

SUN COMMUNITIES INC
Form DEF 14A
March 30, 2017

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
SCHEDULE 14A

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary proxy statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive proxy statement
- Definitive additional materials
- Soliciting material under § 240.14a-12

Sun Communities, Inc.
Name of Registrant as Specified in its Charter

N/A
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:
- 2. Aggregate number of securities to which transaction applies:
- 3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- 4. Proposed maximum aggregate value of transaction:
- 5. Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1. Amount previously paid:
- 2. Form, Schedule or Registration Statement No.:
- 3. Filing party:
- 4. Date filed:

SUN COMMUNITIES, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 18, 2017

You are cordially invited to attend the 2017 Annual Meeting of Stockholders (the "Annual Meeting") of Sun Communities, Inc. The Annual Meeting will be held on Thursday, May 18, 2017, at 11:00 a.m., local time at 27777 Franklin Road, Suite 100, Southfield, MI 48034. At the Annual Meeting, common stockholders of record at the close of business on March 10, 2017 (the "Record Date") will be asked to:

1. Elect six directors to serve until our 2018 annual meeting of stockholders or until their successors shall have been duly elected and qualified;
2. Ratify the selection of Grant Thornton LLP as our independent registered public accounting firm for 2017;
3. Conduct a non-binding advisory vote on executive compensation;
4. Conduct a non-binding advisory vote on the frequency of stockholders votes on executive compensation; and
5. Consider any other business properly brought before the Annual Meeting.

The attached Proxy Statement contains details of the proposals to be voted on at the Annual Meeting. We encourage you to read the Proxy Statement carefully.

Only common stockholders of record at the close of business on the Record Date are entitled to notice of, and to vote at, the Annual Meeting or any adjournments.

Your vote is important to us. Please vote as promptly as possible by using the internet, telephone or by signing, dating and returning the proxy card mailed to those who receive paper copies of this Proxy Statement.

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 18, 2017.

This Proxy Statement and our Annual Report to stockholders are available at www.proxyvote.com.

By Order of the Board of
Directors
/s/ Karen J. Dearing
Secretary

March 30, 2017

TABLE OF CONTENTS

INTRODUCTION	<u>1</u>
QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING	<u>1</u>
BOARD OF DIRECTORS AND CORPORATE GOVERNANCE	<u>5</u>
Board of Directors and Committees	<u>5</u>
Communications with the Board	<u>6</u>
Board Leadership Structure and Independence of Non-Employee Directors	<u>6</u>
Consideration of Director Nominees	<u>7</u>
Incumbent Directors and Nominees	<u>9</u>
Director Compensation Tables	<u>11</u>
PROPOSAL NO. 1 - ELECTION OF DIRECTORS	<u>12</u>
PROPOSAL NO. 2 - RATIFICATION OF SELECTION OF GRANT THORNTON LLP	<u>13</u>
REPORT OF THE AUDIT COMMITTEE	<u>14</u>
MANAGEMENT AND EXECUTIVE COMPENSATION	<u>15</u>
Executive Officers	<u>15</u>
Compensation Discussion and Analysis	<u>16</u>
Risks Arising from Compensation Policies and Practices	<u>24</u>
Anti-Hedging Policy	<u>24</u>
Executive Stock Ownership Guidelines	<u>24</u>
Summary Compensation Table	<u>25</u>
Grants of Plan-Based Awards	<u>26</u>
Outstanding Equity Awards at Fiscal Year End	<u>30</u>
Option Exercises and Stock Vested During Last Fiscal Year	<u>32</u>
Change in Control and Severance Payments	<u>32</u>
COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION	<u>34</u>
COMPENSATION COMMITTEE REPORT	<u>35</u>
PROPOSAL NO. 3 - NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION	<u>36</u>
PROPOSAL NO. 4 - NON-BINDING ADVISORY VOTE ON FREQUENCY OF STOCKHOLDER VOTES ON EXECUTIVE COMPENSATION	<u>37</u>
SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE	<u>38</u>
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	<u>39</u>
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS	<u>41</u>
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE	<u>42</u>
STOCKHOLDER PROPOSALS FOR THE 2017 ANNUAL MEETING	<u>43</u>
OTHER MATTERS	<u>44</u>
FIFTH AMENDED AND RESTATED AUDIT COMMITTEE CHARTER	<u>A-1</u>

(i)

SUN COMMUNITIES, INC.
PROXY STATEMENT

INTRODUCTION

This Proxy Statement contains information related to the 2017 Annual Meeting of Stockholders (the "Annual Meeting") of Sun Communities, Inc. (the "Company"), which will be held on Thursday, May 18, 2017, at 11:00 a.m. local time at 27777 Franklin Road, Suite 100, Southfield, MI 48034. On or about March 30, 2017, we began mailing a notice containing instructions on how to access these proxy materials to all stockholders of record at the close of business on March 10, 2017 (the "Record Date").

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

What is the Purpose of the Annual Meeting?

At the Annual Meeting, stockholders will vote on the following proposals (the "Proposals"):

- Proposal No. 1 — Elect six directors to serve until our 2018 annual meeting of stockholders or until their successors shall have been duly elected and qualified;
- Proposal No. 2 — Ratification of the selection of Grant Thornton LLP as our independent registered public accounting firm for 2017;
- Proposal No. 3 — Non-binding advisory vote on executive compensation; and
- Proposal No. 4 — Non-binding advisory vote on frequency of stockholder votes on executive compensation.

In addition, stockholders shall consider any other business properly brought before the Annual Meeting.

We have sent these proxy materials to you because our Board of Directors (the "Board of Directors" or "Board") is requesting that you allow your shares of our common stock to be represented at the Annual Meeting by the proxies named in the enclosed proxy card. This Proxy Statement contains information that we are required to provide you under the rules of the Securities and Exchange Commission ("SEC") and that is designed to assist you in voting your shares of common stock.

Who is Entitled to Vote?

You will be entitled to vote your shares of common stock on the Proposals if you held your shares of common stock at the close of business on the Record Date. As of the Record Date, a total of 73,531,566 shares of common stock were outstanding and entitled to vote held by 204 holders of record. Shares cannot be voted at the Annual Meeting unless the holder is present in person or represented by proxy. Each share of common stock entitles its holder to cast one vote for each matter to be voted upon.

What is Required to Hold the Annual Meeting?

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding and entitled to vote on the Record Date will constitute a quorum permitting business to be conducted at the Annual Meeting. If you have returned valid proxy instructions or you attend the Annual Meeting and vote in person, your shares of common stock will be counted for purposes of determining whether there is a quorum, even if you abstain from voting on any or all matters introduced at the Annual Meeting. If there is not a quorum at the Annual Meeting, the stockholders entitled to vote at the Annual Meeting, whether present in person or represented by proxy, will only have the power to adjourn the Annual Meeting until such time as there is a quorum. The Annual Meeting may be reconvened without notice to the stockholders, other than an announcement at the prior adjournment

of the Annual Meeting, within 120 days after the Record Date, and a quorum must be present at such reconvened Annual Meeting.

How do I Vote?

Your vote is important. Stockholders have a choice of voting over the Internet, by telephone or by using a traditional proxy card.

To vote by Internet, go to www.proxyvote.com and follow the instructions there. You will need the 12 digit number included on your proxy card, voter instruction form or notice.

To vote by telephone, stockholders should dial the phone number listed on their voter instruction form and follow the instructions. You will need the 12 digit number included on the voter instruction form or notice.

If you received a notice and wish to vote by traditional proxy card, you can receive a full set of materials at no charge through one of the following methods:

(i) by internet: www.proxyvote.com;

(ii) by phone: (800) 579-1639; or

(iii) by email: sendmaterial@proxyvote.com (your email should contain the 12 digit number in the subject line included on the voter instruction form or notice).

The deadline for voting by phone or electronically is 11:59 p.m., Eastern Time, on May 17, 2017.

If you complete your proxy via the internet, telephone or properly sign and return you proxy card, your shares will be voted as you direct. You may specify whether your shares should be voted: (1) for all, some or none of the nominees for director, (2) for or against Proposal No. 2, (3) for or against Proposal No. 3, and (4) for or against Proposal No. 4.

We encourage you to provide voting instructions to your brokerage firm by returning a completed proxy. This ensures your shares will be voted at the Annual Meeting according to your instructions. You should receive directions from your brokerage firm about how to submit your proxy to them at the time you receive notice of this Proxy Statement.

Can I Change or Revoke My Proxy?

Yes, you may change your proxy at any time before the Annual Meeting by timely delivery of a properly executed, later-dated proxy or by voting in person at the Annual Meeting. You may also revoke your proxy by filing with our Secretary, any time prior to the time set for commencement of the Annual Meeting, a written notice of revocation bearing a later date than the proxy. However, attendance (without further action) at the Annual Meeting will not by itself constitute revocation or change of a previously granted proxy.

What are the Board's Recommendations?

If no instructions are indicated on your valid proxy, the representatives holding your proxy will vote in accordance with the recommendations of the Board. The Board unanimously recommends a vote:

FOR the election of each of the nominees for director;

FOR the ratification of the selection of Grant Thornton LLP as our independent registered public accounting firm for 2017;

FOR the non-binding approval of the executive compensation as disclosed in this Proxy Statement; and

FOR an advisory vote on executive compensation each year at the annual meeting of stockholders.

With respect to any other matter that properly comes before the Annual Meeting or any adjournment or postponement thereof, the representatives holding proxies will vote in their own discretion.

How Can I Receive a Proxy Statement and Annual Report?

Our Proxy Statement and our Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the SEC on February 23, 2017, is available electronically via the Internet at www.proxyvote.com. In addition, we will provide without charge to each person to whom this Proxy Statement is delivered, upon written or verbal request, a copy of this Proxy Statement and our

Annual Report on Form 10-K for the year ended December 31, 2016, which contains our audited financial statements. Written or telephone requests should be directed to us at 27777 Franklin Road, Suite 200, Southfield, Michigan 48034. Our telephone number is (248) 208-2500.

If you received a notice and wish to vote by traditional proxy card, you can receive a full set of materials at no charge through one of the following methods:

(i) by internet: www.proxyvote.com;

(ii) by phone: (800) 579-1639; or

(iii) by email: sendmaterial@proxyvote.com (your email should contain the 12 digit number in the subject line included on the voter instruction form or notice).

What Vote is Needed to Approve Each Proposal?

Following are the votes needed in order for each Proposal to be approved at the Annual Meeting. For all Proposals a quorum must be present at the Annual Meeting.

Proposal No. 1: The affirmative vote by a majority of all the votes cast in person or by proxy at the Annual Meeting is necessary for the election of six directors to serve until our 2018 annual meeting of stockholders, or until their successors shall have been duly elected and qualified.

Proposal No. 2: The affirmative vote by a majority of all the votes cast in person or by proxy at the Annual Meeting is required for the ratification of the selection of Grant Thornton LLP as our independent registered public accounting firm for 2017.

Proposal No. 3: The affirmative vote by a majority of all the votes cast in person or by proxy at the Annual Meeting is required for the non-binding approval of the executive compensation of our named executive officers as disclosed in this Proxy Statement.

Proposal No. 4: The one-year, two-year or three-year frequency receiving the affirmative non-binding vote of the holders of record of a majority of all votes cast will be the frequency option approved.

We will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence or absence of a quorum. Abstentions do not constitute a vote "for" or "against" any matter being voted on at the Annual Meeting and will not be counted as "votes cast." Therefore, abstentions will have no effect on any of the proposals. Broker "non-votes," or proxies from brokers or nominees indicating that such broker or nominee has not received instructions from the beneficial owner or other entity entitled to vote such shares on a particular matter with respect to which such broker or nominee does not have discretionary voting power, will be treated in the same manner as abstentions for purposes of the Annual Meeting. If you are a beneficial owner whose shares of common stock are held of record by a broker, your broker has discretionary voting authority under New York Stock Exchange ("NYSE") rules to vote your shares on Proposal No. 2 even if the broker does not receive voting instructions from you. However, under NYSE rules, your broker does not have discretionary authority to vote on any of the other proposals without instructions from you, in which case a broker "non-vote" will occur and your shares of common stock will not be voted on these matters.

How is My Vote Counted?

If the proxy in the form enclosed is duly executed, dated and returned, and it has not been revoked in accordance with the instructions enclosed, the shares of common stock represented by the proxy will be voted by Gary A. Shiffman and Karen J. Dearing, the Board's proxy agents for the Annual Meeting, in the manner specified in the proxy. If no specification is made, the common stock will be voted "for" the election of the six nominees for the Board, "for" the ratification of the selection of Grant Thornton LLP as our independent registered public accounting firm for 2017, "for" the executive compensation as disclosed in this Proxy Statement, and "for" an advisory vote on executive compensation each year at the annual meeting of stockholders, and at the discretion of Gary A. Shiffman and Karen J. Dearing, the Board's designated representatives for the Annual Meeting, with respect to such other business as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting. It is not anticipated that any matters other than those set forth in this Proxy Statement will be presented at the Annual Meeting. If other matters are presented, proxies will be voted in accordance with the discretion of the proxy holders. In addition, no stockholder proposals or nominations were received on a timely basis, so no such matters may be brought to a vote at the Annual Meeting.

Who is Soliciting My Proxy?

This solicitation of proxies is made by and on behalf of our Board. Proxies may be solicited by personal interview, telephone, facsimile or email or by our directors, officers and employees. Arrangements may also be made with brokerage houses or other custodians, nominees and fiduciaries to forward solicitation material to the beneficial owners of common stock held of record by such persons, and we may reimburse them for reasonable out-of-pocket expenses incurred in forwarding the material. We anticipate fees and expenses for these parties will not exceed \$3,000. The costs of all proxy solicitation will be borne by us.

Our principal executive offices are located at 27777 Franklin Road, Suite 200, Southfield, Michigan 48034.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board of Directors and Committees

Under our charter, each of our directors serves for a one-year term or until his or her successor is duly elected and qualified. Our current directors are Stephanie W. Bergeron, Brian M. Hermelin, Ronald A. Klein, Clunet R. Lewis, Ronald L. Piasecki, Gary A. Shiffman and Arthur A. Weiss. Pursuant to the retirement age provisions of our Corporate Governance Guidelines, Mr. Piasecki has decided not to stand for re-election, but he will continue to serve on the Board of Directors until the date of the Annual Meeting.

The Board meets quarterly, or more often as necessary. The Board met ten times during 2016 and took various actions pursuant to resolutions adopted by unanimous written consent. All directors attended at least 75% of the meetings of the Board and each committee on which they served. All of our then-serving board members attended the 2016 annual meeting of our stockholders.

Several important functions of the Board may be performed by committees that are comprised of members of the Board. Our bylaws authorize the formation of these committees and grant the Board the authority to prescribe the functions of each committee and the standards for membership of each committee. In addition, the Board appoints the members of each committee. The Board has five standing committees: an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, an Executive Committee, and a Manufactured Housing (MH) Finance Housing Committee. You may find copies of the charters of the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee (the "NCG Committee") and the Executive Committee under the "Investors-Officers and Directors" section of our website at www.suncommunities.com. You may also find a copy of our corporate governance guidelines and our code of business conduct and ethics under the "Investors-Officers and Directors" section of our website at www.suncommunities.com. All of the committee charters, our corporate governance guidelines and our code of business conduct and ethics are available in print to any stockholder who requests them.

The Audit Committee operates pursuant to a fifth amended and restated charter that was approved by the Board in October 20, 2016, and is reviewed annually. The fifth amended and restated charter is attached here to as Appendix A. It is also available under the "Investors-Officers and Directors" section of our website at www.suncommunities.com. The Audit Committee, among other functions, (i) has the sole authority to appoint, retain, terminate and determine the compensation of our independent accountants, (ii) reviews with our independent accountants the scope and results of the audit engagement, (iii) approves professional services provided by our independent accountants, (iv) reviews the independence of our independent accountants, and (v) directs and controls our internal audit functions. The current members of the Audit Committee are Messrs. Clunet R. Lewis (Chairman), Brian M. Hermelin and Ms. Stephanie W. Bergeron, all of whom are "independent," as that term is defined in the rules of the SEC and applicable rules of the NYSE. The Audit Committee held six formal meetings during the year ended December 31, 2016. The Board has determined that each member of the Audit Committee is an "audit committee financial expert," as defined by SEC rules.

The Compensation Committee operates pursuant to a first amended and restated charter that was approved by the Board in March 2016. A copy of the Compensation Committee Charter is available under the "Investors-Officers and Directors" section of our website at www.suncommunities.com. The Compensation Committee, among other functions, (i) consults with executive management in developing a compensation philosophy, (ii) reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer and such other executive officers as may be designated by the Chief Executive Officer, evaluates the performance of such officers in light of such goals and objectives, and determines and approves the compensation of such officers based on these evaluations, (iii) approves the compensation of our other executive officers, (iv) recommends to the Board for approval the compensation of the non-employee directors, (v) oversees our incentive-compensation plans and equity-based plans, and (vi) reviews and approves any employment agreements and severance agreements to be made with any existing or

prospective executive officer. The current members of the Compensation Committee are Messrs. Brian M. Hermelin (Chairman), Clunet R. Lewis, and Ronald L. Piasecki, all of whom are independent directors under the NYSE rules. Mr. Piasecki has decided not to stand for reelection at the Annual Meeting. During the year ended December 31, 2016, the Compensation Committee held three formal meetings and took various actions by unanimous written consent.

The NCG Committee operates pursuant to a charter that was approved by the Board in March 2004. A copy of the NCG Committee Charter is available under the “Investors-Officers and Directors” section of our website at www.suncommunities.com. The NCG Committee, among other functions, is responsible for (i) identifying individuals qualified to become Board members, consistent with criteria approved by the Board, (ii) recommending that the Board select the committee-recommended nominees for election at each annual meeting of stockholders, (iii) developing and recommending to the Board a set of corporate governance guidelines applicable to us, and (iv) periodically reviewing such guidelines and recommending any changes, and overseeing the evaluation of the Board. The current members of the NCG Committee are Messrs. Ronald A. Klein (Chairman), Clunet R. Lewis and Ronald L. Piasecki, all of whom are independent under the NYSE rules. Mr. Piasecki has decided not to stand for reelection at the Annual Meeting. The NCG Committee held one formal meeting during the year ended December 31, 2016. The NCG Committee considers

diversity and skills in identifying nominees for service on our Board. Regarding diversity, the NCG Committee considers the entirety of the board and a wide range of economic, social and ethnic backgrounds and does not nominate representational directors from any specific group.

The Executive Committee operates pursuant to a charter that was approved by the Board in January 2014 and amended in February 2015 and July 2015. The Executive Committee was established to generally manage our day-to-day business and affairs between regular Board meetings. The Executive Committee has specific authority to approve any and all acquisitions and/or financings (including refinancings of existing debt) by us or our subsidiaries up to a maximum purchase price or loan amount of \$125 million per transaction. In no event may the Executive Committee, without the prior approval of the Board acting as a whole: (i) recommend to the stockholders an amendment to our charter; (ii) amend our bylaws; (iii) adopt an agreement of merger or consolidation; (iv) recommend to the stockholders the sale, lease or exchange of all or substantially all of our property and assets; (v) recommend to the stockholders our dissolution or a revocation of a dissolution; (vi) fill vacancies on the Board; (vii) fix compensation of the directors for serving on the Board or on a committee of the Board; (viii) declare distributions or authorize the issuance of our stock; (ix) approve or take any action with respect to any related party transaction involving us; or (x) take any other action which is forbidden by our bylaws or charter. All actions taken by the Executive Committee must be promptly reported to the Board as a whole and are subject to ratification, revision and alteration by the Board. The current members of the Executive Committee are Messrs. Gary A. Shiffman, Arthur Weiss and Ronald A. Klein. The Executive Committee held one formal meeting during the year ended December 31, 2016.

The MH Finance Committee was created by the Board in April 2016 and is comprised of Ronald A. Klein (Chairman) and Arthur A. Weiss. It is empowered to (i) review, consider and evaluate all potential sources of financing for manufactured homes, and (ii) negotiate the terms and conditions of any such financing, subject to the Board's approval of the definitive agreements. During the year ended December 31, 2016, the MH Finance Committee did not hold any formal meetings.

The Board oversees and implements its risk management function several different ways. Specifically, the Audit Committee discusses our risk assessment and risk management policies with the Chief Financial Officer and other accounting staff, our internal auditor and our independent accountants in conjunction with its review of our financial statements as they deem necessary. In addition, the Board discusses the general risks facing us, the risk factors disclosed in our annual and period reports and our risk management policies with our executive management team from time to time throughout the year. In the event that a specific risk is identified, the Board or the Audit Committee directs management to assess, evaluate and provide remedial recommendations to the Board or the Audit Committee.

Communications with the Board

If you wish to communicate with any of the directors of the Board or the Board as a group, you may do so by writing to them at [Name(s) of Director(s)/Board of Directors of Sun Communities, Inc.], c/o Compliance Officer, Sun Communities, Inc., 27777 Franklin Road, Suite 200, Southfield, MI 48034.

If you wish to contact the Audit Committee to report complaints or concerns regarding accounting, internal accounting controls or auditing matters, you may do so by writing to Chairman of the Audit Committee of Sun Communities, Inc., c/o Compliance Officer, Sun Communities, Inc., 27777 Franklin Road, Suite 200, Southfield, MI 48034. You are welcome to make any such report anonymously but we prefer that you identify yourself so that we may contact you for additional information if necessary or appropriate.

If you wish to communicate with our non-management directors as a group, you may do so by writing to Non-Management Directors of Sun Communities, Inc., c/o Compliance Officer, Sun Communities, Inc., 27777 Franklin Road, Suite 200, Southfield, MI 48034.

We recommend that all correspondence be sent via certified U.S. mail, return receipt requested. All correspondence received by the Compliance Officer will be forwarded by the Compliance Officer promptly to the addressee(s).

Board Leadership Structure and Independence of Non-Employee Directors

The Board and the NCG Committee assess and revise our leadership structure from time to time. The Board does not have a fixed policy regarding the separation of the offices of Chairman and Chief Executive Officer and believes that it should maintain the flexibility to select the Chairman and its Board leadership structure, from time to time, based on the criteria that it deems to be in the best interests of the Company and its stockholders. Gary A. Shiffman currently serves as our Chairman of the Board and Chief Executive Officer. The Board believes that combining the Chairman and Chief Executive Officer positions is the right corporate governance structure for us at this time because it most effectively utilizes Mr. Shiffman's extensive experience and knowledge

regarding the Company and the manufactured home industry and provides for the most efficient leadership of our Board and the Company. The Board believes that Mr. Shiffman, rather than an independent director, is in the best position, as Chairman and Chief Executive Officer, to lead Board discussions regarding our business and strategy and to help the Board respond quickly and effectively to the many business challenges affecting the Company. The Board also believes that this structure is preferable because it allows one person to speak for and lead the Company and the Board and that splitting the roles of Chairman and Chief Executive Officer may cause the Company's leadership to be less effective.

Although the Board believes that it is more effective to have one person serve as our Chairman and Chief Executive Officer at this time, it also recognizes the importance of strong independent leadership on the Board. Accordingly, in addition to maintaining a significant majority of independent directors (as described below) and independent Board committees, the Board appoints a Lead Independent Director on an annual basis to serve for a term of one year. Mr. Clunet R. Lewis is currently serving as Lead Independent Director. The Lead Independent Director calls and presides at the executive sessions of our independent directors, acts as a liaison between our management team and the Board and is responsible for identifying, analyzing and making recommendations to the Board with respect to certain strategic and extraordinary matters. The Board believes that its Lead Independent Director structure including the duties and responsibilities described above provides the same independent leadership, oversight, and benefits for the Company and the Board that would be provided by an independent Chairman.

The NYSE rules require that a majority of the Board consist of members who are independent. There are different measures of director independence-independence under NYSE rules, under Section 16 of the Exchange Act and under Section 162(m) of the Code. The Board has reviewed information about each of our non-employee directors and determined that Ms. Stephanie W. Bergeron and Messrs. Brian M. Hermelin, Ronald A. Klein, Clunet R. Lewis, and Ronald L. Piasecki are independent directors. The independent directors meet on a regular basis in executive sessions without management participation. In 2016, the executive sessions occurred after many of the regularly scheduled meetings of the entire Board and may occur at such other times as the independent directors deem appropriate or necessary.

Consideration of Director Nominees

Board Membership Criteria

The Board of Directors has established criteria for Board membership. These criteria include the following specific, minimum qualifications that the NCG Committee believes must be met by an NCG Committee-recommended nominee for a position on the Board:

- The candidate must have experience at a strategic or policymaking level in a business, government, non-profit or academic organization of high standing;
- The candidate must be highly accomplished in his or her field, with superior credentials and recognition;
- The candidate must be well regarded in the community and must have a long-term reputation for high ethical and moral standards;
- The candidate must have sufficient time and availability to devote to our affairs, particularly in light of the number of boards on which the nominee may serve; and
- The candidate's principal business or occupation must not be such as to place the candidate in competition with us or conflict with the discharge of a director's responsibilities to us or to our stockholders.

In addition to the minimum qualifications for each nominee set forth above, the NCG Committee will recommend director candidates to the full Board for nomination, or present director candidates to the full Board for consideration, to help ensure that:

• A majority of the Board of Directors shall be “independent” as defined by the NYSE rules;

• Each of its Audit, Compensation and NCG Committees shall be comprised entirely of independent directors; and

• At least one member of the Audit Committee shall have such experience, education and qualifications necessary to qualify as an “audit committee financial expert” as defined by the rules of the SEC.

Consideration of Stockholder Nominated Directors

The NCG Committee's current policy is to review and consider any director candidates who have been recommended by stockholders in compliance with the procedures established from time to time by the NCG Committee. All stockholder recommendations for director candidates must be submitted in writing to our Secretary at Sun Communities, Inc., 27777 Franklin Road, Suite 200, Southfield, MI 48034, who will forward all recommendations to the NCG Committee. All stockholder recommendations for director candidates must include the following information:

• The stockholder's name, address, number of shares owned, length of period held and proof of ownership;

The name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the preceding five full fiscal years of the proposed director candidate;

• A description of the qualifications and background of the proposed director candidate which addresses the minimum qualifications and other criteria for Board membership as approved by the Board from time to time;

• A description of all arrangements or understandings between the stockholder and the proposed director candidate;

• The consent of the proposed director candidate (1) to be named in the proxy statement relating to our annual meeting of stockholders and (2) to serve as a director if elected at such annual meeting; and

• Any other information regarding the proposed director candidate that is required to be included in a proxy statement filed pursuant to the rules of the SEC.

Identifying and Evaluating Nominees

The NCG Committee may solicit recommendations for director nominees from any or all of the following sources: non-management directors, executive officers, third-party search firms or any other source it deems appropriate. The NCG Committee will review and evaluate the qualifications of any proposed director candidate that it is considering or has been recommended to it by a stockholder in compliance with the NCG Committee's procedures for that purpose, and conduct inquiries it deems appropriate into the background of these proposed director candidates. When nominating a sitting director for re-election, the NCG Committee will consider the director's performance on the Board and the director's qualifications in respect to the criteria set forth above. Other than circumstances in which we are legally required by contract or otherwise to provide third parties with the ability to nominate directors, the NCG Committee will evaluate all proposed director candidates based on the same criteria and in substantially the same manner, with no regard to the source of the initial recommendation of the proposed director candidate.

Incumbent Directors

The following list identifies each incumbent director for election to the Board at the Annual Meeting and describes each person's principal occupation for the past five years. Each of the directors has served continuously from the date of his or her election to the present time.

Name	Age	Office
Gary A. Shiffman	62	Chairman, Chief Executive Officer and Director
Stephanie W. Bergeron	63	Director
Brian Hermelin	51	Director
Ronald A. Klein	59	Director
Clunet R. Lewis	70	Director
Ronald L. Piasecki ⁽¹⁾	78	Director
Arthur A. Weiss	68	Director

⁽¹⁾ Mr. Piasecki has decided not to stand for reelection at the Annual Meeting, and therefore will not be a nominee for election at the Annual Meeting.

Gary A. Shiffman is our Chairman and Chief Executive Officer and has been a director and an executive officer since our inception in 1993. He is a member of our Executive Committee. He has been actively involved in the management, acquisition, construction and development of manufactured housing communities and has developed an extensive network of industry relationships over the past thirty years. He has overseen the acquisition, rezoning, development, expansion and marketing of numerous manufactured home communities, as well as recreational vehicle communities. Additionally, Mr. Shiffman, through his family-related interests, has had significant direct holdings in various real estate asset classes, which include office, multi-family, industrial, residential and retail. Mr. Shiffman is an executive officer and a director of SHS and all of our other corporate subsidiaries.

Stephanie W. Bergeron has been a director since 2007. She is a member of our Audit Committee. Ms. Bergeron, a certified public accountant, previously served as the President and Chief Executive Officer of Walsh College where she was named President Emerita. Additionally, Ms. Bergeron serves as President and Chief Executive Officer of Bluepoint Partners, LLC, a firm providing financial consulting services. From 1998 to 2003, Ms. Bergeron served as Vice President and Treasurer and then Senior Vice President-Corporate Financial Operations of The Goodyear Tire & Rubber Company ("Goodyear"). Prior to joining Goodyear, Ms. Bergeron was a Vice President and Assistant Treasurer of DaimlerChrysler Corporation. She has also served on Audit Committees of several publicly traded companies (including as chairman) and a number of not for profit organizations. During her business career, Ms. Bergeron directed staff responsible for accounting, treasury, investor relations and tax matters. Crain's Detroit Business named Bergeron one of its "Most Influential Women" in 1997 and in 2007.

Brian M. Hermelin has been a director since 2014. He is the chairman of our Compensation Committee and a member of our Audit Committee. Mr. Hermelin is the Co-Founder and Managing Partner since 2007 of Rockbridge Growth Equity LLC, a private equity investment firm focusing on companies in the business services, financial services, sports, media and entertainment, and consumer direct marketing industries. He is