitting it so that it is received prior to the meeting in accordance with the instructions included in the proxy card(s); or

By attending the meeting and voting your shares in person.

**What happens if additional matters are presented at the annual meeting?**

We know of no other matters other than the items of business described in this proxy statement that can be considered at the meeting. If other matters requiring a vote do arise, the persons named as proxies will have the discretion to vote on those matters for you.

**Who will count the votes?**

Broadridge Financial Solutions, Inc. will count the votes and will facilitate the engagement of an independent inspector of election. The inspector will be present at the meeting.

**Will the meeting be accessible to disabled persons?**

Our executive offices are accessible to disabled persons. Please call us at least five days in advance at 317-685-7330 if you require any special accommodations.

**How can I review the list of stockholders entitled to vote at the meeting?**

A list of stockholders entitled to vote at the meeting will be available at the meeting and for ten days prior to the meeting, between the hours of 8:45 a.m. and 4:30 p.m., at our offices at 225 West Washington Street, Indianapolis, Indiana 46204. If you would like to view the stockholder list, please contact our Secretary to schedule an appointment.

**Who pays the cost of this proxy solicitation?**

We will pay the cost of preparing, assembling and mailing the proxy materials. We will also request banks, brokers and other holders of record to send the proxy materials to, and obtain proxies from, beneficial owners and will reimburse them for their reasonable expenses in doing so. In addition, we have hired MacKenzie Partners, Inc. to assist in the solicitation of proxies. We will pay MacKenzie Partners a fee of \$10,000 for its services.

**Is this proxy statement the only way that proxies are being solicited?**

Certain employees or other representatives of the company may also solicit proxies by telephone, facsimile, e-mail or personal contact. They will not be specifically compensated for doing so.

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The following table sets forth certain information concerning each person (including any group) known to us to beneficially own more than five percent (5%) of any class of our voting securities as of March 8, 2010. Unless otherwise indicated in the footnotes, shares are owned directly and the indicated person has sole voting and investment power.

Name and Address of Beneficial Owner	Shares <sup>(1)</sup>	
	Number of Shares	% <sup>(2)</sup>
Melvin Simon & Associates, Inc., <i>et al.</i> <sup>(3)</sup> 225 West Washington Street Indianapolis, IN 46204	36,622,014 <sup>(4)</sup>	11.5%
The Vanguard Group, Inc. <sup>(5)</sup> 100 Vanguard Boulevard Malvern, PA 19355	24,216,801	8.5%
BlackRock, Inc. <sup>(6)</sup> 40 East 52nd Street New York, NY 10022	20,109,322	7.0%
Cohen & Steers, Inc., <i>et al.</i> <sup>(7)</sup> 280 Park Avenue, 10 <sup>th</sup> Floor New York, NY 10017	15,805,408	5.5%

(1) Voting shares include shares of common stock and Class B common stock. Upon the occurrence of certain events, Class B common stock converts automatically into common shares (on a one-to-one basis). The amounts in the table also include common shares that may be issued upon the exercise of stock options that are exercisable within 60 days as well as the exchange of units of limited partnership interest, or units, of our majority-owned subsidiary, Simon Property Group, L.P., or the Operating Partnership, that are exchangeable either for common shares (on a one-to-one basis) or for cash.

(2) Assumes the exercise of stock options and exchange of units by the subject holder only.

(3) This group consists of Melvin Simon & Associates, Inc. ("MSA"), wholly owned subsidiaries of MSA, the estate of Melvin Simon, Herbert Simon, David Simon, MH Holdings, Inc. and related trusts for the benefit of the preceding. Herbert Simon is one of our directors and David Simon is an executive officer and director. MSA is owned 69.06% by the estate of Melvin Simon and 30.94% by a trust for the benefit of Herbert Simon. MH Holdings, Inc. is owned 50% by the estate of Melvin Simon and 50% by a trust for the benefit of Herbert Simon. 3,192,000 common shares and 8,000 shares of Class B common stock owned by one or more members of the group are held by voting trusts as to which Herbert Simon and David Simon are the voting trustees.

(4) Includes 4,850,651 common shares currently outstanding; 31,513,363 common shares issuable upon exchange of units; 250,000 common shares issuable upon exercise of stock options that are exercisable within 60 days; and 8,000 shares of Class B common stock. Does not include 4,172,426 common shares issuable upon exchange of units held by members of the Simon Family other than the estate of Melvin Simon, Herbert Simon and David Simon or units held by trusts for the benefit of members of the Simon family over which MSA, Herbert Simon and David Simon do not have voting or dispositive power.

(5) Based solely on information provided by The Vanguard Group, Inc. in a Schedule 13G filed with the Securities and Exchange Commission on February 3, 2010. The Vanguard Group, Inc. has the sole power to vote 447,163 shares of common stock and dispose of 23,817,526 shares. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 399,275 shares of common stock and directs the voting of those shares.

(6)

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Based solely on information provided by BlackRock, Inc. in a Schedule 13G filed with the Securities and Exchange Commission on January 29, 2010.

(7)

Based solely on information provided by Cohen & Steers, Inc., Cohen & Steers Capital Management, Inc. and Cohen & Steers Europe S.A. in a Schedule 13G filed with the Securities and Exchange Commission on February 12, 2010. The Cohen & Steers entities have the sole power to vote 13,145,128 shares of common stock and to dispose of 15,805,408 shares.

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**CORPORATE GOVERNANCE MATTERS**

**Policies on Corporate Governance**

Our Board believes that good corporate governance is important to ensure that the company is managed for the long-term benefit of its stockholders. Each year, the Board or one of its committees reviews our Governance Principles, the written charters for each of its standing committees of the Board and our Code of Business Conduct and Ethics and amends them as appropriate to reflect new policies or practices. The current version of each of these documents is available on our Internet website, [www.simon.com](http://www.simon.com), in the Investors/Corporate Governance section, and will be provided in print without charge upon written request to our Secretary at 225 West Washington Street, Indianapolis, Indiana 46204.

We will also either disclose on Form 8-K or post on our Internet website any substantive amendment to, or waiver from, a provision of the Code of Business Conduct and Ethics that applies to any of our directors or executive officers.

**Board Leadership Structure**

Until 2007, leadership of the Board of Directors was the responsibility of two executive Co-Chairmen of the Board Melvin Simon and Herbert Simon. During that time, our Chief Executive Officer David Simon was responsible for directing our operations, employees and management. In 2007, the Board of Directors combined these two positions and David Simon has continued to hold the offices of Chairman and Chief Executive Officer since then. The Board of Directors believes that it is most efficient and effective for a single individual to fulfill these two leadership roles at this time. Combining the Chairman and Chief Executive Officer roles facilitates clear leadership responsibility and accountability, effective decision-making, and a cohesive corporate strategy.

Because David Simon is our employee, the Lead Independent Director presides over executive sessions of the independent directors and plays an active role in setting Board agendas and facilitating interactions between the independent directors and the senior management team. The Board of Directors will re-evaluate its leadership structure on an ongoing basis and may change it as circumstances warrant.

**Board Oversight of Risk Management**

We have implemented a company-wide enterprise risk management process to identify and assess the major risks we face and develop strategies for controlling, mitigating and monitoring risk. As part of this process, we gather information throughout our company to identify and prioritize these major risks. The identified risks and mitigation strategies are validated with management and presented to the Audit Committee on an ongoing basis.

Examples of major risks we have identified are our ability to access capital, changes in economic conditions and consumer spending, the risks from competition from other shopping venues, including internet sales, tenant bankruptcies and our ability to renew leases and otherwise lease space.

The Audit Committee has standing agenda items for several of its meetings each year relating to its responsibilities in this process and reports on these items to the full Board. Our Vice President of Audit Services (who is also responsible for our internal audit function) is responsible for supervising the enterprise risk management process and in that role reports directly to the Audit Committee. Other members of senior management who have responsibility for designing and implementing various aspects of our risk management process also regularly meet with the Audit Committee. The Audit Committee discusses our major financial risk exposures with our Chief Executive Officer and Chief Financial Officer and receives reports from other members of senior management with regard to other identified risks.

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The recent activities of the Compensation Committee with respect to risks relating to our compensation policies and procedures are discussed on pages 38 to 39 of this proxy statement.

Additional review or reporting on risks is conducted as needed or as requested by the Board or Audit Committee.

**Director Independence**

The Board has adopted standards to assist it in making determinations of director independence. These standards incorporate, and are consistent with, the definition of "independent" contained in the New York Stock Exchange listing rules. These standards are included in our Governance Principles, which are available on our Internet website, [www.simon.com](http://www.simon.com), as described above. The Board has affirmatively determined that each of the persons nominated for election as directors by the holders of voting shares meets these standards and is independent.

Herbert Simon, David Simon and Mr. Sokolov are our employees and, accordingly, are not considered independent directors.

**Majority Vote Standard for Election of Directors**

Our By-Laws provide for a majority voting standard for the election of directors. This means that any director who, in an uncontested election, receives a greater number of "against" votes than "for" votes must promptly tender his or her resignation to the Board of Directors, subject to its acceptance. The Governance and Nominating Committee will promptly consider the resignation and recommend to the Board whether to accept or reject it. Both the committee and the Board may consider any factors they deem appropriate and relevant to their actions.

The Board will act on the tendered resignation, taking into account the Governance and Nominating Committee's recommendation. The affected director cannot participate in any part of the process. We will publicly disclose the Board's decision by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication within 90 days after the vote is certified.

In a contested election (a situation in which the number of nominees exceeds the number of directors to be elected), the standard for election of directors will be a plurality of the votes cast by the holders of shares entitled to vote on the election of directors, provided a quorum is present.

**Nominations for Directors**

The Governance and Nominating Committee will consider director nominees recommended by stockholders. A stockholder who wishes to recommend a director candidate should send such recommendation to our Secretary at 225 West Washington Street, Indianapolis, Indiana 46204, who will forward it to the committee. Any such recommendation should include a description of the candidate's qualifications for Board service, the candidate's written consent to be considered for nomination and to serve if nominated and elected, and addresses and telephone numbers for contacting the stockholder and the candidate for more information. A stockholder who wishes to nominate an individual as a director candidate at the annual meeting of stockholders, rather than recommend the individual to the Governance and Nominating Committee as a nominee, must comply with the advance notice requirements set forth in our By-Laws.

Our Governance Principles provide that all candidates for election as members of the Board should possess high personal and professional ethics, integrity and values and be committed to representing the long-term interests of our stockholders and otherwise fulfilling the responsibilities of directors as described in our Governance Principles. Our Governance Principles further provide that our directors should not serve on

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more than four boards of public companies, including our Board, unless the Board or Governance and Nominating Committee determines that serving on more than four boards does not impair the ability of the director to serve as an effective member of our Board. In recommending candidates to the Board for election as directors, the Governance and Nominating Committee will consider the foregoing minimum qualifications as well as each candidate's credentials, keeping in mind our desire, as stated in our Governance Principles, to have a Board representing diverse experiences and backgrounds, as well as areas that are relevant to our business activities.

**Director Qualifications**

The Board of Directors believes that its members should exhibit high standards of independent judgment and integrity, have a strong record of achievement, have an understanding of our business and the competitive environment in which we operate, and have diverse experiences and backgrounds. Directors should be committed to enhancing stockholder value on a long-term basis and have sufficient time to carry out their duties.

In addition, the Board of Directors has determined that the Board as a whole should strive to have the right diversity, mix of characteristics and skills so it can perform its oversight responsibilities on an optimal basis. The Board believes that directors with skills, such as the following, can assist in meeting this goal:

leadership of large, complex organizations;

accounting and finance;

capital markets;

retail marketing;

strategic planning;

relevant industries, especially real estate acquisitions, development and operations;

banking;

legal and corporate governance;

government and governmental relationships; and

international business.

Additional biographic and other information concerning the directors can be found at pages 17 to 20. Set forth below are key experiences, qualifications, attributes and skills that led the Governance and Nominating Committee to the conclusion that each such person is currently qualified to serve as a director:

Melvyn E. Bergstein is the co-founder of a publicly-held consulting company and has served as its chief executive officer or the chief executive officer of its predecessors for many years where he has gained experience in finance, investor relations,

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compensation and strategic planning. He was director of one of the country's leading consulting firms. He has executed major consulting engagements with other companies operating in a wide range of businesses. He has served on the board of directors and as chairman of the oversight committee of a publicly-held company. He serves on our Audit Committee and Compensation Committee which he has chaired for a number of years. The Board of Directors has determined that he is an "audit committee financial expert."

Linda Walker Bynoe has served as the chief executive officer of a project management, consulting and financial advisory services company for fifteen years. Ms. Bynoe has diverse consulting and investment experience and expertise in accounting, financial reporting and corporate governance, serving on audit, compensation and risk committees of other public companies. She has many years of experience as a



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director of financial services and other complex corporations, including real estate investment trusts ("REITs"), which make her well-suited to serve on our Board. Ms. Bynoe received her M.B.A. from Harvard University. She has served as a director of several other publicly-held companies and brings those experiences to her service on our Compensation Committee and Governance and Nominating Committee.

Larry C. Glasscock served as the chief executive officer of the nation's leading health benefits company for many years. He is experienced in leading a large public company, developing and implementing turnaround and growth strategies, and developing talent and participating in successful leadership transitions. In addition, Mr. Glasscock also worked in financial services for 20 years. He also serves, and has served, for over 15 years as a director of other public companies. Mr. Glasscock has experience serving on audit committees, including as chairman, and compensation committees of publicly traded companies.

Karen N. Horn, Ph.D. has more than 30 years of experience in international finance and management, including her service as president of the Federal Reserve Bank of Cleveland and as a senior executive of a number of financial institutions. These experiences provide her with expertise in financial management and economic policy and an in-depth knowledge of the capital markets in which we actively participate. Dr. Horn serves as a director of several other publicly-held companies. She is a member of our Compensation Committee and Governance and Nominating Committee which she chairs.

Allan Hubbard has more than 30 years experience as an entrepreneur having founded and led a company that acquires and grows companies in North America and Europe. He served on the board of directors of a major, publicly-held healthcare company for a number of years during which time he served on that board's audit, compensation and governance committees. Mr. Hubbard also has extensive government and economic policy experience having held key economic positions in the administrations of two U.S. Presidents. He is an honors graduate of Harvard Business School with an emphasis in finance and an honors graduate of Harvard Law School. Mr. Hubbard serves on our Compensation Committee and Audit Committee and has been designated as an "audit committee financial expert."

Reuben S. Leibowitz has years of experience leading a private equity firm's real estate activities and developing long-term corporate strategies. Mr. Leibowitz practiced 15 years as a public accountant and a number of years specializing in tax issues. He has an in-depth understanding of our Premium Outlets® platform having served as a director of Chelsea Property Group, the publicly-held company we acquired in 2004. He serves on our Compensation Committee and Audit Committee and has been designated as an "audit committee financial expert."

Daniel C. Smith, Ph.D. has spent decades teaching and conducting research, in the areas of financial management, compensation, human resource development, strategic brand management, marketing strategy and corporate governance. He serves as Dean of one of the country's top-rated business schools where he is responsible for financial oversight and long term financial planning, hiring and retention policies, compensation policies, public relations and the long term strategy of the school. He serves on our Governance and Nominating Committee and Audit Committee and has been designated an "audit committee financial expert."

J. Albert Smith, Jr. has served as president and managing director of the Midwest operations of a major financial institution for a number of years during which time he has been involved in real estate lending activities. Through these experiences he has developed expertise in financial management and credit markets. He has served as our Lead Independent Director, is a member of our Governance and Nominating Committee and Audit Committee which he chairs. He has been designated an "audit committee financial expert."

Herbert Simon is our co-founder and Chairman Emeritus. The retail real estate business that he and his brother, Melvin Simon, started decades ago established the foundation for all of our current operations

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and record of achievement. Mr. Simon's leadership of a preeminent professional basketball franchise has led to his service on the board of directors of the National Basketball Association.

David Simon has served as our Chief Executive Officer or the chief executive officer of our predecessor for 15 years. During that time he has provided leadership in the development and execution of our successful growth strategy, overseeing numerous strategic acquisitions that have been consolidated into what is recognized as the nation's leading retail real estate company. David gained experience in mergers and acquisitions while working at major Wall Street firms before joining his father and uncle. David serves on the National Association of Real Estate Investment Trusts' board of governors which gives him an industry-wide perspective that extends beyond our own operations.

Richard S. Sokolov has served as our Chief Operations Officer since 1996 immediately following our acquisition of DeBartolo Realty Corporation. Mr. Sokolov had served as chief executive officer and general counsel of DeBartolo Realty Corporation and its predecessor operations for a number of years. Mr. Sokolov serves as a trustee and a member of the Executive Committee of the International Council of Shopping Centers, the leading industry organization for retail real estate companies.

**Communications with the Board**

The Board has implemented a process by which our stockholders and other interested parties may communicate with one or more members of our Board, its committees or the independent directors as a group in a writing addressed to Simon Property Group, Inc., Board of Directors, c/o Secretary, 225 West Washington Street, Indianapolis, Indiana 46204. The Board has instructed our Secretary to promptly forward all such communications to the specified addressees thereof.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, requires our directors, executive officers and beneficial owners of more than 10% of our capital stock to file reports of ownership and changes of ownership with the Securities and Exchange Commission and the New York Stock Exchange. Based on our records and other information, we believe that during the year ended December 31, 2009 all applicable Section 16(a) filing requirements were met except that Mr. Rulli, one of the named executive officers, did not file a timely report for four gifts he made to members of his family during 2007 and 2008 which involved a total of 1,022 shares.

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**TRANSACTIONS WITH RELATED PERSONS**

**Policy**

On an annual basis, each director and executive officer is obligated to complete a director and officer questionnaire which requires disclosure of any transactions with us in which the director or executive officer, or any member of his or her immediate family, has an interest. Pursuant to our Code of Business Conduct and Ethics, which is available in the Investors/Corporate Governance section of our Internet website at [www.simon.com](http://www.simon.com), the Audit Committee must review and approve all related person transactions in which any executive officer, director, director nominee or more than 5% stockholder of the company, or any of their immediate family members, has a direct or indirect material interest. Pursuant to the charter of the Audit Committee, which is available in the Investors/Corporate Governance section of our Internet website at [www.simon.com](http://www.simon.com), the Audit Committee may not approve a related person transaction unless (1) it is in or not inconsistent with our best interests and (2) where applicable, the terms of such transaction are at least as favorable to us as could be obtained from an unrelated third party.

Our general counsel is charged with reviewing any conflict of interest involving any other employee.

**Transactions with the Simons**

We are a party to noncompetition agreements with Herbert Simon and David Simon, collectively, the Simons. Pursuant to such agreements and except as set forth below, Herbert Simon is prohibited from engaging in the shopping center business in North America other than through the company or as a passive investor until the date that he is no longer one of our directors or officers, and David Simon is prohibited from engaging in the shopping center business in North America other than through the company and, with certain exceptions, for two years after he resigns or is terminated for cause. These restrictions will not prohibit Herbert Simon or David Simon from owning an interest in four (now two) shopping centers owned by the Simons that were not contributed to the Operating Partnership at the time of our predecessor's initial public offering in 1993. It is anticipated that such commitments will not, in the aggregate, involve a material amount of time, but no assurance can be given in this regard. In addition, Herbert Simon may pursue other investment activities in which he is currently engaged.

We manage the shopping centers referred to above pursuant to management agreements that provide for a management fee and reimbursement of our direct and indirect costs. In 2009, we received \$2,431,016 in fees and reimbursements for managing these centers. Seventy-nine percent (79%) of these fees are paid by a shopping center in which the Simons have a 50% interest. Although some of the agreements were not negotiated on an arms-length basis, they have been reviewed and approved by the Audit Committee and management believes that their terms are fair to us.

We provide MSA with office space and legal, human resource administration, property specific financing and other support services in exchange for MSA's payment to us for the cost of those services. In 2009, MSA paid us \$1,250,000 as MSA's share of the cost of these services. We also reimburse entities owned by MSA and David Simon, respectively, for our business use of the aircraft owned and operated by such entities. Our reimbursement for aircraft use is based upon a below market hourly cost of operating each of the aircraft in question and the verified number of hours of our use, plus reimbursement for certain out-of-pocket expenses. For our business use of aircraft in 2009, we reimbursed MSA \$500,000 and David Simon's company \$306,823. In addition, we reimbursed MSA \$79,550 for maintenance, pilot and other support services that MSA provided with respect to our use of David Simon's company's aircraft. These payments and reimbursements were reviewed and approved by the Audit Committee.

Our Charter requires that at least a majority of our directors be neither our employees nor members or affiliates of members of the Simon family (including Herbert Simon, David Simon, members of the immediate

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family of any of the late Melvin Simon or Herbert Simon or David Simon, other lineal descendants of any of the foregoing, estates of any of the foregoing, trusts established for the benefit of any of the foregoing or entities controlled by any of the foregoing). Our Charter further requires that transactions involving us in our capacity as general partner of the Operating Partnership, in which any member or affiliate of any member of the Simon family has an interest must, in addition to any other vote that may be required, be approved in advance by a majority of such "independent directors".

**Other Transactions**

Some of the limited partners of the Operating Partnership guarantee a portion of the mortgage debt obligations on certain properties through foreclosure guarantees. In each case, the loans (which are without recourse against us and our affiliates) were made by unrelated third party institutional lenders and the guarantees are for the benefit of each lender. In the event of foreclosure of the mortgaged property, the proceeds from the sale of the property are first applied against the amount of the guarantee and also reduce the amount payable under the guarantee. To the extent the sale proceeds from the disposal of the property do not cover the amount of the guarantee, then the limited partner is liable to pay the difference between the sale proceeds and the amount of the guarantee so that the entire amount guaranteed to the lender is satisfied. In addition, some of the limited partners have executed capital contribution obligation agreements which guarantee a portion of our third-party unsecured non-recourse debt obligations. In the event these loans are called, the proceeds realized from the lenders' exercise of their remedies would be applied against and reduce the amount of the contribution obligation. To the extent the proceeds from the exercise of lenders' remedies are less than the amount of the contribution obligation, the limited partner would be obligated to make a capital contribution in an amount equal to the shortfall in the proceeds. As of December 31, 2009, the following directors, executive officers and beneficial owners of more than 5% of any class of our voting securities guaranteed the indicated amounts: Edward J. DeBartolo, Jr., et al. \$110,039,163; and MSA, wholly owned subsidiaries of MSA, the estate of Melvin Simon, Herbert Simon, David Simon and other members of the Simon family \$63,775,000.

Table of Contents**MEETINGS AND COMMITTEES OF THE BOARD****Meetings and Attendance**

Our business, property and affairs are managed under the direction of our Board of Directors. Members of our Board of Directors are kept informed of our business through discussions with our Chairman and Chief Executive Officer, other executive officers and our Lead Independent Director, by reviewing materials provided to them, by visiting our offices and properties, and by participating in meetings of the Board and its committees. Directors are also expected to use reasonable efforts to attend the annual meeting of stockholders. All directors, except for Daniel C. Smith, attended the 2009 annual meeting. During 2009, the Board of Directors met six times. Much of the Board's oversight responsibilities are conducted through its four standing committees. Those committees consist of an Audit Committee, a Compensation Committee, a Governance and Nominating Committee and an Executive Committee. During 2009, all directors, except for Pieter S. van den Berg, participated in 75% or more of the aggregate number of meetings of the Board and the committees on which they served. Mr. van den Berg retired from the Board in October 2009.

**Executive Sessions of Independent Directors**

The independent directors meet in executive session without management present following each regularly scheduled Board meeting. In addition, the Board has designated J. Albert Smith, Jr. as Lead Independent Director. The Lead Independent Director presides over the executive sessions. He also helps to set agendas for Board meetings and serves as a liaison between the independent directors and the senior management team.

**Committee Membership**

The table below provides current membership information for each of the standing committees of the Board.

Name	Audit	Compensation	Governance and Nominating	Executive
Melvyn E. Bergstein	X	X <sup>(1)</sup>		
Linda Walker			X	
Bynoe		X	X	
Larry C. Glasscock <sup>(2)</sup>				
Karen N. Horn, Ph.D.		X	X <sup>(1)</sup>	
Allan Hubbard	X	X		
Reuben S. Leibowitz	X	X		
David Simon				X <sup>(1)</sup>
Herbert Simon				X
Daniel C. Smith, Ph.D.	X		X	
J. Albert Smith, Jr. <sup>(3)</sup>	X <sup>(1)</sup>		X	
Richard S. Sokolov				X
Number of 2009 Meetings	9	8	6 <sup>(4)</sup>	0

- (1) Chair
  - (2) Mr. Glasscock was appointed to the Board effective March 16, 2010. As of the date of this proxy statement, Mr. Glasscock had not been assigned to any Board committees.
  - (3) Lead Independent Director
  - (4) Includes two meetings of the Nominating Committee prior to its consolidation with the Governance Committee to form the Governance and Nominating Committee.
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**The Audit Committee**

The Audit Committee assists the Board in monitoring the integrity of our financial statements, the qualifications, independence and performance of our independent registered public accounting firm, the performance of our internal audit function and our compliance with legal and regulatory requirements. The Audit Committee has sole authority to appoint, subject to stockholder ratification, or replace our independent registered public accounting firm and pre-approves the auditing services and permitted non-audit services to be performed by our independent registered public accounting firm, including the fees and terms thereof. The Audit Committee has authority to retain legal, accounting or other advisors. The Audit Committee reviews and discusses with management and our independent registered public accounting firm our annual audited financial statements, our quarterly earnings releases and financial statements, significant financial reporting issues and judgments made in connection with the preparation of our financial statements and any major issues regarding the adequacy of our internal controls. It also issues the report on its activities which appears on pages 23 to 25 of this proxy statement. The charter of the Audit Committee requires that each member meet the independence and experience requirements of the New York Stock Exchange, the Exchange Act and the rules and regulations of the Securities and Exchange Commission.

The Board of Directors has determined that each of the current members of the Audit Committee qualifies as an "audit committee financial expert" as defined by rules of the Securities and Exchange Commission.

**The Compensation Committee**

The Compensation Committee (1) sets remuneration levels for our executive officers, (2) reviews significant employee benefit programs, (3) establishes and administers our executive compensation programs and our stock incentive plan, (4) discusses with management the Compensation Discussion and Analysis, or CD&A, and, if appropriate, recommends its inclusion in our annual report on Form 10-K and proxy statement and (5) issues the report on its activities which appears on page 27 of this proxy statement. The CD&A begins on page 28 of this proxy statement. The charter of the Compensation Committee requires that each member meet the independence requirements of the New York Stock Exchange.

The Compensation Committee has authority to retain the advice and assistance of compensation consultants and legal, accounting or other advisors. The Compensation Committee has retained Frederic W. Cook & Co., Inc., or Cook, as its independent compensation consultant to assist in the design of our executive compensation programs and to provide the Compensation Committee with executive compensation data from other companies of comparable size. In addition, the Compensation Committee reviews and takes into consideration the recommendations of management when making determinations on the compensation of all executive officers other than our Chairman and Chief Executive Officer. As discussed in the CD&A under "Role of Management in Compensation Decisions", these recommendations are initially developed by our human resources department and are then reviewed by our Chairman and Chief Executive Officer, who may make adjustments based upon his subjective assessment of the executive's performance.

**Compensation Committee Interlocks and Insider Participation**

No member of the Compensation Committee during 2009 was an officer, employee or former officer of us or any of our subsidiaries or had any relationship requiring disclosure in this proxy statement pursuant to Securities and Exchange Commission regulations. None of our executive officers served as a member of a compensation committee or a director of another entity under the circumstances requiring disclosure in this proxy statement pursuant to Securities and Exchange Commission regulations.

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**The Governance and Nominating Committee**

The Governance and Nominating Committee nominates persons to serve as directors and, in accordance with our Governance Principles, proscribes appropriate qualifications for Board members. The committee develops and recommends to the Board the Governance Principles applicable to the company and the Board, leads the Board in its annual evaluation of the Board's performance, oversees the assessment of the independence of each director and makes recommendations regarding compensation for non-employee directors. Members of the Governance and Nominating Committee are responsible for screening director candidates, but may solicit advice from our Chief Executive Officer and other members of the Board. The Governance and Nominating Committee has the authority to retain legal, accounting or other advisors, and has sole authority to approve the fees and other terms and conditions associated with retaining any such external advisors. The charter of the Governance and Nominating Committee requires that each member meet the independence requirements of the New York Stock Exchange.

The nominees for election as directors by the holders of voting shares include Mr. Glasscock, who was recently appointed to the Board. His appointment was recommended by a member of the Governance and Nominating Committee. We did not pay any fees to third parties to identify or evaluate or assist in identifying or evaluating Mr. Glasscock or any other potential nominees.

**The Executive Committee**

The Executive Committee can exercise all of the authority of the full Board of Directors except for those matters which Delaware law or our organizational documents require the full Board of Directors to act. The Executive Committee can approve any acquisition, disposition or investment in real estate in which our proportionate share of the transaction is less than \$100 million. If our share is greater than \$100 million, but less than \$250 million, the Executive Committee can only approve the transaction with the consent of the Lead Independent Director. In addition, the Executive Committee can approve any financing or refinancing transaction in which our proportionate share is less than \$500 million. Actions taken by the Executive Committee are reported to the full Board of Directors at its next meeting.



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**PROPOSAL 1 ELECTION OF DIRECTORS**

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The Board of Directors currently consists of ten members. Based on the recommendation of the Governance and Nominating Committee, the Board has nominated the following eight persons listed below as "Nominees for Director to be Elected by Holders of Voting Shares." All of the nominees are current directors. The Class B holders have nominated the three persons listed below as "Nominees for Director to be Elected by the Holders of Class B Common Stock." All of these three nominees are currently Class B directors.

Our employment agreement with Mr. Sokolov contemplates that he will be elected to the Board of Directors and holders of Class B common shares have agreed to elect Mr. Sokolov to the Board.

We expect each nominee for election as a director to be able to serve if elected. If any nominee is not able to serve, proxies will be voted in favor of the remainder of those nominated and may be voted for substitute nominees.

The names, principal occupations and certain other information about the nominees for director are set forth on the following pages. Additional information concerning the qualifications of the current directors appears on pages 8 to 10 of this proxy statement.

**Security Ownership of Directors and Officers**

As of March 8, 2010, the nominees and our named executive officers:

owned beneficially the indicated number and percentage of common shares and Class B common stock treated as a single class; and

owned beneficially the indicated number and percentage of units which are exchangeable for common shares on a one-for-one basis or cash, as determined by the Board.

Unless otherwise indicated in the footnotes, shares or units are owned directly and the indicated person has sole voting and investment power.

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Name and Age as of the May 6, 2010 Meeting Date	Position, Principal Occupation, Business Experience and Directorships <sup>(1)</sup>	Number of Shares <sup>(2)(3)(4)</sup> and Units, and Percent of Shares <sup>(5)</sup> and Units <sup>(6)</sup> Beneficially Owned as of March 8, 2010
<b>NOMINEES FOR DIRECTOR TO BE ELECTED BY HOLDERS OF VOTING SHARES</b>		
Melvyn E. Bergstein	68 Chairman of the Board of Directors of Diamond Management & Technology Consultants, Inc., a management and advisory firm, since 2006. Previously served as Chairman and CEO of Diamond and its predecessors, Diamondcluster, Inc. and Diamond Technology Partners, Inc. since its founding in 1994. From 1968 to 1989, Mr. Bergstein served in several capacities with Arthur Andersen & Co.'s consulting division (now Accenture). Our director since 2001. Member of our Audit and Compensation Committees.	Shares: 23,222 Percent of Shares: * Units: 0 Percent of Units:
Linda Walker Bynoe	57 President and Chief Executive Officer of Telemat Ltd., a management consulting firm, since 1995 and prior to that Chief Operating Officer since 1989. Ms. Bynoe served as a Vice President-Capital Markets for Morgan Stanley from 1985 to 1989, joining the firm in 1978. Ms. Bynoe serves as a director of Anixter International, Inc., Northern Trust Corporation and Prudential Retail Mutual Funds and also serves on the Board of Trustees of Equity Residential. She previously served as a director of Dynegey, Inc. and Fidelity Life Association. Our director since 2003. Member of our Compensation and Governance and Nominating Committees.	Shares: 12,828 Percent of Shares: * Units: 0 Percent of Units:
Larry C. Glasscock	61 Former Chairman of WellPoint, Inc., a healthcare insurance company, from November 2005 to March 2010. Mr. Glasscock also served as President and Chief Executive Officer of WellPoint, Inc. from November 2004 to July 2007. Mr. Glasscock previously served as Chairman, President and Chief Executive Officer of Anthem, Inc. from 2003 to 2004 and served as President and Chief Executive Officer of Anthem, Inc. from 2001 to 2003. Mr. Glasscock is a director of Zimmer Holdings, Inc. and Sprint Nextel Corporation. Our director since 2010.	Shares: Percent of Shares: * Units: 0 Percent of Units:

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Name and Age as of the May 6, 2010 Meeting Date	Position, Principal Occupation, Business Experience and Directorships <sup>(1)</sup>	Number of Shares <sup>(2)(3)(4)</sup> and Units, and Percent of Shares <sup>(5)</sup> and Units <sup>(6)</sup> Beneficially Owned as of March 8, 2010
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NOMINEES FOR DIRECTOR TO BE ELECTED BY HOLDERS OF VOTING SHARES  
(continued)

Karen N. Horn, Ph.D.	66 Retired President, Global Private Client Services and Managing Director, Marsh, Inc., a subsidiary of MMC, having served in these positions from 1999 to 2003. Prior to joining Marsh, she was Senior Managing Director and Head of International Private Banking at Bankers Trust Company; Chairman and Chief Executive Officer, Bank One, Cleveland, N.A.; President of the Federal Reserve Bank of Cleveland; Treasurer of Bell of Pennsylvania; and Vice President of First National Bank of Boston. Ms. Horn has served as Senior Managing Director of Brock Capital Group, a corporate advisory and investment banking firm, since 2003 and serves as a director of Eli Lilly and Company, Norfolk Southern Corporation and T. Rowe Price Mutual Funds. She is also Vice Chairman of the U.S.-Russia Foundation. She previously served as a director of Georgia-Pacific Corporation and Fannie Mae. Our director since 2004. Member of our Compensation and Governance and Nominating Committees.	Shares: 10,999 Percent of Shares: * Units: 0 Percent of Units:
Allan Hubbard	62 Co-Founder and Chief Executive Officer of E&A Industries, Inc., a privately-held holding company which acquires and operates established manufacturing companies. Mr. Hubbard served as Assistant to the President for Economic Policy and director of the National Economic Council for the George W. Bush administration. He also served as Executive Director of the President's Council of Competitiveness for the George H.W. Bush administration. He previously served as a director of WellPoint, Inc. Our director since 2009. Member of our Audit and Compensation Committees.	Shares: 4,731 Percent of Shares: * Units: 0 Percent of Units:

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Name and Age as of the May 6, 2010 Meeting Date	Position, Principal Occupation, Business Experience and Directorships <sup>(1)</sup>	Number of Shares <sup>(2)(3)(4)</sup> and Units, and Percent of Shares <sup>(5)</sup> and Units <sup>(6)</sup> Beneficially Owned as of March 8, 2010
NOMINEES FOR DIRECTOR TO BE ELECTED BY HOLDERS OF VOTING SHARES (continued)		
Reuben S. Leibowitz	62 Managing Member of JEN Partners, a private equity firm, since 2005. Mr. Leibowitz was a Managing Director of Warburg Pincus from 1984 to 2005. He was a director of Chelsea Property Group, Inc. from 1993 until it was acquired by the company in 2004. Our director since 2005. Member of our Audit and Compensation Committees.	Shares: 13,671 <sup>(7)</sup> Percent of Shares: * Units: 0 Percent of Units:
Daniel C. Smith, Ph.D.	52 Professor of Marketing and Dean, Kelley School of Business, Indiana University, since 2005. Mr. Smith joined the faculty of the Kelley School in 1996 and has served as Chair of the MBA Program, Chair of the Marketing Department and Associate Dean of Academic Affairs. Our director since 2009. Member of our Audit and Governance and Nominating Committees.	Shares: 1,901 Percent of Shares: * Units: 0 Percent of Units:
J. Albert Smith, Jr.	69 President of Chase Bank in Central Indiana and Managing Director of JPMorgan Private Bank since 2005. Mr. Smith was President of Bank One Central Indiana from 2001 to 2005; Managing Director of Bank One Corporation from 1998 to 2001; President of Bank One, Indiana, NA from 1994 to 1998; and President of Banc One Mortgage Corporation from 1974 to 1994. A director of the company or its predecessor since 1993. Lead Independent Director and member of our Audit and Governance and Nominating Committees.	Shares: 27,225 Percent of Shares: * Units: 0 Percent of Units:

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Name and Age as of the May 6, 2010 Meeting Date	Position, Principal Occupation, Business Experience and Directorships <sup>(1)</sup>	Number of Shares <sup>(2)(3)(4)</sup> and Units, and Percent of Shares <sup>(5)</sup> and Units <sup>(6)</sup> Beneficially Owned as of March 8, 2010
NOMINEES FOR DIRECTOR TO BE ELECTED BY THE HOLDERS OF CLASS B COMMON STOCK		
Herbert Simon	75 Chairman Emeritus of the Board of the company since 2007. Co-Chairman of the Board of the company or its predecessor from 1995 to 2007. Mr. Simon was Chief Executive Officer and a director of the company's predecessor from its incorporation in 1993 to 1995. Mr. Simon serves on the Board of Governors for the National Basketball Association and as Co-Chairman of the Board of MSA. Member of our Executive Committee.	Shares: 36,622,014 <sup>(8)</sup> Percent of Shares: 11.5% Units: 31,513,363 <sup>(9)</sup> Percent of Units: 9.2%
David Simon	48 Chairman of the Board of the company since 2007 and Chief Executive Officer of the company or its predecessor since 1995; a director of the company or its predecessor since its incorporation in 1993. President of the company's predecessor from 1993 to 1996. Executive Vice President of MSA from 1990 to 1993. From 1988 to 1990, Mr. Simon was Vice President of Wasserstein Perella & Company. The son of Melvin Simon and the nephew of Herbert Simon. Member of our Executive Committee.	Shares: 36,622,014 <sup>(8)</sup> Percent of Shares: 11.5% Units: 31,513,363 <sup>(9)</sup> Percent of Units: 9.2%
Richard S. Sokolov	60 President and Chief Operating Officer and a director of the company or its predecessor since 1996. President and Chief Executive Officer of DeBartolo Realty Corporation from its incorporation in 1994 until it merged with our predecessor in 1996. Mr. Sokolov joined its predecessor, The Edward J. DeBartolo Corporation, in 1982 as Vice President and General Counsel and was named Senior Vice President, Development and General Counsel in 1986. Member of our Executive Committee.	Shares: 537,987 Percent of Shares: * Units: 63,706 Percent of Units: *

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Name and Age as of the May 6, 2010 Meeting Date	Position, Principal Occupation, Business Experience and Directorships <sup>(1)</sup>	Number of Shares <sup>(2)(3)(4)</sup> and Units, and Percent of Shares <sup>(5)</sup> and Units <sup>(6)</sup> Beneficially Owned as of March 8, 2010
NAMED EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS		
Stephen E. Sterrett	54 Our Executive Vice President and Chief Financial Officer. Mr. Sterrett joined MSA in 1988 and held various positions with MSA until 1993 when he became our Senior Vice President and Treasurer. He was named Chief Financial Officer in 2001.	Shares: 117,607 Percent of Shares: * Units: 0 Percent of Units:
James M. Barkley	58 Our General Counsel and Secretary. Mr. Barkley joined MSA in 1978 as a staff attorney and was named Assistant General Counsel in 1984. He was named General Counsel in 1992 and Secretary in 1993.	Shares: 119,570 Percent of Shares: * Units: 0 Percent of Units:
John Rulli	53 Our Executive Vice President, Chief Administrative Officer and President Simon Management Group. Mr. Rulli joined MSA in 1988. He was appointed Executive Vice President Chief Operating Officer in 2000, Executive Vice President Chief Operating Officer Operating Properties in December 2003 and to his current positions in November 2007.	Shares: 93,173 Percent of Shares: * Units: 0 Percent of Units:

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Name and Age as of the May 6, 2010 Meeting Date	Position, Principal Occupation, Business Experience and Directorships <sup>(1)</sup>	Number of Shares <sup>(2)(3)(4)</sup> and Units, and Percent of Shares <sup>(5)</sup> and Units <sup>(6)</sup> Beneficially Owned as of March 8, 2010
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ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP<sup>(7),(10)</sup>

16 Persons

Shares: 37,659,243  
Percent of Shares: 11.9%  
Units: 31,577,069  
Percent of Units: 9.2%

\*

Less than one percent

- (1) All listed directorships are held in companies with securities registered under Section 12 of the Exchange Act or in companies registered as investment companies under the Investment Company Act of 1940, as amended, excluding the U.S.-Russia Foundation (Ms. Horn).
- (2) Includes the following common shares that may be purchased pursuant to stock options that are exercisable within 60 days: David Simon 250,000; Richard S. Sokolov 50,000; James M. Barkley 5,000; and all directors and executive officers as a group 305,000.
- (3) Includes the following common shares that may be issued upon exchange of units held by the following persons on March 8, 2010: the estate of Melvin Simon, Herbert Simon, David Simon, MSA and affiliates of MSA 31,513,363; Richard S. Sokolov 63,706; and all directors and executive officers as a group 31,577,069. Units are exchangeable either for common shares (on a one-for-one basis) or for cash.
- (4) Includes the following restricted shares which are subject to vesting requirements: Melvyn E. Bergstein 1,889; Linda Walker Bynoe 1,732; Karen N. Horn, Ph.D. 1,889; Allan Hubbard 1,625; Reuben S. Leibowitz 1,732; Daniel C. Smith, Ph.D. 1,625; J. Albert Smith, Jr. 2,204; David Simon 26,841; Richard S. Sokolov 20,866; Stephen E. Sterrett 13,945; James M. Barkley 14,050; John Rulli 13,139; and all directors and executive officers as a group 120,249. Includes shares acquired through the reinvestment of dividends on common shares held in the Director Deferred Compensation Plan.
- (5) At March 8, 2010, there were 285,897,960 shares of common stock and 8,000 shares of Class B common stock outstanding. Upon the occurrence of certain events, shares of Class B common stock convert automatically into common shares (on a one-for-one basis). These percentages assume the exercise of stock options and the exchange of units for common shares only by the applicable beneficial owner.
- (6) At March 8, 2010, there were 343,563,896 outstanding units of which we owned, directly or indirectly, 285,905,960 or 83.2%. These percentages assume that no units are exchanged for common shares.
- (7) Does not include 1,564 shares of common stock held by charitable foundations of which Mr. Leibowitz is an officer or trustee. Mr. Leibowitz disclaims beneficial ownership of these shares.
- (8) Includes common shares, exercisable stock options and units owned by the estate of Melvin Simon, Herbert Simon and David Simon, MSA, affiliates of MSA and MH Holdings, Inc. See "PRINCIPAL STOCKHOLDERS."
- (9) Includes units beneficially owned by the estate of Melvin Simon, Herbert Simon, David Simon, MSA and affiliates of MSA.
- (10) Does not include shares and units beneficially owned by members of the Simon family other than the estate of Melvin Simon, Herbert Simon and David Simon or units held by trusts for the benefit of members of the Simon family over which the estate of Melvin Simon, Herbert Simon, David Simon and MSA do not have voting or dispositive power (4,172,426 units).

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR ALL OF THE NOMINEES NAMED ABOVE.**



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**PROPOSAL 2 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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The Audit Committee has selected Ernst & Young LLP, or E&Y, as our independent registered public accounting firm for 2010, subject to the approval of our stockholders.

The Report of the Audit Committee contains information on the amount of fees paid to E&Y during 2009 and 2008. We expect that representatives of E&Y will be present at the meeting and will be available to respond to appropriate questions. They will also have an opportunity to make a statement if they desire to do so.

If the holders of a majority of voting shares voting on this matter do not ratify the selection, the Audit Committee will reconsider its choice taking into consideration the views of the stockholders and may, but will not be required to, appoint a different independent registered public accounting firm.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR PROPOSAL 2.**

**REPORT OF THE AUDIT COMMITTEE**

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The Audit Committee is responsible for monitoring the integrity of the company's consolidated financial statements, the qualifications, performance and independence of the company's independent registered public accounting firm, the performance of the company's internal auditor and the company's compliance with legal and regulatory requirements. We have the sole authority to appoint or replace the company's independent registered public accounting firm. The committee operates under a written charter adopted by the Board. The committee currently has five members. The Board has determined that each committee member is independent under the standards of director independence established under our Governance Principles, New York Stock Exchange listing standards and applicable securities laws.

Management is responsible for the financial reporting process, including the system of internal control, for the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States and for management's report on internal control over financial reporting. The company's independent registered public accounting firm is responsible for auditing the consolidated financial statements and expressing an opinion on the financial statements and the effectiveness of internal control over financial reporting. Our responsibility is to oversee and review the financial reporting process and to review and discuss management's report on internal control over financial reporting. We are not, however, professionally engaged in the practice of accounting or auditing and do not provide any expert or other special assurance as to such financial statements concerning compliance with laws, regulations or accounting principles generally accepted in the United States or as to the independence of the independent registered public accounting firm. We rely, without independent verification, on the information provided to us and on the representations made by management and the independent registered public accounting firm.

We held nine meetings during 2009. The meetings were designed, among other things, to facilitate and encourage communication among the committee, management, the company's internal auditor and the independent registered public accounting firm, E&Y.

We discussed with the company's internal auditor and E&Y the overall scope and plans for their respective audits. We met with the internal auditor and E&Y, with and without management present, to discuss the results of their examinations and their evaluations of the company's internal control. We reviewed and discussed the company's compliance with Section 404 of the Sarbanes-Oxley Act of 2002, including consideration of the

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Public Company Accounting Oversight Board's (PCAOB) Auditing Standard No. 5, An Audit of Internal Control Over Financial Reporting That is Integrated With an Audit of Financial Statements.

We discussed with management the company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the company's risk assessment and risk management processes.

We reviewed and discussed the audited consolidated financial statements for the year ended December 31, 2009 with management, the internal auditor and E&Y. We reviewed E&Y's report on our financial statements which indicated that the financial statements present fairly, in all material respects, our financial position and results of operations and cash flows in conformity with accounting principles generally accepted in the United States. We reviewed and discussed with management, the internal auditor and E&Y, management's report on the effectiveness of internal control over financial reporting and E&Y's report on internal control over financial reporting. We also discussed with management, the internal auditor and E&Y the process used to support certifications by the company's Chief Executive Officer and Chief Financial Officer that are required by the Securities and Exchange Commission and the Sarbanes-Oxley Act of 2002 to accompany the company's periodic filings with the Securities and Exchange Commission and the processes used to support management's report on internal control over financial reporting.

We also discussed with E&Y matters required to be discussed by their professional standards, including, among other things, matters related to the conduct of the audit of the company's consolidated financial statements and the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

We also received the written disclosures and the letter from E&Y required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with us concerning independence and we discussed with E&Y the independence of that firm.

When considering E&Y's independence, we considered if services they provided to the company beyond those rendered in connection with their audit of the company's consolidated financial statements and the effectiveness of internal control over financial reporting and reviews of the company's quarterly unaudited consolidated financial statements were compatible with maintaining their independence. We concluded that the provision of such services by E&Y has not jeopardized E&Y's independence.

Based on our review and these meetings, discussions and reports, and subject to the limitations on our role and responsibilities referred to above and in the Audit Committee Charter, we recommended to the Board that the company's audited consolidated financial statements for the year ended December 31, 2009 be included in the company's annual report on Form 10-K. The Committee has also selected E&Y as the company's independent registered public accounting firm for the year ended December 31, 2010 and will present the selection to the stockholders for ratification at the meeting.

We approve all audit and permissible non-audit services to be provided to the company by E&Y prior to commencement of services. We have delegated to the Chairman of the Audit Committee the authority to approve specific services up to specified individual and aggregate fee amounts. These approval decisions are presented to the full Audit Committee at the next scheduled meeting after such approvals are made.

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The company has incurred fees as shown below for services from E&Y. E&Y has advised us that it has billed or will bill the company the below indicated amounts for the following categories of services for the years ended December 31, 2009 and 2008, respectively:

	2009	2008
Audit Fees <sup>(1)</sup>	\$ 2,853,000	\$ 2,776,000
Audit-Related Fees <sup>(2)</sup>	5,119,000	5,254,000
Tax Fees <sup>(3)</sup>	777,000	1,144,000
All Other Fees	0	0

- (1) Audit Fees include fees for the audit of the financial statements and the effectiveness of internal control over financial reporting for us and the Operating Partnership and services associated with Securities and Exchange Commission registration statements, periodic reports, and other documents issued in connection with securities offerings.
- (2) Audit-Related Fees include audits of individual properties and schedules of recoverable common area maintenance costs to comply with lender, joint venture partner or tenant requirements and accounting consultation and due diligence services. Our share of these Audit-Related Fees is approximately 46% and 51% in 2009 and 2008, respectively.
- (3) Tax Fees include fees for international and other tax consulting services and tax return compliance services associated with the tax returns for The Mills Corporation and certain of its subsidiaries and joint ventures as well as other miscellaneous tax compliance services. Our share of these Tax Fees is approximately 75% and 35% in 2009 and 2008, respectively.

**The Audit Committee:**

J. Albert Smith, Jr., Chairman  
 Melvyn E. Bergstein  
 Allan Hubbard  
 Reuben S. Leibowitz  
 Daniel C. Smith, Ph.D.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

The following table gives information about our common stock that may be issued upon the exercise of options, warrants and rights under our existing equity compensation plans as of December 31, 2009.

<b>Plan Category</b>	<b>A</b>	<b>B</b>	<b>C</b>
	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (\$)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A)) (#)</b>
Equity compensation plans approved by security holders <sup>(1)</sup>	505,682 <sup>(2)</sup>	\$ 28.88	3,463,483 <sup>(3)</sup>
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>505,682</b>	<b>\$ 28.88</b>	<b>3,463,483</b>

(1) Consists of the 1998 plan.

(2) Includes 76,049 shares covered by awards assumed in connection with our acquisition of Chelsea Property Group in 2004. The weighted-average exercise price of such awards as of December 31, 2009 was \$48.08.

(3) The 1998 plan provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock and performance units. The original number of shares available for awards under the 1998 plan was 11,300,000. As of March 8, 2010, there are 3,465,873 shares available under the 1998 plan.

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**COMPENSATION COMMITTEE REPORT**

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The Compensation Committee consists of the five directors named below, each of whom meets the independence standards of the company's Governance Principles, the New York Stock Exchange listing standards and applicable securities laws. The committee has overall responsibility for:

determining the compensation of the executive officers, including setting and determining achievement of established performance goals;

designing, with the active assistance of management and human resource experts and the committee's consultant, the company's executive compensation program;

administering the company's stock-based compensation plans and programs;

recommending any new elements of executive compensation or programs for consideration to the full Board of Directors; and

discussing the Compensation Discussion and Analysis required by Securities and Exchange Commission regulations with management and, if appropriate, recommending its inclusion in the company's annual report on Form 10-K and proxy statement.

The committee has the authority to engage an independent compensation consultant or other advisors and has used Frederic W. Cook & Co., Inc., or Cook, in that capacity. Cook does no work for management unless requested by the Chairman of the Compensation Committee, receives no compensation from the company other than for its work in advising the committee, and maintains no other economic relationships with the company.

The committee held eight meetings during 2009. The meetings were designed, among other things, to facilitate and encourage free and frank discussion between committee members and the consultant as well as extensive communication among committee members, executive management, and other company personnel involved in executive compensation matters. Also, during 2009, the Board of Directors appointed Mr. Bergstein, Mr. Leibowitz and J. Albert Smith, Jr. as members of an ad hoc Board committee whose responsibility was to study the subject of CEO compensation with the committee's consultant. The ad hoc committee met five times during 2009 and reported its findings to the full committee.

The committee reviewed and discussed with management the Compensation Discussion and Analysis that immediately follows this report. Based on its review and these discussions with management, the committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the company's annual report on Form 10-K for the fiscal year ended December 31, 2009, and proxy statement for the 2010 annual meeting of stockholders.

**The Compensation Committee:**

Melvyn E. Bergstein, Chairman  
Linda Walker Bynoe  
Karen N. Horn, Ph.D.  
Allan Hubbard  
Reuben S. Leibowitz

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**COMPENSATION DISCUSSION AND ANALYSIS**

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**Overview**

The following discussion is intended to supplement the more detailed information concerning executive compensation that appears in the rest of this section and in the tables and the accompanying narrative. Our goal is to provide a better understanding of our compensation practices and the decisions that affected the compensation payable for 2009 to our executive officers, including the Chairman and Chief Executive Officer and the other executive officers named in the Summary Compensation Table, or the named executive officers.

The Compensation Committee of our Board of Directors, referred to in this section as the committee, plays a key role in designing and administering our executive compensation program. All principal elements of compensation paid to our executive officers are subject to approval by the committee. The Compensation Committee Report immediately precedes this discussion.

The compensation we paid our executives for 2009 was impacted by the unfavorable economic conditions that began in 2008 that carried over into 2009. In early 2009 and at the request of management, the committee made substantial reductions in bonuses paid in 2009 for 2008 and incentive compensation payouts in 2009 for executives as a consequence of the uncertain economic and business conditions that then existed and to support management's focus on reducing costs. Management also instituted similar compensation reductions throughout the organization.

By the time the committee made its compensation decisions in early 2010, economic and business conditions had improved, capital markets had stabilized, the company had improved its balance sheet and raised significant amounts of capital in a number of transactions and the reductions in operating expenses had their intended effects. In addition, the committee considered the many achievements made by the company during 2009 despite adverse economic conditions and the actions that management successfully executed to strengthen the company's balance sheet and liquidity and improve its portfolio. These favorable developments contributed to the committee's decisions to reward management with bonuses for 2009 and new long-term incentive awards. The committee's compensation decisions are described in more detail below.

**Objectives**

We believe we are the leading retail real estate company in the United States. We have the largest market capitalization of any publicly traded real estate company in North America and own the largest portfolio by square footage of U.S. retail real estate. We depend on the knowledge, skills, experience, and talent of our senior executives in the highly-competitive real estate industry, in particular in the areas of real estate acquisitions, development, leasing and property management.

To maintain and enhance our competitive position, our executive compensation program needs to:

maintain the team of executives who have made major contributions to our success and attract other highly qualified executives to strengthen that team;

motivate executives to improve their performance by contributing to the achievement of corporate and business unit goals as well as individual goals;

incentivize executives to pursue long-term positive performance for the company and its stockholders; and

align the interests of executives with those of our stockholders.

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The committee has designed and administers our executive compensation program with the intention of incenting long-term superior performance. The committee monitors the effectiveness of our program on an ongoing basis. As we continue to grow in size and complexity, it is increasingly important for us to develop effective executive succession plans. For these plans to be effective, we believe it is necessary for our compensation to be competitive not only with other real estate companies, but also with other large enterprises, in both public and private sectors, with whom we compete for executive talent. The committee will continue to study and develop improvements to our compensation practices as circumstances warrant.

**Principal Elements of Compensation**

To accomplish these objectives, we have designed a relatively simple executive compensation program. There are three major elements of our program – base salary, annual cash bonuses and long-term incentives.

Although all three of these elements are integrated into our overall program, each serves a different purpose:

base salaries provide an appropriate level of fixed compensation that will promote executive recruitment and retention;

annual cash bonuses that primarily depend upon our overall financial performance in a year and the committee's qualitative assessment of the executives' contributions to that performance; and

long-term incentives which have typically taken the form of restricted stock awards made under the Simon Property Group, L.P. 1998 Stock Incentive Plan, or 1998 plan, operate to align the interests of our executives with the interests of our stockholders. Under annual stock incentive programs created from 2001 through 2008, the issuance of the restricted stock depended on the extent to which we achieved predetermined quantitative measures of performance including internal operational metrics such as Funds From Operations, or FFO, per share, and established indices against which we measured our total stockholder return. The committee also can make discretionary or special awards under the 1998 plan as it did in early 2010. The awards made under the 1998 plan also assist in retention of our executives because they are subject to multi-year continued service vesting requirements. In March 2010, the committee established a new Long-Term Incentive Performance Program, which the committee expects will replace the annual stock incentive program going forward.

**Reporting of Compensation in Tables.** Our historic practice is to pay cash bonuses and make equity awards to our executive officers in the year following the year for which performance was assessed. For cash bonuses, this allows the committee the opportunity to assess our and the executive officers' performance for the entire performance year. Equity awards have historically only been granted if specified goals for the performance year have been met. The determination of whether the goals have been met cannot be made until our financial results for a full performance year are available to the committee. The SEC rules allow us to report cash bonuses in the Summary Compensation Table in the performance year for which the bonuses were earned and not the performance year for which they were paid. However, SEC rules require us to report any equity awards in the Summary Compensation Table in the year in which they were awarded, not the performance year for which they were earned. Similarly, the Grants of Plan-Based Awards Table reports equity awards in the year they were awarded, not the performance year for which they were paid. As a result, the value of equity awards and total compensation reported in these tables does not present the elements of annual compensation in the same way the committee views them. To address this issue, the committee uses the concept of "total direct compensation" as a means to assess the competitiveness of our pay practices. Total direct compensation for a given year consists of base salary, cash bonus earned for that year and the grant date fair value of equity awards earned with respect to that year. This presentation is shown in the Supplemental Table on page 42 of this proxy statement. The committee believes that the amounts of total direct compensation paid to the named executive officers for the past three years as shown in the Supplemental Table is a more accurate way of comparing year over year compensation than the Summary Compensation Table.

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**Base Salaries.** Base salaries of executive officers are set at levels competitive with other companies engaged in the retail real estate industry and with other businesses of comparable size and scope with whom we compete for executive talent. The committee reviews base salaries for the executive officers annually and makes adjustments to reflect market conditions, changes in responsibilities and merit increases consistent with compensation practices throughout our organization. The committee did not approve any merit or other increases to 2008 base salaries of the executive officers for 2009.

**Annual Cash Bonuses.** At the beginning of the performance year, the committee approves target and stretch bonus amounts for each participant, ranging from 0 to 150% of the participant's base salary in effect at the end of the performance year. However, the committee has the discretion to award cash bonuses above the 150% level when it believes it is appropriate. Unlike the stock incentive programs in which the performance measures used for the named executive officers are based solely on company performance, the performance factors or goals for annual cash bonuses include both objective and subjective criteria and consider individual performance as well as company performance. For example, with respect to the CEO, the committee specified the following as some, but not all, of the performance factors or goals to be considered with respect to 2009:

Stockholder value creation

Earnings growth

Achievement of successful acquisition and development activity

Achievement of strategic business priorities

Operational efficiencies

The annual cash bonus decisions for the named executive officers are determined by using a combination of objective and subjective criteria. However, the final amount of the annual cash bonuses to all of the named executive officers is within the committee's discretion, and may be increased or decreased from the original target and stretch levels. Ultimately, it is the committee's subjective assessment of each executive officer's performance which determines the amount of the bonus and not the operation of a mechanical formula. As a consequence of unfavorable economic conditions, the committee reduced annual cash bonuses paid to executive officers in 2009 for 2008 performance by approximately 40%. The increased bonuses paid in 2010 for 2009 performance reflected improving economic conditions, stabilized credit markets and the actions successfully executed by management during 2009 to maintain operating performance and strengthen our balance sheet and liquidity. The committee also considered the stockholder value created by management during difficult economic circumstances.

We pay cash bonuses to executive officers in February or March of the year following the performance year so that our financial performance and the executives' performance for the entire year can be considered.

**Long-Term Incentives.** Long-term incentives are equity awards made under the 1998 plan, which is administered by the committee. The 1998 plan authorizes a variety of awards, including stock options, restricted stock and awards in the form of long-term incentive performance units of limited partnership interests, or LTIP Units. No stock options have been granted to employees since 2001.

From 2001 to 2009, the committee had created annual stock incentive programs under the 1998 plan for seven consecutive years. The details of the 2008 stock incentive program that was paid out in 2009 are explained below. The committee allocated each participant an opportunity to receive an award valued in dollars that would be granted if absolute and relative performance measures were achieved. The determination of the extent to which the goals have been achieved is made after our financial results have been announced in the following year. As explained above, the committee did not approve a stock incentive program for 2009.



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In 2010, the committee approved awards of LTIP Units under new long-term incentive programs for periods covering 2010 through 2012 which are discussed on pages 35 to 38 of this proxy statement.

**2008 Stock Incentive Program.** As in previous years, the payout in 2009 of the 2008 stock incentive program depended upon achieving "target" or "stretch" goals for FFO per share as an absolute performance measure and for two relative performance measures that compare our total stockholder return for the performance year to the returns experienced by two recognized stock indices the MSCI US REIT Index and the S&P 500 Index.

Depending on the extent to which these performance measures were achieved, the dollar values were then converted into shares of restricted stock using the average of the closing prices for our common stock for the ten day trading period commencing three days after we report earnings for the program year, or the ten day average price.

The 2008 stock incentive program had the following additional terms:

Incentive opportunities designated in dollar values were allocated to participants, including approximately \$6.5 million to the named executive officers assuming achievement at the target level.

The performance measures and weightings for the year applicable to the named executive officers were as follows:

Performance Measure	Goals	Weighting
"Target" FFO per Share Goal	\$6.40	35%
"Stretch" FFO per Share Goal	\$6.50	25%
Total Stockholder Return (including dividends) vs. MSCI US REIT Index	(meet or exceed)	20%
Total Stockholder Return (excluding dividends) vs. S&P 500 Index	(meet or exceed)	20%
<i>Total</i>		100%

If FFO per share exceeded \$6.40 but was less than or equal to \$6.50, an additional 2.5% in value would be awarded for each incremental \$0.01 in FFO per share.

In addition to the executive officers, three other groupings participated in the 2008 program, each with somewhat different performance measures and weightings. The first of these groupings, consisting of senior employees who are heads of identified business units, had 50% of their award tied to the achievement of the performance measures established for the executive officers, with the remaining 50% tied to the achievement of pre-determined individual and business unit objectives. The remaining two groupings had at least a portion of their award based upon achievement of the target FFO per share goal of \$6.40, with the balance tied to achievement of either defined financial goals and/or other pre-determined qualitative individual performance objectives.

Evaluations of individual performance were used to adjust the original award allocations on a positive or negative basis. The committee assigned each executive officer an individual rating for his or her program year performance ranging from "0" to "3." The committee delegated the authority to assess the individual performance of the other participants to a committee of senior management, which assigned similar ratings to other participants.

On February 27, 2009, the committee determined that all of the 2008 performance measures applicable to executive officers had been achieved at levels that would have resulted in a 75% payout percentage. In addition, because FFO per share for 2008 was \$6.42, or \$0.02 greater than the "target goal," the payout percentage would have been increased by an additional 5% increment to a potential payout of 80% of the original award allocations. In view of the uncertain economic conditions and management's

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focus on reducing costs, the committee reduced the payout to executive officers to a 40% payout or less. For participants in the remaining three groups, management advised the committee that applicable performance measures had been achieved resulting in payout percentages between 20% and 80% of initial opportunities. Based upon management's recommendation, the committee then further adjusted payouts for each participant in the three remaining groups to 40%, 50% or 60% of each participant's payout percentage using their assigned ratings. The adjusted values were then converted into shares of restricted stock using the ten day average price of \$41.42. Fractional shares were rounded to the next full share. A total of 261,498 shares of restricted stock were awarded under the 2008 program, including 62,292 shares awarded to the named executive officers which are reported in the Grants of Plan-Based Awards in 2009 Table on page 43 of this proxy statement.

The shares of restricted stock vest in four equal annual installments commencing January 1, 2010 with a continuous service requirement, except for termination of service resulting from death, disability or, with the committee's approval, retirement. Executive officers who received restricted stock awards under the 2008 stock incentive program are not entitled to receive distributions denominated in common shares on unvested awards.

**Other Elements of Compensation**

**Retirement and Health and Welfare Benefits.** We have never had a traditional or defined benefit pension plan. We maintain a 401(k) retirement plan in which all salaried employees can participate on the same terms. During 2009, our basic contribution to the 401(k) retirement plan was equal to 1.5% of the participant's compensation and vests 20% after the completion of two years and an additional 20% after each additional year of service until fully vested after six years. We match 100% of the first 3% of the participant's contribution and 50% of the next 2% of the participant's contribution. We reduced the basic contribution to 1.0% effective January 1, 2010. Our matching contributions are vested when made. Our basic and matching contributions are subject to applicable IRS limits and regulations. The contributions we made to the 401(k) accounts of the named executive officers are shown in the All Other Compensation column of the Summary Compensation Table on page 41. Executive officers also participate in health and welfare benefit plans on the same terms as other salaried employees.

**Employment and Change-in-Control Agreements.** The only executive officer who has an employment agreement with us is Mr. Sokolov who had an employment agreement in place with his previous employer a company we merged with in 1996. A summary of Mr. Sokolov's employment agreement appears on page 48 of this proxy statement. Our named executive officers do not participate in or benefit from any "change in control" or "golden parachute" arrangements. Awards under the 1998 plan will vest in the event of a change in control.

**Deferred Compensation Plan.** We maintain a non-qualified deferred compensation plan that permits senior executives, key employees and directors to defer all or part of their compensation, including awards under the 1998 plan. There are separate accounts for the executives and the directors. Although we have the discretion to contribute a matching amount or make additional incentive contributions, we have never done either. As a result, the amounts disclosed in the Nonqualified Deferred Compensation in 2009 Table on page 45 consist entirely of compensation earned by, but not yet paid to, the executives and any earnings on such deferred compensation. A participant's deferrals are fully vested, except for restricted stock awards that still have vesting requirements. Upon death or disability of the participant or our insolvency or a change in control affecting us, a participant becomes 100% vested in his account.

**Stock Option and Equity Award Grant Practices.** The committee has not granted any stock options to executives or other employees since 2001. The 1998 plan requires the exercise price of stock options to be set at the mean between the high and low sales prices of a share of common stock as reported by the New York Stock Exchange for the grant date.

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**Discretionary Awards.** The committee has the authority to grant discretionary or special awards under the 1998 plan.

**Role of Management in Compensation Decisions**

The Chairman and Chief Executive Officer provides his recommendations to the committee on the compensation of each of the other executive officers. The Chairman and Chief Executive Officer develops his recommendations using third-party data, his own views regarding the executives' performance and the advice of our human resources department on such factors as compensation history, tenure, responsibilities, market data for competitive positions and retention concerns and the need to maintain consistency within the organization. Although the committee gives consideration to the Chairman and Chief Executive Officer's recommendations and to any views of its compensation consultant, the final compensation decisions affecting all executive officers are within its discretion.

**Competitive Position**

In some years, management or the committee has reviewed data with regard to the compensation practices of other public real estate companies to assess the competitive position of our executive compensation program. During 2009, management engaged a separate compensation consultant to review how other real estate investment trusts were addressing executive compensation for 2008 and 2009. Management advised the committee that on average, senior level executives experienced a decline in total compensation for 2008, that many other companies were freezing base salaries at their prior year level and reducing bonuses by an average of 25-30% regardless of how the bonuses had been calculated in the past. The review also indicated that approximately one-half of the real estate investment trusts polled by the consultant had reduced awards under their restricted stock programs. In making its compensation decisions in 2009, the committee considered not only the information provided by management's consultant, but also other information from the committee's consultant and other sources.

**2009 Compensation Decisions**

In response to the uncertain outlook that existed at the time, in early 2009, the committee and management took a number of actions to reduce compensation and operating expenses. For the named executive officers and other management personnel holding an office of Vice President or above, the committee or management, as applicable:

did not make any merit or other increases to 2008 base salaries for 2009;

approved annual cash bonuses paid in 2009 for 2008 performance at approximately 60% of the amounts paid in 2008 for 2007 performance;

reduced the individual payouts of the 2008 stock incentive program from an 80% payout based upon the achievement of applicable performance criteria to 40% or less; and

did not create an annual stock-based incentive compensation program for 2009.

**CEO Compensation.** The committee made the following decisions with respect to David Simon's compensation for 2009.

The committee did not change David Simon's base salary from the 2008 amount.

As explained above, the incentive compensation payout made during 2009 was under the 2008 stock incentive program. In March 2009, the committee determined that David Simon had achieved the performance measures to the extent that an 80% payout of his \$2,000,000 target award was appropriate. The payout was reduced to 40% of the target amount due to the unfavorable economic conditions which existed at the time. He received 19,315 restricted shares, calculated by dividing the

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payout amount by \$41.42, the ten day average price. The restricted stock is subject to a four-year vesting commencing January 1, 2010.

**Other Named Executive Officer Compensation.** The committee made the following decisions with respect to the 2009 compensation of the named executive officers other than David Simon as follows:

The committee did not change the base salaries from the 2008 amounts for the other four named executive officers.

As explained above, the committee reduced the payouts in 2009 under the 2008 stock incentive program from 80% based on achievement of the performance measures to 40% or less. The committee approved the payout of the following restricted stock awards, calculated by dividing the payout amount by \$41.42, the ten day average price: Mr. Sterrett 9,658 shares; Mr. Sokolov 14,486 shares; Mr. Barkley 9,658 shares; and Mr. Rulli 9,175 shares.

**2010 Compensation Decisions**

In March 2010, the committee made several decisions that affect the compensation of our named executive officers for 2009 and thereafter, including cash bonuses and special restricted stock awards made with respect to 2009 performance, and a new long-term incentive compensation program beginning in 2010. The cash bonuses for 2009 awarded in 2010 appear in the Summary Compensation Table as 2009 compensation. The special restricted stock awards and the awards under the new long-term incentive compensation program will not be included in the Summary Compensation Table and other tables until next year. In making these decisions, the committee took into account not only the goals and objectives that have been set for each of the named executive officers for purposes of our annual cash bonus program, but also what it considered to be exemplary performance of the company during a difficult and challenging economic environment. In particular, the committee considered the following positive factors:

the substantial improvement in the price of our common stock during the course of 2009,

our industry leading ability to access capital markets on multiple occasions and raise substantial capital,

the significant deleveraging of portions of our balance sheet,

our ability to address maturing debts through extensions and refinancings,

the significant reductions in operating expenses while maintaining the quality of our corporate operations and assets,

our acquisition activity, including the negotiation of the definitive agreement to acquire all of the outlet shopping centers currently owned by Prime Outlets Acquisition Company and its affiliated entities,

the success of our ongoing selective disposition of non-core assets,

the reaffirmation of our credit ratings by certain ratings agencies,

paying 2009 quarterly dividends in a combination of cash and securities to preserve liquidity while maintaining REIT status, and

maintaining acceptable levels of tenant occupancy and rent spreads and proactively addressing tenant bankruptcies.

The committee also took into account the reductions in bonuses which the executives had voluntarily accepted in early 2009 based on the uncertain outlook that existed at the time and the reduced payouts of stock awards to which the named executive officers would have otherwise been entitled to under the 2008 stock incentive program. In light of the above, the committee made the following decisions with respect to the named executive officers' compensation for 2010.

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**Base Salaries.** The committee set base salaries for 2010 as follows:

Named Executive Officer	2010 Base Salary	% Increase from 2009
David Simon	\$ 1,000,000	0%
Stephen E. Sterrett	\$ 500,000	5.3%
Richard S. Sokolov	\$ 782,000	0%
James M. Barkley	\$ 550,000	10%
John Rulli	\$ 450,000	0%

**Cash Bonuses.** On March 16, 2010, the committee, taking into account the executives' performance and the positive factors discussed above, approved the following cash bonuses for 2009: David Simon \$3,000,000; Mr. Sterrett \$750,000; Mr. Sokolov \$1,000,000; Mr. Barkley \$850,000; and Mr. Rulli \$500,000.

**Special Restricted Stock Awards.** On March 16, 2010, the committee made special awards under the 1998 plan in the form of restricted stock awards to the named executive officers in the following amounts: David Simon 42,108 shares; Mr. Sterrett 9,024 shares; Mr. Sokolov 10,828 shares; Mr. Barkley 9,024 shares; and Mr. Rulli 9,024 shares. A material consideration in the committee's decision to make the special awards was the decision made in early 2009 to not establish a stock incentive program for 2009 due to the uncertain economic conditions at the time. The committee also considered the positive factors explained above.

The shares of restricted stock will vest over four years, subject to a continued service requirement, beginning January 1, 2011. Because the special awards were granted with respect to 2009 performance, we include the grant date fair value of those awards in 2009 compensation in the Supplemental Table on page 42.

**Total Direct Compensation.** Consistent with prior years, compensation tied in various ways to our performance comprised a significant portion of the compensation of the named executive officers. The bonuses paid in 2010 for 2009 were significantly greater than the bonuses paid in 2009 for 2008 due to the significant achievements that management made during 2009 despite adverse economic conditions. The decisions in early 2009 to reduce incentive compensation payouts in 2009 and not create a 2009 stock incentive program reflected the uncertain economic conditions and outlook that existed at the time. The special restricted stock awards granted in 2010 reflected the committee's assessment of management's achievements during 2009.

**New Long-Term Incentive Program.** As part of its ongoing evaluation of our executive compensation program, the committee has devoted considerable attention to assessing the effectiveness of our long-term equity-based incentive compensation arrangements which until recently have been the annual stock incentive program discussed earlier in this discussion. As a result of those deliberations, the committee adopted and made awards in 2010 under a new Long-Term Incentive Performance Program, or the LTIP Program, for certain of our senior executive officers.

Awards under the LTIP Program take the form of LTIP Units, a form of limited partnership interest issued by the Operating Partnership. Awarded LTIP Units will be forfeited, in whole or in part, depending upon the extent to which our total stockholder return, or TSR (representing the difference between a baseline value and valuation date based on price appreciation of our common stock plus cumulative dividends without reinvestment or compounding), over the performance period exceeds the relative and absolute performance targets as described below. The purpose of the LTIP Program is to further align the interests of senior management with those of stockholders by reinforcing our "pay-for-performance" structure that encourages the creation of stockholder value in excess of recognized benchmarks of performance. The LTIP Units awarded will be considered earned depending upon the extent to which the applicable TSR benchmarks are achieved during

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the performance period, and once earned will become the equivalent of units of limited partnership interest of the Operating Partnership, or Units, but only after an additional two year service-based vesting requirement that begins after the end of the performance period. Units are exchangeable for shares of the company's common stock on a one-for-one basis, or cash, as selected by the company. The LTIP Units, and any common shares for which they are exchangeable, will be awarded pursuant to our stockholder-approved equity plan.

The committee expects to establish a LTIP Program each year in the future that will have a three year performance period, so that the three-year performance period of each LTIP Program will overlap two other programs for one or two years. To create this overlap for 2010, the committee has approved three LTIP Programs having one, two and three year performance periods, respectively. The performance period for the one year LTIP Program will end December 31, 2010; the performance period for the two year LTIP Program will end December 31, 2011; and the performance period for the three year LTIP Program will end December 31, 2012. We refer to these three programs as the one, two and three year 2010 LTIP Programs, or the 2010 LTIP Programs.

The 2010 LTIP Programs use the same three performance measures to which we compare the TSR of our common stock using a baseline value of \$79.80 per share (the closing sale price as reported by the NYSE for December 31, 2009) during the applicable performance period. The first relative performance measure, weighted at 60%, requires our TSR to equal or exceed the overall performance of the MSCI US REIT Index. The second relative performance measure, weighted at 20%, requires our TSR to equal or exceed the overall performance of the S&P 500 Index. The third performance measure, which is weighted at 20%, requires our TSR, viewed on an absolute basis, to exceed a specified target TSR. To achieve a 100% payout of the award based on all three measures, our TSR must exceed the performance of the MSCI US REIT Index by 3% or more, must exceed the performance of the S&P 500 by 2% or more on an annual basis and must be 12% per year or more. To receive a partial payout any one of the following must occur: our TSR must be greater than the MSCI US REIT Index minus 1%, our TSR must be greater than the S&P 500 minus 2% or our TSR on an absolute basis must be greater than 6.67% per year.

The number of LTIP Units that have been earned will be determined by the committee when our financial results for the performance period are available using the following payout matrices (with linear interpolation between the specified payout percentages):

**Relative TSR (Weighted 60%) MSCI US REIT Index**

All Performance Periods	Payout % of Target
Index -1%	0.0%
=Index	33.3%
Index +1%	50.0%
Index +2%	66.7%
Index +3% or greater	100.0%

**Relative TSR (Weighted 20%) S&P 500 Index**

All Performance Periods	Payout % of Target
Index -2%	0%
=Index	33.3%
Index +2%	100.0%

Table of Contents**Absolute TSR (Weighted 20%)**

<b>1/1/2010-12/31/2010 Performance Period</b>	<b>1/1/2010-12/31/2011 Performance Period</b>	<b>1/1/2010-12/31/2012 Performance Period</b>	<b>Payout % of Target</b>
<=6.67%	<=13.33%	<=20%	0.0%
8%	16%	24%	33.3%
9%	18%	27%	50.0%
10%	20%	30%	66.7%
11%	22%	33%	83.3%
>=12%	>=24%	>=36%	100.0%

After the end of each performance period, any earned LTIP Units will then be subject to time-based vesting over a period of two years. One-half of the earned LTIP Units will vest on January 1 of each of the second and third years following the end of the applicable performance period, subject to the participant maintaining employment with us through those dates.

The LTIP Units are designed to qualify as "profits interests" in the Operating Partnership for federal income tax purposes. Holders of LTIP Units will be allocated taxable profits and losses equal to one-tenth of the amounts allocated to a Unit and will receive distributions equal to one-tenth of the amount of regular quarterly distributions paid on a Unit, but will not receive any special distributions. As a general matter, the profits interests characteristics of the LTIP Units mean that initially they will not be economically equivalent in value at the time of award to the economic value of a Unit. The value of the LTIP Units can increase over time until the value of the LTIP Units is equivalent to the value of the common units on a one-for-one basis.

After the end of the performance period, holders of earned LTIP Units, both vested and unvested, will be entitled to receive distributions in an amount per LTIP Unit equal to the distributions, both regular and special, payable on a Unit.

In the event that we experience a change of control prior to the end of a performance period, the performance period will be shortened to end on a date immediately prior to such event, and a pro-rata share of each participant's award LTIP Units (based on the portion of the performance period elapsed prior to the event) will be considered earned and fully vested on such change of control. If a change of control occurs after the end of any performance period, any earned LTIP Units which have not yet vested will become immediately vested at that time.

In the event any participant's employment is terminated due to death or disability, the number of award LTIP Units held by the participant will be deemed earned as of the date of death or disability. This number will be determined at the end of the applicable performance period, based on actual performance during that period, and prorated based upon the number of days during the performance period prior to the death or disability of the participant. Any LTIP Units earned but not vested as of the date of a participant's death or disability will become fully vested.

If a participant's employment with us ceases for any reason other than death, disability or change of control, any LTIP Units awarded that have not been earned, and any earned LTIP Units that have not vested, will automatically be forfeited, although the committee may, in its sole discretion, determine that all or any portion of any LTIP Units awarded or earned shall become fully vested in a participant whose employment ceases due to the participant's retirement after age 55.

All determinations, interpretations and assumptions relating to the vesting and calculation of the performance awards under the 2010 LTIP Programs will be made by the committee.



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**2010 LTIP Program Awards to Executive Officers.** On March 16, 2010, the committee approved the following awards under the one, two and three year 2010 LTIP Programs for our named executive officers:

	Grant Date Fair Value of LTIP Units Awarded		
	One-Year	Two-Year	Three Year
David Simon	\$ 2,680,000	\$ 5,320,000	\$ 8,000,000
Stephen E. Sterrett	1,000,000	2,250,000	3,500,000
Richard Sokolov	1,250,000	2,500,000	4,000,000
James M. Barkley	1,000,000	2,250,000	3,500,000
John Rulli	750,000	1,500,000	2,500,000

The awards made pursuant to the 2010 LTIP Programs have an aggregate grant date fair value (as determined in accordance with ASC 718) of \$7.2 million for the one-year program, \$14.8 million for the two-year program and \$23.0 million for the three-year program. The dollar values of the awards are being converted into numbers of LTIP Units.

As explained above, the grant date fair values listed in the table are the maximum grant date fair values that can be earned for the applicable performance period. The actual number of LTIP Units earned by participants will depend on our actual TSR for the performance period measured against the applicable performance measures and the grant date fair value of the earned LTIP Units may be less (but not more) than the maximum amounts listed above for each named executive officer.

**Assessment of Compensation-Related Risks**

Our senior management team conducts an ongoing assessment of the risks related to our compensation policies and practices. This team reviews and discusses the various design features and characteristics of our company-wide compensation policies and programs, as well as, those at the business unit level, to determine whether any of these policies or programs could create risks that are reasonably likely to have a material adverse effect on us. In its ongoing review and assessment, the team also considers the elements of our compensation program for our senior executives including the performance measures used for the annual incentive programs, as well as, our long term incentive programs. Senior management obtains and evaluates data from a REIT peer group reflecting a comparison of compensation practices and pay levels for comparable positions within that group to assess the competitiveness of our compensation levels with the peer group.

The committee is responsible for overseeing the risks relating to compensation policies and practices affecting senior management on an ongoing basis. In performing this responsibility, the committee utilizes the services of its consultant, Frederic W. Cook & Co., to obtain advice and assistance in the design and implementation of incentive compensation programs for our executives. Cook does no work for management, unless requested by the Chairman of the committee. In reviewing whether our compensation policies and practices encourage excessive risk-taking, the committee also considers senior management's assessment described above. The committee believes the following factors reduce the likelihood that our compensation policies and practices would encourage excessive risk-taking:

Our overall compensation levels are kept at levels that are competitive with the market.

Our compensation mix is designed in part to reward long-term performance and is balanced among (i) fixed cash components, (ii) incentives that reward improvements in total company performance and business unit performance, (iii) components measured by individual performance, and (iv) cash versus performance based awards of securities under the 1998 plan which, once earned, are subject to further time based vesting.

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Our annual incentive awards are weighted based on the achievement of several different financial and operational performance measures.

For most of our executive officers, including the chief executive officer, there are significant wealth creation opportunities based on long-term performance under the new long-term incentive program that uses performance periods of three years.

The committee has discretion to adjust incentive performance targets and payouts on a downward basis (which it did for the 2008 restricted stock program) when it determines that such adjustments would be in the best interests of us and our stockholders.

Executive officers are subject to minimum stock ownership guidelines, equity award multi-year vesting requirements and limitations on trading our securities under our Insider Trading Policy.

**Executive Equity Ownership Guidelines**

We believe that the financial interests of our executives should be aligned with those of our stockholders. In addition to using awards of restricted shares as a long-term incentive, our Board of Directors has established equity ownership guidelines for key executives, including the named executive officers. The current ownership guidelines require the executives to maintain ownership of our stock or other securities having a value expressed as a multiple of their base salary for as long as they remain our employees. These multiples are as follows:

Position	Value as a Multiple of Base Salary
Chief Executive Officer	4.0
President and/or Chief Operating Officer	3.0
Other Executive Officers and Executive Vice Presidents who are heads of significant disciplines	2.0

In addition, these executives are required to retain ownership of a sufficient number of shares received in the form of restricted share awards representing at least 50% of the after-tax value of his or her award or 25% of the pre-tax value of such awards. These shares are to be retained by the executive until he or she retires, dies, becomes disabled or is no longer our employee.

Ownership of any class of our equity securities or units of Simon Property Group, L.P. counts toward fulfillment of these guidelines, including securities held directly, securities held indirectly by or for the benefit of immediate family members, shares of restricted stock that have been earned, even if not vested, and shares held following the exercise of stock options. Unexercised stock options do not count toward these goals. Each of our named executive officers currently meets or exceeds these guidelines.

We do not have a policy regarding the recovery of performance-based awards in the event of a financial statement restatement beyond the requirements of Section 302 of the Sarbanes-Oxley Act of 2002. That statute requires the chief executive and chief financial officers of a publicly-held company to repay certain amounts if the company restates its financial statements as a result of financial reporting misconduct. The amounts to be repaid consist of (1) any bonus or other incentive-based or equity-based compensation received from the company during a twelve month period following the filing of the financial document in question; and (2) any profits realized from the sale of securities of the company during that period.

**Section 162(m)**

Section 162(m) of the Internal Revenue Code disallows a federal income tax deduction to publicly-held companies for compensation paid to certain executives to the extent their compensation exceeds \$1,000,000 in any fiscal year. As long as we qualify as a REIT, we do not pay taxes at the corporate level. To the extent that

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any part of our compensation expense does not qualify for deduction under Section 162(m), a larger portion of stockholder distributions may be subject to federal income tax as ordinary income rather than return of capital, and any such compensation allocated to our taxable REIT subsidiaries whose income is subject to federal income tax would result in an increase in income taxes due to the inability to deduct such compensation. In addition, the Internal Revenue Service has issued a series of private letter rulings which indicate that compensation paid by an operating partnership to executive officers of a REIT that serves as its general partner is not subject to limitation under Section 162(m) to the extent such compensation is attributable to services rendered to the operating partnership. Although we have not obtained a ruling on this issue, we believe the positions taken in the rulings would apply to our operating partnership as well.

Substantially all of the services rendered by our executive officers were on behalf of the Operating Partnership. Accordingly, we believe that the compensation we paid to our executive officers for 2009 will not be limited by Section 162(m).

Table of Contents**SUMMARY COMPENSATION TABLE**

The table below summarizes the total compensation paid or awarded to each of our named executive officers for the years indicated. For a more thorough discussion of our executive compensation program, see the Compensation Discussion and Analysis which begins on page 28 of this proxy statement.

Name and Principal Position	Year	Salary <sup>(1)</sup>	Bonus <sup>(2)</sup>	Stock Awards <sup>(3)</sup>	All Other Compensation <sup>(4)</sup>	Total
(a)	(b)	(c)	(d)	(e)	(i)	(j)
David Simon	2009	1,038,462	3,000,000	578,677	16,444	4,633,583
Chairman and Chief Executive Officer	2008	1,000,000	810,000	1,615,254	15,697	3,440,952
	2007	882,308	1,350,000	1,360,732	15,422	3,608,462
Stephen E. Sterrett	2009	493,269	750,000	319,680	17,780	1,580,729
Executive Vice President and Chief Financial Officer	2008	475,000	270,000	807,627	16,763	1,569,390
	2007	470,192	450,000	923,341	16,488	1,860,021
Richard S. Sokolov	2009	812,077	1,000,000	479,487	309,035	2,600,599
President and Chief Operating Officer	2008	782,000	586,500	1,211,441	300,784	2,880,725
	2007	780,423	900,000	1,360,732	294,584	3,335,739
James M. Barkley	2009	519,231	850,000	319,680	18,244	1,707,155
General Counsel and Secretary	2008	500,000	360,000	807,627	17,665	1,685,292
	2007	495,192	600,000	972,017	17,390	2,084,599
John Rulli	2009	467,308	500,000	303,693	17,510	1,288,511
Executive Vice President and President Simon Management Group						

- (1) The base salary for 2009 was unchanged from 2008, but is greater due to an additional pay period occurring in 2009.
- (2) Bonuses earned with respect to the indicated year were paid in the following year.
- (3) Represents the grant date fair value of restricted stock awards determined in accordance with Accounting Standards Codification Topic 718, or ASC 718 (formerly known as SFAS 123(R)). The stock awards in the table were made in the indicated year; however, they were based on performance for the preceding year. For a discussion of the assumptions made in the valuation of the restricted stock awards, see Note 10 to the Consolidated Financial Statements included in our Annual Reports on Form 10-K for the years ended December 31, 2009, December 31, 2008 and December 31, 2007.
- (4) Amounts reported in 2009 consist of the following:

	Company and Matching Contributions to 401(k) Retirement Plan	Employee and Dependent Life Insurance Premiums	Use of Charter Aircraft
David Simon	\$ 13,475	\$ 2,969	\$ 0
Mr. Sterrett	13,475	4,305	0
Mr. Sokolov	13,475	4,718	290,842
Mr. Barkley	13,475	4,769	0
Mr. Rulli	13,475	4,035	0



Table of Contents**SUPPLEMENTAL TABLE****Total Direct Compensation<sup>(1)</sup> Earned in Prior Three Fiscal Years**

<b>Name</b>	<b>Year</b>	<b>Salary<sup>(2)</sup> (\$)</b>	<b>Bonus<sup>(3)</sup> (\$)</b>	<b>Restricted Stock<sup>(4)</sup> (\$)</b>	<b>Total Direct Compensation (\$)</b>
David Simon	2009	1,038,462	3,000,000	3,544,651	7,583,113
	2008	1,000,000	810,000	578,677	2,388,677
	2007	882,308	1,350,000	1,615,254	3,847,562
Stephen E. Sterrett	2009	493,269	750,000	759,640	2,002,909
	2008	475,000	270,000	319,680	1,064,680
	2007	470,192	450,000	807,627	1,727,819
Richard S. Sokolov	2009	812,077	1,000,000	911,501	2,723,578
	2008	782,000	586,500	479,487	1,847,987
	2007	780,423	900,000	1,211,441	2,891,864
James M. Barkley	2009	519,231	850,000	759,640	2,128,871
	2008	500,000	360,000	319,680	1,179,680
	2007	495,192	600,000	807,627	1,902,819
John Rulli	2009	467,308	500,000	759,640	1,726,948

- (1) Total direct compensation consists solely of (1) the actual salary paid for the indicated year, (2) the annual cash bonus earned for the indicated year which is paid in the following year and (3) the restricted stock awards which are based on performance for the indicated year, but are issued in the following year at their grant date fair value. It does not include all elements of compensation shown in the Summary Compensation Table.
- (2) The base salary for 2009 was unchanged from 2008, but is greater due to an additional pay period occurring in 2009.
- (3) Bonuses earned for the indicated year were paid in the following year.
- (4) The amounts are the ASC 718 grant date fair value of the restricted stock awards that were issued in the following year.

Table of Contents**GRANTS OF PLAN-BASED AWARDS IN 2009**


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Name (a)	Grant Date (b)	All Other Stock Awards: Number of Shares of Stock or Units <sup>(1)</sup>	Grant Date Fair Value of Stock and Option Awards
		(#) (i)	(\$/Sh) (1) <sup>(2)</sup>
David Simon	3/02/09	19,315	578,677
Stephen E. Sterrett	2/27/09	9,658	319,680
Richard S. Sokolov	2/27/09	14,486	479,487
James M. Barkley	2/27/09	9,658	319,680
John Rulli	2/27/09	9,175	303,693

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(1) Represents the number of shares of restricted stock issued in 2009 under the 2008 stock incentive program. As explained in the Compensation Discussion & Analysis, although the performance measures for the 2008 stock incentive program were achieved at levels that would have resulted in payouts at an 80% level, the actual payouts to the named executive officers were reduced to 40% or less.

(2) Represents the ASC 718 grant date fair value of the restricted stock issued in 2009 under the 2008 stock incentive program calculated using \$29.96, the closing price of our common stock as reported by the NYSE for March 2, 2009 for David Simon's award, and \$33.10, the closing price for February 27, 2009 for all other awards.

Table of Contents**OUTSTANDING EQUITY AWARDS AT 2009 FISCAL YEAR-END**

Name (a)	Option Awards				Stock Awards <sup>(1)</sup>			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) <sup>(5)</sup> (j)
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Option Exercise Price (\$) <sup>(2)</sup> (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) <sup>(3)</sup> (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(4)</sup> (h)	Shares, Units or Other Rights That Have Not Vested (#) (i)	
David Simon	100,000	0	25.5400	03/26/2011	45,569	3,636,406	n/a	0
	150,000	0	25.5400	03/26/2011				
Stephen E. Sterrett							n/a	0
	0	0	0		23,835	1,902,033		
Richard S. Sokolov							n/a	0
	50,000	0	25,5400	03/26/2011	35,960	2,869,608		
James M. Barkley							n/a	0
	5,000	0	25.5400	03/26/2011	23,946	1,910,891		
John Rulli							n/a	0
	0	0	0		22,580	1,801,884		

- (1) Restricted stock awards under our stock incentive programs are granted in the year following the program year if performance-based conditions are met and then vest in four equal annual installments beginning on January 1 of the year following the year of grant. The recipient must maintain continuous service through each vesting date, except for termination of service resulting from death, disability or, in certain circumstances, retirement. There was no stock incentive program for 2009.
- (2) The 1998 plan provides that the exercise price for stock options is equal to the mean between the high and low sales prices for our common stock as reported by the NYSE for the grant date.
- (3) Consists of the following shares of restricted stock that have been issued and not fully vested:

	Program Year	Number of Shares
David Simon	2005	6,250
	2006	5,883
	2007	14,121
	2008	19,315
Mr. Sterrett	2005	3,125
	2006	3,992
	2007	7,060
	2008	9,658
Mr. Sokolov	2005	5,000
	2006	5,884
	2007	10,590
	2008	14,486
Mr. Barkley	2005	3,125
	2006	4,203



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	2007	6,960
	2008	9,658
Mr. Rulli		
	2005	3,125
	2006	3,572
	2007	6,708
	2008	9,175

- (4) The market value of the restricted stock was calculated using \$79.80, the closing price of our common stock as reported by the NYSE for December 31, 2009.
- (5) Represents the actual number of shares of restricted stock issued in 2009 under the 2008 stock incentive program.

Table of Contents**OPTION EXERCISES AND STOCK VESTED IN 2009**

Name (a)	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise (\$) <sup>(1)</sup> (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting (\$) <sup>(2)</sup> (e)
	David Simon	0	0	13,899
Stephen E. Sterrett	0	0	11,101	589,796
Richard S. Sokolov	100,000	5,279,515	16,473	875,210
James M. Barkley	0	0	11,206	595,375
John Rulli	0	0	10,273	545,804

- (1) Value realized is calculated on the basis of the difference between the exercise price and the closing price of our common stock as reported by the NYSE on the date of exercise, multiplied by the number of shares acquired on exercise.
- (2) Portions of restricted stock awards from stock incentive programs for 2007 and earlier vested on January 1, 2009. Value realized is calculated by multiplying \$53.13 (the closing price of our common stock as reported by the NYSE on December 31, 2008) by the number of shares that vested on January 1, 2009.

**NONQUALIFIED DEFERRED COMPENSATION IN 2009**

Name (a)	Executive Contributions in Last FY (\$) <sup>(1)</sup> (b)	Registrant Contributions in Last FY (\$) (c)	Aggregate Earnings (Losses) in Last FY (\$) <sup>(2)</sup> (d)	Aggregate Withdrawals/ Distributions (\$) (e)	Aggregate Balance at Last FYE (\$) <sup>(3)</sup> (f)
David Simon	578,677	0	6,427,130	1,473,219	17,840,092
Stephen E. Sterrett	319,680	0	3,436,411	355,139	8,837,662
Richard S. Sokolov	0	0	0	0	0
James M. Barkley	319,680	0	2,931,101	5,253,160	5,269,251
John Rulli	303,693	0	3,112,953	1,468,332	7,536,289

- (1) The contributions reported consist of their restricted stock awards under the 2008 stock incentive program as follows: David Simon 19,315 shares; Mr. Sterrett 9,658 shares; Mr. Barkley 9,658 shares; and Mr. Rulli 9,175 shares.
- (2) Aggregate earnings include dividends paid on, and appreciation of, shares of our common stock held in the plan.
- (3) Of the amounts in this column, the following amounts are or were previously reported in the Summary Compensation Table: Mr. Simon \$9,282,181; Mr. Sterrett \$2,170,807; Mr. Sokolov \$0; Mr. Barkley \$5,141,862; and Mr. Rulli \$303,693.

The assets of our deferred compensation plan are held in what is commonly referred to as a "rabbi trust" arrangement. This means the assets of the plan are subject to the claims of our general creditors in the event of our insolvency. The plan assets are invested by the trustee in its sole discretion. Payments of a participant's elective deferrals are made as elected by the participant. These amounts would be paid earlier in the event of termination of employment or death of the participant, an unforeseen emergency affecting the participant as determined by the committee appointed to administer the plan or a change in control affecting us.

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We have not made any contributions to the executive account of our deferred compensation plan since its inception in 1995. As a result, the contributions and aggregate balances shown in the table above are composed entirely of contributions made by the executives from their salary, bonus or restricted stock awards for prior years and earnings on those amounts. The earnings do not represent above-market or preferential rates. The executives may vote and are entitled to receive dividends on their restricted stock awards in the plan.

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Deferral elections are made by eligible executives in June of each year for amounts to be earned or granted in the following year. An executive may defer all or a portion of salary, annual bonus or restricted stock awards.

The investment options available to an executive under the deferral program vary depending upon the type of compensation being deferred. The table below shows the investment options available and their annual rate of return for the calendar year ended December 31, 2009:

<b>Name of Fund</b>	<b>Rate of Return</b>	<b>Name of Fund</b>	<b>Rate of Return</b>
CMA Money Fund	0.310%	JP Morgan US Equity Fund	32.760%
Pimco Total Return Fund	13.360%	JP Morgan Small Cap Equity Fund	31.750%
Oppenhiemer Quest Balanced Fund	32.720%	BlackRock Basic Value Fund	30.450%
Massachusetts Investors Trust Fund	27.730%	Lord Abbett Mid Cap Value Fund	26.630%
BlackRock Fundamental Growth	36.540%	BlackRock Global Allocation Fund	21.640%
Alliance Bernstein International		CMA Treasury Fund	0.050%
Growth	40.090%	Simon Property Group Common	
BlackRock Bond Fund	15.840%	Stock*	57.100%
BlackRock Balanced Capital Fund	18.200%		

\*

Shares of our common stock contributed to the plan may be kept in that form as an investment option.

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**ESTIMATED POST-EMPLOYMENT PAYMENTS  
UNDER ALTERNATIVE TERMINATION SCENARIOS**

This section discloses the payments we would make to our named executive officers under alternative scenarios in which their employment could terminate. These consist of payments we would make under our current severance policy (which applies to all full-time employees) and Mr. Sokolov's employment agreement and certain continuing benefits under our 1998 plan. There are no other agreements, arrangements or plans that entitle our executive officers to severance, perquisites or other enhanced benefits upon a termination of employment. We do not disclose payments or other benefits under our 401(k) retirement plan and health and welfare plans because all salaried employees are entitled to the same benefits under those plans. The amounts paid upon termination of employment would not include any contributions we have made to the deferred compensation plan for our named executive officers because the amounts in that plan consist entirely of contributions made by the executives and earnings on those contributions.

**Severance Policy**

Under our current severance policy (which we may change without notice), we normally pay a severance benefit to a full-time employee (not covered by a collective bargaining agreement) whose employment is involuntarily terminated due to:

a reduction in force or organizational change following which the employee is not offered another position at substantially the same compensation;

the sale of assets, merger, reorganization or termination of management contract following which the employee is not offered another position with us or the successor company or manager at substantially the same compensation; or

contracting or subcontracting with a third party for services previously performed by our employees, but only if the employee applies for a position with the contractor and is not offered a position.

The severance benefit to our named executive officers is equal to one week of pay for each completed year of service, with a maximum of sixteen weeks. We do not pay severance to an employee whose employment is terminated under other circumstances, including termination for cause (which we can determine in our sole discretion).

In the event that any of our named executive officers, other than Mr. Sokolov, were involuntarily terminated as of December 31, 2009 under the circumstances covered by our current severance policy, they would have been entitled to the following severance benefit: David Simon, \$307,692; Mr. Sterrett, \$146,154; Mr. Barkley, \$153,846; and Mr. Rulli \$138,462. We discuss Mr. Sokolov's severance benefits below in the summary of his employment agreement.

**1998 Plan**

Pursuant to the 1998 plan and the terms of the restricted stock awards granted by the committee under the annual stock incentive programs for each year from 2001 to 2008, if a participant's employment is terminated for any reason (other than death, permanent disability or, as described below, retirement) the unvested portion of any restricted stock award will terminate. The unvested portion of restricted stock awards fully vests upon the death of a participant and will continue to vest upon the permanent disability of a participant. In the event any of our named executive officers were to have died or become permanently disabled as of December 31, 2009, the value (based on the closing price of \$79.80 for our common stock as reported by the NYSE for December 31, 2009) of the unvested portion of their restricted stock awards would have been: David Simon, \$3,63,406; Mr. Sterrett, \$1,902,033; Mr. Sokolov, \$2,869,608; Mr. Barkley, \$1,910,891; and Mr. Rulli, \$1,801,884.

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If a participant's employment terminates, the vested portion of his option awards will continue to be exercisable for a period of one year in the case of death or disability, three years in the case of retirement at or after age 65, and thirty days if his service is terminated for any other reason other than "cause". In the event service is terminated for cause, all option awards terminate. A participant is deemed to be terminated for "cause" under the 1998 plan if he is discharged (1) on account of fraud, embezzlement or other unlawful or tortious conduct, whether or not involving or against us or any of our affiliates, (2) for violation of our policies or the policies of any of our affiliates, (3) for serious and willful acts of misconduct detrimental to our or our affiliates' business or reputation or (4) for "cause" or any like term as defined in any written contract with the participant. All outstanding option awards held by our named executive officers were fully vested at December 31, 2009, so death, disability or retirement would not have affected any of those awards.

**Employment Agreement with Mr. Sokolov**

We have an employment agreement with Mr. Sokolov which has a term ending January 31, 2011, subject to automatic renewal for a one-year period unless either party provides 90 day advance notice. The agreement provides for an annual base salary of \$782,000, subject to annual review and adjustment by the committee. The agreement also provides that he is eligible to receive a cash bonus of not less than 75% and not more than 150% of his base salary as determined by the committee.

Mr. Sokolov's employment agreement provides severance benefits that are different from our current severance policy. These benefits are only payable if his employment terminates under the circumstances described in this section. If Mr. Sokolov's employment was terminated by us without "cause," or by him for "good reason," we would have to pay him an amount equal to one year's current base salary and his target bonus in twelve monthly installments. In those instances and also in the event of disability, any unvested restricted stock awards that the committee had granted would continue to vest provided that Mr. Sokolov executes a release in favor of the company and complies with the restrictive covenants described in the following paragraph.

The agreement includes covenants which restrict Mr. Sokolov while he is employed and during any period of time in which restricted stock awards continue to vest from: (1) soliciting any of our employees or inducing them to terminate their employment with us; (2) employing or offering employment to any persons employed by us in a non-administrative capacity during the previous twelve months; or (3) diverting any persons from doing business with us or inducing any persons from doing business with us or inducing anyone to cease being one of our customers or suppliers.

For purposes of Mr. Sokolov's agreement, "cause" is defined as a substantial and continued failure to perform his duties (following notice and an opportunity to cure) or conviction of a felony. "Good reason" is defined as a material diminution of or material adverse change in his duties, offices or responsibilities (including removal from or failure to secure his election to, the Board of Directors); a material breach of our obligations; a failure to have the agreement assumed by any successor to our business; or a required relocation of his principal base location from Youngstown, Ohio or Indianapolis, Indiana.

In the event Mr. Sokolov was terminated by us without "cause" or by him for "good reason" on December 31, 2009, he would have been entitled to receive a severance benefit of \$1,368,500 under his employment agreement.

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The following table sets forth information regarding the compensation we paid to our non-employee directors for 2009. Mr. Glasscock is not included in this table because he was not one of our directors during 2009.

**2009 DIRECTOR COMPENSATION TABLE**

Name (a) <sup>(1)</sup>	Fees earned or paid in cash	Stock Awards <sup>(2)</sup>	Total
	(\$) (b)	(\$) (c)	(\$) (h)
Birch Bayh <sup>(3)</sup>	39,466		39,466
Melvyn E. Bergstein	118,000	90,000	208,000
Linda Walker Bynoe	95,000	82,500	177,500
Karen N. Horn Ph.D.	104,000	90,000	194,000
Allan Hubbard	61,885	82,500	144,385
Reuben S. Leibowitz	105,500	82,500	188,000
Daniel C. Smith, Ph.D.	56,885	82,500	139,385
J. Albert Smith, Jr.	125,000	105,000	230,000
Pieter S. van den Berg <sup>(4)</sup>	65,500	82,500	148,000

- (1) David Simon, Richard S. Sokolov, Herbert Simon and the late Melvin Simon, who were also directors during 2009, are not included in this table because they did not receive any additional compensation for their service as directors. The compensation received by David Simon and Mr. Sokolov is shown in the Summary Compensation Table on page 41. We paid Herbert Simon and Melvin Simon total compensation for 2009 as follows: Herbert Simon \$103,846 and Melvin Simon \$73,846.
- (2) Represents the ASC 718 grant date fair value of the restricted stock awards to the directors. For a discussion of the assumptions used to determine grant date value, see footnote 3 to the Summary Compensation Table on page 41.
- (3) Mr. Bayh retired from the Board on May 8, 2009.
- (4) Mr. van den Berg retired from the Board on October 17, 2009.

The following table sets forth the aggregate number of shares of restricted stock held by each non-employee director as of December 31, 2009. The amounts do not include shares acquired from the reinvestment of dividends which is required under our deferred compensation plan.

Name	Number of Shares of Restricted Stock
Mr. Bergstein	8,269
Ms. Walker Bynoe	7,280
Dr. Horn	6,969
Mr. Hubbard	1,625
Mr. Leibowitz	5,280
Dr. Daniel C. Smith	1,625
Mr. J. Albert Smith, Jr.	9,946

No stock options were granted to non-employee directors during 2009 and there were no stock options previously awarded to non-employee directors that were outstanding as of December 31, 2009.





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**Compensation of Non-Employee Directors**

The Board of Directors believes that competitive compensation arrangements are necessary to attract and retain qualified non-employee directors. The key components of our director compensation program are an annual cash retainer, cash fees for meeting attendance, annual restricted stock grants and additional compensation to committee chairs and the Lead Independent Director.

During 2009, we paid each non-employee director an annual retainer of \$70,000. We also paid each non-employee director a fee of \$2,000 for attending each Board meeting and \$1,500 for attending each committee meeting. The meeting attendance fees are increased by 100% for any non-employee director who travels more than four time zones to attend the meeting.

Non-employee directors who serve as chairpersons of standing committees (excluding the Executive Committee) receive an additional annual cash fee of \$10,000 (in the case of the Audit and Compensation Committee) or \$7,500 (in the case of all other standing committees). The Lead Independent Director also receives an additional annual cash fee of \$12,500.

Under the 1998 plan, each non-employee director receives on the first day of the first calendar month following his or her initial election as a director, an award of restricted stock with a value of \$82,500 (pro-rated for partial years of service). Thereafter, as of the date of each annual meeting of stockholders, non-employee directors who are re-elected receive an award of restricted stock having a value of \$82,500. In addition, we make additional awards of restricted stock on the same date to the chairpersons of the standing committees (excluding the Executive Committee) having a value of \$10,000 (in the case of the Audit and Compensation Committee) or \$7,500 (in the case of all other standing committees). The Lead Independent Director also receives an annual restricted stock award having a value of \$12,500. The number of shares included in any award of restricted stock is determined by dividing the cash value of such award by the 20 trading day average closing price of our common stock ending on the trading day immediately preceding the date of any such award. The restricted stock vests in full after one year.

Once vested, all restricted stock awards granted to our non-employee directors must be held in the director account of our deferred compensation plan until the director retires, dies or becomes disabled or otherwise no longer serves as a director. The directors may vote and are entitled to receive dividends on the restricted stock awards in the account. Dividends on the restricted stock awards are reinvested in shares of our common stock. There are no assets other than shares of common stock in the director account.

**Director Ownership Guidelines**

Each of our directors is required to own not less than 3,000 shares of our common stock or units of Simon Property Group, L.P. within two years after he or she is initially elected to the Board, and not less than 5,000 shares of our common stock within three years from such date. In addition, our directors are required to hold vested restricted stock awards in the director account of our deferred compensation plan until the director retires, dies or becomes disabled, or otherwise no longer serves as a director. Any director who is prohibited by law or by applicable regulation of his or her employer from having an ownership interest in our securities will be exempt from this requirement until the restriction is lifted at which time he or she will have the following two and three year periods to comply with the ownership guidelines. Stock options and unvested shares of restricted stock do not count toward these goals. As of December 31, 2009, all of our directors were in compliance with the ownership guidelines.

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**ANNUAL REPORT**

Our Annual Report for the year ended December 31, 2009, including financial statements audited by E&Y, our independent registered public accounting firm, and E&Y's report thereon, is available to our stockholders on the Internet as described in the Notice of Internet availability of proxy materials. In addition, a copy of our Annual Report on Form 10-K for the year ended December 31, 2009, will be sent to any stockholder without charge (except for exhibits, if requested, for which a reasonable fee will be charged), upon written request to Shelly J. Doran, Vice President of Investor Relations, Simon Property Group, Inc., 225 West Washington Street, Indianapolis, Indiana 46204. Our Form 10-K is also available and may be accessed free of charge through the Investors/Financial Information section of our internet website, [www.simon.com](http://www.simon.com).

**STOCKHOLDER PROPOSALS AT  
2011 ANNUAL MEETING**

The date by which we must receive stockholder proposals for inclusion in the proxy materials relating to the 2011 annual meeting of stockholders, or for presentation at such meeting, is December 6, 2010. In the event that the 2011 annual meeting of stockholders is called for a date that is not within 30 days before or after May 6, 2011, in order to be timely, we must receive notice by the stockholder not later than the close of business on the later of 120 calendar days in advance of the 2011 annual meeting of stockholders or ten calendar days following the date on which public announcement of the date of the meeting is first made. Stockholder proposals must comply with all of the applicable requirements set forth in the rules and regulations of the Securities and Exchange Commission, including Rule 14a-8, as well as the advance notification requirements set forth in our By-Laws. A copy of the advance notification requirements may be obtained from James M. Barkley, General Counsel and Secretary, Simon Property Group, Inc., 225 West Washington Street, Indianapolis, Indiana 46204.

**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the informational requirements of the Exchange Act and so, we file periodic reports and other information with the Securities and Exchange Commission. These reports and the other information we file with the Securities and Exchange Commission can be read and copied at the public reference room facilities maintained by the Securities and Exchange Commission in Washington, DC at 100 F Street, N.E., Washington, DC 20549. The Securities and Exchange Commission's telephone number to obtain information on the operation of the public reference room is (800) SEC-0330. These reports and other information are also filed by us electronically with the Securities and Exchange Commission and are available at its website, [www.sec.gov](http://www.sec.gov).

**INCORPORATION BY REFERENCE**

To the extent this proxy statement has been or will be specifically incorporated by reference into any filing under the Exchange Act, the sections of this proxy statement entitled "COMPENSATION COMMITTEE REPORT" and "REPORT OF THE AUDIT COMMITTEE" should not be deemed to be so incorporated unless specifically otherwise provided in any such filing.

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