

VORNADO REALTY TRUST
Form DEF 14A
April 11, 2014

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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
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VORNADO REALTY TRUST

(Name of Registrant as Specified In Its Charter)

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

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VORNADO REALTY TRUST

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AND PROXY STATEMENT

2014

**888 Seventh Avenue
New York, New York 10019**

Notice of Annual Meeting of Shareholders to Be Held on May 22, 2014

To our Shareholders:

The 2014 Annual Meeting of Shareholders of Vornado Realty Trust, a Maryland real estate investment trust (the "Company"), will be held at the Saddle Brook Marriott, Interstate 80 and the Garden State Parkway, Saddle Brook, New Jersey 07663, on Thursday, May 22, 2014, beginning at 11:30 A.M., local time, for the following purposes:

- (1) To elect three persons to the Board of Trustees of the Company. Each person elected will serve for a term of three years and until his respective successor is duly elected and qualified.
- (2) To consider and vote upon the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the current fiscal year.
- (3) To consider and vote upon the approval of a non-binding, advisory resolution on executive compensation.
- (4) To consider and vote upon certain non-binding shareholder proposals, if properly presented at the meeting.
- (5) To transact any other business as may properly come before the meeting or any postponement or adjournment of the meeting.

The Board of Trustees of the Company has fixed the close of business on March 24, 2014 as the record date for the determination of shareholders entitled to notice of, and to vote at, the meeting.

Please review the accompanying proxy statement and proxy card or voting instruction form. Whether or not you plan to attend the meeting, it is important that your shares be represented and voted. You may authorize your proxy by the Internet or by touch-tone phone as described on the proxy card or voting instruction form. Alternatively, you may sign the proxy card or voting instruction form and return it in accordance with the instructions included with the proxy card or voting instruction form. You may revoke your proxy by (1) executing and submitting a later-dated proxy card or voting instruction form, (2) subsequently authorizing a proxy through the Internet or by telephone, (3) sending a written revocation of proxy to our Secretary at our principal executive office located at 888 Seventh Avenue, New York, New York 10019, or (4) attending the Annual Meeting and voting in person. To be effective, later-dated proxy cards, voting instruction forms, proxies authorized via the Internet or telephone or written revocations of proxies must be received by us by 11:59 P.M., New York City time, on Wednesday, May 21, 2014.

By Order of the Board of Trustees,
Alan J. Rice
Secretary
April 11, 2014

2014 PROXY STATEMENT

VORNADO REALTY
TRUST

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888 Seventh Avenue
New York, New York 10019

PROXY STATEMENT

Annual Meeting of Shareholders to Be Held on May 22, 2014

The accompanying proxy is being solicited by the Board of Trustees (the "Board of Trustees" or the "Board") of Vornado Realty Trust, a Maryland real estate investment trust ("we," "us," "our" or the "Company"), for exercise at our 2014 Annual Meeting of Shareholders (the "Annual Meeting") to be held on Thursday, May 22, 2014, beginning at 11:30 A.M., local time, at the Saddle Brook Marriott, Interstate 80 and the Garden State Parkway, Saddle Brook, New Jersey 07663. Our principal executive office is located at 888 Seventh Avenue, New York, New York 10019. Our proxy materials, including this proxy statement, the Notice of Annual Meeting of Shareholders, the proxy card or voting instruction form and our 2013 Annual Report are being distributed and made available on or about April 11, 2014.

In accordance with rules and regulations adopted by the U.S. Securities and Exchange Commission (the "SEC"), we have elected to provide our shareholders access to our proxy materials on the Internet. Accordingly, a notice of Internet availability of proxy materials will be mailed on or about April 11, 2014 to our shareholders of record as of the close of business on March 24, 2014. Shareholders are able to (1) access the proxy materials on a website referred to in the notice or (2) request that a printed set of the proxy materials be sent, at no cost to them, by following the instructions in the notice. **You will need your 12-digit control number that is included with the notice mailed on or about April 11, 2014, to authorize your proxy for your shares through the Internet. If you have not received a copy of this notice of internet availability, please contact our investor relations department at 201-587-1000 or send an e-mail to ircontact@vno.com. If you wish to receive a printed version of these materials, you may request them at www.proxyvote.com or by dialing 1-800-579-1639 and following the instructions at that website or phone number.**

How do you vote?

If you hold your shares of record in your own name, you may vote in person at the Annual Meeting or you may authorize your proxy over the Internet (at www.proxyvote.com), by telephone (at 1-800-690-6903) or by executing and returning a proxy card. Once you authorize a proxy, you may revoke that proxy by timely (1) executing and submitting a later-dated proxy card, (2) subsequently authorizing a proxy through the Internet or by telephone, (3) sending a written revocation of proxy to our Secretary at our principal executive office or (4) attending the Annual Meeting and voting in person. Attending the Annual Meeting without submitting a new proxy or voting in person will not automatically revoke your prior authorization of your proxy. To be effective, later-dated proxy cards, proxies authorized via the Internet, telephone or written revocations of proxies must be received by us by 11:59 P.M., New York City time, on Wednesday, May 21, 2014.

If you hold your common shares in "street name" (that is, as beneficial owner through a bank, broker or other nominee), your nominee will not vote your shares (other than with respect to the ratification of the appointment of our independent registered public accounting firm) unless you provide instructions to your nominee on how to vote your shares. If you hold shares in "street name," you will receive instructions from your nominee that you must follow in order to have your proxy authorized, or you may contact your nominee directly to request these voting instructions. You should instruct your nominee how to vote your shares by following the directions provided by your nominee.

We will pay the cost of soliciting proxies. We have hired MacKenzie Partners, Inc. to solicit proxies for a fee not to exceed \$5,500. In addition to solicitation by mail, by telephone and by e-mail or the Internet, arrangements may be made with brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy materials to their principals and we may reimburse them for their expenses in so doing.

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Who is entitled to vote?

Only shareholders of record as of the close of business on March 24, 2014 are entitled to notice of and to vote at the Annual Meeting. We refer to this date as the "record date." On that date, 187,403,992 of our common shares of beneficial interest, par value \$0.04 per share (the "Shares"), were outstanding. Holders of Shares as of the record date are entitled to one vote per Share on each matter properly presented at the Annual Meeting.

How do you attend the meeting in person?

If you hold your Shares in your own name, you will need only to present evidence of your identity, if asked. If you hold your Shares in "street name" and would like to attend the Annual Meeting in person, you will need to bring an account statement or other evidence acceptable to us of ownership of your Shares as of the close of business on the record date. If you hold Shares in "street name" and wish to vote in person at the Annual Meeting, you will need to contact your bank, broker or other nominee and obtain a legal proxy from your nominee and bring it to the Annual Meeting.

How will your votes be counted?

The holders of a majority of the outstanding Shares as of the close of business on the record date, present in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Any proxy, properly executed and returned, will be voted as directed and, if no direction is given, will be voted as recommended by the Board of Trustees in this proxy statement and in the discretion of the proxy holder as to any other matter that may properly come before the meeting. A broker non-vote and any proxy marked "withhold authority" or an abstention, as applicable, will count for the purposes of determining a quorum, but will have no effect on the result of the vote on the election of Trustees, the ratification of the appointment of our registered independent public accounting firm, the non-binding, advisory vote on executive compensation or the four non-binding shareholder proposals described below. A broker non-vote is a vote that is not cast on a non-routine matter because the shares entitled to cast the vote are held in street name, the broker lacks discretionary authority to vote the shares on that matter and the broker has not received voting instructions from the beneficial owner.

The election of each of our nominees for Trustee requires a plurality of the votes cast at the Annual Meeting. The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm, the approval of the non-binding, advisory vote on executive compensation, the non-binding shareholder proposal regarding majority voting, the non-binding shareholder proposal regarding the appointment of an independent Chairman, the non-binding shareholder proposal regarding establishing one class of Trustees to be elected annually and the non-binding shareholder proposal regarding restricting the acceleration of equity awards following a change of control each require a majority of the votes cast on such matter at the Annual Meeting.

PROPOSAL 1: ELECTION OF TRUSTEES

TRUSTEES STANDING FOR ELECTION

Our Board currently has 10 Trustees. One of our current Trustees, Mr. Ronald G. Targan, has determined not to stand for election when his term expires this year. Consequently, following our Annual Meeting, our Board will have nine Trustees. On February 20, 2014, our Board, on the recommendation of our Corporate Governance and Nominating Committee, nominated each of Messrs. Michael Lynne, David Mandelbaum and Daniel R. Tisch for election at our Annual Meeting to the class of Trustees to serve until the Annual Meeting of Shareholders in 2017 and until their respective successors are duly elected and qualified. Each of these nominees currently serves as a member of our Board. Our organizational documents provide that our Trustees are divided into three classes, as nearly equal in number as reasonably possible, as determined by the Board. To continue to allow the classes of Trustees to be nearly as equal as possible following the departure of Mr. Targan, Mr. Mandelbaum, who is currently in the class of Trustees with a term expiring in 2016 (the "2016 Class"), with the concurrence of the Corporate Governance and Nominating Committee and the full Board, expressed his intention to resign from the 2016 Class effective upon his election as a member of the class of Trustees with a term expiring in 2017 (the "2017 Class"). If Mr. Mandelbaum is not elected as a member of the 2017 Class at the Annual Meeting, his resignation as a Trustee from the 2016 Class will not become effective and he will continue to serve as a member of the 2016 Class. One

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class of Trustees is elected at each Annual Meeting to hold office for a term of three years and until their respective successors have been duly elected and qualified.

Unless you direct otherwise in your signed proxy, each of the persons named in the attached proxy will vote your proxy for the election of the three nominees listed below as Trustees. If any nominee at the time of election is unavailable to serve, it is intended that each of the persons named in the proxy will vote for an alternate nominee who will be recommended by our Corporate Governance and Nominating Committee and nominated by the Board. Alternatively, the Board may reduce the size of the Board and number of nominees. Proxies may be voted only for the nominees named or such alternates. We do not currently anticipate that any nominee for Trustee will be unable to serve as Trustee.

The Board of Trustees recommends that shareholders vote "FOR" approval of the election of each of the nominees listed below to serve as a Trustee until the Annual Meeting of Shareholders in 2017 and until his respective successor has been duly elected and qualified.

Under our Amended and Restated Bylaws (the "Bylaws"), a plurality of all the votes cast at the Annual Meeting, if a quorum is present, is sufficient to elect a Trustee. Under Maryland law, proxies marked "withhold authority" will have no effect on the result of this vote. A broker non-vote will also have no effect on the result of this vote.

The following table lists the nominees and the other present members of the Board who will continue to serve following the 2014 Annual Meeting. Mr. Ronald G. Targan is also currently a member of the Board who will not serve beyond the 2014 Annual Meeting. For each such person, the table lists the age, principal occupation, position presently held with the Company, if any, and the year in which the person first became a member of our Board or a director of our predecessor, Vornado, Inc.

Name	Age	Principal Occupation and, if applicable, Present Position with the Company	Year Term Will Expire	Year First Elected as Trustee
Nominees for Election to Serve as Trustees Until the Annual Meeting in 2017				
Michael Lynne ⁽¹⁾⁽²⁾	72	Principal of Unique Features	2017	2005
David Mandelbaum ⁽¹⁾⁽³⁾⁽⁴⁾	78	A member of the law firm of Mandelbaum & Mandelbaum, P.C.; a general partner of Interstate Properties	2017	1979
Daniel R. Tisch ⁽¹⁾⁽²⁾⁽⁵⁾	62	Managing Member of TowerView LLC	2017	2012
Present Trustees Elected to Serve as Trustees Until the Annual Meeting in 2015				
Steven Roth ⁽⁶⁾	72	Chairman of the Board of Trustees of the Company since May 1989; Chief Executive Officer of the Company from May 1989 to May 2009 and since April 15, 2013; Managing General Partner of Interstate Properties	2015	1979
Michael D. Fascitelli	57	Owner, MDF Capital LLC since June, 2013. From May 2009 to April 15, 2013, President and Chief Executive Officer of the Company	2015	1996
Russell B. Wight, Jr. ⁽¹⁾⁽³⁾⁽⁶⁾⁽⁷⁾	74	A general partner of Interstate Properties	2015	1979
Present Trustees Elected to Serve as Trustees Until the Annual Meeting in 2016				
Candace K. Beinecke ⁽¹⁾⁽³⁾⁽⁶⁾	67	Chair of Hughes Hubbard & Reed LLP	2016	2007
Robert P. Kogod ⁽¹⁾⁽⁵⁾	82	President of Charles E. Smith Management LLC	2016	2002
Dr. Richard R. West ⁽¹⁾⁽²⁾⁽⁵⁾	76	Dean Emeritus, Leonard N. Stern School of Business, New York University	2016	1982

(1) *Independent pursuant to the rules of the New York Stock Exchange ("NYSE") as determined by vote of the Board.*

(2) *Member of the Compensation Committee of the Board.*

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(3) *Member of the Corporate Governance and Nominating Committee of the Board.*

(4) *Mr. Ronald G. Targan, currently a member of the class of Trustees elected to serve until the Annual Meeting in 2014, has determined not to stand for election at this year's Annual Meeting. Our organizational documents require that our classes of Trustees shall be as nearly equal in number as possible. Accordingly, Mr. Mandelbaum, who currently serves as a member of the 2016 Class, will stand for election in Mr. Targan's place as a member of the 2017 Class. If Mr. Mandelbaum is elected at the Annual Meeting in 2014 to serve as a member of the 2017 Class, he will resign from his position as a member of the 2016 Class. If Mr. Mandelbaum is not elected as a member of the 2017 Class at the Annual Meeting, his resignation as a Trustee from the 2016 Class will not become effective and he will continue to serve as a member of the 2016 Class.*

(5) *Member of the Audit Committee of the Board.*

(6) *Member of the Executive Committee of the Board.*

(7) *Lead Trustee.*

BIOGRAPHIES OF OUR TRUSTEES

Ms. Beinecke has served as Chair of Hughes Hubbard & Reed LLP, a New York law firm, since 1999 and is a practicing partner in Hughes Hubbard's Corporate Department. Ms. Beinecke also serves as Chairperson of the Board of Arnhold & S. Bleichroeder Advisors LLC's First Eagle Funds, Inc. (a U.S. public mutual fund family), and as a board member of ALSTOM (a public French transport and power company).

Mr. Fascitelli has served as a member of our Board of Trustees since December 1996. He served as our President since December 1996 and as our Chief Executive Officer since May 2009 until his resignation from both positions effective April 15, 2013. From December 1992 to December 1996, Mr. Fascitelli was a partner at Goldman Sachs & Co. (an investment banking firm) in charge of its real estate practice and was a vice president prior thereto. Until May 23, 2013, he was also a director of Alexander's, Inc. ("Alexander's") (a real estate investment trust) and served as its President until April 15, 2013. From 2004 until 2013 he also served as a director of Toys "R" Us, Inc. (a retailer).

Mr. Kogod was appointed a Trustee on January 1, 2002, the date Charles E. Smith Commercial Realty L.P. merged into a subsidiary of the Company. Currently, Mr. Kogod is the President of Charles E. Smith Management LLC (a privately-owned investment firm that is not affiliated with the Company). Previously, Mr. Kogod was Co-Chief Executive Officer and Co-Chairman of the Board of Directors of Charles E. Smith Commercial Realty L.P., from October 1997 through December 2001, and was Co-Chief Executive Officer and Co-Chairman of the Board of Directors of Charles E. Smith Residential Realty from June 1994 to October 2001.

Mr. Lynne has been a principal of Unique Features (a media company) since its formation in 2008. Prior to that, he was Co-Chairman and Co-Chief Executive Officer of New Line Cinema Corporation (a subsidiary of Time Warner, Inc. and a motion picture company) since 2001. Prior to 2001, Mr. Lynne served as President and Chief Operating Officer of New Line Cinema, starting in 1990. From 2006 until 2008, Mr. Lynne served on the Board of Directors of Time Warner Cable Inc. (a telecommunications company).

Mr. Mandelbaum has been a member of the law firm of Mandelbaum & Mandelbaum, P.C. since 1960. Since 1968, he has been a general partner of Interstate Properties (an owner of shopping centers and investor in securities and partnerships, "Interstate"). Mr. Mandelbaum is also a director of Alexander's.

Mr. Roth has been the Chairman of our Board of Trustees since May 1989 and Chairman of the Executive Committee of the Board since April 1980. From May 1989 until May 2009, Mr. Roth served as our Chief Executive Officer. Since, April 15, 2013 Mr. Roth again serves in that position. Since 1968, he has been a general partner of Interstate and he currently serves as its Managing General Partner. He is the Chairman of the Board and Chief Executive Officer of Alexander's. Since 2011, Mr. Roth was a director of J. C. Penney Company, Inc. (a retailer) until September 13, 2013. In addition, from 2005 until February 2011, Mr. Roth was a director of Toys "R" Us, Inc.

Mr. Targan has been the President of Malt Products Corporation of New Jersey (a producer of malt syrup) since 1962. From 1964 until July 2002, Mr. Targan was a member of the law firm of Schechner and Targan, P.A.

Mr. Tisch has been the Managing Member of TowerView LLC (a private investment partnership) since 2001. Mr. Tisch also serves as a member of the Board of Directors of Tejon Ranch Company (a real estate development and agribusiness company).

Dr. West is Dean Emeritus of the Leonard N. Stern School of Business at New York University. He was a professor there from September 1984 until September 1995 and Dean from September 1984 until August 1993. Prior thereto, Dr. West was Dean of the Amos Tuck School of Business Administration at Dartmouth College. Dr. West is also a director of Alexander's.

Mr. Wight has been a general partner of Interstate since 1968. Mr. Wight is also a director of Alexander's.

RELATIONSHIPS AMONG OUR TRUSTEES

We are not aware of any family relationships among any of our Trustees or executive officers or persons nominated or chosen by us to become Trustees or executive officers.

Messrs. Roth, Wight and Mandelbaum each are general partners of Interstate. Since 1992, Vornado has managed all the operations of Interstate for a fee as described in "Certain Relationships and Related Transactions Transactions Involving Interstate Properties."

Messrs. Roth, Wight and Mandelbaum and Dr. West are also directors of Alexander's. Until May 23, 2013, Mr. Fascitelli was also a director of Alexander's. As of the record date, the Company, together with Interstate and its general partners, beneficially owns approximately 59% of the outstanding common stock of Alexander's.

For more information concerning Interstate, Alexander's and other relationships involving our Trustees, see "Certain Relationships and Related Transactions."

CORPORATE GOVERNANCE

The common shares of the Company or its predecessor have been continuously listed on the NYSE since January 1962 and the Company is subject to the NYSE's Corporate Governance Standards.

The Board has determined that Ms. Beinecke and Messrs. Kogod, Lynne, Mandelbaum, Targan, Tisch and Wight and Dr. West are independent under the Corporate Governance Standards of the NYSE, with the result that eight of our 10 Trustees are independent (seven out of nine following the Annual Meeting). The Board reached this conclusion after considering all applicable relationships between or among such Trustees and the Company or management of the Company. These relationships are described in the sections of this proxy statement entitled "Relationships Among Our Trustees" and "Certain Relationships and Related Transactions." Among other factors considered by the Board in making its determinations regarding independence was the Board's determination that these Trustees met all of the "bright-line" requirements of the NYSE Corporate Governance Standards as well as the categorical standards adopted by the Board as contained in our Corporate Governance Guidelines.

As part of its commitment to good corporate governance, the Board of Trustees has adopted the following documents:

Audit Committee Charter

Compensation Committee Charter

Corporate Governance and Nominating Committee Charter

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Corporate Governance Guidelines (attached as Annex A)

Code of Business Conduct and Ethics

We have made available on our website (www.vno.com) copies of these documents. We will post any future changes to these documents to our website and may not otherwise publicly file such changes. Our regular filings with the SEC and our Trustees' and executive officers' filings under Section 16(a) of the Securities Exchange Act of 1934 are also available on our website. In addition, copies of these documents are available free of charge from the Company upon your written request. Requests should be sent to our investor relations department located at our principal executive office.

The Code of Business Conduct and Ethics applies to all of our Trustees, executives and other employees.

COMMITTEES OF THE BOARD OF TRUSTEES

The Board has an Executive Committee, an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. Other than the Executive Committee, each committee is comprised solely of independent Trustees.

The Board held seven meetings during 2013. Each Trustee attended at least 75% of the combined total of the meetings of the Board and all committees on which he or she served during 2013.

In addition to full meetings of the Board, non-management Trustees met four times in sessions without members of management present. Mr. Wight, as Lead Trustee, acts as presiding member during these non-management sessions. We do not have a policy with regard to Trustees' attendance at Annual Meetings of Shareholders. All of our Trustees serving at the time of our 2013 Annual Meeting of Shareholders were present at the meeting.

Executive Committee

The Executive Committee possesses and may exercise certain powers of the Board in the direction of the management of the business and affairs of the Company. The Executive Committee consists of three members, Mr. Roth, Ms. Beinecke and Mr. Wight. Mr. Roth is the Chairman of the Executive Committee. The Executive Committee did not meet in 2013.

Audit Committee

The Audit Committee held seven meetings during 2013. During 2013, the members of the Audit Committee were: Dr. West, as Chairman, Mr. Kogod and Mr. Tisch.

The Board has adopted a written Audit Committee Charter, which sets forth the membership requirements and responsibilities of the Audit Committee, among other matters. The Audit Committee Charter is available on our website (www.vno.com). The Board has determined that all existing Audit Committee members meet the NYSE and SEC standards for independence and the NYSE standards for financial literacy. In addition, at all times, at least one member of the Audit Committee has met the NYSE standards for financial management expertise.

The Board has determined that Dr. West is an "audit committee financial expert," as defined by SEC Regulation S-K, and thus has at least one such expert serving on its Audit Committee. The Board reached this conclusion based on the relevant experience of Dr. West, including as described above under "Biographies of our Trustees."

The Audit Committee's purposes are to (i) assist the Board in its oversight of (a) the integrity of our financial statements, (b) our compliance with legal and regulatory requirements, (c) the independent registered public accounting firm's qualifications and independence, and (d) the performance of the independent registered public accounting firm and the Company's internal audit function; and (ii) prepare an Audit Committee report as required by the SEC for inclusion in our annual proxy statement. The function of the Audit Committee is

oversight. The management of the Company is responsible for the preparation, presentation and integrity of our financial statements and for the effectiveness of internal control over financial reporting. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The independent registered public accounting firm is responsible for planning and carrying out a proper audit of our annual financial statements, reviewing our quarterly financial statements prior to the filing of each Quarterly Report on Form 10-Q and annually auditing the effectiveness of internal control over financial reporting and other procedures. Persons interested in contacting our Audit Committee members with regard to accounting, auditing or financial concerns will find information on how to do so on our website (www.vno.com).

Compensation Committee

The Compensation Committee is responsible for establishing the terms of the compensation of the executive officers and the granting and administration of awards under the Company's omnibus share plans. The committee, which held six meetings during 2013, consists of the following members: Mr. Lynne, as Chairman, Dr. West and, from May 23, 2013, Mr. Tisch. All members of the Compensation Committee have been determined by the Board to be independent. The Board has adopted a written Compensation Committee Charter which is available on our website (www.vno.com). The Compensation Committee Charter reflects our Board's early adoption of changes required by the corporate governance rules of the New York Stock Exchange.

Compensation decisions for our executive officers are made by the Compensation Committee. Decisions regarding compensation of other employees are made by our Chief Executive Officer and are subject to review and approval of the Compensation Committee. Compensation decisions for our Trustees are made by the Compensation Committee and/or the full Board.

The agenda for meetings of the Compensation Committee is determined by its Chairman with the assistance of the Company's Secretary and/or other members of management. Compensation Committee meetings are attended from time to time by members of management at the invitation of the Compensation Committee. The Compensation Committee's Chairman reports the committee's determination of executive compensation to the Board. The Compensation Committee has authority under its charter to elect, retain and approve fees for, and to terminate the engagement of, compensation consultants, special counsel or other experts or consultants as it deems appropriate to assist in the fulfillment of its responsibilities. The Compensation Committee reviews the total fees paid by us to outside consultants to ensure that such consultants maintain their objectivity and independence when rendering advice to the committee. The Compensation Committee may receive advice from compensation consultants, special counsel or other experts or consultants only after consideration of relevant factors related to their fees, services and potential conflicts of interests, as outlined in the Compensation Committee's Charter.

The Compensation Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the committee. In particular, the Compensation Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the committee who are (i) "Non-Employee Directors" for the purposes of SEC Rule 16b-3; and (ii) "outside directors" for the purposes of Section 162(m) of the Internal Revenue Code. Currently, all members of the Compensation Committee meet these criteria.

See "Compensation Discussion and Analysis" below for a discussion of the role of executive officers in determining or recommending compensation for our executive officers. We have also included under "Compensation Discussion and Analysis" a discussion of the role of compensation consultants in determining or recommending the amount or form of executive or Trustee compensation.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee, which met three times during 2013, consists of Ms. Beinecke, as Chair, and Messrs. Mandelbaum and Wight. Each of Ms. Beinecke and Messrs. Mandelbaum and Wight has been determined by the Board to be independent. The Board has adopted a written Corporate

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Governance and Nominating Committee Charter which is available on our website (www.vno.com). The committee's responsibilities include the selection of potential candidates for the Board and the development and review of our governance principles. It also reviews Trustee compensation and benefits, and oversees annual self-evaluations of the Board and its committees. The committee also makes recommendations to the Board concerning the structure and membership of the other Board committees as well as management succession plans. The committee selects and evaluates candidates for the Board in accordance with the criteria set out in the Company's Corporate Governance Guidelines and as are set forth below. The committee is then responsible for recommending to the Board a slate of candidates for Trustee positions for the Board's approval. Generally, candidates for a position as a member of the Board are suggested by existing Board members; however, the Corporate Governance and Nominating Committee will consider shareholder recommendations for candidates for the Board sent to the Corporate Governance and Nominating Committee, c/o Alan J. Rice, Secretary, Vornado Realty Trust, 888 Seventh Avenue, New York, New York 10019, and will evaluate any such recommendations using the criteria set forth in the Corporate Governance and Nominating Committee Charter and our Corporate Governance Guidelines.

LEAD TRUSTEE

On February 20, 2014, our independent Trustees re-appointed Mr. Wight to serve as Lead Trustee for a one-year term. He has served in such capacity since February 2009. The responsibilities and duties of the Lead Trustee are described in our Corporate Governance Guidelines and include:

presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent Trustees;

serving as liaison between the Chairman and the independent Trustees;

consulting with the Chairman as to the schedule of Board meetings and agenda items and materials sent in advance of Board meetings; and

calling meetings of the independent Trustees when appropriate.

CRITERIA AND DIVERSITY

In considering whether to recommend any candidate for election or re-election as a Trustee, including candidates recommended by shareholders, the Corporate Governance and Nominating Committee will apply the criteria set forth in our Corporate Governance Guidelines and considers criteria including:

personal abilities and skills;

personal qualities and characteristics, accomplishments and reputation in the business community;

current knowledge and understanding of our industry, other industries relevant to our business and the communities in which we do business;

ability and willingness to commit adequate time to Board and committee matters;

the fit of the individual's skills with those of other Trustees in building a Board that is effective and responsive to the needs of the Company; and

diversity of viewpoints, experience and other demographics.

Accordingly, in consideration with many other factors, the Committee selects nominees with a broad diversity of abilities, experience, professions, skills and backgrounds. The Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. The Company believes that the backgrounds and qualifications of members of our Board of Trustees, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow

the Board to fulfill its responsibilities. Nominees are not discriminated against on the basis of race, religion, national origin, sexual orientation, disability or any other basis proscribed by law.

We believe our current nominees for the Board of Trustees and the other members of our Board collectively have the abilities, skills and experience to create a board that is well-suited to oversee the management of our Company. Each member has the integrity, business judgment and commitment to our Board and our shareholders that comprise essential characteristics for a Trustee of our Company. Our Trustees also bring to the Board highly developed skills in diverse areas such as finance and investing, accounting, law and the operation of real estate companies and are recognized leaders in their respective fields. In addition, members of the Board have diverse views and experiences that strengthen their ability to guide our Company. Additionally, we believe that the significant shareholdings in our Company held by our Board members are an important factor in aligning our Board's perspective with those of its shareholders in general. All of our Trustees have equity interests in our Company. In addition, all of our Trustees have extensive experience serving on the boards, and/or being at the most senior management level, of other public or private organizations. More specifically, each of Messrs. Roth, Fascitelli, Kogod, Mandelbaum and Wight has extensive experience in the real estate industry generally, and with our Company in particular, and is skilled in the investment in and operation of real estate or real estate companies. Dr. West brings extensive experience in financial and accounting oversight. Each of Messrs. Kogod, Lynne and Tisch has experience leading other companies. Dr. West has had a lengthy career in academia and as a leader of prominent business schools. Ms. Beinecke and Mr. Mandelbaum each have led a law firm and also have substantial experience in advising a wide range of businesses. Mr. Tisch has extensive experience in investing, in the capital markets and in risk management. Our Board greatly benefits from this robust and diverse set of abilities, skills and experience.

LEADERSHIP STRUCTURE

Our Board of Trustees has an active, independent Lead Trustee and the positions of Chairman and Chief Executive Officer are held by the same person, Mr. Roth. At present, our Board believes that this structure is appropriate and that it facilitates independent oversight of management.

THE BOARD'S ROLE IN RISK OVERSIGHT

While risk management is primarily the responsibility of the Company's senior management team, the Board of Trustees is responsible for the overall supervision of the Company's risk management activities. The Board's oversight of the material risks faced by our Company occurs at both the full Board level and at the committee level. The Board's role in the Company's risk oversight process includes receiving reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory, strategic and reputational risks. The full Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives these reports from the appropriate "risk owner" within our organization or in connection with other management-prepared presentations of risk to enable the Board (or committee, as applicable) to understand our risk identification, risk management and risk mitigation strategies. By "risk owner," we mean that person or group of persons who is or are primarily responsible for overseeing a particular risk. As part of its charter, the Audit Committee discusses our policies with respect to risk assessment and risk management and reports to the full Board its conclusions as a partial basis for further discussion by the full Board. This enables the Board and the applicable committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. In addition to the Board's review of risks applicable to the Company generally, the Board conducts an annual strategic and personnel review.

* * * * *

Persons wishing to contact the independent members of the Board should call (866) 537-4644. A recording of each phone call to this number will be sent to one independent member of the Audit Committee as well as to a member of management who may respond to any such call if the caller provides a return number. This means of contact should not be used for solicitations or communications with us of a general nature. Information on how to contact us generally is available on our website (www.vno.com).

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PRINCIPAL SECURITY HOLDERS

The following table lists the number of Shares and Units beneficially owned, as of March 24, 2014, by (i) each person who holds more than a 5% interest in the Company or our operating partnership, Vornado Realty L.P., a Delaware limited partnership (the "Operating Partnership"), (ii) Trustees of the Company, (iii) the executive officers of the Company defined as "Named Executive Officers" in "Executive Compensation" below, and (iv) the Trustees and all executive officers of the Company as a group. Unless otherwise specified, "Units" are Class A units of limited partnership interest of our Operating Partnership and other classes of units convertible into Class A units. The Company's ownership of Units is not reflected in the table but is described in footnotes (1) and (2).

Name of Beneficial Owner	Address of Beneficial Owner	Number of Shares and Units Beneficially Owned⁽¹⁾⁽²⁾	Percent of All Shares⁽¹⁾⁽²⁾⁽³⁾	Percent of All Shares and Units⁽¹⁾⁽²⁾⁽⁴⁾
Named Executive Officers and Trustees				
Steven Roth ⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾	(9)	9,446,995	5.02%	4.73%
David Mandelbaum ⁽⁵⁾⁽⁸⁾⁽¹⁰⁾	(9)	9,055,838	4.83%	4.55%
Russell B. Wight, Jr. ⁽⁵⁾⁽⁸⁾⁽¹¹⁾	(9)	6,023,595	3.21%	3.03%
Michael D. Fascitelli ⁽⁷⁾⁽⁸⁾⁽¹²⁾	(9)	2,952,831	1.57%	1.48%
Robert P. Kogod ⁽⁸⁾⁽¹³⁾	(9)	2,057,303	1.09%	1.03%
David R. Greenbaum ⁽⁷⁾⁽⁸⁾⁽¹⁴⁾	(9)	625,079	*	*
Ronald G. Targan ⁽⁸⁾	(9)	610,405	*	*
Wendy A. Silverstein ⁽⁷⁾⁽⁸⁾	(9)	264,515	*	*
Joseph Macnow ⁽⁷⁾⁽⁸⁾⁽¹⁵⁾	(9)	236,096	*	*
Mitchell N. Schear ⁽⁷⁾⁽⁸⁾	(9)	221,921	*	*
Richard R. West ⁽⁸⁾⁽¹⁶⁾	(9)	31,659	*	*
Daniel R. Tisch ⁽⁸⁾	(9)	9,052	*	*
Michael Lynne ⁽⁸⁾	(9)	8,528	*	*
Candace K. Beinecke ⁽⁸⁾	(9)	7,541	*	*
Stephen Theriot ⁽⁸⁾	(9)	3,177	*	*
All Trustees and executive officers as a group (17 persons) ⁽⁷⁾⁽⁸⁾	(9)	20,416,658	10.69%	10.14%
Other Beneficial Owners				
The Vanguard Group, Inc. ⁽¹⁷⁾	100 Vanguard Blvd Malvern, PA 19355	20,137,286	10.75%	10.13%
Vanguard Specialized Funds Vanguard REIT Index Fund ⁽¹⁸⁾	100 Vanguard Blvd Malvern, PA 19355	11,377,987	6.07%	5.72%
Cohen & Steers, Inc. ⁽¹⁹⁾	280 Park Avenue New York, NY 10017	17,545,961	9.36%	8.82%
BlackRock, Inc. ⁽²⁰⁾	40 East 52 nd Street New York, NY 10022	14,281,137	7.62%	7.18%

*Less than 1%.

- (1) *Unless otherwise indicated, each person is the direct owner of, and has sole voting power and sole investment power with respect to, such Shares and Units. Numbers and percentages in the table are based on 187,403,922 Shares and 11,452,229 Units (other than Units held by the Company) outstanding as of March 24, 2014.*
- (2) *In April 1997, the Company transferred substantially all of its assets to the Operating Partnership. As a result, the Company conducts its business through, and substantially all of its interests in properties are held by, the Operating Partnership. The Company is the sole general partner of, and owned approximately 94% of the Units of, the Operating Partnership as of March 24, 2014 (one Unit for each Share outstanding). Generally, any time after one year from the date of issuance (or two years in the case of certain holders), holders of Units (other than the Company) have the right to have their Units redeemed in whole or in part by the Operating Partnership for cash equal to the fair market value, at the time of redemption, of one Share for each Unit redeemed or, at the option of the Company, cash or one Share for each Unit tendered, subject to customary anti-dilution provisions (the "Unit Redemption Right"). Holders of Units may be able to sell publicly Shares received upon the exercise of their Unit Redemption Right pursuant to registration rights agreements with the Company. The Company has filed registration statements with the SEC to register the issuance or resale of certain of the Shares issuable upon the exercise of the Unit Redemption Right.*
- (3) *The total number of Shares outstanding used in calculating this percentage assumes that all Shares that each person has the right to acquire within 60 days of the record date (pursuant to the exercise of options or upon the redemption or conversion of other Company or Operating Partnership securities for or into Shares) are deemed to be outstanding, but are not deemed to be outstanding for the purpose of computing the ownership percentage of any other person.*
- (4) *The total number of Shares and Units outstanding used in calculating this percentage assumes that all Shares and Units that each person has the right to acquire within 60 days of the record date (pursuant to the exercise of options or upon the redemption or conversion of Company or Operating Partnership securities for or into Shares or Units) are deemed to be outstanding, but are not deemed to be outstanding for the purpose of computing the ownership percentage of any other person.*
- (5) *Interstate, a partnership of which Messrs. Roth, Wight and Mandelbaum are the three general partners, owns 5,603,548 Shares. These Shares are included in the total Shares and the percentage of class for each of them. Messrs. Roth, Wight and Mandelbaum share voting power and investment power with respect to these Shares. 1,000,000 of the Shares held by Interstate are pledged as security for loans from a third party.*
- (6) *Includes 3,873 Shares owned by the Daryl and Steven Roth Foundation over which Mr. Roth holds sole voting power and sole investment power. Does not include 37,299 Shares owned by Mr. Roth's spouse, as to which Mr. Roth disclaims any beneficial interest.*
- (7) *The number of Shares beneficially owned by the following persons includes the number of Shares indicated due to the vesting of options: Steven Roth 735,942; Michael D. Fascitelli 712,313; Joseph Macnow 166,720; David R. Greenbaum 203,342; Mitchell N. Schear 146,447; and Wendy Silverstein 177,661; and all Trustees and executive officers as a group 2,188,487.*
- (8) *The number of Shares beneficially owned includes the following numbers of shares of unvested restricted stock: all Trustees and executive officers as a group 3,058. The voting of these unvested restricted Shares may be directed by the deemed owner. The number of Shares and Units (but not the number of Shares alone) beneficially owned by the following persons also includes the number of vested and redeemable restricted units (as described below) as indicated: Steven Roth 67,098; Michael D. Fascitelli 67,098; Joseph Macnow 20,908; David R. Greenbaum 25,693; Mitchell Schear 25,077; Wendy Silverstein 22,633; David Mandelbaum 3,452; Russell B. Wight, Jr. 3,452; Robert P. Kogod 3,452; Ronald G. Targan 3,452; Richard R. West 2,844; Michael Lynne 6,256; Candace K. Beinecke 6,256; Daniel R. Tisch 4,052; and all Trustees and executive officers as a group 268,721. The number of Shares or Units beneficially owned by the following persons does not include the number of unvested or unredeemable restricted units as indicated: Steven Roth 153,770; David Mandelbaum 2,371; Russell B. Wight, Jr.*
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2,371; Michael D. Fascitelli 159,848; Robert P. Kogod 2,371; Ronald G. Targan 2,371; David R. Greenbaum, 56,833; Joseph Macnow 47,009; Mitchell N. Schear 50,153; Wendy Silverstein 74,305; Stephen Theriot 3,196; Richard R. West 2,371; Michael Lynne 2,371; Candace K. Beinecke 2,108; Daniel R. Tisch 1,485; and all Trustees and executive officers as a group 640,935. The number of Shares or Units beneficially owned by the following persons does not include the number of unearned and unvested OPP Units as indicated: Steven Roth 256,103; David R. Greenbaum 62,119; Joseph Macnow 50,488; Mitchell N. Schear 49,703; Wendy Silverstein 50,488; Stephen Theriot 4,578 and all Trustees and executive officers as a group 549,759.

(9) *The address of such person(s) is c/o Vornado Realty Trust, 888 Seventh Avenue, New York, New York 10019.*

(10) *Of these Shares, 2,909,252 are held in a partnership of which the general partner is Mr. Mandelbaum and the limited partners are Mr. Mandelbaum and trusts for the benefit of Mr. Mandelbaum and his issue. In addition, 122,002 of these Shares are held in trusts for the benefit of Mr. Mandelbaum's grandchildren.*

(11) *Includes 15,907 Shares owned by the Wight Foundation, over which Mr. Wight holds sole voting power and sole investment power. Does not include 16,575 Shares owned by the spouse and children of Mr. Wight. Mr. Wight disclaims any beneficial interest in these Shares.*

(12) *The number of Shares beneficially owned by Mr. Fascitelli includes 167,537 Shares held by a limited partnership and 105,191 Shares held in a limited liability company and does not include 3,150 Shares owned by his children.*

(13) *Includes 1,201,517 Units held through corporations (individually or jointly with spouse). Excludes 289,424 Shares/Units held by spouse.*

(14) *Includes 49,817 Units held by a limited liability company and 87,827 Shares held in grantor trusts. Excludes 53,960 Shares and 3,040 Units held by his children and 17,566 Units held by his spouse.*

(15) *Excludes 69,080 Shares held by Mr. Macnow's spouse. 99,870 of these Shares are pledged as security for loans from third parties.*

(16) *Dr. West and his wife own 3,231 of these Shares jointly. Also included are 1,433 Shares that may be acquired upon conversion of 1,000 Series A preferred shares of beneficial interest owned by Dr. West.*

(17) *According to an amendment to Schedule 13G filed on February 12, 2014.*

(18) *According to an amendment to Schedule 13G filed on February 4, 2014.*

(19) *According to an amendment to Schedule 13G filed on February 14, 2014.*

(20) *According to an amendment to Schedule 13G filed on January 31, 2014.*

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our Trustees and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership of, and transactions in, certain classes of our equity securities with the SEC. Such Trustees, executive officers and 10% shareholders are also required to furnish us with copies of all Section 16(a) reports they file.

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Based solely on a review of the Forms 3, 4 and 5, and any amendments thereto, furnished to us, and on written representations from certain reporting persons, we believe that there were no filing deficiencies under Section 16(a) by our Trustees, executive officers and 10% shareholders in the year ended December 31, 2013 (or in 2014, prior to the mailing of this proxy statement) that were not reported in the proxy statement for our 2013 Annual Meeting of Shareholders.

COMPENSATION DISCUSSION AND ANALYSIS

Approach of this Compensation Discussion and Analysis Section

This Compensation Discussion and Analysis, or "CD&A," describes our executive compensation program for fiscal year 2013, certain elements of our 2014 program and the executive pay philosophy adhered to by our Compensation Committee in making executive compensation decisions. We use our executive compensation program to attract, retain and appropriately reward the members of our senior executive management team who lead our Company. In particular, this CD&A explains how the Compensation Committee made 2013 compensation decisions for our senior executive management team, including the following named executive officers (the "Named Executive Officers" or "NEOs"):

Steven Roth, Chairman and, effective April 15, 2013, our Chief Executive Officer (our "CEO")

Michael D. Fascitelli, President and CEO until April 15, 2013

Stephen W. Theriot, Chief Financial Officer effective June 1, 2013

Joseph Macnow, Executive Vice President, Finance and Administration, and Chief Financial Officer until June 1, 2013 and, thereafter, Executive Vice President Finance and Chief Administrative Officer

David R. Greenbaum, President, New York Division

Mitchell N. Schear, President, Vornado/Charles E. Smith Washington, DC Division

Wendy A. Silverstein, Executive Vice President and Co-Head of Capital Markets and Acquisitions

Under the rules and regulations of the SEC, each year the "Summary Compensation Table" must disclose the salary paid during that year. Because the equity we grant in any one year is awarded in recognition of performance in the prior year, the SEC's approach requires that we disclose our equity awards granted in respect of 2012 performance on the 2013 line in the Summary Compensation Table. Although we believe the most appropriate disclosure of our executive compensation would combine the salary and annual cash compensation granted in 2012 (for instance) with the equity-based compensation paid in 2013 for 2012 performance, the rules and regulations do not permit that. In other words, we grant our annual incentives and equity-based compensation and make our compensation decisions retrospectively in the first quarter of a fiscal year for the actual performance of an executive in the just-then-completed prior year. To more accurately present our compensation information in line with how our decisions are actually made (as described in more detail below under " Comparison of 2011-2013 Total Direct Compensation"), the following discussion of compensation is with respect to both the annual incentive paid in a stated year combined with the equity being granted following the close of that applicable year after performance metrics are determined.

Executive Summary

Performance

During 2013, we recorded strong financial and share price performance results in both absolute and relative terms.

We achieved double-digit total return to shareholders (TSR) of 14.7% and growth in comparable funds from operations of 20.9%.

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Our TSR of 14.7% outperformed both the TSR of the FTSE NAREIT Office Index of 5.6% and the Morgan Stanley REIT Index of 2.5%.

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We made major strategic strides in executing on our simplification and focus plan by selling over \$2.2 billion of non-core or non-strategic assets and by purchasing \$1.5 billion of high-quality assets in Manhattan.