

UDR, Inc.
Form PRE 14A
March 19, 2018

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 or by a Party other than the Registrant
Check the appropriate box:
Preliminary Proxy Statement
CONFIDENTIAL, FOR USE OF THE
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Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to §240.14a-12

UDR, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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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2018 PROXY STATEMENT HIGHLIGHTS

2017
Performance
Highlights

1, 3, 5 and 10 Year Total Shareholder Return as of December 31, 2017

	1-Year	3-Year	5-Year	10-Year
UDR	9.12%	37.81%	92.78%	218.90%
NAREIT Apartment Index	3.72%	24.24%	62.72%	187.50%
NAREIT Equity Index	5.23%	17.84%	57.14%	104.90%
S&P 500	21.83%	38.29%	108.14%	126.03%

181st Consecutive Dividend Paid

Our January 2018 dividend represented our 181st consecutive quarterly dividend paid. We are committed to returning value to our shareholders and for 2017 increased our dividend by 5.0% and have increased our dividend 6.0% annually over the past 3 years and 7.1% annually over the past 5 years.

1-Year	3-Year Average	5-Year Average
5.0% 1-year dividend per share growth	6.0% per share dividend growth	7.1% per share dividend growth
5.4% 1-year AFFO per share growth	8.2% per share AFFO growth	7.1% per share AFFO growth(a)

(a) We present reconciliations of these non-GAAP financial measures to their most directly comparable GAAP measures, as well as additional information, in “Definitions” on page 75.

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Our Five Strategic Objectives

- Our 2017 results consisted of improvement across all five of our strategic objectives, which are: 1) operating excellence, 2) balance sheet strength, 3) portfolio diversification, 4) capital allocation and 5) create a great place to work and live.

Below is a summary of our results categorized by objective:

1. Operating Excellence

2. Balance Sheet Strength

*We present reconciliations of certain non-GAAP financial measures to their most directly comparable US generally accepted accounting principles (GAAP) measures in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Apartment Community Operations” in our 2017 Annual Report, including reconciliations of net income/loss reported under GAAP to NOI, FFO, FFO as Adjusted and AFFO, as well as additional information about non-GAAP measures.

(a) We present reconciliations of these non-GAAP financial measures to their most directly comparable GAAP measures, as well as additional information, in “Definitions” on page 75.

3. Portfolio Diversification

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4. Capital Allocation

5. A Great Place to Work and Live

UDR strives to create both a great place to work and a great place to live. We measure our success on this strategic objective through a variety of associate and resident surveys. During 2017 our results improved with respect to both associates and residents.

- Great Place to Work
- 92% of our associates would recommend UDR as a great place to work based on our 2017 Associate Net Promoter score.
- Increased associate satisfaction scores in exit interviews by 23% in 2017 over 2016.
- Decreased associate turnover by 8% in 2017 as compared to 2016 and by 3% over our three-year average. Our 2017 associate turnover is 4% less than industry average.
- Exceeded our goal for associate retention by 4%. Our associate retention in 2017 exceeded our three-year average by 1.4%.
- Great Place to Live
- Increased our resident satisfaction scores (based on resident surveys done up to eight times per year) by 15% in 2017 over 2016.
- At the end of 2017 our average resident had lived in our community for 27.2 months compared to 26.9 months at year-end 2016.
- Resident turnover through 2017 decreased by 1.1% compared to 2016.
- We increased our online reputation scores by 30% over the three-year period ending December 31, 2017, which is one of the largest increases in our apartment peer group since we began measuring in December 2014.

Executive
Compensation
Highlights

Say-on-pay approved every year since it was first introduced in 2011; over the last five years, stockholder support for the vote on executive compensation has averaged 91.1%.

Focus on Variable Pay Linked to both Short-Term and Long-Term Performance

Focus on Performance Based Compensation

2017 SHORT-TERM INCENTIVE

COMPENSATION:

PERFORMANCE METRICS

FFO as Adjusted per share
Same-Store Revenues

Percentile ranking of public apartment

REITs by market
Development/Redevelopment FFO

Calculated as NOI plus capitalized interest
Net Financial Funding Capacity
Total Transactions

Acquisitions/Sales/Development/Redevelopment

2017 LONG-TERM INCENTIVE COMPENSATION:

PERFORMANCE METRICS

30% FFO as Adjusted per share
10% 3-Year Cumulative FFO as Adjusted

30%

30% 3-Year Total Shareholder Return Percentile Rank vs.
NAREIT Apartment Index

Cumulative 3-Year Absolute Total Shareholder Return

Our focus on equity-based compensation together with our robust CEO and executive stock ownership guidelines of 110,000 shares for the CEO, 50,000 shares for any Executive Vice President and 20,000 shares for any Senior Vice President, assist in creating long-term alignment with our stockholders.

Corporate
Governance
Highlights

Stockholder Engagement

In 2017 we had over 695 interactions with our investors, representing ownership of more than 83% of our outstanding common stock.

Investor Relations

In 2017 we were the Gold Award winner of NAREIT's Investor Care Award.

Proxy Access

The Company's Amended and Restated Bylaws ("bylaws") include a proxy access provision, which permits a stockholder, or a group of up to 20 stockholders, owning 3% or more of the Company's outstanding common stock continuously for at least three years, to nominate and include in the Company's proxy materials director candidates constituting up to 20% of the board, provided that the stockholder(s) and the nominee(s) satisfy the requirements specified in the bylaws.

Majority Voting

The Company's bylaws specify a majority voting standard in uncontested director elections, which incorporates a director resignation policy for any director who does not receive the requisite vote.

Director Succession Planning

We remain focused on refreshing the membership of the board. Over the last several years, we have added new independent directors to the board, most recently including the addition of Clint D. McDonnough in 2016, Mary Ann King in 2015 and Robert A. McNamara and Mark R. Patterson in 2014.

Lead Independent Director

Our board determined that it was appropriate to appoint our Chief Executive Officer and President, Thomas W. Toomey, as Chairman of the Board, and, in connection therewith, to appoint James D. Klingbeil as Lead Independent Director in accordance with our governance standards. These appointments were effective January 1, 2018.

Honored in 2017 for Board Composition

The Company was honored at the biennial Breakfast for Corporate Champions for having at least 25% of its board seats held by women.

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Q&A WITH OUR LEAD INDEPENDENT DIRECTOR

What is the board's role?

The primary role of the board is to oversee corporate strategy, set the tone at the top, choose the CEO, monitor the CEO's and management's performance and develop a succession plan. The board also assesses and monitors risks that might impact the Company, and ensures that appropriate financial and internal controls are established. While assuring that the very positive culture of outstanding corporate governance is preserved, we are focused on regular, strong performance-related metrics, always mindful of the long-term goals and objectives of the Company and its stockholders.

What is the Lead Independent Director's role?

The Lead Independent Director is the principal liaison between the Company's Chairman, Chief Executive Officer and President and our independent directors, and presides at any meetings at which the Chairman, Chief Executive Officer and President is not present (including regular executive sessions of independent directors). The Lead Independent Director takes a leadership role in identifying issues for the board to consider and, working with the Company's Chairman, Chief Executive Officer and President, establishes the agenda for each meeting, assuring that the directors have sufficient information, resources, background, and time to adequately discuss and review the various issues included in the agenda, or otherwise brought before the board. I believe that it is important that the Lead Independent Director help maintain the appropriate balance between the board's involvement in longer-term strategy and the executive management team's role in executing on that strategy through the Company's day-to-day operations, subject to the board's oversight. The Lead Independent Director takes the primary role in providing feedback to the Chairman, Chief Executive Officer and President with respect to any issues or discussions which may occur in executive sessions that are conducted without the presence of the executive management team. A comprehensive list of the duties and responsibilities for this role is provided in the Company's Statement on Corporate Governance, as well as on page 16 of this proxy statement.

Why is it appropriate that the Company's Chief Executive Officer now also serves as its Chairman of the Board?

Over the past 4 years, we put into place a plan to refresh the membership of the board, and as part of this we have added 4 new independent board members. At the same time, we also examined our board structure and as part of those discussions, we unanimously concluded that combining the roles of Chairman and Chief Executive Officer, together with appointing a strong Lead Independent Director, provides the appropriate leadership and oversight of the Company while also facilitating the effective functioning of the executive management team.

On behalf of the entire board, I want to express our continued dedication to maintaining an open dialog with stockholders, soliciting and considering your input and comments, and a commitment to enhance our corporate governance program as appropriate. We very much value your support and sincerely appreciate and thank you for the trust and confidence you have placed in us.

Sincerely,

James D. Klingbeil

Lead Independent Director

UDR, Inc.

April 9, 2018

Dear Fellow Stockholders:

It is my pleasure to invite you to attend our Annual Meeting of Stockholders. The meeting will be held on May 24, 2018, at 10:00 a.m. local time at The Ritz Carlton, Washington, DC, 1150 22nd Street NW, Washington, DC 20037.

The business to be conducted at the meeting is set forth in the formal notice of annual meeting of stockholders and proxy statement that accompany this letter. At the meeting, we will also report on the Company's performance and respond to questions.

Your vote is important. Whether or not you plan to attend the meeting, we urge you to vote your shares electronically through the Internet, by telephone or, if you have requested and received a paper copy of the proxy statement, by completing, signing and returning the paper proxy card enclosed with the proxy statement. Voting through the Internet or by telephone will eliminate the need to return your proxy card.

Sincerely,

Thomas W. Toomey

Chairman, Chief Executive Officer and President

UDR, Inc.

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

APRIL 9, 2018

When: Thursday, May 24, 2018, at 10:00 a.m. local time.

Where: The Ritz Carlton, Washington, DC

1150 22nd Street NW, Washington, DC 20037

Items of Business: Proposal 1 - To elect ten directors to serve until the next annual meeting of stockholders or until their successors are elected and qualified.

Proposal 2 - To ratify the appointment of Ernst & Young LLP to serve as independent registered public accounting firm for the year ending December 31, 2018.

Proposal 3 - To vote to approve, on an advisory basis, the compensation of our named executive officers disclosed in this proxy statement.

Proposal 4 - To vote to approve an amendment to our Charter to remove a restriction on stockholders' ability to amend our bylaws.

In addition, to transact such other business as may properly come before the meeting and any adjournment or postponement of the meeting.

Who Can Vote: Holders of UDR common stock at the close of business on Monday, March 26, 2018. Each share of common stock is entitled to one vote for each director position and one vote for each of the other proposals.

Date of Mailing: On or about April 9, 2018, we intend to mail to our stockholders of record a notice containing instructions on how to access our 2018 proxy statement and our annual report for the year ended December 31, 2017, and how to vote online. The notice also provides instructions on how you can request a paper copy of these documents if you desire, and how you can enroll in e-delivery. If you received your annual meeting materials via email, the email contains voting instructions and links to our annual report and proxy statement on the Internet.

How To Vote In Advance

Your vote is important. Whether or not you plan to attend the meeting, we urge you to vote your shares electronically through the Internet, by telephone or, if you have requested and received a paper copy of the proxy statement, by completing, signing and returning the paper proxy card enclosed with the proxy statement.

By Telephone: You can submit your vote by proxy over the telephone by following the instructions provided on the separate proxy card if you received a printed set of the proxy materials.

By Internet: You can go to www.proxyvote.com and vote through the Internet.

By Mail: If you have requested and received a paper copy of the proxy statement, you can mark, sign, date and return the paper proxy card enclosed with the proxy statement in the postage-paid envelope that we have provided to you. Please note that if you vote through the Internet or by telephone, you do not need to return your proxy card.

By Order of the Board of Directors

Important Notice Regarding the Availability of Proxy Materials for UDR, Inc.'s Annual Meeting of Stockholders to be held on May 24, 2018.

WARREN L. TROUPE

Senior Executive Vice President
and Corporate Secretary

This Notice of Annual Meeting and Proxy Statement and UDR, Inc.'s Annual Report/Form 10-K for the year ended December 31, 2017 are available on the Internet at the following website: www.proxyvote.com.

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PROXY SUMMARY

This summary highlights selected information about the items to be voted on at the annual meeting. This summary does not contain all of the information that you should consider in deciding how to vote. You should read the entire proxy statement carefully before voting.

Meeting Agenda and Voting Recommendations

Election of 10 Directors

The Board recommends a vote FOR each of the director nominees.

Diverse slate of directors with broad leadership experience.

All candidates are highly successful executives with relevant skills and expertise.

Average director tenure of 12 years with 9 of 10 directors independent of management.

See pages 1-8 for further information

Name	Principal Professional Experience (1)	Years of Tenure	# of Other Public Company Boards	Committee Memberships (2)				
				AC	CC	GC	NC	EC
Katherine A. Cattanach	General Partner of INVESCO Private Capital, Inc.	12	0					
Robert P. Freeman	Senior Managing Director and Principal of Greyfields Investors LLC	20	0				C	
Jon A. Grove	Chairman, President and CEO of ASR Investments Corporation	20	0		C			
Mary Ann King	Co-Chairman of Moran & Company	3	0					
James D. Klingbeil(3)	Chairman and CEO of Klingbeil Capital Management and The Klingbeil Company	20	0				C	C
Clint D. McDonnough	Office Managing Partner for Ernst & Young LLP's Dallas office	2	0		C			
Robert A. McNamara	Group Chief Risk Officer of Lend Lease Corporation	4	1					
Mark R. Patterson	President of MP Realty Advisors, LLC	4	2					
Lynne B. Sagalyn	Earle W. Kazis and Benjamin Schore Professor Emerita of Real Estate at Columbia Business School	22	1					

Thomas W. Chairman, CEO and President of UDR, Inc. 17 0
Toomey(4)

- (1) The professional experiences listed for Dr. Cattanach and Messrs. Grove, McDonnough and McNamara are these nominees' former principal occupations.
 - (2) Committee assignments for the period from the 2018 annual meeting to the 2019 annual meeting will be made after the annual election of directors at the 2018 annual meeting.
 - (3) Lead Independent Director.
 - (4) Chairman, Chief Executive Officer and President.
- KEY: AC = Audit and Risk Management
Committee CC = Compensation and Management
Development Committee GC = Governance
Committee
NC = Nominating Committee EC = Executive
Committee = Member C = Chair

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Information About Our Board And Committees (Page 17)

	Number of		Number of
	Members	Independent	Meetings During
			2017
Full Board of Directors	10	90.0%	7
Audit and Risk Management Committee	4	100.0%	10
Compensation and Management Development Committee	4	100.0%	5
Governance Committee	3	100.0%	4
Nominating Committee	4	100.0%	0(1)
Executive Committee	3	66.7%	0

(1) The Nominating Committee was established on November 9, 2017 and its duties were performed by the Governance Committee prior to such date.

GOVERNANCE HIGHLIGHTS (Page 9)

UDR has a history of strong corporate governance guided by three primary principles – dialogue, transparency and responsiveness. The board has adjusted our governance approach over time to align with evolving best practices, drive sustained stockholder value and best serve the interests of stockholders.

Stockholder Annual Election of All Directors

Rights Majority Voting in Uncontested Director Elections

Proxy Access for Eligible Director Candidates Nominated by Eligible Stockholders

No Stockholder Rights Plan (Poison Pill)

Confidential Voting

No material restrictions on Stockholders' right to call a special meeting

Stockholder engagement with holders of approximately 83% of outstanding shares in 2017

Independent Strong Lead Independent Director role with clearly articulated responsibilities

See page 16 for changes made during 2017

Oversight Audit, Compensation, Governance and Nominating Committees consist entirely of Independent Directors (Nominating Committee is new)

All directors are independent, except the Chairman, Chief Executive Officer and President

Independent Directors Meet Regularly in Executive Session

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Good Extensive Board dialogue with formal processes for stockholder engagement and frequent cross-committee and Board communications

Governance Annual Board and Committee Self-Evaluations

 Strong annual individual director evaluation process

 All Directors Attended at Least 75% of Meetings Held

 Annual Advisory Approval of Named Executive Officer Compensation

 Robust Code of Business Conduct and Ethics, and Code of Ethics for Senior Financial Officers

 Stock Ownership Guidelines for Executive Officers and Directors

 Prohibition on Hedging Transactions

 Pledging Transactions Prohibited Without Prior Approval

 Policy on Recoupment of Performance-Based Incentives

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Independent Registered Public Accounting Firm

The Board recommends a vote FOR ratification of Ernst & Young LLP for 2018.

Independent firm with few ancillary services and reasonable fees.
Significant industry and financial reporting expertise.

See page 65 for further information

Ernst & Young LLP, independent registered public accounting firm, served as our auditors for fiscal 2017. Our Audit Committee has selected Ernst & Young LLP to audit our financial statements for fiscal 2018. Although it is not required to do so, the board is submitting the Audit Committee's selection of our independent registered public accounting firm for ratification by the stockholders at the annual meeting in order to ascertain the view of our stockholders regarding such selection. Below is summary information about Ernst & Young's fees for services during fiscal years 2017 and 2016:

Description of Services	2017	2016
Audit Fees	\$ 1,428,839	\$ 1,439,755
Audit-Related Fees	—	120,000
Tax Fees	157,532	233,850
All Other Fees	—	—
TOTAL	\$ 1,586,371	\$ 1,793,605

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Say-on-Pay: Advisory Vote on the Compensation of the Named Executive Officers

The Board recommends a vote FOR this proposal.

Independent oversight by our Compensation and Management Development Committee, with the assistance of an independent consultant.

Executive compensation comprised of a mix of base salary, short-term incentive compensation and long-term incentive compensation, and is determined based on the consideration of a number of factors described in more detail in “Executive Compensation — Compensation Discussion and Analysis.”

Executive compensation that is competitive with our peers and that is structured to be aligned with total return to stockholders and our strategy.

Our total shareholder return compares favorably to the peer group.

See page 66 for further information

Executive Compensation Matters (Page 27)

We are requesting your non-binding vote to approve the compensation of our named executive officers as described on pages 27 through 62 of this proxy statement. The goals for our executive compensation program are to (i) attract, retain and motivate effective executive officers, (ii) align the interests of our executive officers with the interests of the Company and our stockholders, (iii) incentivize our executive officers based on clearly defined performance goals and measures of successful achievement, and (iv) align market competitive compensation with our short-term and long-term performance.

Our Compensation and Management Development Committee, which we refer to as the “Compensation Committee,” determines the form and amount of compensation, as well as the overall structure of our executive compensation program. The Compensation Committee has the sole authority to retain and terminate any compensation consultants to be used to assist in establishing compensation for our executive officers and to approve such consultants’ fees and other retention terms. The Compensation Committee has engaged FPL Advisory Group, or “FPL,” as its independent compensation consultant.

The compensation of our “named executive officers,” who are identified in “Executive Compensation,” is comprised of a mix of base salary, short-term incentive compensation and long-term incentive compensation paid in a mix of cash and equity, and is determined based on the consideration of a number of factors described in more detail in “Executive Compensation — Compensation Discussion and Analysis.” Under our executive compensation program, as an executive officer’s level of responsibility increases with his or her relative ability to impact the long-term performance of the Company as a whole, a greater portion of that executive officer’s compensation is based on performance-based incentive compensation, and less is based on base salary, thereby creating the potential for greater variability in the executive officer’s compensation level from year to year. The mix, level and structure of the components of compensation generally reflect the executive officer’s role and relative impact on business results, as well as competitive market practices.

The key components of our named executive officers’ compensation are described in more detail in the following table:

Compensation Component	Objectives Associated with the Compensation Component
Base Salary	

Short-Term Incentive Compensation	<ul style="list-style-type: none">•Designed to reward individual effort associated with job-related duties and to attract and retain talented executive officers for our Company.•Designed to encourage outstanding individual and Company performance by motivating the named executive officers to achieve short-term Company and individual goals by rewarding performance measured against key annual strategic objectives and, for the CEO, using the independent directors' evaluation of his performance towards achieving short-term goals.
Long-Term Incentive Compensation	<ul style="list-style-type: none">•Our long-term incentive compensation is designed to foster significant ownership of our common stock by our executive officers, to align the interests of our executive officers with the creation of stockholder value and to motivate our executive officers to achieve long-term growth and success for our Company.

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Our stockholders have consistently supported our executive compensation program. At our 2017 Annual Meeting of Stockholders, 84.7% of the votes cast were voted in favor of our resolution seeking advisory approval of our executive compensation. Over the last five years, stockholder support for our advisory vote on executive compensation has averaged 91.1% (with no year below 84.7%). While we have consistently had strong stockholder support for our executive compensation program, we do continue to engage in a dialogue with stockholders on executive compensation issues. We will continue to consider the outcome of future advisory votes on executive compensation when establishing the Company's compensation programs and policies and making compensation decisions regarding our named executive officers.

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PROXY STATEMENT and notice of annual meeting of STOCKHOLDERS 2018

Charter Amendment to permit stockholders to amend our bylaws

The Board recommends a vote FOR this proposal.

Eliminate Section 8.1 of our Articles of Restatement to permit the adoption of an amendment to our bylaws that would allow stockholders to amend our bylaws under certain circumstances.

See pages 67-68 for further information

We are requesting your vote to approve an amendment to our Articles of Restatement (“Charter”) that will delete Section 8.1, which restricts our stockholders from amending our bylaws. If this proposal is approved, our board will then adopt an amendment to our bylaws that allows stockholders to amend the bylaws under certain circumstances. While we believe that our board is in the best position to evaluate and determine the Company’s governance practices, the board recognizes that some of our stockholders may be interested in seeking to propose adopting bylaws to address specific governance matters. For this reason, the board has adopted an amendment to the Charter and recommends that stockholders approve such amendment that would, in conjunction with an amendment to our bylaws that would be adopted by the board if the Charter amendment is approved, permit such proposals in appropriate circumstances.

See pages 67-68 for further information

Our Use of Abbreviations: We use a number of abbreviations in this proxy statement. We refer to UDR, Inc. as “UDR,” “the Company,” “we,” “us” or “our” and to our board of directors as the “board.” The term “proxy materials” includes this proxy statement, as well as the enclosed proxy card. References to “fiscal 2017” and “fiscal 2018” mean our 2017 fiscal year, which began on January 1, 2017 and ended on December 31, 2017, and our 2018 fiscal year, which began on January 1, 2018 and will end on December 31, 2018, respectively. We refer to the Audit and Risk Management Committee as the “Audit Committee.” We refer to the U.S. Securities and Exchange Commission as the “SEC” and we refer to the New York Stock Exchange as the “NYSE.” Our 2018 Annual Meeting of Stockholders to be held on May 24, 2018 is simply referred to as the “meeting” or the “annual meeting.”

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PROXY STATEMENT and notice of annual meeting of STOCKHOLDERS 2018

PROPOSAL NO. 1 ELECTION OF DIRECTORS

The ten individuals listed below, each of whom is currently a member of the board, have been nominated for election to the board at the 2018 annual meeting of stockholders. If any of the nominees is unable or declines to serve as a director at the time of the meeting, the proxies will be voted for any nominee who is designated by the present board to fill the vacancy. It is not expected that any nominee will be unable or will decline to serve as a director. The directors elected will hold their respective offices until the next annual meeting of stockholders or until their successors are elected and qualified.

Each nominee brings a strong and unique background and set of skills to our board, giving the board as a whole competence and experience in a wide variety of areas of value to the Company, including corporate governance and board service, executive management, corporate finance and financial markets, real estate investment and the real estate industry and civic leadership. For each of our director nominees, set forth below are the specific experience, qualifications, attributes or skills that led the board to conclude that the person should serve as a director for the Company. There is no family relationship between any of our directors or executive officers.

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Board Expertise

At UDR, we believe that diversity is an important attribute of a well-functioning board. Collectively, the members of our board embody a range of viewpoints, backgrounds and expertise:

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KATHERINE A.

ROBERT P. FREEMAN

CATTANACH, PH.D.

Age: 73

Age: 73

UDR Board Service

UDR Board Service

Tenure: 12 years (2006)

Tenure: 20 years (1998)

Audit Committee

Audit Committee

Governance Committee

Governance Committee Chair

Nominating Committee

Independent

Independent

Professional Experience

Professional Experience

Former General Partner of INVESCO Private Capital, Inc. (formerly Sovereign Financial Services, Inc.), a company specializing in private equity investments, from 1987 to 2005.

Senior Managing Director and Principal of Greyfields Investors LLC, a real estate private equity company, since 2007.

President of Landfall Capital LLC, a private real estate merchant bank, since 2001.

Relevant Skills

Currently a member of the Institute of Chartered Financial Analysts.

Managing Director of Wells Hill Partners, Ltd., a real estate investment banking firm, from 1999-2001.

Has a strong background in both business and academia, and her expertise in investments and finance is recognized nationally and internationally.

Managing Director of Lazard Frères & Co. LLC, a private investment bank and President of Lazard Frères Real Estate Investors, L.L.C., a real estate investment company, from 1992 to 1999.

Has executive management experience, having served as Founder and Chief Executive Officer of Sovereign Financial Services, Inc. and as Executive Vice President of Captiva Corporation.

Relevant Skills

Has been active in real estate related investment, management and development since the 1970s.

Has a Ph.D. in Finance and has served on the faculty of the College of Business at the University of Denver and as an Associate Professor of Finance at the University of Denver's

Currently he is a principal of a real estate private equity company that invests in, restructures and redevelops inefficient real estate and provides turnaround services and capital markets advice, and he founded a privately held real estate merchant bank that sources,

Graduate School of Business.

structures and invests in real estate assets and securities.

Committee Expertise Highlights

Committee Expertise Highlights

Audit Committee Member

Audit Committee Member

From 2005 to March 2006, she served as a director and member of the audit and compensation committees of Collect America, Ltd.

Governance Committee Chair

Nominating Committee Member

Has served as a member of several corporate boards and board committees and on several partnership advisory boards.

Other

Active in and serves as a director of numerous private companies and charitable organizations.

Governance Committee Member

Other

Secretary and a member of the Board of Trustees of Great Outdoors Colorado. She is active in, and serves as a member of, numerous charitable organizations.

Extensive civic leadership, including the Colorado Commission on Higher Education, the Governing Board for the Colorado State University System, the Foundation for Metropolitan State College, the Board of Trustees for the Colorado Chapter of the Nature Conservancy and the Board of Trustees for the Yellowstone Association.

JON A. GROVE

Age: 73

UDR Board Service

Tenure: 20 years (1998)

Compensation Committee Chair

Nominating Committee

Independent

Professional Experience

Former Chairman, President and Chief Executive Officer of ASR Investments Corporation from its organization in 1987 until our acquisition of ASR in 1998.

Former Chairman and director of American Southwest Holdings, LLC and SecurNet Mortgage Securities LLC.

Relevant Skills

From 1987 to 1998, served as the Chairman, President and Chief Executive Officer of a publicly traded real estate investment trust that owned and operated apartment communities.

Committee Expertise Highlights

Compensation Committee Chair

Nominating Committee Member

MARY ANN KING

Age: 65

UDR Board Service

Tenure: 3 years (2015)

Audit Committee

Independent

Professional Experience

Co-Chair of Moran & Company, a real estate brokerage firm focusing exclusively on multifamily assets and mixed use assets with significant multifamily components.

Partner in Charge of Moran & Company's Irvine, California office.

Relevant Skills

Ms. King has been in the apartment industry since 1983.

Has served three terms as a ULI trustee.

Is currently a member of the National Multifamily Housing Council's Executive Committee.

Previously served on the National Multifamily Housing Council's Leadership Team from 2000 to 2008 and chaired that organization from 2006-2008.

Committee Expertise Highlights

Audit Committee Member

Other

Over the Rainbow Association – Member of the OTR Board of

Directors, Member of the OTR
Executive Committee,
Development Committee and
Compensation Committee,
Member and Vice Chairman of
OTR's LIFE Fund and President
and Director of The Donald P.
Gustafson Foundation.

Member of the Advisory Board
of Sack Properties.

Full Member of ULI and
Member of MFC-Blue Product
Council; former Trustee from
2012-2015 and former Product
Council Counselor for all four
Multifamily Product Councils.

JAMES D. KLINGBEIL

Age: 82

UDR Board Service

Tenure: 20 years (1998)

Lead Independent Director

Executive Committee Chair

Governance Committee Chair

Independent

Professional Experience

Lead Independent Director since January 2018.

Chairman of the Board of Directors from March 2010 to December 2017 and Vice Chairman of the Board from October 2000 until March 2010.

Chairman of Klingbeil Capital Management and The Klingbeil Company.

Chairman and Chief Executive Officer of American Apartment Communities II from 1995 until its merger with the Company in December of 1998.

He currently serves as a director of numerous private companies and on the Board of Trustees of The Ohio State University. He is also the past Chairman and a lifetime member of the Board of Trustees of the Urban Land Institute and a member of the ULI Foundation Board.

Relevant Skills

Mr. Klingbeil has been active in nearly every aspect of real estate investment, development and management for over 50 years, with a special focus on building, acquiring, managing and/or selling multifamily communities.

CLINT D.

MCDONNOUGH

Age: 62

UDR Board Service

Tenure: 2 years (2016)

Audit

Committee

Chair

Governance

Committee

Independent

Professional Experience

Managing Partner of McDonnough Consulting LLC, a consulting firm, since May 2016.

Served 38 years for Ernst & Young LLP before retiring in June, 2015.

In his role as Office Managing Partner for Dallas, Texas, he was responsible for day-to-day practice operations.

Prior to serving as the Office Managing Partner, Mr. McDonnough was the firm's Managing Partner of Assurance & Advisory Business Services for the Southwest Area practice. He also served as Ernst & Young's National Director of Real Estate Advisory Services.

Relevant Skills

Served as Ernst & Young's National Director of Real Estate Advisory

Chairman and Chief Executive Officer of American Apartment Communities II, which had a value of \$800 million when we acquired it in December 1998, and he has demonstrated exceptional leadership abilities as a member of our board since that acquisition.

Services, creating a unified national real estate consulting practice.

Committee Expertise Highlights

Audit Committee Chair

Committee Expertise Highlights

Executive Committee Chair

Has an extensive background in accounting, auditing and advisory services, having worked for 38 years with Ernst & Young LLP, including as the firm's Office Managing Partner for Dallas, Texas, as Managing Partner of Assurance & Advisory Business Services for the Southwest Practice Area and as Director of Real Estate Advisory Services.

Governance Committee Chair

Mr. McDonnough serves on the board of directors and is chair of the audit committee of Forterra (Nasdaq), a manufacturer of water and drainage pipe and products, and serves on the board of directors and is a member of the audit committee of Orix USA, a diversified financial services company.

Governance Committee Member

Other

Active in, and serves on the boards of, several charitable, civic and educational organizations.

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ROBERT A. MCNAMARA

Age: 64

UDR Board Service

Tenure: 4 years (2014)

Compensation Committee

MARK R. PATTERSON

Age: 57

UDR Board Service

Tenure: 4 years (2014)

Compensation Committee

Independent

Independent

Professional Experience

Former Group Chief Risk Officer of the Lend Lease Corporation (ASX), an international property and infrastructure firm from 2014 to 2017.

Former Chief Executive Officer Americas of Lend Lease Corporation (ASX) from 2010 to 2014.

Former Chairman and Chief Executive Officer of Penhall/LVI International, an environmental remediation, concrete services and infrastructure repair firm, from 2006 to 2010.

Mr. McNamara held various positions at Fluor Corporation, a global engineering and construction company, from 1996 to 2006, including Senior Executive and Group President.

Mr. McNamara began his career at Marshall Contractors, Inc., a general contractor, where he held various positions from 1978 to 1996, including President and Chief Operating Officer.

Relevant Skills

Was responsible for ensuring Lend Lease achieves world's best practice in risk management and

Professional Experience

Currently a real estate consultant and financial advisor and is President of MP Realty Advisors, LLC.

From September 2010 until March 2016, Mr. Patterson was Chairman, and until January 2015, Chairman and Chief Executive Officer, of Boomerang Systems, Inc., a manufacturer of fully automated, robotic parking systems.

Until January 2009, Mr. Patterson was a Managing Director and the Head of Real Estate Global Principal Investments at Merrill Lynch, where he oversaw the real estate principal investing activities of Merrill Lynch. Mr. Patterson joined Merrill Lynch in April 2005 as the Global Head of Real Estate Investment Banking and in 2006 he also became the Co-Head of Global Commercial Real Estate, which encompassed real estate investment banking, principal investing and mortgage debt.

Prior to joining Merrill Lynch, Mr. Patterson spent 16 years at Citigroup, where he was the Global Head of Real Estate Investment Banking since 1996.

Previously, Mr. Patterson was with Chemical Realty Trust in New

operational excellence. He also oversaw Lend Lease's Building, Engineering and Services business in Australia.

Mr. McNamara is an accomplished senior executive with significant expertise in construction, development and real estate investment.

He brings to the board over 35 years of experience managing global businesses in the development, design and delivery of projects in the government, institutional, infrastructure and industrial sectors in senior management positions.

Committee Expertise Highlights

Compensation Committee Member

Other

Member of the Board of Directors of Jacobs Engineering Group, Inc. (NYSE).

Former Board member of several privately-held firms.

Mr. McNamara has also served on the board of the US China Business Council and as Chairman for the Construction Industry Institute's Technology Implementation Task Force.

York from 1987 to 1989, as an Associate in the Real Estate Investment Banking group and in the Real Estate Group at Arthur Andersen in Houston, Texas from 1982 to 1985.

Relevant Skills

Mr. Patterson has a strong background in real estate finance. During his tenure as Managing Director and Head of Real Estate Global Principal Investments at Merrill Lynch, Mr. Patterson oversaw investment banking, private equity and real estate debt.

Committee Expertise Highlights

Compensation Committee Member

Mr. Patterson serves on the board of directors and is a member of the governance committee, the compensation committee and the investment committee of Americold Realty Trust (NYSE), a REIT focused on temperature-controlled warehouses, serves on the board of directors and is a member of the audit committee and compensation committee of Digital Realty Trust (NYSE), a REIT focused on data centers, and serves on the board of directors and is a member of the compensation committee and the governance committee of Paramount Group, a New York based office owner.

Other

Mr. Patterson is an Advisory Director for Investcorp International, a global private equity manager.

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LYNNE B. SAGALYN, Ph.D.

Age: 70

UDR Board Service

Tenure: 22 years (1996)

Compensation Committee

Executive Committee

Governance Committee

Independent

Professional Experience

Vice Chair of the Board from 2010 to 2018.

The Earle W. Kazis and Benjamin Schore Professor Emerita of Real Estate at Columbia Business School, where she taught and directed the MBA Real Estate Program for over 20 years.

She was a Professor of Real Estate Development and Planning at the University of Pennsylvania, with appointments in both the School of Design (City Planning) and the Wharton School (Real Estate), as well as at the Massachusetts Institute of Technology, where she was an Associate Professor of Planning and Real Estate Development.

Relevant Skills

Dr. Sagalyn has a strong background in business and academia.

She is a specialist in real estate finance and urban development and is widely known as an expert in real estate equity securities and public development finance. Her research and writings on real estate investment, securitization, urban development and public policy have been published in both academic

THOMAS W. TOOMEY

Age: 57

UDR Board Service

Tenure: 17 years (2001)

Chairman of the Board

Executive Committee

Professional Experience

Chairman, Chief Executive Officer and President of UDR, Inc., a \$16 billion, S&P 500

company, having served in these capacities since joining the Company in 2001.

Over his tenure, Mr. Toomey has been instrumental in repositioning UDR's portfolio, including the acquisition and disposition of over \$16 billion in multifamily communities and development of \$3 billion in multifamily communities, which has led to above average return of 13% for UDR's shareholders. As of December 2017, UDR owned or had an ownership interest in approximately 49,728 apartment homes in select markets across the U.S.

Relevant Skills

Chief Executive Officer of UDR.

Prior to heading UDR, Mr. Toomey held various senior positions, including Chief Operating Officer and Chief Financial Officer, with AIMCO (NYSE), a multifamily REIT peer. At AIMCO, Mr. Toomey was instrumental in transforming the company into the largest apartment

and professional journals.

Dr. Sagalyn is the author of: *Power at Ground Zero: Politics, Money and the Remaking of Lower Manhattan* (Oxford University Press, 2016); *Times Square Roulette: Remaking the City Icon* (MIT Press, 2001), an analysis of the politics, policy and economics of one of the city's largest and longest redevelopment initiatives; *Cases in Real Estate Finance and Investment Strategy* (ULI, 2000); and co-author of *Downtown, Inc.: How America Rebuilds Cities* (MIT Press, 1989), as well as numerous articles for academic and professional publications.

Committee Expertise Highlights

Compensation Committee Member

Executive Committee Member

Governance Committee Member

Other

Dr. Sagalyn is a director and Chair of the audit committee of Blackstone Mortgage Trust, Inc. (NYSE), a public real estate investment trust that specializes in real estate lending.

Dr. Sagalyn serves on the audit and compliance committee of New York City Planned Parenthood, on the board of the Skyscraper Museum and on the board of the New York City Trust for Cultural Resources.

Dr. Sagalyn serves on the advisory board of Olshan Properties, a New York-based family real estate concern.

owner in the U.S., growing its portfolio ten-fold over his tenure.

Prior to AIMCO, Mr. Toomey served as a Senior Vice President with Lincoln Property Company, a multifaceted, national real estate firm, for five years.

Committee Expertise Highlights

Executive Committee Member

Other

As a leader in the real estate industry, Mr. Toomey is Global Chair, a Trustee, Governor and Board member of the Urban Land Institute (ULI), a member of the Board of Governors of the National Association of Real Estate Investment Trusts (NAREIT), on the Executive Committee of the National Multi Housing Council (NMHC), a member of The Real Estate Roundtable and is Chair and a Trustee of the Oregon State University Foundation.

Mr. Toomey served on the board of directors and was a member of the audit committee of The Ryland Group, Inc. (NYSE), a home builder, from December 2013 until its merger with Standard Pacific in October 2015.

She has also served on the New York City Board of Education Chancellor's Commission on the Capital Plan, and the Advisory Board of Goldman Family Enterprises.

She also serves on the board of directors of the Regional Plan Association of New York, an independent not-for-profit regional planning organization, and co-chairs its New York Committee.

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Vote Required and Board of Directors' Recommendation

The affirmative vote of a majority of the votes cast is required for the election of a director in an uncontested election. A majority of the votes cast means that the number of shares voted "for" a director's election exceeds fifty percent of the total number of votes cast with respect to that director's election. If an incumbent director does not receive a majority of the votes cast for his or her election, the director is required to tender his or her resignation for the consideration of the board. See "Corporate Governance Matters – Majority Voting Standard for Uncontested Director Elections."

Our board recommends that the
stockholders vote "FOR" the director nominees listed above.

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CORPORATE GOVERNANCE MATTERS

Corporate Governance Overview

We believe that effective and transparent corporate governance is critical to our long-term success and our ability to create value for our stockholders. We frequently review our corporate governance policies, monitor emerging developments in corporate governance and enhance our policies and procedures when our board determines that it would benefit our Company and our stockholders to do so.

We maintain a corporate governance page on our website that includes key information about UDR's corporate governance, including our:

- Statement on Corporate Governance;
- Code of Business Conduct and Ethics;
- Code of Ethics for Senior Financial Officers;
- Related Person Transactions Policy;
- Charter of the Audit Committee;
- Charter of the Compensation Committee;
- Charter of the Governance Committee; and
- Charter of the Nominating Committee.

All of these documents can be found by accessing the "Investor Relations" page at ir.udr.com and then clicking on "Corporate Governance" and "Governance Documents." The documents noted above will also be provided without charge to any stockholder who requests them. Any changes to these documents, and any waivers granted by us with respect to our Code of Business Conduct and Ethics and our Code of Ethics for Senior Financial Officers, will be posted on our website.

We also monitor our corporate governance policies and practices to maintain compliance with the provisions of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”), the rules of the SEC and the corporate governance rules of the NYSE. Our policies and practices meet, and in many cases exceed, the listing requirements of the NYSE, applicable SEC rules and the corporate governance requirements of the Sarbanes-Oxley Act and the Dodd-Frank Act, including:

- The board has adopted clear corporate governance policies;
- Nine of our ten board members are independent directors as defined by the NYSE;
- The independent directors meet regularly without the presence of management;
- All members of the Audit Committee, Compensation Committee, Governance Committee and Nominating Committee are independent directors;

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- While the Chairman and Chief Executive Officer role is combined, the board has appointed a Lead Independent Director in accordance with our Statement on Corporate Governance;
- The charters of the board committees clearly establish their respective roles and responsibilities and are reviewed annually;
- The board has adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees;
- We have a Code of Ethics for Senior Financial Officers that applies to our senior financial officers; and
- We have a hotline with a 1-800 number and a third-party anonymous reporting system at www.mysafeworkplace.com available to all employees, and our Audit Committee has procedures in place for the anonymous submission of any employee complaint, including those relating to accounting, internal controls or auditing matters. Instructions for making a report are published in the Corporate Governance subsection of the Investor Relations page of the Company's website at ir.udr.com.

Majority Voting Standard for Uncontested Director Elections

The Company's bylaws specify a majority voting standard in uncontested director elections, which incorporates a director resignation policy for any director who does not receive the requisite vote. Under this majority voting standard, the affirmative vote of a majority of the votes cast is required for the election of a director in an uncontested election. A majority of the votes cast means that the number of shares voted "for" a director's election exceeds fifty percent of the total number of votes cast with respect to that director's election. If an incumbent director does not receive a majority of the votes cast for his or her election, the director is required to tender his or her resignation to the board. The board would then decide within 90 days following certification of the stockholder vote, through a process managed by the Governance Committee and excluding the nominee in question, whether to accept or reject the tendered resignation, or whether other action is recommended. The board would promptly publicly disclose its decision and rationale. If an incumbent director's resignation is accepted by the board, then the board may fill the resulting vacancy or decrease the size of the board in accordance with the bylaws. If a director's resignation is not accepted by the board, such director will continue to serve until his or her successor is duly elected and qualified, or his or her earlier death, resignation, retirement or removal. For the purposes of applying this majority voting standard, an election is considered "uncontested" if no stockholder provides notice of intention to nominate one or more candidates to compete with the boards' nominees in the manner required by the bylaws, or if any such stockholder or stockholders have withdrawn all such nominations at least ten (10) days prior to the filing our definitive proxy statement with the SEC. In any contested election, each director shall be elected by a plurality of votes cast, in which case each share may be voted for as many individuals as there are directors to be elected and for whose election the share is entitled to be voted.

Our Commitment to Stockholder Engagement

The Company has an ongoing proactive practice of meeting with and discussing corporate governance issues with significant stockholders throughout the year. During 2017, we again demonstrated our commitment to stockholder engagement, communication and transparency. During the year, representatives of the Company had nearly 695 interactions with holders of our common stock, through meetings and property tours, representing more than 83% of the shares of Common Stock outstanding.

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Identification and Selection of Nominees for Directors

Our Nominating Committee works closely with our Chairman, Chief Executive Officer (“CEO”) and President and Lead Independent Director (who currently serves as Chairman of the Nominating Committee) in recommending to the board criteria for open board positions, taking into account such factors as the Nominating Committee deems important, including, among others, the current composition of the board, the range of talents, experiences, expertise and skills that would complement those already represented on the board and those that would help achieve the Company’s goals. In evaluating a nominee, the board, acting through our Nominating Committee, will consider, among other things, whether a potential director nominee has the time available, in light of other business and personal commitments, to perform the responsibilities required for effective service on the board. The Nominating Committee considers candidates that are suggested by members of the board, as well as management, our stockholders and any director search firm retained by the board or the Nominating Committee, using the same criteria to evaluate all candidates.

The board believes its effectiveness is enhanced by being comprised of individuals with diverse backgrounds, skills and experience that are relevant to the role of the board and the needs of our business. Accordingly, the board, through the Nominating Committee and in consultation with our CEO, will regularly review the changing needs of the business and the skills and experience of its board members, with the intention that the board will be periodically “renewed” as certain directors rotate off and new directors are recruited. The board’s commitment to diversity and renewal will be tempered by the need to balance change with continuity and experience. The board believes that its commitment in this regard has been effective in establishing a board that consists of members with diverse backgrounds, skills and experience that are relevant to the role of the board and the needs of the business, and the board will continue to monitor the effectiveness of these efforts as part of its periodic self-assessment process.

Once a potential director nominee has been identified, the Nominating Committee, in consultation with the Chairman, CEO and President and Lead Independent Director, will evaluate the prospective nominee against the specific criteria that have been established, as well as the standards and qualifications contained in our Statement on Corporate Governance. If it is determined based upon a preliminary review that a candidate warrants further consideration, members of the board, as appropriate, will interview the prospective nominee. After completing this evaluation and interview process, the board makes the final determination as to whether to nominate or appoint the new director.

In addition to any other applicable requirements, Section 2.11 of the bylaws sets forth the procedures and requirements relating to nominations of directors by stockholders. Any stockholder who wishes to recommend a prospective nominee for consideration at our 2019 annual meeting of stockholders must submit specified information, no sooner than October 11, 2018 and no later than November 10, 2018.

Each proposed candidate also must submit a written questionnaire, representation and agreement specifically addressing agreements, arrangements or understandings that the candidate has with certain other persons, including with respect to voting commitments and compensation, as well as a representation and agreement to comply with our applicable policies, codes and guidelines. Such information should be sent to the attention of our Corporate Secretary at 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540.

Proxy Access

The Company's bylaws include a proxy access provision which permits a stockholder, or a group of up to 20 stockholders, owning 3% or more of the Company's outstanding common stock continuously for at least three years, to nominate and include in the Company's proxy materials director candidates constituting up to 20% of the board, provided that the stockholder(s) and the nominee(s) satisfy the requirements specified in the bylaws.

Director Rotation and Retirement

Directors are elected annually to serve for a term until the next annual meeting of stockholders or until their successors are elected and qualified. The board does not impose arbitrary limits on the number of terms a director may serve. However, the Nominating Committee will consider various criteria, including a director's contribution to the board, in determining whether or not to recommend a director for re-election. Employee directors are required to resign as a director after ceasing to be an employee, unless the board asks them to continue to serve. The Chairman will refer the resignation to the Governance Committee for review. The board will decide, in light of the circumstances and the recommendation of the Governance Committee, the date at which the resignation will become effective. A vacancy created by a director's retirement may be filled by a majority of the remaining directors in accordance with our bylaws. A director so appointed to fill the vacancy will stand for re-election at the first annual meeting of stockholders following that director's appointment to the board if recommended for re-election by the Nominating Committee. In addition, the Company requires that directors tender their resignation when they change employment or other significant organizational affiliations. The board then decides, in light of the circumstances and the recommendation of the Governance Committee, whether to accept such resignation.

Director Independence

The board's policy is that a significant majority of its members should be independent directors (see our Statement on Corporate Governance, which is available on our website at ir.udr.com). Each year, the board affirmatively determines whether each director has any material relationship with the Company (directly, or as a partner, stockholder or officer of an organization that has such a relationship with the Company), as defined under the NYSE listing standards and the Company's director independence standards. The board has determined that all directors who served in 2017, and the directors who are standing for election at the annual meeting, are independent under both sets of standards, except Mr. Toomey, who is not independent because, in addition to serving as Chairman, he is the Company's Chief Executive Officer and President. Additional information about each of the directors standing for election is set forth under Proposal No. 1 in this proxy statement. In making these independence determinations, the board considered information submitted by the directors in response to directors' questionnaires and information obtained from the Company's internal records.

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Succession Planning

One of the primary responsibilities of the board is to ensure that the Company has the necessary senior management talent to pursue our strategies and to be successful. The Company's Statement on Corporate Governance states that the board is responsible for appointing the CEO, and planning for his succession, as well as the succession for other executive officers of the Company. The Compensation Committee is responsible for annually reviewing the development and retention plans for the Company's key executive officers, including the CEO, reviewing and approving a succession plan for the CEO, and ensuring succession plans are in place for the Company's key executive officers reporting to the CEO. Consistent with its responsibilities, the Compensation Committee regularly reviews succession plans for the CEO and the key executive officers, and reports to the board regarding those plans. Under the direction of the Compensation Committee, the CEO and the SVP of HR have embarked on a concerted effort to develop a strategy to identify, assess and develop successors for the key executive officers. This effort involves potential candidates working with third party consultants and completing a series of leadership assessment programs with the goal of determining skill sets and executive potential as potential successors for key executive officers.

The graphic below illustrates the activities taken in connection with succession planning.

The following outlines certain highlights of our succession planning:

Management Succession

The Company maintains an executive talent pipeline for every executive officer position, including the CEO position.

The executive talent pipeline includes “interim,” “ready now,” and “under development” candidates for each position. The Company has an intentional focus on those formally under development for executive roles. Management is also focused on attracting, developing and retaining strong talent across the organization.

The executive talent pipeline is formally updated annually and is the main topic of at least two of the Compensation Committee’s meetings each year. The Compensation Committee also reviews the pipeline in connection with year-end performance and compensation reviews for every executive officer position. The pipeline is discussed regularly at the executive management level as well.

Talent development and succession planning is a coordinated effort among the CEO, the Compensation Committee, and the Company’s Human Resources team, as well as each succession candidate.

The board is provided exposure to succession candidates for executive officer positions.

All executive succession candidates have formal development plans.

All CEO succession candidates receive one-on-one development from a professional executive coach.

The CEO provides formal updates to the Compensation Committee annually on CEO succession candidates’ development plan progress.

The Company maintains a forward-looking approach to succession. Positions are filled considering the business strategy and needs at the time of a vacancy and the candidate’s skills, experience, expertise, leadership and fit.

The Company has a proven track record on succession, for example with the CFO and Chief Accounting Officer transitions in 2017.

Director Responsibilities and Obligations

Our directors have specific responsibilities and obligations arising from their service on the board and the Committees of the board, as described in the table below:

Responsibilities of the Board of Directors:	In addition to each director’s basic duties of care and loyalty, the board has separate and specific obligations under our Statement on Corporate Governance. Among other things, these obligations require directors to effectively monitor management’s capabilities, compensation, risk oversight, leadership and performance, without undermining management’s ability to successfully operate the business. In addition, the board and the board’s committees have the authority to retain outside legal, accounting or other advisors, as necessary, to carry out their responsibilities.
Director Education:	All directors are expected to be knowledgeable about the Company and its industry and to understand their duties and responsibilities as directors. The Company recognizes the importance of continuing education for directors and is committed to supporting continuing director education in order to enhance board and committee performance. We conduct periodic continuing education for directors and, at a director’s request, we will arrange for the director’s participation in cost-effective continuing education programs offered by third parties that are relevant to the director’s role as a board and committee member. All of our independent directors are expected to participate in orientation programs. In addition, orientation sessions are conducted by senior management to familiarize directors with the Company’s strategic plans, significant financial, accounting and risk

management issues, our compliance programs, our Code of Business Conduct and Ethics, and our principal officers, as well as our internal and external auditors.

Director Evaluations:	The board, acting through the Governance Committee, annually evaluates the effectiveness of the board collectively and of board members individually, and the performance of each standing board committee. The Governance Committee determines the appropriate means for this evaluation.
Committee Evaluations:	Each committee of the board annually evaluates the effectiveness and performance of each respective committee collectively and of the members of each respective committee individually.
Directors' Share Ownership Guidelines:	Our Statement on Corporate Governance provides that each director is expected to develop a meaningful equity stake in our Company over time and that after the fifth anniversary of election to the board, each director is required to own shares of the Company's common stock and/or LTIP Units (as described below) equivalent to not less than 5 times their respective annual cash retainer. Each of our directors is in compliance with our share ownership guidelines.

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The board has adopted the following policy on director attendance at meetings: Absent extenuating circumstances, directors are expected to attend in person our annual meeting of stockholders, all Board Attendance at regularly scheduled board and committee meetings and to participate telephonically in regularly scheduled board and committee meetings when they are unable to attend in person. All of our directors Annual Meeting: attended our 2017 annual meeting of stockholders.

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Board Leadership Structure and Committees

The leadership structure of the board and information regarding the Audit, Compensation, Governance and Nominating Committees is provided in the following table:

Board Leadership Structure: The board periodically evaluates our board leadership structure. As stated in our Statement on Corporate Governance, the board will exercise its discretion in combining or separating the offices of Chairman of the Board and Chief Executive Officer. The determination is based on the board's judgment of the best interests of the Company and its stockholders from time to time.

We currently combine the roles of the Chairman of the Board and Chief Executive Officer. Effective January 1, 2018, the board appointed Mr. Toomey Chairman of the Board, in addition to his roles as Chief Executive Officer and President. The appointment of Mr. Toomey to the role of Chairman of the Board, Chief Executive Officer and President reflects his strong knowledge of the multifamily real estate industry and the complex operations of UDR. The board believes that while serving as Chairman, Chief Executive Officer and President, Mr. Toomey is best equipped to lead the board in the discussion of key business and strategic matters, and to focus the board on the most critical issues facing UDR. The board further believes that, in serving as the Chairman, Chief Executive Officer and President, Mr. Toomey offers the Company-specific expertise and extensive industry knowledge that is necessary as we pursue our five strategic objectives, which are operating excellence, balance sheet strength, portfolio diversification, capital allocation and creating a great place to work and live, while at the same time leading the board's efforts in oversight of the Company and its management.

Our Statement on Corporate Governance provides that if the offices of Chairman of the Board and Chief Executive Officer are combined, or if the Chairman does not qualify as an independent director, the board will designate a Lead Independent Director, who will chair the executive sessions of the board and have such other duties as the board deems appropriate. The name of the Lead Independent Director will be disclosed in our annual proxy statement.

Effective January 1, 2018, the board appointed Mr. Klingbeil as Lead Independent Director. Mr. Klingbeil has extensive experience leading the board, having served as Chairman of the Board since 2010, and having served as Vice Chairman of the Board from 2000 to 2010. Mr. Klingbeil has served on the board since 1998. As Lead Independent Director, Mr. Klingbeil's duties include:

- presiding at all meetings of the board at which the Chairman is not present;
- calling meetings of the independent directors;
- chairing meetings of the independent directors;
- serving as a liaison between the Chairman and the independent directors;

- approving agendas for the meetings of the board;
- approving meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- developing and managing (with oversight from the Governance Committee) a process for the annual evaluation of the effectiveness of directors and the board;
- serving as an informal advisor to the Chairman on matters pertaining to board practices; and
- performing such other duties as the board may from time to time delegate.

The board's administration of its risk oversight function has not affected the board's leadership structure.

Independence of the Audit,

Compensation, Governance
and Nominating Committees:

The Audit, Compensation, Governance and Nominating Committees consist entirely of independent directors, as defined in the NYSE listing standards and the Company's director independence standards. Each member of the Audit Committee and the Compensation Committee also satisfies the additional independence requirements set forth in rules under the Securities Exchange Act of 1934 and the NYSE listing standards.

Audit Committee	Each member of the Audit Committee is financially literate, and the board has determined that each member of the Audit Committee is an “audit committee financial expert” within the meaning of the SEC’s regulations.
Financial Expert:	
Executive Sessions of Independent Directors:	Our independent directors hold regularly scheduled executive sessions at which our independent directors meet without the presence of management. These executive sessions generally occur around regularly scheduled meetings of the board. The Lead Independent Director presides as chairman of these executive sessions. The Lead Independent Director is an independent director.
Compensation Committee	The members of the Compensation Committee in fiscal 2017 included Jon A. Grove (Chairman), Robert A. McNamara, Mark A. Patterson and Lynne B. Sagalyn. None of the members of the Compensation Committee during fiscal 2017, or as of the date of this proxy statement, is a former or current officer or employee of the Company or has any interlocking relationships as set forth in applicable SEC rules. In addition, during 2017 and through the date of this proxy statement, none of our executive officers has served as a member of the board or compensation committee of any other entity that has one or more executive officers serving as a member of our board or Compensation Committee.
Interlocks and Insider Participation:	

Role of Compensation Committee and Compensation Consultants

Our Compensation Committee is responsible for developing and administering compensation programs for (1) our directors, (2) our executive officers, including base salaries and short-term and long-term incentive compensation plans, and (3) long-term incentive compensation plans for all of our associates. Annually, the entire board submits an evaluation of the CEO’s performance to the Chairman of the Compensation Committee and then the board meets in executive session to discuss and evaluate the performance of our CEO. After that, the members of the Compensation Committee meet in executive session, without the CEO present, to further discuss and evaluate the performance of our CEO.

Our CEO makes recommendations to, and consults with, the Compensation Committee with respect to the compensation for the executive officers who report directly to our CEO.

The Compensation Committee has the sole authority to retain and terminate any compensation consultants to be used to assist in establishing compensation for our executive officers and to approve such consultants’ fees and other retention terms. The Compensation Committee engaged FPL Advisory Group as its independent compensation consultant.

FPL reports directly to the Compensation Committee, and the Compensation Committee is free to replace FPL or to hire additional consultants from time to time. FPL does not have any conflict of interest with the Company, the members of the Compensation Committee or our executive officers. For more information regarding the Compensation Committee’s compensation consultants, see “Executive Compensation — Compensation Discussion and Analysis — Compensation Consultants.”

Board of Directors and Committee Meetings

The board held seven meetings during fiscal 2017, including three meetings that were held by teleconference. No director attended fewer than 75% of the aggregate of (1) the total number of meetings of the board, and (2) the total

number of meetings held by all committees of the board on which he or she served during fiscal 2017. The board has standing Audit, Compensation, Governance, Nominating and Executive Committees to assist it in discharging its duties. Information regarding each committee is set forth below:

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	Members on	Key Functions	Number of Meetings
Committee Audit	12/31/2017 Clint D. McDonnough(1) Katherine A. Cattanach Robert P. Freeman Mary Ann King	• Assists the board in its general oversight of our accounting financial reporting process, audits of our financial statements, internal controls and internal audit functions • Appointment, compensation and oversight of our independent auditors • Represents and assists the board in its oversight of: • the quality or integrity of our financial statements; • our compliance with legal and regulatory requirements; and • the performance of our internal audit department and independent auditors • Discusses the adequacy and effectiveness of our internal controls over financial reporting • Oversees our compliance with procedures and processes pertaining to corporate ethics and standards of business conduct • Establishes procedures for the receipt, retention and treatment of complaints received concerning accounting, auditing, internal controls and financial reporting matters • Oversees risk management policies and risk assessment • Pre-approves all non-audit services to be provided to the Company by the independent auditors	in 2017 10
Compensation	Jon A. Grove(1) Robert A. McNamara Mark R. Patterson Lynne B. Sagalyn	• Administers and approves general compensation policies applicable to our key executive officers • Reviews and approves compensation for the board and its committees	5

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		<ul style="list-style-type: none"> • Reviews and ensures the appropriate administration of our compensation and benefit plans, programs and policies • Determines and approves the compensation of our CEO • Sets annual objectives for, and evaluates the performance of, our CEO, with input from the board • Reviews and recommends to the board short- and long-term compensation for the principal officers of the Company who report directly to our CEO • Approves all employment and severance agreements for senior vice presidents and above • Reviews and approves the contributions and awards, if any, under the management incentive programs and other management compensation, if any, including the long-term incentive plan • Appoints and provides oversight of independent compensation consultants 	
Governance	Robert P. Freeman(1)	<ul style="list-style-type: none"> • Exercises general oversight of board governance matters 	4
	Katherine A. Cattanach	<ul style="list-style-type: none"> • Reviews the size, role, composition and structure of our board and its committees 	
	Lynne B. Sagalyn	<ul style="list-style-type: none"> • Reviews and evaluates the board and its members • Reviews and updates our Corporate Governance Policies • Considers, develops and makes recommendations to the board regarding matters related to corporate governance 	
Nominating	James D. Klingbeil(1)	<ul style="list-style-type: none"> • Ensures that each committee conducts an annual assessment • Identifies, evaluates and recommends to the board individuals qualified to serve as directors of the Company 	0(2)
	Robert P. Freeman		
	Jon A. Grove	<ul style="list-style-type: none"> • Establishes criteria for the selection of new directors 	
	Clint D. McDonnough	<ul style="list-style-type: none"> • Reviews the suitability for continued service as a director of board members • Establishes procedures for the submission or recommendations by stockholders 	

	Members on	Key Functions	Number of Meetings in 2017
Committee	12/31/2017		
Executive	James D. Klingbeil(1)	<ul style="list-style-type: none"> • Performs the duties and exercises the powers delegated to it by the board 	0
	Lynne B. Sagalyn	<ul style="list-style-type: none"> • Meets only when board action on a significant matter is required and it is impractical or not feasible to convene a full meeting of the board 	
	Thomas W. Toomey		
(1)	Committee Chair.		
(2)	The Nominating Committee was established on November 9, 2017 and its duties were performed by the Governance Committee prior to such date.		

The Role of the Board in Risk Oversight

The board has oversight responsibility with respect to risk management and is not responsible for day-to-day management of risk, which is the responsibility of senior management. The board's role in the Company's risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal, strategic, cybersecurity and reputational risks. The Audit Committee, established in accordance with the applicable provisions of the Securities Exchange Act of 1934, assists the board in fulfilling its oversight responsibility by performing the following:

- reviewing with management the Company's major financial exposures, including risk exposure to floating rate debt and the steps management has taken to monitor and control such exposures, including the Company's risk assessment process and risk management policies and net financial funding requirements, including financial flexibility, balance sheet maturities and financial ratios;
- reviewing and discussing with management, the internal auditors and the independent auditors, the Company's policies with respect to risk assessment and risk management, including operational risks such as cybersecurity risk;
- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters; and
- at each meeting reviews and discusses our cybersecurity risk matrix that identifies cybersecurity risks and measures our efficiency with respect to initiatives (including training initiatives) related to cybersecurity.

Board Evaluation

The Board, through the Governance Committee, annually evaluates the Board and its members as follows:

STEPS TO ACHIEVE BOARD EFFECTIVENESS – EVALUATION PROCESSES

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Communicating with the Board

Our board provides a process for stockholders and all other interested parties to send communications to the board. Any stockholder and all other interested parties who wish to communicate with the board or any specific director, including the Chairman or the Lead Independent Director, may write to:

UDR, Inc.

Attn: Board of Directors

1745 Shea Center Drive,

Suite 200

Highlands Ranch, Colorado 80129-1540

Depending on the subject matter of the communication, management will:

- forward the communication to the director or directors to whom it is addressed (matters addressed to the Lead Independent Director will be forwarded unopened directly to the Lead Independent Director);
- attempt to handle the inquiry directly where the communication does not appear to require direct attention by the board, or an individual member of the board, e.g., the communication is a request for information about the Company or is a stock-related matter; or
- not forward the communication if it is primarily commercial in nature or if it relates to an improper or irrelevant topic.

Stockholders and all other interested parties may submit concerns regarding accounting matters via the Company's third-party anonymous reporting system at www.mysafeworkplace.com or by calling 1-800-461-9330. Instructions for making a report are published in the Corporate Governance section of the Investor Relations page of the Company's website at ir.udr.com.

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COMPENSATION OF DIRECTORS

The following table provides information concerning the compensation of our directors for fiscal 2017.

Director Compensation Table

Name	Fees Earned		Non-Equity Incentive Plan			Nonqualified Deferred Compensation		All Other Compensation (\$)	Total (\$)
	or Paid in Cash (\$)	Stock Awards (\$)	Awards (\$)	Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation (\$)				
(a)	(b)	(c)(1)(2)	(d)	(e)	(f)	(g)(3)	(h)		
Katherine A. Cattanach(4)	80,000	114,753	-0-	-0-	-0-	5,698	200,451		
Robert P. Freeman(4)	80,000	127,496	-0-	-0-	-0-	6,095	213,591		
Jon A. Grove(4)	80,000	127,496	-0-	-0-	-0-	6,095	213,591		
Mary Ann King(4)	80,000	114,753	-0-	-0-	-0-	5,698	200,451		
James D. Klingbeil(4)	120,000	195,523	-0-	-0-	-0-	9,278	324,801		
Clint D. McDonnough	80,000	114,753	-0-	-0-	-0-	3,578	198,331		
Robert A. McNamara	80,000	114,753	-0-	-0-	-0-	3,578	198,331		
Mark R. Patterson	80,000	114,753	-0-	-0-	-0-	3,578	198,331		
Lynne B. Sagalyn(4)	80,000	120,018	-0-	-0-	-0-	4,865	204,883		
Thomas W. Toomey(5)	-0-	-0-	-0-	-0-	-0-	-0-	-0-		

- (1) The dollar amount reflected in the “Stock Awards” column reflects the aggregate grant date fair value, computed in accordance with FASB ASC Topic 718, of a grant of shares of restricted stock or Class 1 LTIP Units, which vested on the anniversary date of the grant, as discussed below under “Director Compensation Table Discussion.” For those non-employee

directors who elected to receive restricted stock, the amount of restricted stock was 3,755 shares (6,398 shares for a non-employee Chairman of the Board), which was priced at \$35.95 per share, which was the closing sales price of our common stock on January 3, 2017, the date of grant. For those non-employee directors who elected to receive Class 1 LTIP Units, the amount was 3,755 units (6,398 units for a non-employee Chairman of the Board), and the Class 1 LTIP Units were priced at \$35.95 per unit, which was the closing sales price of our common stock on January 3, 2017, the date of grant.

- (2) The following table sets forth the restricted stock awards, Class 1 LTIP Unit awards and non-qualified stock option awards outstanding as of December 31, 2017 for each of our non-employee directors. Mr. Toomey's holdings are set forth under the heading "Executive Compensation" in this proxy statement. The restrictions relating to these awards are described in more detail below under the heading "Director Compensation Table Discussion — 2017 Director Compensation Program."

Director	Restricted Stock Awards Outstanding*	LTIP Unit Awards Outstanding*	Non-Qualified Stock
			Option Awards Outstanding
Katherine A. Cattanach	-0-	5,981	-0-
Robert P. Freeman	-0-	6,398	-0-
Jon A. Grove	-0-	6,398	-0-
Mary Ann King	-0-	5,981	-0-
James D. Klingbeil	-0-	9,739	-0-
Clint D. McDonnough	-0-	3,755	-0-
Robert A. McNamara	-0-	3,755	-0-
Mark R. Patterson	-0-	3,755	-0-
Lynne B. Sagalyn	1,808	2,782	-0-

* Restricted stock or LTIP Unit awards that were granted on January 2, 2018 pursuant to our 2018 independent director compensation program are not included in this table, but are discussed below under "Director Compensation Table Discussion — 2018 Director Compensation Program."

- (3) The dollar amount in this column includes dividends on all outstanding stock awards.
- (4) These directors elected to receive their fees in restricted stock and/or Class 1 LTIP Units, as follows: Dr. Cattanach, Messrs. Freeman and Grove and Ms. King received 2,226 Class 1 LTIP Units, Mr. Klingbeil received

3,341 Class 1 LTIP Units and Dr. Sagalyn received 834 shares of restricted stock.

- (5) Mr. Toomey is our Chairman, Chief Executive Officer and President. Because he is an employee of the Company, he receives no additional compensation for service as a director of the Company. His total compensation for 2017 is set forth below under the heading “Executive Compensation.”

Director Compensation Table Discussion

Our compensation program for independent directors is designed to attract and retain highly qualified board members who can work with senior management to establish key strategic goals in support of long-term stockholder value creation. The program consists of a combination of a cash retainer fee and a grant of equity awards. Total compensation was targeted at the median level of a diversified group of public REITs. The compensation program was set at competitive levels in recognition of the time commitments and responsibility levels associated with serving on public company boards within the current environment.

The Compensation Committee reviews our independent director compensation annually to ensure that we are competitive and to allow us to recruit and retain qualified candidates to serve as directors of the Company.

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The Compensation Committee utilizes an outside consultant to assess our director compensation and both a benchmarking study prepared by the consultant and other industry data in determining director compensation.

2017 Director Compensation Program

Retainer. For 2017, there was no change to the director compensation program. Each non-employee director then serving on the board received an annual retainer fee of \$80,000 (\$120,000 for a non-employee Chairman of the Board). The chairpersons of each of the Audit and Compensation Committees received an annual retainer fee of \$15,000. These fees were paid in January 2017.

The non-employee directors could elect to receive their 2017 compensation in cash, in stock or Class 1 LTIP Units, or in a combination of cash, stock or Class 1 LTIP Units.

LTIP Units. Our 1999 Long-Term Incentive Plan provides for awards of LTIP Units of United Dominion Realty, L.P., a Delaware limited partnership, which we refer to as the “Operating Partnership.” The Company is the parent company and sole general partner of the Operating Partnership. As described below, the Company’s non-employee directors may elect to receive Class 1 LTIP Units. Subject to the conditions set forth in the Ninth Amendment to the Amended and Restated Agreement of Limited Partnership and subject to the vesting conditions specified with respect to the Class 1 LTIP Units, each Class 1 LTIP Unit may be converted, at the election of the holder, into a unit of limited partnership of the Operating Partnership (“OP Units”), and a holder of OP Units has the right to require the Operating Partnership to redeem all or a portion of the OP Units held by the holder in exchange for a cash payment based on the market value of our common stock at the time of redemption. However, the Operating Partnership’s obligation to pay the cash amount is subject to the prior right of the Company to acquire such OP Units in exchange for either the cash amount or shares of our common stock.

Equity Grant. Each non-employee director then serving on the board also received a grant of \$135,000 in value of shares of restricted stock and/or Class 1 LTIP Units (\$230,000 for the non-employee Chairman of the Board). For those non-employee directors who elected to receive restricted stock, the restricted stock was priced at \$35.95 per share, which was the closing sales price of our common stock on January 3, 2017, the date of grant. The shares of restricted stock vested on December 31, 2017. The non-employee directors receiving restricted stock are entitled to receive dividends during the vesting period; however, any unvested shares at the end of the one-year vesting period will be returned to us and cancelled.

For those non-employee directors who elected to receive Class 1 LTIP Units, the Class 1 LTIP Units were priced at \$35.95 per unit, the closing sales price of our common stock on January 3, 2017, the date of grant. The Class 1 LTIP Units vested on December 31, 2017. The non-employee directors who received Class 1 LTIP Units were entitled to receive distributions during the vesting period, however any unvested Class 1 LTIP Units at the end of the one-year vesting period would be returned to us and cancelled.

2018 Director Compensation Program

Retainer. For 2018 there was no change to the director compensation program, each non-employee director receives an annual retainer fee of \$80,000 (\$120,000 for the Lead Independent Director). The chairpersons of each of the Audit and Compensation Committees also receive an annual retainer fee of \$15,000. These fees were paid in January 2018.

The non-employee directors can elect to receive their 2018 compensation in cash, in stock or Class 1 LTIP Units, or in a combination of cash, stock or Class 1 LTIP Units.

Equity Grant. Each non-employee director also receives a grant of \$135,000 in value of shares of restricted stock and/or Class 1 LTIP Units (\$230,000 for the Lead Independent Director). For those non-employee

directors who elected to receive restricted stock, the restricted stock was priced at \$38.06 per share, which was the closing sales price of our common stock on January 2, 2018, the date of grant. The shares of restricted stock vest on December 31, 2018. The non-employee directors receiving restricted stock are entitled to receive dividends during the vesting period; however, any unvested shares at the end of the one-year vesting period will be returned to us and cancelled.

For those non-employee directors who elected to receive Class 1 LTIP Units, the Class 1 LTIP Units were priced at \$38.06 per unit, the closing sales price of our common stock on January 2, 2018, the date of grant. The Class 1 LTIP Units vest on December 31, 2018. The non-employee directors who received Class 1 LTIP Units were entitled to receive distributions during the vesting period, however any unvested Class 1 LTIP Units at the end of the one-year vesting period would be returned to us and cancelled.

Directors who are also employees of the Company receive no additional compensation for service as a director. All directors are reimbursed for expenses incurred in connection with attending a board meeting or committee meeting in accordance with our Director Expense Reimbursement Policy.

Strategy – Updated 2-Year Strategic Plan

ACTIVE AND ENGAGED BOARD –
SELECT ACTIONS OVER LAST FOUR
YEARS

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the shares of our common stock beneficially owned by (1) each of our directors, (2) the named executive officers, (3) all of our directors and executive officers as a group, and (4) all persons known by us to beneficially own more than 5% of our outstanding voting stock. We have determined the beneficial ownership shown on this table in accordance with the rules of the SEC. Under those rules, shares are considered beneficially owned if held by the person indicated, or if such person, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares the power to vote, to direct the voting of and/or to dispose of or to direct the disposition of such security. Except as otherwise indicated in the accompanying footnotes, beneficial ownership is shown as of March 16, 2018.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership			Total Beneficial Ownership	
	Shares Beneficially Owned(1)	Shares for Which Beneficial Ownership can be Acquired Within 60 Days(2)	Shares for Which Beneficial Ownership can be Acquired upon Redemption of Partnership Interests(3)	Number of Shares(2)(4)	Percent of Class(4)(5)
Thomas W. Toomey	1,162,390(6)	1,680,672	743,862	3,586,924	1.33 %
James D. Klingbeil	153,503 (7)	—	2,249,665 (7)	2,403,168	*
Warren L. Troupe	528,378	150,000	208,750	887,128	*
Jon A. Grove	450,058	—	18,696	468,754	*
Jerry A. Davis	244,669	—	213,191	457,860	*
Harry G. Alcock	136,123	—	205,662	341,785	*
Joseph D. Fisher	33,917	—	89,324	123,241	*
Robert P. Freeman	93,404 (8)	—	18,302	111,706	*
Lynne B. Sagalyn	91,949 (9)	—	11,151	103,100	*
Katherine A. Cattnach	58,665	—	14,250	72,915	*
Mark R. Patterson	8,983	—	10,973	19,956	*
Robert A. McNamara	7,651	—	10,973	18,624	*
Mary Ann King	2,549	—	17,477	20,026	*
Clint D. McDonnough	11,496	—	10,631	22,127	*
All directors and executive officers as a group (14 persons)	2,983,735	1,830,672	3,822,907	8,637,314	3.16