

Nuveen Core Equity Alpha Fund
Form N-Q
November 29, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT
INVESTMENT COMPANY**

Investment Company Act file number 811-22003

Nuveen Core Equity Alpha Fund

(Exact name of registrant as specified in charter)

333 West Wacker Drive, Chicago, Illinois 60606

(Address of principal executive offices) (Zip code)

Kevin J. McCarthy Vice President and Secretary

333 West Wacker Drive, Chicago, Illinois 60606

(Name and address of agent for service)

Registrant's telephone number, including area code: 312-917-7700

Date of fiscal year

end: 12/31

Date of reporting period: 9/30/2011

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Schedule of Investments

Portfolio of Investments (Unaudited)
Nuveen Core Equity Alpha Fund (JCE)
September 30, 2011

Shares	Description (1)	Value
	Common Stocks 100.4%	
	Aerospace & Defense 1.8%	
700	Boeing Company	\$ 42,357
7,500	Honeywell International Inc.	329,325
2,200	L-3 Communications Holdings, Inc.	136,334
5,400	Lockheed Martin Corporation	392,256
27,100	Northrop Grumman Corporation	1,413,536
3,800	Precision Castparts Corporation	590,748
5,100	Raytheon Company	208,437
6,900	Rockwell Collins, Inc.	364,044
2,600	United Technologies Corporation	182,936
	Total Aerospace & Defense	3,659,973
	Air Freight & Logistics 1.3%	
21,700	C.H. Robinson Worldwide, Inc.	1,485,799
3,900	Expeditors International of Washington, Inc.	158,145
15,300	FedEx Corporation	1,035,504
	Total Air Freight & Logistics	2,679,448
	Auto Components 0.0%	
4,400	Goodyear Tire & Rubber Company	44,396
	Automobiles 0.0%	
1,500	Harley-Davidson, Inc.	51,495
	Beverages 1.0%	
4,700	Brown-Forman Corporation	329,658
21,300	Coca Cola Enterprises Inc.	529,944
4,400	Coca-Cola Company	297,264
18,200	Dr. Pepper Snapple Group	705,796
1,300	PepsiCo, Inc.	80,470
	Total Beverages	1,943,132
	Biotechnology 0.7%	
1,700	Amgen Inc.	93,415
7,500	Biogen Idec Inc.	698,625
5,400	Cephalon, Inc.	435,780
4,900	Gilead Sciences, Inc., (2)	190,120
	Total Biotechnology	1,417,940
	Capital Markets 0.9%	
28,200	Ameriprise Financial, Inc.	1,109,952
9,400	Franklin Resources, Inc.	899,016
2,000	T. Rowe Price Group Inc.	95,540
	Total Capital Markets	2,104,508
	Chemicals 1.8%	
600	Air Products & Chemicals Inc.	45,822
37,700	E.I. Du Pont de Nemours and Company	1,506,869
15,800	Eastman Chemical Company	1,082,774
1,900	International Flavors & Fragrances Inc.	106,818
10,700	Sherwin-Williams Company	795,224
	Total Chemicals	3,537,507
	Commercial Banks 0.8%	
8,000	BB&T Corporation	170,640
2,900	Comerica Incorporated	66,613
11,700	Fifth Third Bancorp.	118,170
15,000	First Horizon National Corporation	89,400
9,300	Huntington BancShares Inc.	44,640
15,000	KeyCorp.	88,950
3,600	M&T Bank Corporation	251,640
2,900	PNC Financial Services Group, Inc.	139,751
11,500	U.S. Bancorp	270,710
3,550	Wells Fargo & Company	85,626
16,300	Zions Bancorporation	229,341
	Total Commercial Banks	1,555,481

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	Commercial Services & Supplies 1.2%	
44,800	Iron Mountain Inc.	1,416,576
3,400	R.R. Donnelley & Sons Company	48,008
9,500	Stericycle Inc.	766,840
8,000	Waste Management, Inc.	260,480
	Total Commercial Services & Supplies	2,491,904
	Communications Equipment 0.7%	
4,825	Motorola Mobility Holdings Inc.	182,289
13,928	Motorola Solutions Inc.	583,583
12,500	QUALCOMM, Inc.	607,875
	Total Communications Equipment	1,373,747
	Computers & Peripherals 5.7%	
29,200	Apple, Inc.	11,130,455
6,700	Dell Inc.	94,805
10,000	EMC Corporation	209,900
2,500	Network Appliance Inc.	84,850
	Total Computers & Peripherals	11,520,010
	Construction & Engineering 0.1%	
2,300	Fluor Corporation	107,065
	Consumer Finance 0.7%	
7,500	American Express Company	336,750
7,900	Capital One Financial Corporation	313,077
25,600	Discover Financial Services	587,264
7,100	SLM Corporation	88,395
	Total Consumer Finance	1,325,486
	Containers & Packaging 0.2%	
12,800	Ball Corporation	397,056
	Diversified Consumer Services 0.3%	
2,500	Apollo Group, Inc., (2)	99,025
4,800	Devry, Inc.	177,408
25,900	H & R Block Inc.	344,729
	Total Diversified Consumer Services	621,162
	Diversified Financial Services 1.6%	
10,205	JP Morgan Chase & Co.	307,375
57,200	Leucadia National Corporation, (2)	1,297,296
24,700	Moody s Corporation	752,115
14,700	NASDAQ Stock Market, Inc., (2)	340,158
20,900	New York Stock Exchange Euronext	485,716
	Total Diversified Financial Services	3,182,660
	Diversified Telecommunication Services 1.6%	
8,500	AT&T Inc.	242,420
63,570	CenturyLink Inc.	2,105,438
1,500	Verizon Communications Inc.	55,200
71,400	Windstream Corporation	832,524
	Total Diversified Telecommunication Services	3,235,582
	Electric Utilities 2.0%	
1,400	American Electric Power Company, Inc.	53,228
14,800	Duke Energy Corporation	295,852
1,300	Edison International	49,725
1,800	Exelon Corporation	76,698
22,300	FirstEnergy Corp.	1,001,493
17,200	Northeast Utilities	578,780
1,600	Pepco Holdings, Inc.	30,272
12,700	Pinnacle West Capital Corporation	545,338
6,800	PPL Corporation	194,072
20,300	Progress Energy, Inc.	1,049,916
1,200	Southern Company	50,844
	Total Electric Utilities	3,926,218
	Electrical Equipment 1.0%	
34,500	Rockwell Automation, Inc.	1,932,000
	Electronic Equipment & Instruments 0.0%	
3,000	FLIR Systems Inc.	75,150
	Energy Equipment & Services 2.2%	
9,800	Baker Hughes Incorporated	452,368
10,200	Helmerich & Payne Inc.	414,120
2,200	Nabors Industries Inc., (2)	26,972
38,500	National-Oilwell Varco Inc.	1,971,970
4,800	Noble Corporation	140,880
22,642	Schlumberger Limited	1,352,407
	Total Energy Equipment & Services	4,358,717

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	Food & Staples Retailing 1.2%	
4,200	Costco Wholesale Corporation	344,904
8,900	CVS Caremark Corporation	298,862
16,200	Kroger Co.	355,752
2,100	Sysco Corporation	54,390
35,900	Walgreen Co.	1,180,751
1,300	Wal-Mart Stores, Inc.	67,470
1,500	Whole Foods Market, Inc., (2)	97,965
	Total Food & Staples Retailing	2,400,094
	Food Products 5.9%	
2,800	Campbell Soup Company	90,636
15,400	ConAgra Foods, Inc.	372,988
53,400	Dean Foods Company, (2)	473,658
60,300	General Mills, Inc.	2,319,741
6,700	H.J. Heinz Company	338,216
14,200	Hershey Foods Corporation	841,208
20,000	Hormel Foods Corporation	540,400
31,200	JM Smucker Company	2,274,168
13,100	Kellogg Company	696,789
6,100	Kraft Foods Inc.	204,838
7,300	McCormick & Company, Incorporated	336,968
6,800	Mead Johnson Nutrition Company, Class A Shares	468,044
168,900	Sara Lee Corporation	2,761,515
7,200	Tyson Foods, Inc., Class A	124,992
	Total Food Products	11,844,161
	Gas Utilities 1.4%	
3,400	Nicor Inc.	187,034
39,600	ONEOK, Inc.	2,615,184
	Total Gas Utilities	2,802,218
	Health Care Equipment & Supplies 3.2%	
9,400	Baxter International, Inc.	527,716
1,400	Becton, Dickinson and Company	102,648
18,100	Boston Scientific Corporation	106,971
6,500	C. R. Bard, Inc.	569,010
5,800	CareFusion Corporation, (2)	138,910
13,400	Covidien PLC	590,940
3,400	DENTSPLY International Inc.	104,346
6,800	Edwards Lifesciences Corporation, (2)	484,704
1,300	Intuitive Surgical, Inc., (2)	473,564
22,900	Saint Jude Medical Inc., (2)	828,751
25,400	Stryker Corporation	1,197,102
15,000	Varian Medical Systems, Inc., (2)	782,400
8,600	Zimmer Holdings, Inc., (2)	460,100
	Total Health Care Equipment & Supplies	6,367,162
	Health Care Providers & Services 7.2%	
17,500	Aetna Inc.	636,125
116,900	AmerisourceBergen Corporation	4,356,863
78,500	Cardinal Health, Inc.	3,287,580
13,200	CIGNA Corporation	553,608
43,800	Coventry Health Care, Inc., (2)	1,261,878
900	Davita Inc.	56,403
10,300	Humana Inc., (2)	749,119
1,600	Laboratory Corporation of America Holdings, (2)	126,480
21,000	McKesson HBOC Inc.	1,526,700
4,300	Patterson Companies, Inc.	123,109
4,200	Quest Diagnostics Incorporated	207,312
16,900	UnitedHealth Group Incorporated	779,428
11,500	Wellpoint Inc.	750,720
	Total Health Care Providers & Services	14,415,325
	Health Care Technology 0.6%	
16,500	Cerner Corporation, (2)	1,130,580
	Hotels, Restaurants & Leisure 3.0%	
400	Chipotle Mexican Grill, (2)	121,180
6,000	Darden Restaurants, Inc.	256,500
1,600	McDonald's Corporation	140,512
88,200	Starbucks Corporation	3,288,978
900	Wynn Resorts Ltd	103,572
40,900	YUM! Brands, Inc.	2,020,051
	Total Hotels, Restaurants & Leisure	5,930,793
	Household Durables 0.7%	

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23,700	Fortune Brands Inc.	1,281,696
5,600	Lennar Corporation, Class A	75,824
	Total Household Durables	1,357,520
	Household Products 0.3%	
2,900	Colgate-Palmolive Company	257,172
2,600	Kimberly-Clark Corporation	184,626
1,200	Procter & Gamble Company	75,816
	Total Household Products	517,614
	Independent Power Producers & Energy Traders 0.5%	
16,100	Constellation Energy Group	612,766
16,600	NRG Energy Inc.	352,086
	Total Independent Power Producers & Energy Traders	964,852
	Industrial Conglomerates 0.5%	
3,900	Danaher Corporation	163,566
27,500	General Electric Company	419,100
9,200	Tyco International Ltd.	374,900
	Total Industrial Conglomerates	957,566
	Insurance 2.0%	
3,700	Ace Limited	224,220
6,700	Allstate Corporation	158,723
34,900	Aon Corporation	1,465,102
4,100	Chubb Corporation	245,959
6,500	Cincinnati Financial Corporation	171,145
8,900	Marsh & McLennan Companies, Inc.	236,206
35,800	Progressive Corporation	635,808
1,950	Torchmark Corporation	67,977
15,000	Travelers Companies, Inc.	730,950
6,200	Unum Group	129,952
	Total Insurance	4,066,042
	Internet & Catalog Retail 2.1%	
4,100	Amazon.com, Inc., (2)	886,543
7,400	Priceline.com Incorporated, (2)	3,326,004
	Total Internet & Catalog Retail	4,212,547
	Internet Software & Services 3.2%	
56,000	eBay Inc., (2)	1,651,440
9,100	Google Inc., Class A, (2)	4,680,858
	Total Internet Software & Services	6,332,298
	IT Services 4.7%	
10,500	Accenture Limited	553,140
10,000	Automatic Data Processing, Inc.	471,500
84,700	Cognizant Technology Solutions Corporation, Class A, (2)	5,310,690
5,400	Fidelity National Information Services	131,328
12,100	International Business Machines Corporation (IBM)	2,117,863
300	MasterCard, Inc.	95,148
14,400	Paychex, Inc.	379,728
5,100	Teradata Corporation, (2)	273,003
1,700	Total System Services Inc.	28,781
800	Visa Inc.	68,576
5,900	Western Union Company	90,211
	Total IT Services	9,519,968
	Leisure Equipment & Products 0.2%	
14,100	Hasbro, Inc.	459,801
	Life Sciences Tools & Services 1.0%	
41,400	Agilent Technologies, Inc., (2)	1,293,750
2,300	Thermo Fisher Scientific, Inc.	116,472
6,700	Waters Corporation	505,783
	Total Life Sciences Tools & Services	1,916,005
	Machinery 3.5%	
27,300	Caterpillar Inc.	2,015,832
7,300	Deere & Company	471,361
54,800	Eaton Corporation	1,945,400
11,100	Pall Corporation	470,640
15,600	Parker Hannifin Corporation	984,828
24,287	Stanley Black & Decker Inc.	1,192,492
	Total Machinery	7,080,553
	Media 4.5%	
43,300	Cablevision Systems Corporation	681,109
57,700	CBS Corporation, Class B	1,175,926
22,100	Comcast Corporation, Class A	461,890
120,900	DIRECTV Group, Inc., (2)	5,108,025

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4,400	McGraw-Hill Companies, Inc.	180,400
4,900	Time Warner Cable, Class A	307,083
7,200	Time Warner Inc.	215,784
14,900	Viacom Inc., Class B	577,226
6,800	Walt Disney Company	205,088
1,300	Washington Post Company	425,061
	Total Media	9,337,592
	Metals & Mining 0.1%	
21,100	Alcoa Inc.	201,927
	Multiline Retail 0.9%	
10,400	Big Lots, Inc., (2)	362,232
19,400	Family Dollar Stores, Inc.	986,684
6,200	J.C. Penney Company, Inc.	166,036
1,200	Kohl's Corporation, (2)	58,920
7,000	Macy's, Inc.	184,240
	Total Multiline Retail	1,758,112
	Multi-Utilities 2.5%	
41,600	CenterPoint Energy, Inc.	816,192
38,900	CMS Energy Corporation	769,831
8,300	Consolidated Edison, Inc.	473,266
7,000	Dominion Resources, Inc.	355,390
1,700	DTE Energy Company	83,334
71,200	NiSource Inc.	1,522,256
2,100	PG&E Corporation	88,851
1,300	Scana Corporation	52,585
6,200	TECO Energy, Inc.	106,206
22,800	Wisconsin Energy Corporation	713,412
	Total Multi-Utilities	4,981,323
	Oil, Gas, & Consumable Fuels 7.9%	
6,800	Cabot Oil & Gas Corporation	420,988
64,300	Chesapeake Energy Corporation	1,642,865
18,200	Chevron Corporation	1,683,864
10,100	ConocoPhillips	639,532
2,700	CONSOL Energy Inc.	91,611
13,100	Devon Energy Corporation	726,264
49,900	El Paso Corporation	872,252
4,900	EQT Corporation	261,464
33,500	Exxon Mobil Corporation	2,433,105
17,900	Hess Corporation	939,034
52,800	Marathon Oil Corporation	1,139,424
29,450	Marathon Petroleum Corporation	796,917
3,000	Murphy Oil Corporation	132,480
28,700	Pioneer Natural Resources Company	1,887,599
1,400	Range Resources Corporation	81,844
11,900	Tesoro Corporation	231,693
9,100	Valero Energy Corporation	161,798
71,300	Williams Companies, Inc.	1,735,442
	Total Oil, Gas, & Consumable Fuels	15,878,176
	Paper & Forest Products 0.1%	
20,200	MeadWestvaco Corporation	496,112
	Personal Products 1.3%	
29,900	Estee Lauder Companies Inc., Class A	2,626,416
	Pharmaceuticals 1.4%	
1,600	Abbott Laboratories	81,824
3,700	Allergan, Inc.	304,806
8,000	Bristol-Myers Squibb Company	251,040
2,500	Eli Lilly and Company	92,425
7,400	Forest Laboratories, Inc.	227,846
1,000	Johnson & Johnson	63,710
18,032	Merck & Company Inc.	589,827
11,500	Pfizer Inc.	203,320
14,500	Watson Pharmaceuticals Inc.	989,625
	Total Pharmaceuticals	2,804,423
	Professional Services 0.0%	
700	Dun and Bradstreet Inc.	42,882
	Real Estate Investment Trust 2.2%	
4,400	AvalonBay Communities, Inc.	501,820
4,600	Boston Properties, Inc.	409,860
13,300	Equity Residential	689,871
5,000	Health Care REIT, Inc.	234,000

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6,800	Public Storage, Inc.	757,180
900	Simon Property Group, Inc.	98,982
1,000	Ventas Inc.	49,400
106,900	Weyerhaeuser Company	1,662,295
	Total Real Estate Investment Trust	4,403,408
	Real Estate Management & Development 0.2%	
24,300	CB Richard Ellis Group, Inc., Class A	327,078
	Road & Rail 0.4%	
31,600	CSX Corporation	589,972
4,300	Norfolk Southern Corporation	262,386
	Total Road & Rail	852,358
	Semiconductors & Equipment 1.4%	
8,800	Altera Corporation	277,464
4,100	Intel Corporation	87,453
10,400	LSI Logic Corporation	53,872
36,000	NVIDIA Corporation, (2)	450,000
69,800	Texas Instruments Incorporated	1,860,170
	Total Semiconductors & Equipment	2,728,959
	Software 1.0%	
22,600	Electronic Arts Inc. (EA)	462,170
27,400	Intuit, Inc., (2)	1,299,856
8,600	Microsoft Corporation	214,054
2,900	Oracle Corporation	83,346
	Total Software	2,059,426
	Specialty Retail 5.2%	
3,400	Abercrombie & Fitch Co., Class A	209,304
8,100	AutoNation Inc., (2)	265,518
5,100	AutoZone, Inc., (2)	1,627,869
3,400	Bed Bath and Beyond Inc.	194,854
6,000	CarMax, Inc., (2)	143,100
11,700	GameStop Corporation, (2)	270,270
5,000	Gap, Inc.	81,200
20,600	Home Depot, Inc.	677,122
23,000	Limited Brands, Inc.	885,730
10,200	Ross Stores, Inc.	802,638
5,200	Tiffany & Co.	316,264
87,900	TJX Companies, Inc.	4,875,813
	Total Specialty Retail	10,349,682
	Textiles, Apparel & Luxury Goods 0.5%	
6,100	Coach, Inc.	316,163
1,700	Nike, Inc., Class B	145,367
1,900	Ralph Lauren Corporation	246,430
2,300	VF Corporation	279,496
	Total Textiles, Apparel & Luxury Goods	987,456
	Thriffs & Mortgage Finance 0.0%	
3,700	People's United Financial, Inc.	42,180
	Tobacco 2.9%	
50,600	Altria Group, Inc.	1,356,586
7,200	Lorillard Inc.	797,040
14,400	Philip Morris International	898,272
72,000	Reynolds American Inc.	2,698,560
	Total Tobacco	5,750,458

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Trading Companies & Distributors

0.1%

1,900	Fastenal Company	63,232
1,400	W.W. Grainger, Inc.	209,356
	Total Trading Companies & Distributors	272,588

Wireless Telecommunication

Services 1.0%

30,400	American Tower Corporation, (2)	1,635,520
128,500	Sprint Nextel Corporation, (2)	390,640
	Total Wireless Telecommunication Services	2,026,160

Total Common Stocks (cost \$190,350,109)

201,742,452

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (3)	Value
	Short-Term Investments 1.8%				
	U.S. Government and Agency Obligations-1.0%				
\$ 2,000	U.S. Treasury Bills, (4)	0.000%	10/20/11	AAA	\$ 1,999,986
	Repurchase Agreements-0.8%				
1,595	Repurchase Agreement with State Street Bank, dated 9/30/11, repurchase price \$1,594,747, collateralized by \$1,640,000 U.S. Treasury Notes, 1.375%, due 9/30/18, value \$1,629,750	0.010%	10/03/11	N/A	1,594,746
\$ 3,595	Total Short-Term Investments (cost \$3,594,630)				3,594,732
	Total Investments (cost \$193,944,739) 102.2%				205,337,184
	Other Assets Less Liabilities (2.2)% (5)				(4,451,504)
	Net Assets 100%				\$ 200,885,680

Investment in Derivatives at September 30, 2011:

Call Options Written outstanding:

Number of Contracts	Type	Notional Amount (6)	Expiration Date	Strike Price	Value
(417,618)	Call Options Written				
(417,618)	Custom Basket 1 NASDAQ	\$ (41,761,769)	10/5/11	\$ 105.0	\$ (1,169)
	Total Call Options Written (premiums received \$609,722)	\$ (41,761,769)			\$ (1,169)

Future Contracts outstanding:

Type	Contract Position	Number of Contracts	Contract Expiration	Value at September 30, 2011	Unrealized Appreciation (Depreciation)
S&P 500 Index	Long	125	12/11	\$ 7,037,500	\$ (351,000)

Fair Value Measurements

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Fair value is defined as the price that the Fund would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity.

Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 Quoted prices in active markets for identical securities.

Level 2 Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 Significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodologies used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the Fund's fair value measurements as of September 30, 2011:

	Level 1	Level 2	Level 3	Total
Investments				
Common Stocks	\$ 201,742,452	\$	\$	201,742,452
Short-Term Investments		3,594,732		3,594,732
Derivatives:				
Call Options Written		(1,169)		(1,169)
Futures Contracts*	(351,000)			(351,000)
Total	201,391,452	3,593,563		204,985,015

* Represents net unrealized appreciation (depreciation) as reported in the Fund's Portfolio of Investments.

During the period ended September 30, 2011, the Fund recognized no significant transfers to or from Level 1, Level 2 or Level 3.

Derivative Instruments and Hedging Activities

The Fund records derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Fund's investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes.

The following table presents the fair value of all derivative instruments held by the Fund as of September 30, 2011, the location of these instruments on the Statement of Assets and Liabilities, and the primary underlying risk exposure.

Underlying Risk Exposure	Derivative Instrument	Location on the Statements of Assets and Liabilities			
		Asset Derivatives		Liability Derivatives	
		Location	Value	Location	Value
		Receivable for variation margin on futures contracts*		Payable for variation margin on futures contracts*	
Equity Price	Futures contracts		\$		\$ 351,000
Equity Price	Options			Call options written, at value	1,169
Total			\$		\$ 352,169

Value represents gross cumulative appreciation (depreciation) of futures contracts.

Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing certain gains and losses on investment transactions and the recognition of unrealized gain or loss for tax (mark-to-market) on futures contracts. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts on the Statement of Assets and Liabilities presented in the annual report, based on their federal tax basis treatment; temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset value of the Fund.

At September 30, 2011, the cost of investments (excluding investments in derivatives) was \$194,400,777.

Gross unrealized appreciation and gross unrealized depreciation of investments (excluding investments in derivatives) at September 30, 2011, were as follows:

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Gross unrealized:	
Appreciation	\$ 27,025,608
Depreciation	(16,089,201)
Net unrealized appreciation (depreciation) of investments	\$ 10,936,407

For Fund portfolio compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications into sectors for reporting ease.

- (1) All percentages shown in the Portfolio of Investments are based on net assets.
 - (2) Non-income producing; issuer has not declared a dividend within the past twelve months.
 - (3) Ratings: Using the highest of Standard and Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
 - (4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.
 - (5) Other Assets Less Liabilities includes Value and/or Unrealized Appreciation (Depreciation) of derivative instruments as noted within Investments in Derivatives at September 30, 2011.
 - (6) For disclosure purposes, Notional Amount is calculated by multiplying the Number of Contracts by \$100.
 - N/A Not Applicable.
 - ADR American Depositary Receipt.
-

Item 2. Controls and Procedures.

a. The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).

b. There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)), exactly as set forth below: EX-99 CERT Attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Core Equity Alpha Fund

By (Signature and Title) /s/ Kevin J. McCarthy
Kevin J. McCarthy
Vice President and Secretary

Date November 29, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title) /s/ Gifford R. Zimmerman
Gifford R. Zimmerman
Chief Administrative Officer (principal executive officer)

Date November 29, 2011

By (Signature and Title) /s/ Stephen D. Foy
Stephen D. Foy
Vice President and Controller (principal financial officer)

Date November 29, 2011

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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.

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

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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.

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

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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.

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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;

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- 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.

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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

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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 in 2017
Committee Audit	12/31/2017 Clint D. McDonnough(1) Katherine A. Cattanach Robert P. Freeman Mary Ann King	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 	10
Compensation	Jon A. Grove(1) Robert A. McNamara Mark R. Patterson Lynne B. Sagalyn	<ul style="list-style-type: none"> 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			Number of
Committee	12/31/2017	Key Functions	Meetings
Executive	James D. Klingbeil(1)	<ul style="list-style-type: none"> • Performs the duties and exercises the powers delegated to it by the board 	in 2017 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

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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 26, 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. Cattanach	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 %
The Vanguard Group (10)	48,026,796	—	—	48,026,796	17.95 %
Specialized Funds (11)	18,014,986	—	—	18,014,986	6.73 %
Cohen & Steers, Inc. (12)	38,692,041	—	—	38,692,041	14.46 %
BlackRock, Inc.(13)	29,344,904	—	—	29,344,904	10.97 %
FMR LLC(14)	17,601,784	—	—	17,601,784	6.58 %
State Street	15,317,001	—	—	15,317,001	5.72 %

Corporation(15)					
Daiwa Asset Management					
Co. Ltd (16)	14,122,459	—	—	14,122,459	5.28 %

- * Represents beneficial ownership of less than 1%, based on 267,583,892 shares of common stock outstanding as of March 26, 2018. On March 26, 2018, there were 2,780,994 shares of our Series E preferred stock and 15,805,518 shares of our Series F preferred stock outstanding.
- (1) In addition to the shares of common stock beneficially owned, Mr. Klingbeil is deemed to beneficially own indirectly 2,221,214 shares of our Series F preferred stock held by certain trusts, limited partnerships, limited liability companies and other entities, or 14.05% of our outstanding Series F preferred stock.
 - (2) Assumes exercise in full of all options exercisable within 60 days of March 26, 2018.
 - (3) Includes the number of shares of common stock into which OP Units and granted LTIP Units of the Operating Partnership, beneficially owned by the person, are redeemable if the Company elects to issue shares of common stock rather than pay cash on such redemption. The holder of the 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. Granted LTIP Units vest over periods between one and four years and may be converted into OP Units provided that such LTIP Units have been outstanding for at least two years from the date of grant. However, Class 2 LTIP Units are granted at the maximum potential payout and will vest only to the extent that pre-established performance metrics are met for the applicable performance period, subject to continued employment.

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(4) Such beneficial ownership calculations assume that all OP Units beneficially owned by the person indicated and outstanding as of March 26, 2018, are redeemed in exchange for shares of common stock (notwithstanding any holding period requirements or exchange rights). See Notes (3) and (7).

(5) Based on 267,583,892 shares of common stock outstanding at the close of business on March 26, 2018. Shares issuable pursuant to options which are exercisable within 60 days of March 26, 2018, or upon redemption of the OP Units, are deemed outstanding for computing the percentage of the person holding such options or shares, but are not deemed outstanding for computing the percentage of any other person.

(6) Includes 178,324 shares of common stock subject to a pledge by Mr. Toomey. Includes 110,000 shares of common stock indirectly held in a trust for Mr.

- Toomey's children.
- (7) Mr. Klingbeil is deemed to indirectly beneficially own 909,236 shares of common stock into which OP Units directly owned by certain trusts, limited partnerships, limited liability companies and other entities are redeemable if the Company elects to issue shares of common stock rather than pay cash on such redemption. Includes 592,663 OP Units owned directly by Mr. Klingbeil that were pledged as security for a line of credit, as well as 57,730 OP Units that were pledged as security for a line of credit by a company wholly-owned by Mr. Klingbeil.
 - (8) Includes 66,940 shares of common stock pledged in a margin account.
 - (9) Includes 540 shares of common stock owned in a trust for Dr. Sagalyn's daughter, which shares Dr. Sagalyn may be deemed the beneficial owner of as a result of her shared power to vote and dispose of such shares. Dr. Sagalyn disclaims any beneficial ownership interest in such shares.
 - (10)

Beneficial ownership is as of December 31, 2017, as reflected in a statement on Schedule 13G filed by The Vanguard Group (“Vanguard”) with the SEC on February 9, 2018. Vanguard has its principal business office at 100 Vanguard Blvd., Malvern, Pennsylvania 19355. Vanguard has the sole power to dispose of 47,254,471 shares owned and the sole power to vote or direct the voting of 689,585 shares owned. Vanguard has shared power to dispose of 772,325 shares of common stock owned, and the shared power to vote or direct the voting of 414,102 shares owned. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of Vanguard, is the beneficial owner of 292,123 shares as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly owned subsidiary of Vanguard, is the beneficial owner of 877,664 shares as a result of serving as investment manager

- or Australian investment offerings.
- (11) Beneficial ownership is as of December 31, 2017, as reflected in the statement on Schedule 13G filed by Vanguard Specialized Funds – Vanguard REIT Index Fund (“Vanguard Specialized”) with the SEC on February 2, 2018. Vanguard Specialized has its principal business office at 100 Vanguard Blvd., Malvern, Pennsylvania 19355. Vanguard Specialized has the sole power to vote or direct the voting of 18,014,986 shares of common stock owned.
- (12) Beneficial ownership is as of December 31, 2017, as reflected in a statement on Schedule 13G filed by Cohen & Steers, Inc. (“C&S”) with the SEC on February 14, 2018. According to such Schedule 13G, C&S, a parent holding company, reported that it has sole voting power with respect to 22,054,526 shares of common stock and sole dispositive power with respect to 38,692,041 shares of common stock. Cohen & Steers Capital Management,

Inc. (“CSCA”), a wholly-owned subsidiary of C&S and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, reported that it has sole voting power with respect to 21,951,632 shares and sole dispositive power with respect to 38,337,289 shares. Cohen & Steers UK Limited reported that it has sole voting power with respect to 102,894 shares and sole dispositive power with respect to 354,752 shares. The address for each of C&S and CSCA is 280 Park Avenue, 10th Floor, New York, New York 10017. The address for Cohen & Steers UK Limited is 50 Pall Mall, 7th Floor, London, United Kingdom SW1Y 5JH.

- (13) Beneficial ownership is as of December 31, 2017, as reflected in a statement on Schedule 13G filed by BlackRock, Inc. (“BlackRock”) with the SEC on January 19, 2018. BlackRock has its principal business office at 55 East 52nd Street, New York, New York 10055. BlackRock has the sole power to dispose of

29,344,904 shares of common stock owned and the sole power to vote or direct the voting of 26,910,206 shares owned. BlackRock is the beneficial owner as a result of being a parent company or control person of the following subsidiaries, each of which holds less than 5% of the outstanding shares of common stock:

BlackRock (Luxembourg) S.A.; BlackRock (Netherlands) B.V.; BlackRock (Singapore) Limited; BlackRock Advisors (UK) Limited; BlackRock Advisors, LLC; BlackRock Asset Management Canada Limited; BlackRock Asset Management Ireland Limited; BlackRock Asset Management North Asia Limited; BlackRock Asset Management Schweiz AG; BlackRock Capital Management, Inc.; BlackRock Financial Management, Inc.; BlackRock Fund Advisors; BlackRock Fund Managers Ltd; BlackRock Institutional Trust Company, National Association; BlackRock International

Limited; BlackRock
Investment
Management
(Australia) Limited;
BlackRock
Investment
Management (UK)
Ltd; BlackRock
Investment
Management, LLC;
BlackRock Japan Co
Ltd; and BlackRock
Life Limited.

- (14) Beneficial ownership is as of December 31, 2017, as reflected in a statement on Schedule 13G filed by FMR LLC with the SEC on February 13, 2018. FMR LLC has its principal business office at 245 Summer Street, Boston, Massachusetts 02210. FMR LLC has sole power to dispose of 17,601,784 shares owned and the sole power to vote or direct the voting of 11,614,475 shares owned. According to the Schedule 13G, FMR LLC is the beneficial owner as a result of being a parent company or control person of the following subsidiaries, each of which holds less than 5% of the outstanding shares of common stock: FIAM LLC; Fidelity Institutional Asset Management Trust Company; Fidelity

Management & Research Company; FMR Co., Inc.; and Strategic Advisers, Inc. The Schedule 13G indicates that Abigail P. Johnson is a Director, the Chairman and the Chief Executive Officer of FMR LLC. Members of the family of Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR

- LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act (“Fidelity Funds”) advised by Fidelity Management & Research Company, a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds’ Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds’ Boards of Trustees.
- (15) Beneficial ownership is as of December 31, 2017, as reflected in a statement on Schedule 13G filed by State Street Corporation (“State Street”) with the SEC on February 13, 2018. State Street has its principal business office at State Street Financial Center, One Lincoln Street, Boston, MA 02111, State Street has shared power to dispose of 15,317,001 shares owned and the shared power to vote or

direct the voting of 15,317,001 shares owned. State Street is the beneficial owner as a result of being a parent company or control person of the following subsidiaries, each of which holds less than 5% of the outstanding shares of common stock: State Street Bank and Trust Company; SSGA Funds Management, Inc.; State Street Global Advisor Trust Company; State Street Global Advisors, Australia; State Street Global Advisors (Asia) Ltd; State Street Global Advisors (Japan) Co., Ltd; State Street Global Advisors France, S.A.S; State Street Global Advisors Ireland Limited; State Street Global Advisors Singapore Ltd.; State Street Global Advisors Limited; and State Street Global Advisors GmbH.

- (16) Beneficial ownership is as of December 31, 2017, as reflected in a statement on Schedule 13G filed by Daiwa Asset Management Co. Ltd (“Daiwa”) with the SEC on February 1, 2018. Daiwa has its principal business office at GranTokyo

North Tower, 9-1
Marunouchi
1-chome,
Chiyoda-ku, Tokyo,
Japan 100-6753.
Daiwa has the sole
power to dispose of
45,749 shares of
common stock
owned, shared power
to dispose of
14,076,710 shares
owned and the sole
power to vote or
direct the voting of
14,122,459 shares
owned.

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EXECUTIVE OFFICERS

The following table sets forth information about our executive officers. The executive officers listed below serve in their respective capacities at the discretion of our Board of Directors.

Name	Age	Office	Since	With the Company
Thomas W. Toomey	57	Chairman, Chief Executive Officer, and President	2001	
Warren L. Troupe	64	Senior Executive Vice President	2008	
Jerry A. Davis	55	Senior Vice President — Chief Operating Officer	2002	
Harry G. Alcock	55	Senior Vice President — Chief Investment Officer	2010	
Joseph D. Fisher	38	Senior Vice President — Chief Financial Officer	2017	

Set forth below is certain biographical information about our executive officers. Mr. Toomey's biographical information is provided in this proxy statement under the heading "Proposal No. 1 Election of Directors."

Mr. Troupe oversees all financial, treasury, compliance and legal functions of the Company. He joined us in March 2008 as Senior Executive Vice President. In May 2008, he was appointed the Company's Corporate Compliance Officer and in October 2008 he was named the Company's Corporate Secretary. Prior to joining us, Mr. Troupe was a partner with Morrison & Forester LLP from 1997 to 2008. He currently serves as a member of the Executive Committee of the National Multifamily Housing Council (NMHC), and is a member of the Urban Land Institute.

Mr. Davis oversees property operations, human resources and technology. He originally joined us in March 1989 as Controller and subsequently moved into Operations as an Area Director. In 2001 he accepted the position of Chief Operating Officer of JH Management Co., a California-based apartment company. He returned to the Company in August 2002 and, in 2013, Mr. Davis was promoted to Senior Vice President — Chief Operating Officer. He began his career in 1984 as a Staff Accountant for Arthur Young & Co. He currently serves as a member of the Executive Committee of the NMHC, and is on the Board of Directors of the National Apartment Association.

Mr. Alcock oversees the Company's acquisitions, dispositions, development, redevelopment and asset management. He joined us in December 2010 as Senior Vice President — Asset Management and in February 2017 was promoted to Senior Vice President — Chief Investment Officer. Prior to joining the Company, Mr. Alcock was with AIMCO for over 16 years, serving most recently as Executive Vice President, Co-Head of Transactions and Asset Management. He was appointed Executive Vice President and Chief Investment Officer in 1999, a position he held through 2007. Mr. Alcock established and chaired AIMCO's Investment Committee, established the portfolio management function and at various times led the property debt and redevelopment departments. He currently serves as a member of the Executive Committee of the NMHC, and is a member of the Multifamily Gold Council for Urban Land Institute.

Mr. Fisher oversees the areas of accounting, tax, financial planning and analysis, investor relations and SEC reporting. He joined us in January 2017 as Senior Vice President — Chief Financial Officer. Mr. Fisher previously served as Co-Head of the Americas and Co-Lead Portfolio Manager at Deutsche Asset and Wealth Management since 2007. Prior to serving in those positions, he was Associate, Structured Debt Investments from April 2005 to June 2007, and Portfolio Analyst, Portfolio Management Group from May 2004 to June 2006. From June 2003 to May 2004, Mr. Fisher was an Asset Management Analyst at Principal Real Estate Investors.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In this section, we describe the material components of our executive compensation program for our NEOs, whose compensation is set forth in the 2017 Summary Compensation Table and other compensation tables contained in this Proxy Statement:

NAMED EXECUTIVE OFFICERS (NEOs)

Thomas W. Toomey, Chairman, Chief Executive Officer and President; Harry G. Alcock, Senior Vice President – Chief Investment Officer; and
 Warren L. Troupe, Senior Executive Vice President; Joseph D. Fisher, Senior Vice President – Chief Financial Officer.
 Jerry A. Davis, Senior Vice President – Chief Operating Officer;

We also provide an overview of our executive compensation philosophy and our executive compensation program. In addition, we explain how and why our Compensation Committee arrived at the specific compensation decisions involving the NEOs for fiscal year 2017.

2017 Financial Performance

UDR delivered a total shareholder return (“TSR”) of 9.12% during 2017, and our 1 year TSR exceeded both the FTSE NAREIT Apartment REIT Index (“NAREIT Apartment Index”) and the FTSE NAREIT Equity Index (“NAREIT Equity Index”), our 3 year TSR exceeded both the NAREIT Apartment Index and the NAREIT Equity Index, our 5 year TSR exceeded both the NAREIT Apartment Index and the NAREIT Equity Index and our 10 year TSR exceeded the NAREIT Apartment Index, the NAREIT Equity Index and the S&P 500.

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%

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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% Dividend per share growth	7.1% Dividend per share growth
5.4% 1-year AFFO per share growth	8.2% AFFO per share growth	7.8% AFFO per share 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.

2017 Operating Performance

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

Same-Store Revenue Growth

- The best of the 7 (including UDR) multifamily peers in 2017 (NYSE: AIV, AVB, CPT, EQR, ESS, and MAA)(1).
- Same-Store Revenue Growth: 3.7%, exceeded the apartment peer average by 93 bps.
- Outperformed original 2017 guidance.

(1) AIV: Apartment Investment and Management Company; AVB: AvalonBay Communities, Inc.; CPT: Camden Property Trust; EQR: Equity Residential; ESS: Essex Property Trust, Inc.; and MAA: Mid-America Apartment Communities, Inc.

*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.

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Same-store net operating income growth

- Third best of the 7 multifamily peers in 2017.
- Same-store net operating income (“NOI”) growth: 3.8% (see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Apartment Community Operations” in our 2017 Annual Report for a reconciliation of net income/loss reported under US generally accepted accounting principles (GAAP) to NOI, as well as additional information about this non-GAAP measure).
- Exceeded the apartment peer average by 90 bps.

2017 FFO as Adjusted and AFFO both met the midpoint of beginning of year guidance ranges (see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Funds from Operations, Funds from Operations as Adjusted and Adjusted Funds from Operations” in our 2017 Annual Report for a reconciliation of net income/loss reported under US GAAP to FFO, FFO as Adjusted and AFFO, as well as additional information about these non-GAAP measures).

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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

4. Capital Allocation

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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.

Compensation Philosophy and Objectives

Our executive compensation program has four principal goals:

- attract, retain and motivate effective executive officers;
- align the interests of our executive officers with the interests of the Company and our stockholders;
- incentivize our executive officers based on clearly defined performance goals and measures of successful achievement; and
- align market competitive compensation with our short-term and long-term performance.

Our Compensation Committee determines the form and amount of compensation, as well as the overall structure of our executive compensation program. The compensation of our “named executive officers,” who are identified above, is comprised of a mix of base salary, short-term incentive compensation and long-term incentive compensation and is influenced by both the named executive officer’s individual performance and the Company’s overall performance. The composition of our named executive officers’ compensation is determined based on the consideration of a number of factors described in more detail below, including a periodic review of relevant comparative market information and alignment of strategic and tactical objectives agreed upon by the board.

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.

Our 2017 performance, including our 2017 performance relative to our peers, along with the individual performance of our named executive officers, including their contributions toward the achievements outlined below, served as key factors in determining compensation for 2017. Consistent with our variable pay-for-performance philosophy, the compensation mix for our CEO and the other named executive officers in 2017 placed a greater emphasis on performance-based incentive compensation, as demonstrated in the graphics below showing the breakdown of our CEO’s Total Direct Compensation for 2017 and our named executive officers’ Total Direct Compensation for 2017. For this purpose, the term “Total Direct Compensation” refers to total compensation (including salary and short-term incentive compensation) and the annualized value of target long-term incentive compensation and “Fixed” refers to compensation that was determined at the beginning of 2017 and “Variable” refers to the compensation components that are determined based on the performance of the Company and the executive.

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Our 2017 Incentive Compensation Programs

The 2017 incentive compensation programs were focused on providing short-term and long-term compensation based on rigorous performance objectives:

2017 SHORT-TERM INCENTIVE

COMPENSATION:

PERFORMANCE METRICS

(70% based on Company performance;

30% based on individual executive performance)

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

Our short-term incentive compensation awards for 2017 were based on pre-determined weighting between Company performance and individual performance. Company performance (as measured by the applicable metrics set forth in the table above) was weighted equal to or more heavily than individual performance based on the extent to which a particular named executive officer has responsibility for, and influence over, the overall performance of the Company.

The 2017 LTI program award opportunity for the three-year performance period which commenced in 2017 has two separate tranches with different performance periods and vesting schedules, as follows: (i) 30% of the award opportunity has an FFO as Adjusted performance period of one year and one-half vested in February 2018 and one-half will vest in February 2019; (ii) 10% of the award opportunity has a 3-year cumulative FFO as Adjusted metric and will vest on the date the Compensation Committee determines performance in January or February of 2020; (iii) 30% of the award has a metric measured by the Company's 3-year TSR percentile rank versus the NAREIT Apartment Index and will vest on the date the Compensation Committee determines performance in January or February of 2020; and (iv) 30% of the award opportunity has an absolute TSR performance period of three years and will vest on the date the Compensation Committee determines performance in January or February of 2020.

Say on Pay

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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Our Compensation Best Practices

Our compensation policies and programs are built upon a strong foundation of corporate governance and compensation best practices, including:

WE DO:

Provide a significant portion of our named executive officers' total compensation in the form of awards tied to our long-term strategy and our performance relative to key business and personal objectives and performance versus our peers.

Require compliance with our Executive Stock Ownership Guidelines, which require that our executive officers own a specified number of shares of the Company's common stock.

Have a Policy on Recoupment of Performance-Based Incentives, which applies to our executive officers, including our named executive officers, and their performance-based incentive compensation.

Have a Compensation Committee comprised entirely of independent directors and the Compensation Committee has retained its own independent compensation advisor.

Have a Compensation Committee that reviews external market considerations, as well as internal considerations and the long-term interests of our stockholders, when making compensation decisions.

Have the ongoing consideration and oversight by the Compensation Committee with respect to any potential risks associated with our incentive compensation programs.

WE DO NOT:

X Have any employment agreements with our named executive officers.

X Permit any Company personnel, including our named executive officers, to engage in any short-term, speculative securities transactions, engage in short sales, buying or selling put or call options, trading in options (other than those granted by the Company) or engaging in hedging transactions.

X Permit purchasing securities on margin or pledging securities as collateral without prior approval.

X Provide tax gross-ups for our named executive officers.

X Grant only time-vested restricted stock, restricted stock units, LTIP Units, options or other equity awards to our named executive officers as part of our long-term incentive compensation program, other than in limited circumstances such as the appointment of a new executive officer or to recognize extraordinary achievements.

X Time the grants of restricted stock, restricted stock units, LTIP Units, options or other equity awards to coordinate with the release of material non-public information, or time the release of material non-public information for the purpose of affecting the value of any named executive officer compensation.

The Compensation Committee

Our Compensation Committee is composed of independent directors and is responsible for developing and administering compensation programs for: (1) our directors, (2) executive officers, including base salaries and short-term and long-term incentive compensation plans, and (3) all long-term incentive compensation plans for our associates. The board meets each year in executive session to discuss the individual director's evaluation of the CEO. After the board meets, the members of the Compensation Committee meet each year in executive session, without the CEO present, to evaluate the performance of our CEO. When evaluating the performance of our CEO, the Compensation Committee considers, among other materials, evaluations of our CEO that are provided by the members of the board. 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, in consultation with our CEO, each year sets the compensation for these executive officers and approves salary ranges

for other executive officers.

Compensation Consultants

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

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and other retention terms. The Compensation Committee selected FPL to serve as the Compensation Committee’s 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.

As part of its engagement, FPL provided the Compensation Committee and our CEO with, among other things, analyses regarding market pay, which the Compensation Committee considered as part of its analysis of the compensation of our named executive officers. In addition, FPL reviewed the competitiveness of the pay levels of our named executive officers and certain other officers against pay levels for the diversified public REIT peer group, discussed below.

Consideration of Market Data

Consistent with the Company’s goal to provide compensation that remains competitive, the Compensation Committee considers the executive compensation practices of companies in a peer group selected by the Company in consultation with FPL as one of several factors used in setting compensation. The Compensation Committee does not target a specific percentile range within the peer group when determining a named executive officer’s compensation. Instead, the Compensation Committee uses the market data provided by the peer group as one of several reference points useful for determining the form and amount of compensation.

The Compensation Committee reviews the peer group annually. The companies comprising the peer group must be publicly traded REITs based in the United States and of a size and equity market capitalization that are comparable to UDR.

For 2017, the peer group, which we refer to herein as either the “diversified public REIT peer group” or the “peer group,” included the companies listed in the table below. The companies listed below consist of six apartment REITs and eleven comparably-sized REITs in other property sectors, recognizing that UDR competes with all REITs for executive talent and capital.

Peer Group Company (1)	NYSE Symbol	Equity Market Capitalization		Enterprise Value	2017 Fiscal Year End Total Assets	NAREIT Property Sector
		December 31, 2017 (2)	December 31, 2017(2)			
		(In millions)	(In millions)	(In millions)	(In millions)	
Apartment Investment and Management Company	AIV	\$ 7,189	\$ 11,754		6,079	Apartments
AvalonBay Communities	AVB	\$ 24,638	\$ 31,871	\$ 18,415		Apartments

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Inc.					
Camden Property Trust	CPT	\$ 8,705	\$ 10,793	\$ 6,174	Apartments
DDR Corp.	DDR	\$ 3,305	\$ 8,204	\$ 7,170	Retail
Digital Realty Trust	DLR	\$ 24,366	\$ 34,319	\$ 21,404	Data Center
Equity Residential	EQR	\$ 24,315	\$ 33,714	\$ 20,571	Apartments
Essex Property Trust, Inc.	ESS	\$ 16,483	\$ 22,210	\$ 12,496	Apartments
Extra Space Storage	EXR	\$ 11,509	\$ 16,009	\$ 7,455	Storage
Federal Realty Investment Trust	FRT	\$ 9,740	\$ 13,292	\$ 6,276	Retail
Host Hotels & Resorts, Inc.	HST	\$ 14,859	\$ 18,603	\$ 11,693	Lodging
Kimco Realty Corporation	KIM	\$ 7,743	\$ 14,733	\$ 11,764	Retail
Mid-America Apartment Communities, Inc.	MAA	\$ 11,849	\$ 16,368	\$ 11,492	Apartments
The Macerich Company	MAC	\$ 9,919	\$ 18,039	\$ 9,606	Retail
Regency Centers Corporation	REG	\$ 11,792	\$ 15,843	\$ 11,146	Retail
SL Green Realty	SLG	\$ 10,294	\$ 21,123	\$ 13,983	Office
Taubman Centers, Inc.	TCO	\$ 5,605	\$ 10,666	\$ 4,215	Retail
Peer Average		\$ 12,644	\$ 18,596	\$ 11,246	
Peer Median		\$ 10,902	\$ 16,189	\$ 11,319	
UDR		\$ 11,442	\$ 16,083	\$ 7,733	
UDR Rank (out of 17)		9	9	11	

(1) Brixmor Property Group, Inc. was removed from the peer group.

(2) Equity Market Capitalization and Enterprise Value based upon data from KeyBanc Capital Markets as of December 31, 2017, except for UDR which is calculated internally.

Use of Judgment

The Committee believes that the application of its collective experiences and judgment is as important to excellence in compensation as the use of data and formulae, and the Company's compensation policies and practices as described herein reflect this belief. Market data provides an important tool for analysis and decision-making. However, the Committee believes that over-reliance on such data can give a false illusion of precision. Consequently, the Committee also gives consideration and emphasis to an individual's personal contributions to the organization, as well as his or her skill sets, qualifications and experience. We also value and seek to reward performance that develops talent within the Company, embraces the sense of urgency that distinguishes the Company and demonstrates the qualities of imagination and drive that enables a Company executive to resolve longer-term challenges, or important new issues. These and similar qualities and attributes are not easily correlated to typical compensation data, but also deserve and are given consideration and weight in reaching compensation decisions.

Components of Compensation

The mix, level and structure of the components of our named executive officers' compensation generally reflect real estate industry practices, as well as the executive's role and relative impact on business results consistent with our variable pay-for-performance philosophy. The mix of compensation elements for our named executive officers places relatively greater emphasis on at-risk incentive compensation, as compared with the median mix of compensation elements for the companies in our peer group. As an executive officer's level of responsibility increases consistent with his or her relative ability to impact the long-term performance of the Company as a whole, a greater portion of the named executive officer's compensation is based on performance-based incentive compensation and less on base salary, thereby creating the potential for greater variability in the individual's compensation level from year to year.

The key components of our named executive officers' compensation, base salary, short-term incentive compensation, and long-term incentive compensation, are described in more detail in the following table:

Compensation Objectives Associated with the		Key Features of the	
Component	Compensation Component	Compensation Component	Additional Information
Base Salary	<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. 	<ul style="list-style-type: none"> Paid in cash. The Compensation Committee annually reviews and determines the base salary of our named executive officers in consultation with our CEO. 	<ul style="list-style-type: none"> The considerations in setting base salary include: qualifications, experience level, competitive market for qualified executives and tenure.

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<p>Short-Term Incentive Compensation ("STI")</p>	<ul style="list-style-type: none"> • 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 the CEO's performance towards achieving short-term goals. Designed to provide a strong incentive for each named executive officer to maximize Company performance. 	<ul style="list-style-type: none"> • Depending on the particular executive officer, short-term incentive compensation may be in the form of cash, LTIP Units, restricted stock and/or stock options. • The threshold, target and high dollar amounts for short-term incentive compensation are generally established by February of each year, with the value of the award paid in February of the following year based upon an evaluation of achievement of goals established at the time the targets are set. 	<ul style="list-style-type: none"> • Short-term incentive compensation is based on pre-determined weighting between Company performance and individual performance with Company performance weighted more heavily or equal to individual performance. The relative weightings are determined based on the extent to which a particular executive officer has responsibility for and influence over overall Company performance. • 2017 Performance Metrics: <ul style="list-style-type: none"> - Funds from Operations ("FFO") as Adjusted per share - Development/Redevelopment FFO - Same-Store Revenues - Net Financial Funding Capacity - Total Transactions
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STI Performance Metric	Calculation Methodology
Funds From Operations (“FFO”) as Adjusted	The Company defines FFO as Adjusted as FFO as reported, excluding the impact of acquisition-related costs and other non-comparable items including, but not limited to, prepayment costs/benefits associated with early debt retirement, gains or losses on sales of non-depreciable property and marketable securities, deferred tax valuation allowance increases and decreases, casualty-related expenses and recoveries, severance costs and legal costs. The Company defines FFO, as reported, as net income/(loss) (computed in accordance with GAAP), excluding impairment write-downs of depreciable real estate or of investments in non-consolidated investees that are driven by measurable decreases in the fair value of depreciable real estate held by the investee, gains (or losses) from sales of depreciable property, plus real estate depreciation and amortization, and after adjustments for noncontrolling interests, unconsolidated partnerships and joint ventures. This definition conforms with the National Association of Real Estate Investment Trust’s definition issued in April 2002.
Development/Redevelopment FFO	The Company defines Development/Redevelopment FFO as the Net Operating Income (NOI), including retail NOI, plus capitalized interest from certain development and redevelopment projects.
Same-Store Revenues	The Company defines “Same-Store” as those communities stabilized as of a specific point in time. These communities were owned and had stabilized occupancy and operating expenses as of the beginning of the prior year, there is no plan to conduct substantial redevelopment activities, and the community is not held for disposition within the current year. Same-Store Revenue is measured by the percentage of markets for which UDR’s Same-Store Revenue is at or above the median relative to its peers.
Net Financial Funding Capacity	The Company defines Net Financial Funding Capacity as projected year-end 2017 credit capacity less 2018-2019 net approved and likely to be approved development spend, and debt maturities with extensions. The benchmark is subsequently modified for changes in approved and likely to be approved development and redevelopment spend.
Total Transactions	The Company defines Total Transactions as the sum of total acquisitions and/ or dispositions, for which a binding definitive agreement to either acquire or dispose of a property(s) was entered into during 2017, development spend (including but not limited to participating debt, subordinated debt or preferred equity) and redevelopment spend.

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Compensation Component	Objectives Associated with the	Key Features of the	Additional Information
Long-Term Incentive Compensation ("LTI")	<p>Compensation Component</p> <ul style="list-style-type: none"> Our LTI compensation is designed to foster significant ownership of our common stock by our management, to closely align the interests of our management with the creation of stockholder value and to motivate our management to achieve long-term growth and success of our Company. 	<p>Compensation Component</p> <ul style="list-style-type: none"> Our LTI compensation consists of equity awards which vest only if the Company meets pre-determined performance targets over a specific performance period established by the Compensation Committee. Equity awards may consist of one or a combination of any of the following: restricted stock; restricted stock units; LTIP Units; and stock options. The threshold, target and maximum dollar values for LTI compensation are generally established at the commencement of the performance period and awarded in the form of restricted stock, restricted stock units, LTIP Units and/or stock options, with the actual dollar value awarded determined at the end of the performance period based upon actual achievement of the goals established at the time the threshold, target and maximum dollar values are set. Each award vests in accordance with the terms established by the Compensation Committee. The 2017 LTI Program awards vest based upon the achievement of four quantitative performance objectives over one- and three-year performance periods. See Page 47. 	<ul style="list-style-type: none"> LTI compensation is the most significant component of the named executive officer's compensation.

Long-Term Incentive Compensation. Long-term incentive compensation, consisting of equity awards including restricted stock, restricted stock units, LTIP Units and/or stock options, constitute the most significant component of our executive officers' compensation, which closely aligns their long-term interests with the long-term interests of our stockholders, while mitigating potential risks related to our compensation programs.

In November of 2015, the board approved a class of partnership interests in the Operating Partnership, called "LTIP Units," as a form of equity-based award for long-term incentive equity compensation. LTIP Units are designed to qualify as "profits interests" in the Operating Partnership for federal income tax purposes, meaning that initially they are not economically equivalent in value to a share of our common stock, but over time can increase in value to one-for-one parity with common stock by operation of special tax rules applicable to profits interests. LTIP Units are designed to offer executives a long-term incentive comparable to restricted stock or restricted stock units, while

allowing them a potentially more favorable income tax treatment in return for incurring additional risk. Each LTIP Unit awarded is deemed equivalent to an award of one share of common stock reserved under our 1999 Long Term Incentive Plan. The key difference between LTIP Units and restricted stock is that, at the time of award, LTIP Units do not have full economic parity with OP Units, but can achieve such parity over time upon the occurrence of specified events in accordance with partnership tax rules. Until and unless such parity is reached, the value that an executive will realize for a given number of vested LTIP Units is less than the value of an equal number of shares of our common stock.

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During the applicable performance period, holders of LTIP Units will receive distributions equal to one-tenth (1/10th) of the amount of regular quarterly distributions paid on an OP Unit, but will not receive any special distributions. After the end of the performance period, holders of earned LTIP Units, both vested and unvested, will be entitled to receive distributions in an amount per LTIP Unit equal to the distributions, both regular and special, payable on an OP Unit (which equal per share dividends (both regular and special) on our common stock). LTIP Units awarded with time-based vesting conditions only, both vested and unvested, are entitled to receive distributions in an amount per LTIP Unit equal to the distributions, both regular and special, payable on an OP Unit.

Subject to the conditions set forth in the Ninth Amendment to the Amended and Restated Agreement of Limited Partnership of the Operating Partnership and subject to the vesting conditions specified with respect to each Class 2 LTIP Unit (described below), each Class 2 LTIP Unit may be converted, at the election of the holder, into an OP Unit of the Operating Partnership provided that such Class 2 LTIP Unit has been outstanding for at least two years from the date of grant. 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.

The Class 2 LTIP Units are granted at maximum, and will vest only to the extent that pre-established performance metrics are met for the applicable performance period, subject to continuing employment. Consistent with the treatment of other equity awards under the 1999 Plan, upon a Class 2 LTIP Unit holder's death or disability during his or her employment, or in the event of a change of control, all restrictions on outstanding awards shall lapse; otherwise, vesting shall cease upon the date that employment is terminated for any other reason. Holders of Class 2 LTIP Units have the same voting rights as limited partners holding OP Units in the Operating Partnership, with the LTIP Units voting together as a single class with the holders of OP Units and having one vote per LTIP Unit, and holders of LTIP Units shall not be entitled to approve, vote on or consent to any other matter.

Retirement Plans. We have a Profit Sharing Plan (the "401(k) Plan"), which is a defined contribution plan covering all eligible full-time employees. Under the 401(k) Plan, the Company makes discretionary profit sharing and matching contributions to the plan as approved by the Compensation Committee. Details regarding matching contributions for our named executive officers are set forth below under the Summary Compensation Table. UDR does not have a pension plan, a SERP or any similar arrangements.

Perquisites and Other Benefits. The primary perquisites that we offer to our named executive officers are Company-paid health insurance (including dental), life insurance, long-term disability insurance and accidental death and disability insurance. Our named executive officers participate in these benefit plans on the same terms as other employees. In addition to the group medical plans that we provide, we reimburse up to a maximum of \$5,000 in expenses for annual physical exams for our named executive officers. To help us attract and retain qualified personnel, we also offer relocation benefits, but these benefits are individually negotiated when they occur.

We review our policies with respect to perquisites on a regular basis to consider whether the perquisites should be maintained and whether, or to what extent, it may be appropriate for us to discontinue particular perquisites or to require repayment of the cost of perquisites. During 2017, we did not change our policies with respect to perquisites that we offer to our CEO and other named executive officers.

The Compensation of Our Named Executive Officers for 2017

Base Salaries

The base salaries for 2017 were determined to be as follows:

Short-Term Incentive Compensation

2017 Results. The Company's 2017 performance, as measured by the performance metrics utilized for determining short-term incentive compensation for the named executive officers, was as follows:

Performance Measure	Threshold	Target	High	Actual
FFO as Adjusted per share	\$1.81	\$1.85	\$1.89	\$1.87
Same-Store Revenues (percentage of markets where UDR is at or above the median relative to peer apartment REITs)	50%	60%	70%	77%
Development/Redevelopment FFO (calculated as NOI plus capitalized interest)	\$58 million	\$61 million	\$64 million	\$59 million
Net Financial Funding Capacity	\$(162) million	\$(62) million	\$38 million	\$275 million
Total Transactions	\$653 million	\$726 million	\$799 million	\$766 million

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Short-Term Incentive Compensation of CEO (Mr. Toomey). The Compensation Committee established the following range for Mr. Toomey’s 2017 short-term incentive compensation:

- with 70% based on the Company’s performance as measured by the four annual performance metrics that were weighted as described below, and
- the remaining 30% based on his individual performance against the Board of Directors-approved leadership competencies and key performance objectives.

The Compensation Committee determined that the above-referenced amounts were consistent with the target short-term incentive compensation as a percentage of overall compensation for the CEO position, and these amounts provide a market competitive level of compensation for the CEO. The Compensation Committee also made a subjective determination that these amounts were appropriate to motivate Mr. Toomey to achieve short-term Company and individual goals and to help ensure Mr. Toomey’s continued service with the Company.

The annual performance metrics that were used for determining the 2017 short-term incentive compensation for Mr. Toomey were as follows:

Performance Measure	Weight	Threshold	Target	High	Actual
FFO as Adjusted per share	40%	\$1.81	\$1.85	\$1.89	\$1.87
Same-Store Revenues (percentage of markets where UDR is at or above the median relative to peer apartment REITs)	30%	50%	60%	70%	77%
Development/Redevelopment FFO (calculated as NOI plus capitalized interest)	20%	\$58 million	\$61 million	\$64 million	\$59 million
Net Financial Funding Capacity	10%	\$(162) million	\$(62) million	\$38 million	\$275 million

Mr. Toomey’s individual goals for 2017 were as follows:

- (1) set the vision for the Company,
- (2) strategic planning,
- (3) leadership of the Company,
- (4) board relations,
- (5) refine, enhance and execute on the Business Plan and strategic vision,
- (6) communication – responding to a changing market,
- (7) resolving areas for which the board requests further discussion and analysis, and
- (8) management team development and succession.

In evaluating Mr. Toomey’s 2017 compensation, the Compensation Committee considered Mr. Toomey’s accomplishment of these goals.

In February 2018, the Compensation Committee awarded Mr. Toomey short-term incentive compensation in the amount of \$1,569,000 for fiscal 2017, based on the Company’s performance against the annual performance metrics and his individual performance. Of the total amount, \$1,029,000 was attributable to the Company’s performance against the annual performance metrics and the remainder was attributable to Mr. Toomey’s individual performance. Mr. Toomey elected to receive 75% of his short-term incentive compensation in Class 1 LTIP Units and the balance in cash.

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Short-Term Incentive Compensation of Senior Executive Vice President (Mr. Troupe). The Compensation Committee established the following range for Mr. Troupe’s 2017 short-term incentive compensation:

- with 70% based on the Company’s performance as measured by the three annual performance metrics that were weighted as described below, and
- the remaining 30% based on his individual performance.

The Compensation Committee determined that these amounts were consistent with the target short-term incentive compensation as a percentage of overall compensation for the Senior Executive Vice President position, and these amounts provide a market competitive level of compensation for the Senior Executive Vice President. The Compensation Committee, in consultation with our CEO, also made a subjective determination that these amounts were appropriate to motivate Mr. Troupe to achieve short-term Company and individual goals and to help ensure Mr. Troupe’s continued service with the Company.

The annual performance metrics that were used for determining the 2017 short-term incentive compensation for Mr. Troupe were as follows:

Performance Measure	Weight	Threshold	Target	High	Actual
FFO as Adjusted per share	40%	\$1.81	\$1.85	\$1.89	\$1.87
Net Financial Funding Capacity	20%	\$(162) million	\$(62) million	\$38 million	\$275 million
Total Transactions	40%	\$653 million	\$726 million	\$799 million	\$766 million

Mr. Troupe’s individual goals for 2017 were as follows:

- (1) maintaining a flexible/strong balance sheet,
- (2) transactions – assist in coordination of acquisitions/sales, joint ventures and financings,
- (3) compliance – oversee regulatory filings, internal audit, contract policy and corporate governance, and
- (4) legal team – develop and review with the executive team the legal team of the future.

In February 2018, the Compensation Committee awarded Mr. Troupe short-term incentive compensation in the total amount of \$1,231,000 for fiscal 2017, based on the Company’s performance against the annual performance metrics, and his individual performance. Of the total amount, \$826,000 was attributable to the Company’s performance against the annual performance metrics and the remainder was attributable to Mr. Troupe’s individual performance. Mr. Troupe elected to receive his short-term incentive compensation in Class 1 LTIP Units.

Short-Term Incentive Compensation of Senior Vice President – Chief Operating Officer (Mr. Davis). The Compensation Committee established a range for Mr. Davis’s 2017 short-term incentive compensation as follows:

- with 70% based on the Company’s performance as measured by the three annual performance metrics that were weighted as described below, and
- 30% based on his individual performance.

The Compensation Committee determined that these amounts were consistent with the target short-term incentive compensation as a percentage of overall compensation for the Senior Vice President – Chief Operating Officer position, and these amounts provide a market competitive level of compensation for the Senior Vice President – Chief Operating Officer. The Compensation Committee, in consultation with our CEO, also made a subjective determination that these amounts were appropriate to motivate Mr. Davis to achieve short-term Company and individual goals and to help ensure Mr. Davis’s continued service with the Company.

The annual performance metrics that were used for determining the 2017 short-term incentive compensation for Mr. Davis were as follows:

Performance Measure	Weight	Threshold	Target	High	Actual
FFO as Adjusted per share	30%	\$1.81	\$1.85	\$1.89	\$1.87
Same-Store Revenues	50%	50%	60%	70%	77%
Development/Redevelopment FFO	20%	\$58 million	\$61 million	\$64 million	\$59 million

The Compensation Committee, in consultation with our CEO, considered Mr. Davis’s individual performance in 2017 based on the accomplishment of his specific goals that included:

- (1) increasing cash flow to support dividend growth through operations, sales and marketing, and
- (2) maintaining a great place to work and live, considering human resources and resident satisfaction.

In February 2018, the Compensation Committee awarded Mr. Davis short-term incentive compensation in the total amount of \$1,200,000 for fiscal 2017, based on the Company’s performance against the annual performance metrics, and his individual performance. Of the total amount, \$700,000 was attributable to the Company’s performance against the annual performance metrics and the remainder was attributable to Mr. Davis’ individual performance. Mr. Davis elected to receive his short-term incentive compensation in Class 1 LTIP Units.

Short-Term Incentive Compensation of Senior Vice President – Chief Investment Officer (Mr. Alcock). The Compensation Committee established a range for Mr. Alcock’s 2017 short-term incentive compensation as follows:

- with 70% based on the Company’s performance as measured by the three annual performance metrics that were weighted as described below, and
- 30% based on his individual performance.

The Compensation Committee, in consultation with our CEO, determined that these amounts were consistent with the target short-term incentive compensation as a percentage of overall compensation for the Senior Vice President – Chief Investment Officer position, and these amounts provide a market competitive level of compensation for the Senior Vice President – Chief Investment Officer. The Compensation Committee, in consultation with our CEO, also made a subjective determination that these amounts were appropriate to motivate Mr. Alcock to achieve short-term Company and individual goals and to help ensure Mr. Alcock’s continued service with the Company.

The annual performance metrics that were used for determining the 2017 short-term incentive compensation for Mr. Alcock were as follows:

Performance Measure	Weight	Threshold	Target	High	Actual
FFO as Adjusted per share	30%	\$1.81	\$1.85	\$1.89	\$1.87
Development/Redevelopment FFO	30%	\$58 million	\$61 million	\$64 million	\$59 million
Total Transactions	40%	\$653 million	\$726 million	\$799 million	\$766 million

The Compensation Committee, in consultation with our CEO, considered Mr. Alcock’s individual performance in 2017 based on the accomplishment of his specific goals that included:

- (1) enhancing the portfolio through sales and acquisitions,
- (2) addressing asset quality through redevelopment and asset quality initiatives, and
- (3) strengthening the Company’s portfolio through development.

In February 2018, the Compensation Committee awarded Mr. Alcock short-term incentive compensation in the total amount of \$941,000 for fiscal 2017, based on the Company’s performance against the annual performance metrics, and his individual performance. Of the total amount, \$601,000 was attributable to the Company’s performance against the annual performance metrics and the remainder was attributable to Mr. Alcock’s individual performance. Mr. Alcock elected to receive his short-term incentive compensation in Class 1 LTIP Units.

Short-Term Incentive Compensation of Senior Vice President – Chief Financial Officer (Mr. Fisher). The Compensation Committee established a range for Mr. Fisher’s 2017 short-term incentive compensation as follows:

- with 50% based on the Company’s performance as measured by the five annual performance metrics that were weighted as described below, and
- 50% based on his individual performance.

The Compensation Committee, in consultation with our CEO, determined that these amounts were consistent with the target short-term incentive compensation as a percentage of overall compensation for the Senior Vice President – Chief Financial Officer position, and these amounts provide a market competitive level of compensation for the Senior Vice President – Chief Financial Officer. The Compensation Committee, in consultation with our CEO, also made a subjective determination that these amounts were appropriate to motivate Mr. Fisher to achieve short-term Company and individual goals and to help ensure Mr. Fisher’s continued service with the Company.

The annual performance metrics that were used for determining the 2017 short-term incentive compensation for Mr. Fisher were as follows:

Performance Measure	Weight	Threshold	Target	High	Actual
FFO as Adjusted per share	40%	\$1.81	\$1.85	\$1.89	\$1.87
Same-Store Revenues	20%	50%	60%	70%	77%
Development/Redevelopment FFO	10%	\$58 million	\$61 million	\$64 million	\$59 million
Net Financial Funding Capacity	10%	\$(162) million	\$(62) million	\$38 million	\$275 million
Total Transactions	20%	\$653 million	\$726 million	\$799 million	\$766 million

The Compensation Committee, in consultation with our CEO, considered Mr. Fisher’s individual performance in 2017 based on the accomplishment of his specific goals that included:

- (1) management of accounting and tax functions,
- (2) management of investor relations function,
- (3) financial planning and analysis,
- (4) assist in debt and treasury initiatives,
- (5) provide assistance to support functional execution of the Business Plan,
- (6) examine and present options for the Company with respect to strategy and treasury initiatives,
- (7) assist with board materials, and
- (8) review and monitor technology investments.

In February 2018, the Compensation Committee awarded Mr. Fisher short-term incentive compensation in the total amount of \$534,000 for fiscal 2017, based on the Company’s performance against the annual performance metrics, and his individual performance. Of the total amount, \$254,000 was attributable to the

Company's performance against the annual performance metrics and the remainder was attributable to Mr. Fisher's individual performance. Mr. Fisher elected to receive his short-term incentive compensation in Class 1 LTIP Units.

2015 LTI Compensation

Under the terms of the 2015 LTI Program, our named executive officers were awarded restricted stock units with dividend equivalent rights based upon the achievement of specific performance objectives over the relevant performance period, and each of the awards were subject to specific vesting provisions that were based on the achievement of the applicable performance criteria. The 2015 LTI Program included a three-year relative TSR performance metric which was based on the Company's TSR performance as compared to the median of comparable apartment REITs. The portion of the award that is earned contingent on the achievement of the three-year relative TSR performance metric will cliff vest within 60 days following the conclusion of the performance period. In February 2018, the three-year relative TSR performance metric was measured and approved by the Compensation Committee.

The following table reflects the Company's performance and the vested payout for the three-year relative TSR performance grant of the 2015 LTI Program grants:

Performance Metric	Weighting	Range	Metric	Payout	Actual Result
3-Year TSR (UDR TSR versus Peer Average in BPS)	67.7%	Threshold	-250	50%	
		Target	Median	100%	170%
		Maximum	400	200%	

	2015-2017 TSR			
	Threshold	Target	Maximum	Actual Amount
Mr. Toomey	\$ 1,000,000	\$ 2,000,000	\$ 4,000,000	\$ 3,400,000
Mr. Troupe	\$ 366,667	\$ 733,333	\$ 1,466,667	\$ 1,246,667
Mr. Davis	\$ 366,667	\$ 733,333	\$ 1,466,667	\$ 1,246,667
Mr. Alcock	\$ 366,667	\$ 733,333	\$ 1,466,667	\$ 1,246,667

2017 LTI Compensation

In December 2016, the Compensation Committee approved a new long-term incentive program for 2017. Because the number of multifamily companies in UDR's peer group has continued to shrink due to industry consolidation (in 1998 there were 27 multifamily REITs in the NAREIT Equity Index and in 2017 there were 15), the Compensation Committee decided to revise the apartment peer group for the relative TSR performance metric to be the NAREIT Apartment Index for the 2017 program, as well as add additional performance metrics.

The metrics used for the 2017 LTI Program are as follows:

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Performance Metrics	Weighting	Range	Metric	Payout	Actual Result	
1 Year FFO as Adjusted	30%		Threshold	\$ 1.81	50%	
			Target	\$ 1.85	100%	
			Maximum	\$ 1.89	200%	\$1.87
3-Year Relative Cumulative FFO as Adjusted	10%		Threshold	\$ 5.69	50%	
			Target	\$ 5.91	100%	
			Maximum	\$ 6.12	200%	TBD
3-Year TSR Percentile Rank vs. NAREIT Apartment Index	30%		Threshold	30th	50%	
			Target	50th	100%	TBD
			Maximum	75th	200%	
Cumulative 3-Year Absolute TSR	30%		Threshold	15%	50%	
			Target	25%	100%	TBD
			Maximum	35%	200%	

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The named executive officers elected to receive Class 2 LTIP Units in lieu of performance-based restricted stock units pursuant to the 2017 LTI Program.

The 2017 LTI Program awards were granted to Messrs. Toomey, Troupe, Davis, Alcock and Fisher, in the following amounts:

Total 2017 LTI Program Awards				
	Threshold	Target	Maximum	Actual Amount
Mr. Toomey	\$ 1,750,000	\$ 3,500,000	\$ 7,000,000	TBD
Mr. Troupe	\$ 550,000	\$ 1,100,000	\$ 2,200,000	TBD
Mr. Davis	\$ 625,000	\$ 1,250,000	\$ 2,500,000	TBD
Mr. Alcock	\$ 625,000	\$ 1,250,000	\$ 2,500,000	TBD
Mr. Fisher	\$ 250,000	\$ 500,000	\$ 1,000,000	TBD

1 Year FFO as Adjusted (30% of 2017 LTI Program Award)				
	Threshold	Target	Maximum	Actual Amount
Mr. Toomey	\$ 525,000	\$ 1,050,000	\$ 2,100,000	\$ 1,575,000
Mr. Troupe	\$ 165,000	\$ 330,000	\$ 660,000	\$ 495,000
Mr. Davis	\$ 187,500	\$ 375,000	\$ 750,000	\$ 562,500
Mr. Alcock	\$ 187,500	\$ 375,000	\$ 750,000	\$ 562,500
Mr. Fisher	\$ 75,000	\$ 150,000	\$ 300,000	\$ 225,000

3 Year FFO as Adjusted 2017-2019 (10% of 2017 LTI Program Award)				
	Threshold	Target	Maximum	Actual Amount
Mr. Toomey	\$ 175,000	\$ 350,000	\$ 700,000	TBD
Mr. Troupe	\$ 55,000	\$ 110,000	\$ 220,000	TBD
Mr. Davis	\$ 62,500	\$ 125,000	\$ 250,000	TBD
Mr. Alcock	\$ 62,500	\$ 125,000	\$ 250,000	TBD
Mr. Fisher	\$ 25,000	\$ 50,000	\$ 100,000	TBD

Cumulative 3 Year Absolute TSR 2017-2019 (30% of 2017 LTI Program Award)				
	Threshold	Target	Maximum	Actual Amount
Mr. Toomey	\$ 525,000	\$ 1,050,000	\$ 2,100,000	TBD
Mr. Troupe	\$ 165,000	\$ 330,000	\$ 660,000	TBD
Mr. Davis	\$ 187,500	\$ 375,000	\$ 750,000	TBD
Mr. Alcock	\$ 187,500	\$ 375,000	\$ 750,000	TBD
Mr. Fisher	\$ 75,000	\$ 150,000	\$ 300,000	TBD

3 Year TSR Percentile Rank 2017-2019 (30% of 2017 LTI Program Award)				
	Threshold	Target	Maximum	Actual Amount
Mr. Toomey	\$ 525,000	\$ 1,050,000	\$ 2,100,000	TBD
Mr. Troupe	\$ 165,000	\$ 330,000	\$ 660,000	TBD
Mr. Davis	\$ 187,500	\$ 375,000	\$ 750,000	TBD
Mr. Alcock	\$ 187,500	\$ 375,000	\$ 750,000	TBD
Mr. Fisher	\$ 75,000	\$ 150,000	\$ 300,000	TBD

2018 LTI Compensation

In December 2017, the Compensation Committee approved a new long-term incentive program for 2018.

The metrics used for the 2018 LTI Program are as follows:

Performance Metrics	Weighting	Range	Metric	Payout
1 Year FFO as Adjusted	30%	Threshold	\$1.89	50%
		Target	\$1.93	100%
		Maximum	\$1.97	200%
3-Year Cumulative FFO as Adjusted vs. Apartment Peers	15%	Threshold	-900bps	50%
		Target	wavg	100%
		Maximum	+900bps	200%
3-Year Relative TSR vs. NAREIT Equity Index	20%	Threshold	-900bps	50%
		Target	Index	100%
		Maximum	+900bps	200%
3-Year Relative TSR vs. Apartment Peers	35%	Threshold	-900bps	50%
		Target	wavg	100%
		Maximum	+900bps	200%

The portions of the 2018 LTI awards based upon the 3-year relative apartment peer TSR metric, the 3-year relative NAREIT Equity Index TSR metric and the 3-year relative cumulative FFO as Adjusted metric will vest on the date the Compensation Committee determines performance in January or February 2021. The portion of the 2018 LTI awards based upon the 1-year FFO as Adjusted metric will be measured in January or February 2019 and will vest 50% at such time and 50% on the one-year anniversary thereof.

Chief Financial Officer Appointment

Joseph Fisher was appointed to serve as the Company's Senior Vice President - Chief Financial Officer effective as of January 1, 2017. In connection with his appointment, Mr. Fisher received an annual base salary of \$400,000, which is subject to annual review, and he was eligible for a bonus of up to \$400,000, at target. Mr. Fisher also participated in the 2017 LTI Program in an amount equal to \$500,000, at target, and he participates in the Company's employee benefit programs and 401(k) plan. Mr. Fisher was paid \$200,000 in shares of the Company's common stock as compensation for equity that Mr. Fisher forfeited at his prior employer. He was granted restricted shares of the Company's common stock equal to \$1,000,000, which consisted of 27,816 shares based on the closing sales price of the Company's common stock on the date of grant of \$35.95. The shares shall vest and become exercisable pro-rata over four years from the date of grant, January 3, 2017, and all vesting is contingent upon Mr. Fisher being an employee in good standing of the Company on the vesting dates.

Special Awards

In 2017, the board made special grants of restricted stock with vesting to occur ratably over three years to Messrs. Alcock and Davis in the amounts of \$300,000 and \$200,000, respectively, in connection with Mr. Alcock's promotion to Senior Vice President – Chief Investment Officer and Mr. Davis's performance in 2016, as disclosed in the Summary Compensation Table included elsewhere in this proxy statement.

Severance, Change of Control and Other Arrangements

We provide a description of the change of control provisions and the death, disability and retirement provisions in our 1999 Long Term Incentive Plan and our policy with respect to severance benefits, below under "Post-Employment Compensation – Severance, Change of Control and Other Arrangements."

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Advisory Vote on Executive Compensation

At the 2017 annual meeting of stockholders, the stockholders approved, on an advisory basis, the compensation of our named executive officers, as disclosed pursuant to the compensation disclosure rules of the SEC, with over 84.7% of votes cast in favor of the resolution. The Compensation Committee reviewed the final vote results for that resolution, and we have not made any changes to our executive compensation policies or decisions as a result of the vote. While the vote on the compensation of our named executive officers is advisory, and therefore not binding on the Company, the Compensation Committee or our board, our board and our Compensation Committee value the opinions of our stockholders and, to the extent there is any significant vote against the named executive officer compensation, we will consider our stockholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns. At our 2017 annual meeting, we conducted an advisory vote on the frequency of our advisory votes on executive compensation. Through that vote, our stockholders expressed a preference for an annual advisory vote on executive compensation, with 86% of votes cast in favor of an annual advisory vote on executive compensation. We have determined that our stockholders should cast an advisory vote on the compensation of our named executive officers on an annual basis. Accordingly, our board recommends that you vote "FOR" Proposal No. 3 at the annual meeting. For more information, see "Proposal No. 3 Advisory Vote on Executive Compensation" in this proxy statement.

Accounting and Tax Effects

The impact of accounting treatment is considered in developing and implementing our compensation programs generally, including the accounting treatment as it applies to amounts awarded or paid to our executives. The impact of federal tax laws on our compensation programs is also considered, including the deductibility of compensation paid to our named executive officers, as regulated by Section 162(m) of the Code.

For our 2017 fiscal year, under Section 162(m) of the Code, we may not receive a federal income tax deduction for compensation paid to our chief executive officer or any of the three other most highly compensated executive officers (other than the chief financial officer) employed on the last day of the fiscal year to the extent that any of such persons receive more than \$1,000,000 in compensation in the fiscal year. However, if we pay compensation that is "performance-based" under Section 162(m), we can receive a federal income tax deduction for the compensation paid even if such compensation exceeds \$1,000,000 in a single year.

In December 2017, the Tax Cuts and Jobs Act was enacted, which repealed the exemption from the deduction limit for performance-based compensation, effective for taxable years beginning after December 31, 2017, subject to a transition rule for written binding contracts which were in effect on November 2, 2017, and which were not modified in any material respect on or after that date. As a result of changes from the Tax Cuts and Jobs Act, the chief financial officer is now included with the Company's named executive officers for Section 162(m) purposes.

Our 1999 Long Term Incentive Plan has been designed to permit awards under the plan to qualify as "performance-based;" however, to maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, the Compensation Committee has not adopted a policy that all compensation must be deductible on our federal income tax returns, and has reserved the right to adopt a policy, or may change any policy it does adopt, as it deems necessary. The Compensation Committee is continuing to assess the impact of Section 162(m), as amended by the Tax Cuts and Jobs Act, on our compensation programs.

The impact of Section 409A of the Code is also taken into account. The 1999 Long Term Incentive Plan has been designed to comply with the requirements of Section 409A of the Code so as to avoid possible adverse tax consequences that may result from noncompliance.

Equity Granting Process

Grants of stock options, restricted stock, restricted stock units, LTIP Units and other equity awards to our executive officers and other employees are approved by the Compensation Committee at regularly scheduled meetings, or occasionally by unanimous written consent. If approval is made at a meeting, the grant date of the award is the date of the meeting; if approval is by unanimous written consent, the grant date of the award is the day the last Compensation Committee member signs the written consent.

We have no practice of timing grants of stock options, restricted stock, restricted stock units, LTIP Units and other equity awards to coordinate with the release of material non-public information, nor have we timed the release of material non-public information for the purpose of affecting the value of any named executive officer compensation.

Stock Ownership Guidelines

To align the interests of our executive officers with the interests of our stockholders, each of our executive officers is required to comply with our Executive Stock Ownership Guidelines. These guidelines require our executive officers to own a specified number of shares of the Company's common stock as determined by the executive officer's position within four years of the date of the executive officer's appointment. The individual guidelines are as follows:

- 110,000 shares for the Chairman, CEO and President,
- 50,000 shares for any Executive Vice President (or equivalent), and
- 20,000 shares for any Senior Vice President (or equivalent).

All of our named executive officers serving as of the end of 2017 are in compliance with the Executive Stock Ownership Guideline applicable to their position. The Governance Committee may, from time to time, re-evaluate and revise these guidelines to give effect to changes in the price of our common stock or our capitalization.

Stock that counts towards satisfaction of the ownership guidelines include:

- shares owned outright by the participant or his or her immediate family members residing in the same household,
-

- vested
restricted
stock,
- vested
LTIP
Units,
and
- shares
into
which
OP
Units in
the
Operating
Partnership
may be
redeemed
for
shares
of
common
stock.

A copy of our Executive Stock Ownership Guidelines may be found on our corporate governance page on our website at ir.ustr.com. To access the guidelines on our website, click on “Investor Relations” and then click on “Corporate Governance.”

Hedging, Pledging and Short-Term Speculative Transactions

We prohibit any Company personnel, including our named executive officers, from engaging in any short-term, speculative securities transactions, engaging in short sales, buying or selling put or call options, trading in

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options (other than those granted by the Company) and engaging in hedging transactions. We also prohibit purchasing securities on margin or pledging securities as collateral without prior approval.

Policy on Recoupment of Performance-Based Incentives

Our Compensation Committee adopted the Policy on Recoupment of Performance-Based Incentives, which applies to our executive officers, including our named executive officers, and their performance-based incentive compensation beginning with their compensation for the 2010 fiscal year. This policy provides that if the board determines that the Company's financial statements are required to be restated as a result of fraud committed by an executive officer, the board may seek to recoup any portion of the performance-based awards that the executive officer would not have received if the Company's financial results had been reported properly. The board administers the policy and determines, in its sole discretion, the amount of the performance-based award to be recouped. To access the guidelines on our website, click on "Investor Relations" and then click on "Corporate Governance."

Consideration of Risk

The Compensation Committee is aware of the consequences to companies that have not appropriately balanced risk and reward in executive compensation. The Compensation Committee believes that the emphasis on long-term performance in the 1999 Long Term Incentive Plan results in an overall compensation program that does not reward excessive risk-taking for the Company. The Company's compensation strategy is intended to mitigate risk by emphasizing long-term compensation and financial performance measures correlated with growing stockholder value rather than rewarding shorter performance and payout periods.

Our Compensation Committee believes that our executive incentive compensation arrangements do not encourage our executives to take unnecessary or excessive risks that could threaten the value of our Company. While performance-based compensation constitutes a significant percentage of our executives' overall total compensation and thereby the Compensation Committee believes motivates our executives to help fulfill our corporate mission and vision, including specific and focused Company performance objectives, the non-performance based compensation, for most executives for most years, is also a sufficiently high percentage of overall total compensation that the Compensation Committee does not believe that unnecessary or excessive risk taking is encouraged by the performance-based compensation. In addition, a significant portion of executive's performance-based compensation is in the form of long-term equity incentives, which do not encourage unnecessary or excessive risk because they generally are performance-based and are earned over a multiple-year period of time, thereby focusing the executives on our Company's long-term interests. In order to align the interests of our executive officers with the interests of our stockholders, each of our executive officers is required to comply with our Executive Stock Ownership Guidelines. Further, the Compensation Committee has adopted the Policy on Recoupment of Performance-Based Incentives as a means of discouraging unnecessary or excessive risk taking.

Compensation Committee Report

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act of 1933 or the Securities Exchange Act of 1934 that might incorporate this proxy statement or future filings with the Securities and Exchange Commission, in whole or part, the following report shall not be deemed to be incorporated by reference into any such filing.

The Compensation Committee has reviewed and discussed with our management the Compensation Discussion and Analysis beginning on page 27 of this proxy statement. Based on such review and discussions, the Compensation Committee recommended to the board that the Compensation Discussion and Analysis be included in this proxy statement.

COMPENSATION AND MANAGEMENT
DEVELOPMENT COMMITTEE

Jon A. Grove, Chair
Robert A. McNamara
Mark R. Patterson
Lynne B. Sagalyn

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Compensation of Executive Officers

The executive officers named in the table below are referred to in this proxy statement as the “named executive officers.” The table below summarizes for each of the named executive officers the compensation amounts paid or earned for the fiscal years ended December 31, 2015, December 31, 2016 and December 31, 2017.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Stock Awards(1)	Option Awards(1)	Non-Equity Incentive Plan Compensation	Change In Pension Value and Nonqualified All Deferred Other Compensation	Total Compensation	
									(a)
Thomas W. Toomey(2) Chief Executive Officer and President	2017	\$ 800,000	-0-	\$ 5,328,051	-0-	\$ 1,569,000	-0-	\$ 83,868	\$ 7,780,919
	2016	\$ 800,000	-0-	\$ 3,486,357	-0-	\$ 1,617,000	-0-	\$ 27,343	\$ 5,930,700
	2015	\$ 800,000	-0-	\$ 4,750,239	-0-	\$ 1,800,000	-0-	\$ 16,485	\$ 7,356,723
Warren L. Troupe(3) Senior Executive Vice President	2017	\$ 500,000	-0-	\$ 1,045,928	-0-	\$ 1,231,000	-0-	\$ 26,388	\$ 2,803,316
	2016	\$ 500,000	-0-	\$ 1,143,228	-0-	\$ 1,202,000	-0-	\$ 15,672	\$ 2,860,900
	2015	\$ 500,000	-0-	\$ 1,741,754	-0-	\$ 2,350,000	-0-	\$ 19,293	\$ 4,651,047
Jerry A. Davis(4) Senior Vice President and Chief Operating Officer	2017	\$ 450,000	-0-	\$ 1,388,578	-0-	\$ 1,200,000	-0-	\$ 19,583	\$ 3,038,161
	2016	\$ 450,000	-0-	\$ 1,326,121	-0-	\$ 1,087,000	-0-	\$ 18,818	\$ 2,881,939
	2015	\$ 450,000	-0-	\$ 1,741,754	-0-	\$ 2,200,000	-0-	\$ 22,233	\$ 4,414,047
Harry G. Alcock(5) Senior Vice President and	2017	\$ 450,000	-0-	\$ 1,488,578	-0-	\$ 941,000	-0-	\$ 16,981	\$ 2,876,559
	2016	\$ 450,000	-0-	\$ 1,326,121	-0-	\$ 998,000	-0-	\$ 16,168	\$ 2,790,319
	2015	\$ 450,000	-0-	\$ 1,741,754	-0-	\$ 2,125,000	-0-	\$ 18,695	\$ 4,335,458

Chief Investment
Officer

Joseph D. Fisher(6)	2017	\$ 400,000	-0-	\$ 1,695,485	-0-	\$ 534,000	-0-	\$ 23,983	\$ 2,0
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Senior Vice
President
and Chief Financial
Officer

- (1) The dollar amounts reflected in the “Stock Awards” column represent the aggregate grant date fair value, computed in accordance with FASB ASC Topic 718, of grants of shares and units that vest over multiple years. For information regarding the valuation assumptions used in computing grant date fair value, refer to the note entitled “Employee Benefit Plans” in the Notes to our Consolidated Financial Statements included in our Annual Reports on Form 10-K for the fiscal years ended December 31, 2017, 2016 and 2015, as applicable.
- (2) “Stock Awards” for 2017 includes the aggregate grant date fair value of LTIP Units awarded under the Company’s long-term incentive program. The threshold, target and maximum for this award were determined in February 2017, and the amount of the award was determined in February 2017 based upon the achievement of the performance metrics. The maximum amount of the award was \$7,000,000. The named executive officer elected to receive 75% of the amount included in “Non-Equity Incentive Compensation” for 2017 in Class 1 LTIP Units and the balance in cash. “All Other Compensation” includes \$6,730 for Company paid health insurance (including dental) in 2017, \$817 for Company paid life insurance, accidental death and disability insurance and disability insurance in 2017, \$8,100 for the Company funded non-discretionary 401(k) Plan matching contribution, \$15,221 for rent discount and \$53,000 for the incremental cost of personal use of corporate aircraft in which the Company owns a fractional interest. This incremental cost represents the non-reimbursed portion of the cost of using the Company’s fractional interest for personal travel.
- (3) “Stock Awards” for 2017 includes the aggregate grant date fair value of restricted shares of our common stock and LTIP Units awarded under the Company’s long-term incentive program. The threshold, target and maximum for this award were determined in February 2017, and the amount of the award was determined in February 2017 based upon the achievement of the performance metrics. The maximum amount of the award was \$2,200,000. The named executive officer elected to receive 100% of the amount included in “Non-Equity Incentive Compensation” for 2017 in Class 1 LTIP Units. “All Other Compensation” includes \$7,409 for Company paid health insurance (including dental) in 2017, \$817 for Company paid life insurance, accidental death and disability and disability insurance in 2017, \$8,100 for the Company funded non-discretionary 401(k) Plan matching contribution and \$10,062 for the incremental cost of personal use of corporate aircraft in which the Company owns a fractional interest. This incremental cost represents the non-reimbursed portion of the cost of using the Company’s fractional interest for personal travel.
- (4) “Stock Awards” for 2017 includes the aggregate grant date fair value of restricted shares of our common stock and LTIP Units awarded under the Company’s long-term incentive program. The threshold, target and maximum for this award were determined in February 2017, and the amount of the award was determined in February 2017 based upon the achievement of the performance metrics. The maximum amount of the award was \$2,500,000. The named executive officer elected to receive 100% of the amount included in “Non-Equity Incentive Compensation” for 2017 in Class 1 LTIP Units. “All Other Compensation” includes \$10,666 for Company paid health insurance (including dental) in 2017, \$817 for Company paid life insurance, accidental death and disability and disability insurance in 2017 and \$8,100 for the Company funded non-discretionary 401(k) Plan matching contribution.
- (5) “Stock Awards” for 2017 includes the aggregate grant date fair value of restricted shares of our common stock and LTIP Units awarded under the Company’s long-term incentive program. The threshold, target and maximum for this award were determined in February 2017, and the amount of the award was determined in February 2017 based upon the achievement of the performance metrics. The maximum amount of the award was \$2,500,000. The named executive officer elected to receive 100% of the amount included in “Non-Equity Incentive Compensation”

for 2017 in Class 1 LTIP Units. “All Other Compensation” includes \$10,764 for Company paid health insurance (including dental) in 2017, \$817 for Company paid life insurance, accidental death and disability and disability insurance in 2017 and \$5,400 for the Company funded non-discretionary 401(k) Plan matching contribution.

- (6) “Stock Awards” for 2017 includes the aggregate grant date fair value of restricted shares of our common stock and LTIP Units awarded under the Company’s long-term incentive program. The threshold, target and maximum for this award were determined in February 2017, and the amount of the award was determined in February 2017 based upon the achievement of the performance metrics. The maximum amount of the award was \$1,000,000. The named executive officer elected to receive 100% of the amount included in “Non-Equity Incentive Compensation” for 2017 in Class 1 LTIP Units. “All Other Compensation” includes \$8,783 for Company paid health insurance (including dental) in 2017, \$239 for Company paid life insurance, accidental death and disability and disability insurance in 2017, \$8,100 for the Company funded non-discretionary 401(k) Plan matching contribution and \$6,861 for rent discount.

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Grants of Plan-Based Awards Table

The following table provides information concerning each grant of a plan-based award made to a named executive officer in the 2017 fiscal year.

Name	Award Type	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other	All Other	Exercise Price of Option	Number of Shares Underlying Option
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	Stock Awards: Number of Securities	Options Awards: or Base Price of		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Thomas W. Toomey	STI	2/2/2017	\$600,000	\$1,200,000	\$1,800,000	-	-	-	-	-	-	-
	LTI	2/2/2017				48,679	97,357	194,714	57,192	-	-	\$
Warren L. Troupe	STI	2/2/2017	\$450,000	\$ 900,000	\$1,350,000	-	-	-	-	-	-	-
	LTI	2/2/2017				15,299	30,597	61,194	-	-	-	\$
Jerry A. Davis	STI	2/2/2017	\$400,000	\$ 800,000	\$1,200,000	-	-	-	-	-	-	-
	LTI	2/2/2017				17,385	34,770	69,540	5,719	-	-	\$
Harry G. Alcock	STI	2/2/2017	\$400,000	\$ 800,000	\$1,200,000	-	-	-	-	-	-	-
	LTI	2/2/2017				17,385	34,770	69,540	8,579	-	-	\$
Joseph D. Fisher	STI	2/2/2017	\$200,000	\$ 400,000	\$ 600,000	-	-	-	-	-	-	-
	LTI	2/2/2017				6,953	13,906	27,812	33,379	-	-	\$

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

Long Term Incentive Compensation

The 2017 LTI Program covers consecutive, rolling three-year tranches (each consisting of 36 months) for an indefinite period. In November of 2015, the board approved a new class of partnership interests in the Operating Partnership,

called “LTIP Units,” as a form of equity-based award for annual long-term incentive equity compensation. LTIP Units are designed to qualify as “profits interests” in the Operating Partnership for federal income tax purposes, meaning that initially they are not economically equivalent in value to a share of our common stock, but over time can increase in value to one-for-one parity with common stock by operation of special tax rules applicable to profits interests. LTIP Units are designed to offer executives a long-term incentive comparable to restricted stock or restricted stock units, while allowing them to enjoy a potentially more favorable income tax treatment. Each LTIP Unit awarded is deemed equivalent to an award of one share of common stock reserved under our 1999 Long Term Incentive Plan. The key difference between LTIP Units and restricted stock is that, at the time of award, LTIP Units do not have full economic parity with an OP Unit, but can achieve such parity over time upon the occurrence of specified events in accordance with partnership tax rules. Until and unless such parity is reached, the value that an executive will realize for a given number of vested LTIP Units is less than the value of an equal number of shares of our common stock.

During the applicable performance period, holders of LTIP Units will receive distributions equal to one-tenth (1/10th) of the amount of regular quarterly distributions paid on an OP Unit, but will not receive any special distributions. After the end of the performance period, holders of earned LTIP Units, both vested and unvested, will be entitled to receive distributions in an amount per LTIP Unit equal to the distributions, both regular and special, payable on an OP Unit (which equal per share dividends (both regular and special) on our common stock). LTIP Units awarded with time-based vesting conditions only, both vested and unvested, are entitled to receive distributions in an amount per LTIP Unit equal to the distributions, both regular and special, payable on an OP Unit.

In February 2017, the named executive officers were permitted to elect to receive Class 2 LTIP Units in lieu of performance-based restricted stock units, and upon the elections of the named executive officers, the Compensation Committee awarded Class 2 LTIP Units to all of the named executive officers pursuant to the 2017 LTI Program. Subject to the conditions set forth in the Ninth Amendment to the Amended and Restated Agreement of Limited Partnership of the Operating Partnership and subject to the vesting conditions specified

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with respect to each Class 2 LTIP Unit (described below), each Class 2 LTIP Unit may be converted, at the election of the holder, into an OP Unit of the Operating Partnership provided that such Class 2 LTIP Unit has been outstanding for at least two years from the date of grant. 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.

The Class 2 LTIP Units are granted at maximum, and will vest only to the extent that pre-established performance metrics are met for the applicable performance period, subject to continuing employment. The 2017 LTI program award opportunity for the three-year performance period which commenced in 2017 has two separate tranches with different performance periods and vesting schedules, as follows: (i) 30% of the award opportunity has an FFO as Adjusted performance period of one year and one-half vested in February 2018 and one-half will vest in February 2019; (ii) 10% of the award opportunity has a 3-year cumulative FFO as Adjusted metric and will vest on the date the Compensation Committee determines performance in January or February of 2020; (iii) 30% of the award has a metric measured by the Company's 3-year TSR percentile ranks versus the NAREIT Apartment Index and will vest on the date the Compensation Committee determines performance in January or February of 2020; and (iv) 30% of the award opportunity has an absolute TSR performance period of three years and will vest on the date the Compensation Committee determines performance in January or February of 2020. In this way, the vesting conditions for the Class 2 LTIP Units are comparable to the vesting conditions applicable to our performance-based restricted stock units. Consistent with the treatment of other equity awards under the 1999 Plan, upon a Class 2 LTIP Unit holder's death or disability during his or her employment, or in the event of a change of control, all restrictions on outstanding awards shall lapse; otherwise, vesting shall cease upon the date that employment is terminated for any other reason. Holders of Class 2 LTIP Units have the same voting rights as limited partners holding OP Units in the Operating Partnership, with the LTIP Units voting together as a single class with the OP Units and having one vote per LTIP Unit, and holders of LTIP Units shall not be entitled to approve, vote on or consent to any other matter.

The metrics utilized for the 2017 LTI Program awards are as follows:

Performance Metric	Weighting	Range	Metric	Payout	Actual Result
1 Year FFO as Adjusted	30%	Threshold	\$1.81	50%	
		Target	\$1.85	100%	\$1.87
		Maximum	\$1.89	200%	
3-Year Relative Cumulative FFO as Adjusted	10%	Threshold	\$ 5.69	50%	Because this is a 3 year metric, the result has not yet been determined
		Target	\$ 5.91	100%	
		Maximum	\$ 6.12	200%	
3-Year TSR Percentile Rank vs. NAREIT Apartment Index	30%	Threshold	30th	50%	Because this is a 3 year metric, the result has not yet been determined
		Target	50th	100%	
		Maximum	75th	200%	
Cumulative 3-Year Absolute TSR	30%	Threshold	15%	50%	Because this is a 3 year metric, the result has not yet been determined
		Target	25%	100%	
		Maximum	35%	200%	

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The 2017 LTI Program awards were granted to Messrs. Toomey, Troupe, Davis, Alcock and Fisher, in the following amounts:

Total 2017 LTI Program Awards					
	Threshold	Target	Maximum	Actual Amount	
Mr. Toomey	\$ 1,750,000	\$ 3,500,000	\$ 7,000,000	TBD	
Mr. Troupe	\$ 550,000	\$ 1,100,000	\$ 2,200,000	TBD	
Mr. Davis	\$ 625,000	\$ 1,250,000	\$ 2,500,000	TBD	
Mr. Alcock	\$ 625,000	\$ 1,250,000	\$ 2,500,000	TBD	
Mr. Fisher	\$ 250,000	\$ 500,000	\$ 1,000,000	TBD	

1 Year FFO as Adjusted (30% of 2017 LTI Program Award)					
	Threshold	Target	Maximum	Actual Amount	
Mr. Toomey	\$ 525,000	\$ 1,050,000	\$ 2,100,000	\$ 1,575,000	
Mr. Troupe	\$ 165,000	\$ 330,000	\$ 660,000	\$ 495,000	
Mr. Davis	\$ 187,500	\$ 375,000	\$ 750,000	\$ 562,500	
Mr. Alcock	\$ 187,500	\$ 375,000	\$ 750,000	\$ 562,500	
Mr. Fisher	\$ 75,000	\$ 150,000	\$ 300,000	\$ 225,000	

3 Year FFO as Adjusted 2017-2019 (10% of 2017 LTI Program Award)					
	Threshold	Target	Maximum	Actual Amount	
Mr. Toomey	\$ 175,000	\$ 350,000	\$ 700,000	TBD	
Mr. Troupe	\$ 55,000	\$ 110,000	\$ 220,000	TBD	
Mr. Davis	\$ 62,500	\$ 125,000	\$ 250,000	TBD	
Mr. Alcock	\$ 62,500	\$ 125,000	\$ 250,000	TBD	
Mr. Fisher	\$ 25,000	\$ 50,000	\$ 100,000	TBD	

Cumulative 3 Year Absolute TSR 2017-2019 (30% of 2017 LTI Program Award)					
	Threshold	Target	Maximum	Actual Amount	
Mr. Toomey	\$ 525,000	\$ 1,050,000	\$ 2,100,000	TBD	
Mr. Troupe	\$ 165,000	\$ 330,000	\$ 660,000	TBD	
Mr. Davis	\$ 187,500	\$ 375,000	\$ 750,000	TBD	
Mr. Alcock	\$ 187,500	\$ 375,000	\$ 750,000	TBD	
Mr. Fisher	\$ 75,000	\$ 150,000	\$ 300,000	TBD	

3 Year TSR Percentile Rank 2017-2019 (30% of 2017 LTI Program Award)					
	Threshold	Target	Maximum	Actual Amount	
Mr. Toomey	\$ 525,000	\$ 1,050,000	\$ 2,100,000	TBD	
Mr. Troupe	\$ 165,000	\$ 330,000	\$ 660,000	TBD	
Mr. Davis	\$ 187,500	\$ 375,000	\$ 750,000	TBD	
Mr. Alcock	\$ 187,500	\$ 375,000	\$ 750,000	TBD	
Mr. Fisher	\$ 75,000	\$ 150,000	\$ 300,000	TBD	

See “Compensation Discussion and Analysis — The Compensation of Our Named Executive Officers for 2017 — LTI Compensation.”

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Matching 401(k) Contributions

In 2017, Messrs. Toomey, Troupe, Davis, Alcock and Fisher each received a non-discretionary 401(k) matching contribution made by us in the amount of \$8,100, \$8,100, \$8,100, \$5,400 and \$8,100, respectively. In 2016, Messrs. Toomey, Troupe, Davis and Alcock each received a non-discretionary 401(k) matching contribution made by us in the amount of \$5,650, \$7,950, \$7,950 and \$5,300, respectively. In 2015, Messrs. Toomey, Troupe, Davis and Alcock each received a non-discretionary 401(k) matching contribution made by us in the amount of \$5,650, \$7,950, \$7,950 and \$4,441, respectively.

Outstanding Equity Awards at 2017 Fiscal Year-End

The following table provides information concerning unexercised options, stock that has not vested and equity incentive plan awards for each named executive officer outstanding as of the end of the 2017 fiscal year:

Name	Option Awards					Stock Awards		Equity	Equity
	Number of Securities Underlying Unexercised Option (#)	Number of Securities Underlying Unexercised Option (#)	Number of Securities Underlying Unexercised Option (#)	Exercise Price (\$)	Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested	Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested
Thomas W. Toomey	1,680,672	--	--	\$ 10.06	2/12/19	20,428 57,192 -- -- --	\$ 786,887 2,203,036 -- -- --	-- -- 70,280 163,394 64,832	-- -- \$ 2,707,186 6,293,937 2,497,329

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						--	--	76,192	2,934,916
						--	--	76,192	2,934,916
						--	--	25,398	978,331
Warren L. Troupe	150,000	--	--	\$ 10.06	2/12/19	3,220	\$ 124,034	--	--
						3,210	123,649	--	--
						--	--	25,769	\$ 992,622
						--	--	10,561	406,810
						--	--	25,676	989,404
						--	--	20,375	784,845
						--	--	23,945	922,361
						--	--	23,945	922,361
						--	--	7,985	307,582
Jerry A. Davis						6,425	\$ 247,491	--	--
						5,719	220,296	--	--
						5,490	211,475	--	--
						1,824	70,260	--	--
						--	--	25,769	\$ 992,622
						--	--	17,999	693,321
						--	--	14,589	561,968
						--	--	23,155	891,931
						--	--	27,211	1,048,168
						--	--	27,211	1,048,168
						--	--	9,070	349,376
Harry G. Alcock						8,579	\$ 330,463	--	--
						5,490	211,475	--	--
						1,824	70,260	--	--
						--	--	25,769	\$ 992,622
						--	--	17,999	693,321
						--	--	14,589	561,968
						--	--	23,155	891,931
						--	--	27,211	1,048,168
						--	--	27,211	1,048,168
						--	--	9,070	349,376
Joseph D. Fisher						27,816	\$ 1,071,472	--	--
						--	--	2,155	\$ 83,011
						--	--	2,155	83,011
						--	--	2,155	83,011
						--	--	719	27,696
						--	--	4,630	178,348
						--	--	5,442	209,626
						--	--	5,442	209,626
						--	--	1,816	69,952

(1) LTIP Units granted at maximum including estimated dividend equivalent shares, subject to forfeiture based upon final performance.

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The following table provides grant and vesting dates as of December 31, 2017 for each of the unvested stock awards listed in the table above:

	Grant Date	Unvested	
		Shares or Units	Vesting Date
Thomas W. Toomey	1/2/2015	70,280	vests on 2/2018
	2/5/2016	20,428	vests on 2/2018
	2/5/2016	163,394	vests on 2/2019
	1/2/2017	64,832	1/2 vests on 2/2018 and 2/2019
	1/2/2017	177,782	vests on 2/2020
	2/2/2017	57,192	1/4 vests on 2/2018, 2/2019, 2/2020 and 2/2021
Warren L. Troupe	1/2/2015	25,769	vests on 2/2018
	2/5/2016	6,430	vests on 2/2018
	2/5/2016	36,237	vests on 2/2019
	1/2/2017	20,375	1/2 vests on 2/2018 and 2/2019
	1/2/2017	55,875	vests on 2/2020
Jerry A. Davis	1/2/2015	25,769	vests on 2/2018
	2/5/2016	6,425	1/3 vests on 2/2018, 2/2019 and 2/2020
	2/5/2016	7,314	vests on 2/2018
	2/5/2016	32,588	vests on 2/2019
	1/2/2017	23,155	1/2 vests on 2/2018 and 2/2019
	1/2/2017	63,492	vests on 2/2020
	2/2/2017	5,719	1/3 vests on 2/2018, 2/2019 and 2/2020
Harry G. Alcock	1/2/2015	25,769	vests on 2/2018
	2/5/2016	7,314	vests on 2/2018
	2/5/2016	32,588	vests on 2/2019
	1/2/2017	23,155	1/2 vests on 2/2018 and 2/2019
	1/2/2017	63,492	vests on 2/2020
	2/2/2017	8,579	1/3 vests on 2/2018, 2/2019 and 2/2020
Joseph D. Fisher	1/2/2017	27,816	1/4 vests on 1/2018, 1/2019, 1/2020 and 1/2021
	1/2/2017	6,785	1/2 vests on 2/2018 and 2/2019
	1/2/2017	17,729	vests on 2/2020

Option Exercises and Stock Vested

The following table provides information concerning exercise of stock options and vesting of stock during the 2017 fiscal year for each of the named executive officers:

Name	Option Awards		Stock Awards	
	Number of	Value	Number of	Value
(a)	Shares	Realized on	Shares	Realized on

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	Acquired on Exercise	Exercise	Acquired on Vesting	Vesting
	(#)	(\$)	(#)	(\$)
	(b)	(c)	(d)	(e)
Thomas W. Toomey	187,751	\$ 2,763,695	97,332	\$ 3,393,414
Warren L. Troupe	216,540	\$ 3,352,039	34,630	\$ 1,207,239
Jerry A. Davis	--	--	39,775	\$ 1,388,064
Harry G. Alcock	--	--	35,514	\$ 1,238,153
Joseph D. Fisher	--	--	5,563	\$ 199,990

Pension Benefits Table

We do not have any pension plans for our associates. We do have a 401(k) plan and our matching contributions are included in the Summary Compensation Table under the heading "All Other Compensation."

Nonqualified Deferred Compensation Table

We do not have any nonqualified deferred compensation plans for our associates.

Employment and Other Agreements

We do not have employment agreements or arrangements with any of our other named executive officers other than the agreements and compensation programs described elsewhere in this proxy statement.

In November 2016, we entered into an aircraft time-share agreement with each of Messrs. Toomey and Troupe, which replaced prior agreements entered into in December 2011. Under each aircraft time-share agreement, we have agreed to lease an aircraft, including crew and flight services, to Messrs. Toomey and

Troupe for personal flights from time to time upon their request. Messrs. Toomey and Troupe will pay us a lease fee as may be set by the board from time to time for the flight expenses that may be charged under applicable regulations. We will invoice Mr. Toomey and Mr. Troupe on the last day of the month in which any respective flight occurs. Each aircraft time-share agreement will remain in effect until terminated by either party upon ten days' prior written notice. Each agreement automatically terminates upon the date either Mr. Toomey or Mr. Troupe, respectively, are no longer employed by us.

In 2017, Mr. Toomey paid us \$145,840 and Mr. Troupe paid us \$7,040 for aircraft lease payments as contemplated by these agreements.

The Company also permits Mr. Toomey and Mr. Troupe to utilize corporate aircraft in which the Company owns fractional interests for limited personal travel, including travel by guests. The incremental cost of such travel, which represents the non-reimbursed cost of using the Company's fractional interests for the travel, is included in the Summary Compensation Table, above.

Post-Employment Compensation — Severance, Change of Control and Other Arrangements

Change of Control. Under the provisions of our 1999 Long-Term Incentive Plan, all outstanding options, stock appreciation rights and other awards that may be exercised generally become fully exercisable and all restrictions on outstanding awards will lapse upon the occurrence of a change of control unless otherwise provided in the award agreement. "Change of control" is defined in the Plan as (1) a merger or consolidation in which we are not the surviving entity, except for a transaction the principal purpose of which is to change the state in which we are incorporated; (2) the transfer or sale of all or substantially all of our assets other than to an affiliate or subsidiary of ours; (3) the liquidation of our Company; (4) the acquisition by any person, or by a group of persons acting in concert, of more than 50% of our outstanding voting securities, which results in the resignation or addition of 50% or more independent members of our board; (5) certain reverse mergers in which the Company is the surviving entity or (6) a change in the composition of the board over a period of 12 months or less such that a majority of the board ceases, by reason of one or more contested elections, to be comprised of individuals who are "continuing directors" (as defined in the Plan). The Plan also provides an exception to the rule that the Compensation Committee may provide that unexercised awards will expire in the event of a change in control if the change in control results from a change in the composition of the board, including a change in the composition of the board resulting from the acquisition of more than 50% of the Company's outstanding voting securities.

If a change in control occurred effective as of December 31, 2017, the value of the cash payments and the benefits provided (based on the exercise of options and the release of restrictions on previously granted stock awards) to each of the named executive officers would have been as follows:

Name	Cash Payments	Value of Outstanding Options	Value of	Total
			Restricted Stock Awards	
Thomas W. Toomey	--	\$ 47,831,925	\$ 21,336,536	\$ 69,168,461

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Warren L. Troupe	--	\$ 4,269,000	\$ 5,573,305	\$ 9,842,305
Jerry A. Davis	--	--	\$ 6,335,076	\$ 6,335,076
Harry G. Alcock	--	--	\$ 6,197,752	\$ 6,197,752
Joseph D. Fisher	--	--	\$ 2,015,752	\$ 2,015,752

Death, Disability or Retirement. Our 1999 Long-Term Incentive Plan provides that, unless otherwise provided in the award agreement, upon a participant's death, disability or retirement, all outstanding options, stock appreciation rights and other awards that may be exercised shall become fully exercisable, and all restrictions on outstanding stock awards shall lapse. If the death, disability or retirement of each of our named executive

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officers occurred as of December 31, 2017, the benefits provided (based upon the exercise of options and the release of restrictions on previously granted stock awards) would have been as follows:

Name	Value of Outstanding Options	Value of Restricted Stock Awards	Total
Thomas W. Toomey	\$ 47,831,925	\$ 21,336,536	\$ 69,168,461
Warren L. Troupe	\$ 4,269,000	\$ 5,573,305	\$ 9,842,305
Jerry A. Davis	--	\$ 6,335,076	\$ 6,335,076
Harry G. Alcock	--	\$ 6,197,752	\$ 6,197,752
Joseph D. Fisher	--	\$ 2,015,752	\$ 2,015,752

Severance Benefits. We believe that, in order to attract and retain the best management talent, companies should provide reasonable severance benefits to employees. We believe these severance benefits should reflect the fact that it may be difficult for employees to find comparable employment within a short period of time. They also should disentangle the Company from the former employee as soon as practicable. With respect to our senior management, severance benefits are individually negotiated.

We currently do not have any contractual severance arrangements with our named executive officers.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the median annual total compensation of all of our employees and the annual total compensation of Mr. Toomey. For fiscal 2017, the median of the annual total compensation of all employees of UDR (other than Mr. Toomey) was \$60,162, and the annual total compensation of Mr. Toomey, as reported in the Summary Compensation Table included elsewhere in this Proxy Statement, was \$7,780,919. Based on this information, for fiscal 2017, the ratio of the annual total compensation of Mr. Toomey to the median of the annual total compensation of all employees of UDR (other than Mr. Toomey) was 129 to 1.

As disclosed in our proxy statement for the 2017 annual meeting, in February 2017 Mr. Toomey was granted a special bonus consisting of \$2,000,000 in Class 1 LTIP Units in recognition of his accomplishments in leading the Company since 2001 and the Company being added to the S&P 500 Index. Excluding that special bonus, Mr. Toomey's annual total compensation, calculated in the manner required for reporting in the Summary Compensation Table included elsewhere in this proxy statement, would have been \$5,780,919 in fiscal 2017, and the ratio of his annual total compensation to the median of the annual total compensation of all employees of UDR (other than Mr. Toomey) would have been 96 to 1.

The ratio of the annual total compensation of Mr. Toomey to the median of the annual total compensation of all employees of UDR (other than Mr. Toomey) presented above is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K. This ratio is not comparable to the ratio reported by other public

companies, because each company uses its own assumptions, methodologies and estimates when computing the ratio.

To identify the median of the annual total compensation of all our employees, as well as to determine the annual total compensation of our median employee and Mr. Toomey, we took the following steps:

- We determined that, as of December 28, 2017, our employee population consisted of approximately 1,545 individuals, with all of these individuals located in the United States. This population consisted of our full-time, part-time, and temporary employees, and does not include any independent contractors that we have engaged.

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- To identify the median employee from our employee population, we compared the amount of total compensation (consisting of salaries, rent discounts, 401(k) matching, benefits paid by us, commissions, bonuses and incentive plan awards) of our employees as reflected in our payroll records as of December 28, 2017. We identified our median employee using this compensation measure, which was consistently applied to all employees included in the calculation.
- Once we identified our median employee, we combined all of the elements of such employee’s compensation for fiscal 2017 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in annual total compensation of \$60,162.
- For the annual total compensation of Mr. Toomey, we used the amount reported in the “Total” column (column (j)) of our 2017 Summary Compensation Table included in this proxy statement.

This information is being provided for compliance purposes. Neither the Compensation Committee nor the management of the Company used the pay ratio measure in making compensation decisions.

Compensation Risks

We have reviewed our overall compensation programs and practices for our employees, and we believe that any risks arising from those compensation policies and practices are not reasonably likely to have a material adverse effect on the Company. In reaching this conclusion, we reviewed the incentives created by our compensation policies and practices, how those incentives may create risks, and the mitigating factors or controls that addressed the potential adverse effect of any such risks. As with the compensation programs and practices in place for our executive officers, we do not believe that any of our incentive compensation arrangements for employees encourage them to take unnecessary or excessive risks that could threaten the value of our Company.

Transactions with Related Persons

Our board has adopted a policy relating to the review, approval and ratification of transactions with related persons. The Company recognizes that there are situations where related person transactions may be in, or not inconsistent with, the best interest of the Company and therefore the board adopted a written policy to provide a procedure for the review, approval or ratification of related person transactions. The policy applies to any transaction, the amount of which exceeds \$120,000, between the Company and any person who is a director, executive officer or the beneficial owner of more than 5% of any class of the Company’s voting securities, and in which such related person had, has or will have a direct or indirect interest. Any related person transaction is subject to approval by the board or the executive committee of the board. To access the guidelines on our website, click on “Investor Relations” and then click on “Corporate Governance.”

Equity Compensation Plan Information

The following table provides information about shares of our common stock that we may issue upon the exercise of options, warrants and rights under our existing equity compensation plans. All information is provided as of December 31, 2017. Our 1999 Long-Term Incentive Plan is our only stockholder approved equity compensation plan.

Number of Securities to be Issued upon Exercise of	Weighted-Average Exercise Price of	Number of Securities Remaining Available for Future Issuance Under Equity
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Plan Category	Outstanding Options, Warrants and Rights	Outstanding Options, Warrants and Rights	Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by the security holders	1,830,672	\$ 10.06	9,003,396
Equity compensation plans not approved by the security holders	—	—	—
Total	1,830,672	\$ 10.06	9,003,396

The weighted average remaining term of the outstanding options is 1.1 years and we have no unvested full value awards outstanding as of December 31, 2017.

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AUDIT COMMITTEE REPORT

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act of 1933 or the Securities Exchange Act of 1934 that might incorporate this proxy statement or future filings with the Securities and Exchange Commission, in whole or part, the following report shall not be deemed to be incorporated by reference into any such filing.

The Audit Committee has reviewed and discussed our unaudited financial statements for the quarters ended March 31, June 30 and September 30, 2017 and our December 31, 2017 audited financial statements with management and with Ernst & Young LLP, our independent accountants. Each member of the Audit Committee is “independent” in accordance with the applicable corporate governance listing standards of the NYSE.

The Audit Committee has also discussed with Ernst & Young LLP the matters required to be discussed by Auditing Standard No. 1301, Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board.

In addition, the Audit Committee has received from Ernst & Young LLP the written disclosures required by Rule 3526 of the Public Company Accounting Oversight Board, Communication with Audit Committees Concerning Independence, regarding their independence, and has discussed with Ernst & Young LLP their independence relative to us, including whether the provision of their services is compatible with maintaining Ernst & Young LLP’s independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the board that the December 31, 2017 audited financial statements be included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission.

AUDIT COMMITTEE

Clint D. McDonnough, Chair

Katherine A. Cattanach

Robert P. Freeman

Mary Ann King

AUDIT MATTERS

Audit Fees

In connection with the audit of the 2017 financial statements, we entered into an engagement agreement with Ernst & Young LLP which set forth the terms by which Ernst & Young LLP will perform audit services for us. That agreement is subject to alternative dispute resolution procedures.

The following table sets forth the aggregate fees billed or to be billed by Ernst & Young LLP for the following services during fiscal 2017 and fiscal 2016:

Description of Services	2017	2016
Audit Fees(1)	\$ 1,428,839	\$ 1,439,755
Audit-Related Fees(2)	—	120,000
Tax Fees(3)	157,532	233,850
All Other Fees	—	—
Total	\$ 1,586,371	\$ 1,793,605

- (1) Audit fees consist of fees for the audit and review of the Company's consolidated financial statements, acquisition audits, statutory audits, comfort letters, consents, debt covenant letters and assistance with and review of documents filed with the SEC.
- (2) Audit-related fees consist of fees for audit-related services for partnership and benefit plan audits, review of proxy materials, accounting advice in connection with specific transactions, internal control reviews and various attestation engagements.
- (3) Tax fees consist of fees for tax compliance, tax advisory services (1031 and state planning) and tax

planning.

Pre-Approval Policies and Procedures

The charter of the Audit Committee provides that the Audit Committee is responsible for the pre-approval of all audit and permitted non-audit services to be performed for the Company by the independent auditors. All of the fees paid to the independent auditors that are shown in the chart above for 2017 were approved by the Audit Committee in accordance with the procedures described below.

The Audit Committee reviews at its meetings audit and non-audit services proposed to be provided by the independent registered public accounting firm. The Committee has delegated to the Chair, or an alternate member of the Audit Committee, the authority to grant pre-approvals if either deems it necessary or appropriate to consider a pre-approval request without a meeting of the full Audit Committee. Pre-approvals by the Chair or alternate member are reviewed with the Audit Committee at its next regularly scheduled meeting.

In considering the pre-approval of proposed audit or non-audit services by the independent auditors, management reviews with the Audit Committee or its delegate, a description of and the budget for the proposed service and the reasons that the independent auditors are being requested to provide the services, including any possible impact on the independence of the independent auditors. Additional Audit Committee approval is required if the pre-approved services exceed the pre-approved budgeted amount for the services.

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PROPOSAL NO. 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

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. We expect that a representative of Ernst & Young LLP will be present at the meeting, will have the opportunity to make a statement if he or she desires to do so and will be available to answer any appropriate questions from stockholders.

Vote Required and Board of Directors' Recommendation

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 meeting in order to ascertain the view of our stockholders regarding such selection. The affirmative vote of a majority of the votes cast at the meeting will be required to approve this proposal. In the event the stockholders do not ratify this appointment, the Audit Committee will reconsider its selection, but still may determine that the appointment of our independent registered public accounting firm is in the best interests of the Company and its stockholders. Even if the appointment is ratified by the stockholders, the Audit Committee, in its discretion, may appoint a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the Company and its stockholders.

Our board recommends that the stockholders vote "FOR"
the ratification of the appointment of Ernst & Young LLP
as our independent registered public accounting firm for fiscal 2018.

PROPOSAL NO. 3
ADVISORY VOTE ON EXECUTIVE COMPENSATION

Section 14A of the Exchange Act enables our stockholders to vote to approve, on an advisory basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with the SEC's rules.

As described in detail under the heading "Executive Compensation — Compensation Discussion and Analysis," our executive compensation programs are designed to attract and retain executive talent and to align the interests of our named executive officers with the interests of the Company and our stockholders by providing market competitive compensation that is closely tied to short-term and long-term performance goals set by our Compensation Committee. The compensation of our named executive officers is comprised of a mix of base salary, short-term incentive compensation and long-term incentive compensation. Please read the "Executive Compensation" section beginning on page 27, which includes the Compensation Discussion and Analysis, the tabular disclosure regarding the compensation of our named executive officers and the accompanying narrative disclosure set forth in this proxy statement for additional details about our executive compensation programs, including information about the fiscal year 2017 compensation of our named executive officers.

We are asking our stockholders to indicate their support for our named executive officer compensation as described in this proxy statement. Accordingly, our board is asking our stockholders to cast a non-binding advisory vote "FOR" the following resolution at the annual meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2018 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosure."

Vote Required and Board of Directors' Recommendation

The vote on the compensation of our named executive officers as disclosed in this proxy statement is advisory, and therefore not binding on the Company, the Compensation Committee or our board. Our board and our Compensation Committee value the opinions of our stockholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this proxy statement, we will consider our stockholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns. We have determined that our stockholders should cast an advisory vote on the compensation of our named executive officers on an annual basis. Unless this policy changes, the next advisory vote on the compensation of our named executive officers will be at the 2019 annual meeting of stockholders. The affirmative vote of a majority of votes cast is required to approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosure.

Our board recommends that the stockholders vote "FOR" the approval of the compensation of our named executive officers, as disclosed in this statement pursuant to our compensation disclosure rules of the Securities and Exchange Commission.

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PROPOSAL NO. 4
AMENDMENT TO OUR CHARTER

On February 15, 2018, the board adopted an amendment to the Company's Articles of Restatement, as amended and supplemented to date (the "Charter") to remove Section 8.1 therefrom, and has recommended that our stockholders approve the amendment at the 2018 annual meeting. Section 8.1 of the Charter currently provides that the board shall have the exclusive power to adopt, amend or repeal the Company's bylaws in accordance with the terms of the bylaws. The amendment to the Charter would permit the board to adopt an amendment to Section 8.5 of the Company's bylaws to permit stockholders to amend the bylaws under certain circumstances. The amendment to the bylaws would permit the stockholders of the Company to amend the Company's bylaws by the affirmative vote of the holders of a majority of the outstanding shares of the Company's common stock pursuant to a proposal submitted by any stockholder or group of up to 20 stockholders holding at least 3 percent of the outstanding shares of the Company's Common Stock for at least 3 years (the "Ownership Threshold"). A stockholder proposal submitted under new Section 8.5 may not alter or repeal Article VII of the bylaws (dealing with indemnification of certain persons) or Section 8.5 of the bylaws, without the approval of any indemnitees adversely affected by the proposal or the Board of Directors, respectively.

As a Maryland corporation, we are permitted, but not required, to vest the right to amend the bylaws solely in the board and not in the stockholders. Like many of our REIT peers that are organized under Maryland law, our Charter expressly reserved the right to amend the bylaws with the board. We believe that our board is in the best position to evaluate and determine the Company's governance practices; however, the board recognizes that some of our stockholders may be interested in seeking to propose adopting binding bylaws to address specific governance matters, and for that reason the board has adopted an amendment to the Charter that would permit such proposals in appropriate circumstances.

The board believes the Ownership Threshold described above enables stockholders who hold a meaningful stake in the Company for more than a brief period of time to propose binding amendments to the Company's bylaws. We have discussed allowing our stockholders to amend the bylaws, including such right being subject to an ownership limit, with a number of our stockholders, including substantially all of our larger stockholders. In such discussions, our stockholders generally indicated support for an ownership limit with respect to bylaw amendments higher than that currently contemplated by Rule 14a-8 as promulgated by the Securities and Exchange Commission. Given that stockholder feedback and in order to have consistency among stockholder provisions, the board believes that the ownership limit, which is consistent with provisions allowing stockholders to propose nominees for the board that are included in our proxy statement, is appropriate and provides stockholders with a meaningful ability to propose amendments to our bylaws.

If our stockholders approve the amendment to our Charter, the board will adopt an amendment to the bylaws as described above.

If our stockholders do not approve the amendment to our Charter, the Charter will continue in effect as currently stated, the bylaws will not be amended and our board would continue to have the exclusive power to adopt, alter or repeal any provision of our bylaws and to make new bylaws.

Vote Required and Board of Directors' Recommendation

Approval of the proposed amendment to remove Section 8.1 of the Charter requires the affirmative vote of a majority of the shares of common stock outstanding and entitled to vote thereon.

Our board recommends that the stockholders vote to approve
the proposed amendment to our Charter.

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FREQUENTLY ASKED QUESTIONS ABOUT THE ANNUAL MEETING

Why did you provide this proxy statement to me?

We are providing this proxy statement and proxy card to you on the Internet or, upon your request, we are sending printed versions of this proxy statement and proxy card to you by mail, because you owned shares of our common stock and/or our Series E preferred stock or our Series F preferred stock at the close of business on March 26, 2018, which is the record date for the meeting. This proxy statement describes matters on which we would like you, as a stockholder, to vote. It also gives you information on these matters so that you can make an informed decision.

The holders of shares of our common stock and our Series E and Series F preferred stock outstanding at the close of business on the record date are entitled to receive notice of the meeting and are entitled to one vote for each share held on each proposal presented at the meeting. Cumulative voting is not permitted. At the record date of March 26, 2018, we had 267,583,892 shares of common stock, 2,780,994 shares of our Series E preferred stock and 15,805,518 shares of Series F preferred stock issued and outstanding.

When you vote, you appoint James D. Klingbeil and Thomas W. Toomey, or either of them, as your representatives at the meeting. Messrs. Klingbeil and Toomey will vote your shares at the meeting as you instructed them when you voted. This way, your shares will be voted whether or not you attend the meeting. Even if you plan to attend the meeting, you should vote by telephone, through the Internet 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 this proxy statement in advance of the meeting, in case your plans change.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

In accordance with rules and regulations adopted by the SEC, instead of mailing a printed copy of our proxy materials to each stockholder of record, we may furnish proxy materials, including this proxy statement and our 2017 Annual Report, by providing access to such documents on the Internet. Most stockholders will not receive printed copies of the proxy materials unless they request them, in which case printed copies of the proxy materials will be provided at no charge.

Instead of mailing a printed copy of our proxy materials to each stockholder of record, a Notice of Internet Availability of Proxy Materials (the "Notice of Internet Availability") was mailed to such stockholders on or about April 9, 2018 that instructs you as to how you may access and review all of the proxy materials on the Internet. The Notice of Internet Availability also instructs you as to how you may submit your proxy on the Internet or by telephone.

Any stockholder may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis by following the instructions set forth in the Notice of Internet Availability. Choosing to receive future proxy materials by e-mail will save us the cost of printing and delivering documents to stockholders and will reduce the environmental impact of our annual meetings. A stockholder's election to receive proxy materials by e-mail will remain in effect until the stockholder terminates the election.

What constitutes a quorum in order to hold and transact business at the meeting?

The presence, in person or by proxy, of holders of at least a majority of the total number of shares of our outstanding common stock, Series E preferred stock and Series F preferred stock, taken together, as of the record date, constitutes a quorum that is required to hold the meeting and to conduct business. If a quorum is not present at the meeting, the meeting may be adjourned from time to time until a quorum is obtained. Your

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shares will be counted as being present at the meeting if you vote your shares in person at the meeting, if you vote your shares by telephone or through the Internet, or if you submit a properly executed proxy card. Votes against a particular proposal will be counted to determine the presence of a quorum. Abstentions, broker non-votes, which are explained below, and shares as to which authority to vote on any proposal is withheld, are each included in the determination of the number of shares present at the meeting for purposes of obtaining a quorum. Each will be tabulated separately.

How do I vote?

For Shares Directly Registered in Your Name: If you hold your shares in your own name as holder of record with Wells Fargo Shareowner Services, there are four different ways to vote:

Registered in Your Name:

- Internet: You can go to www.proxyvote.com and vote through the Internet.
- 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.
- 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.
- In person: If you are a stockholder as of the record date, you may vote in person at the meeting. Submitting a proxy prior to the meeting will not prevent a stockholder from attending the meeting and voting in person.

All valid proxies received and not revoked prior to the meeting will be voted in accordance with each stockholder's instructions.

For Shares Held in "Street Name": If your shares are held by a brokerage firm, bank or other nominee (i.e., in "street name"), you will receive instructions from your nominee that you must follow in order to have your shares voted. "Street name" stockholders who wish to vote in person at the meeting will need to obtain a proxy form from the brokerage firm, bank or other nominee that holds their shares of record.

In addition, a number of brokers and banks are participating in a program provided through Broadridge Financial Solutions, Inc. ("Broadridge") that offers telephone and Internet voting options. This program is different from the program provided by Wells Fargo Shareowner Services for shares registered directly in the name of the stockholder. If your shares are held in an account with a broker or a bank participating in the Broadridge program, you may vote those shares telephonically by calling the telephone number shown on the voting form received from your broker or bank, or via the Internet at the Broadridge voting website (www.proxyvote.com).

How will my proxy be voted?

All shares represented by properly executed proxies received in time for the meeting will be voted at the meeting in accordance with the instructions marked thereon or otherwise as provided therein, unless such

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proxies have previously been revoked. Unless instructions to the contrary are marked, or if no instructions are specified, shares represented by proxies will be voted:

- FOR the election of all nominees for director.
- FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2018.
- FOR the approval, on an advisory basis, of the compensation of our named executive officers disclosed in this proxy statement.
- FOR approval of the amendment to our Charter.

Will other matters be voted on at the annual meeting?

We have not received notice of any other matters that may properly be presented at the meeting. However, if a matter comes up for vote at the meeting that is not described in this proxy statement or listed on the proxy card, Messrs. Klingbeil and Toomey will vote your shares, under your proxy, in their discretion. It is the intention of Messrs. Klingbeil and Toomey to vote the shares they represent as directed by the board.

Can I revoke my proxy and change my vote?

Yes. If you are a record holder of your shares, you may revoke your proxy at any time prior to the date of the meeting by:

- submitting a later-dated vote in person at the meeting, through the Internet, by telephone or, if you originally voted by returning a paper proxy card to us, by mail; or
- delivering instructions to the attention of the Corporate Secretary at 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540. Any notice of revocation sent to us must include the stockholder's name and must be received prior to the date of the meeting to be effective.

If you hold your shares in "street name," you should follow the directions provided by your broker or other nominee regarding how to revoke your proxy.

What vote is required for the proposals if a quorum is present?

- The affirmative vote of a majority of the votes cast is required for the election of a director in Proposal 1.
- The affirmative vote of a majority of the votes cast is required to approve Proposal No. 2, the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2018.

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- The affirmative vote of a majority of the votes cast is required to approve, on an advisory basis, the compensation of our named executive officers disclosed in this proxy statement, as specified in Proposal No. 3.
- The affirmative vote of a majority of the shares outstanding and entitled to vote thereon is required for approval of the amendment to our Charter, as specified in Proposal No. 4.

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What is an abstention, and how will it affect the vote on a proposal?

An “abstention” occurs when the beneficial owner of shares is present, in person or by proxy, and entitled to vote at the meeting (or when a nominee holding shares for a beneficial owner is present and entitled to vote at the meeting), but such person does not vote on the particular proposal. For purposes of Proposal Nos. 1, 2 and 3, abstentions will not be counted as votes cast and will have no effect on the results of the vote with respect to such proposals. For Proposal No. 4, abstentions will have the effect of a vote against the proposal. Abstentions will be considered present for the purpose of determining the presence of a quorum.

What are broker non-votes, and how will they affect the vote on a proposal?

A “broker non-vote” occurs when a broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have the discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner. Under applicable rules, brokers or other nominees have discretionary voting power with respect to matters that are considered routine, but not with respect to non-routine matters. A broker or other nominee cannot vote without instructions on non-routine matters, therefore there may be broker non-votes on any such proposals. Broker non-votes will have no effect on the voting results for Proposal Nos. 1, 2 and 3. Broker non-votes will have the effect of a vote against Proposal No. 4. Broker non-votes will be considered present for the purpose of determining the presence of a quorum.

The effect of broker non-votes is summarized in the table below:

	Proposal No. 1:	Proposal No. 2:	Proposal No. 3:	Proposal No. 4:
Status of the matter	Election of Directors	Ratification of Independent Registered Public Accounting Firm	Advisory Vote on Executive Compensation	Amendment to Our Charter
Possibility of broker non-votes on the Proposal	Non-routine	Routine	Non-Routine	Non-Routine
	Yes	No	Yes	Yes
		N/A		

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Status of broker non-votes for purposes of determining whether stockholder approval has been obtained for the Proposal	Broker non-votes are not deemed to be votes cast		Broker non-votes are not deemed to be votes cast	Broker non-votes have the effect of a vote against
Status of broker non-votes for quorum purposes	Considered present	N/A	Considered present	Considered present

Who will tabulate the votes?

Broadridge will tabulate votes cast by proxy by an automated system. Votes cast by proxy or in person at the meeting will be counted by the persons appointed by us to act as election inspectors for the meeting.

Who is soliciting the proxy, and who will pay for the proxy solicitation?

This solicitation is being made on behalf of our board, but may also be made without additional remuneration by our officers or employees by telephone, telegraph, facsimile transmission, e-mail or personal interview. We will bear the expense of the preparation, printing and delivery of the enclosed form of proxy, notice of annual meeting of stockholders and this proxy statement and any additional materials relating to the meeting that may be furnished to our stockholders by our board subsequent to the furnishing of this proxy statement. We will reimburse banks and brokers who hold shares in their name or custody, or in the name of nominees for others, for their out-of-pocket expenses incurred in forwarding copies of the proxy materials to those persons for whom they hold such shares. To obtain the necessary representation of stockholders at the meeting, supplementary solicitations may be made by mail, telephone or interview by our officers or employees, without additional compensation.

Where do I find the voting results of the meeting?

We will announce the preliminary voting results at the meeting and publish the final results in a Current Report on Form 8-K filed with the SEC within four business days following the meeting.

OTHER MATTERS

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file reports of ownership on Form 3 and changes in ownership on Form 4 or 5 with the SEC. Such executive officers, directors and 10% stockholders are also required by SEC rules to furnish us with copies of all Section 16(a) reports they file.

To our knowledge, based solely on our review of the copies of such forms received by us or written representations from certain reporting persons that no other reports were required for such persons, we believe that, during fiscal 2017, our executive officers, directors and 10% stockholders complied with all applicable Section 16(a) filing requirements.

Delivery of Voting Materials

To reduce the expenses of delivering duplicate materials to our stockholders, we are delivering one copy of the Notice of Internet Availability to stockholders who share the same address unless otherwise requested. The Notice of Internet Availability will instruct you as to how you may access and review all of the proxy materials on the Internet. The Notice of Internet Availability also instructs you as to how you may submit your proxy through the Internet. If you would like to receive a paper or e-mail copy of the proxy materials, you should follow the instructions for requesting such materials in the Notice of Internet Availability.

If you share an address with another stockholder and have received only one copy of the Notice of Internet Availability, and would like to request a separate copy of the Notice of Internet Availability, you may write or call us to request a separate copy of the Notice of Internet Availability at no cost to you. For future annual meetings, you may request a separate copy of the Notice of Internet Availability or request that we only send one copy of the Notice of Internet Availability to you if you are receiving multiple copies by calling us at (720) 283-6120 or by writing to us to the attention of Investor Relations, 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540.

Annual Report

We will, upon written request and without charge, provide to any person solicited hereunder, a copy of our Annual Report on Form 10-K for the year ended December 31, 2017, including financial statements and financial statement schedules, as filed with the SEC. Requests should be addressed to the attention of Investor Relations, 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540.

Stockholder Proposals for the 2019 Annual Meeting of Stockholders

The submission deadline for stockholder proposals to be included in our proxy materials for the 2019 annual meeting of stockholders pursuant to Rule 14a-8 under the Exchange Act is November 10, 2018, except as may otherwise be provided in Rule 14a-8. All such proposals must be in writing and should be sent to our Corporate Secretary at 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540.

Advance Notice Procedures for the 2019 Annual Meeting of Stockholders

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In accordance with our bylaws, any stockholder who intends to submit a proposal at our 2019 annual meeting of stockholders, or bring a director nominee before the meeting, must, in addition to complying with applicable laws and regulations and the requirements of our bylaws, provide written notice to us for consideration no sooner than October 11, 2018 and no later than November 10, 2018. Such notice should be sent to our Corporate Secretary at 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540. Please refer to the full text of our advance notice Bylaw provisions for additional information and requirements. A copy

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of our bylaws may be obtained by writing to our Corporate Secretary at the address listed above or by visiting the Investor Relations page of our website at ir.udr.com and then clicking on “Corporate Governance.”

Proxy Access Procedures for the 2019 Annual Meeting of Stockholders

In order to be eligible to require that the Company include an eligible stockholder nominee in the proxy materials for the 2019 annual meeting of stockholders pursuant to Section 2.15 of the Company’s bylaws, an eligible stockholder must provide to the Company, in proper form and within the times specified, (i) a written notice expressly electing to have such stockholder nominee included in the Company’s proxy materials pursuant to Section 2.15 (a “Notice of Proxy Access Nomination”) and (ii) any updates or supplements to such Notice of Proxy Access Nomination. To be timely, the Notice of Proxy Access Nomination must be so delivered or mailed to and received at the principal executive offices of the corporation not less than one hundred twenty (120) days (November 10, 2018) nor more than one hundred fifty (150) days (October 11, 2018) prior to the one-year anniversary of the date on which the Company first mailed its proxy materials for the 2018 annual meeting of stockholders. Such notice should be sent to our Corporate Secretary at 1745 Shea Center Drive, Suite 200, Highlands Ranch, Colorado 80129-1540. Please refer to the full text of our advance notice Bylaw provisions for additional information and requirements. A copy of our bylaws may be obtained by writing to our Corporate Secretary at the address listed above or by visiting the Investor Relations page of our website at ir.udr.com and then clicking on “Corporate Governance.”

It is important that proxies be returned promptly. We depend upon all stockholders promptly signing and returning the enclosed proxy to avoid costly solicitation. You can save us considerable expense by signing and returning your proxy at once. You may also vote electronically through the Internet or by telephone as shown on the enclosed proxy card and as discussed above.

Dated: April 9, 2018 For the Board of Directors
UDR, INC.

WARREN L. TROUPE
Senior Executive Vice President
and Corporate Secretary

DEFINITIONS

Net Debt-to-EBITDA - adjusted for non-recurring items: The Company defines Net Debt-to-EBITDA - adjusted for non-recurring items as total consolidated debt net of cash and cash equivalents divided by EBITDA - adjusted for non-recurring items. EBITDA is defined as net income/(loss), excluding the impact of consolidated interest expense, real estate depreciation and amortization of wholly owned and joint venture communities, other depreciation and amortization and income tax provision/(benefit), net. EBITDA - adjusted for non-recurring items is defined as EBITDA excluding the impact of other non-recurring items including, but not limited to, net gain/(loss) on the sale of real estate owned and casualty-related expenses and recoveries of wholly owned and joint venture communities.

Management considers Net Debt-to-EBITDA - adjusted for non-recurring items a useful metric for investors as it provides ratings agencies, investors and lending partners with a widely-used measure of the Company's ability to service its debt obligations as well as compare leverage against that of its peer REITs. A reconciliation between net income/(loss) and EBITDA - adjusted for non-recurring items is provided below (dollars in thousands).

Fixed Charge Coverage Ratio - adjusted for non-recurring items: The Company defines Fixed Charge Coverage Ratio - adjusted for non-recurring items as Interest Coverage Ratio - adjusted for non-recurring items divided by total consolidated interest, excluding the impact of costs associated with debt extinguishment, plus preferred dividends.

Management considers Fixed Charge Coverage Ratio - adjusted for non-recurring items a useful metric for investors as it provides ratings agencies, investors and lending partners with a widely-used measure of the Company's ability to service its debt obligations as well as compare leverage against that of its peer REITs. A reconciliation of the components that comprise Fixed Charge Coverage Ratio - adjusted for non-recurring items is provided below (dollars in thousands).

Interest Coverage Ratio - adjusted for non-recurring items: The Company defines Interest Coverage Ratio - adjusted for non-recurring items as net income/(loss), excluding the impact of consolidated interest expense, real estate depreciation and amortization of wholly-owned and joint venture communities, other depreciation and amortization, income tax provision/(benefit), net and the impact of other non-recurring items including, but not limited to, net gain/(loss) on the sale of real estate owned and casualty-related expenses and recoveries of wholly-owned and joint venture communities divided by total consolidated interest, excluding the impact of costs associated with debt extinguishment.

Management considers Interest Coverage Ratio - adjusted for non-recurring items a useful metric for investors as it provides ratings agencies, investors and lending partners with a widely-used measure of the Company's ability to service its debt obligations as well as compare leverage against that of its peer REITs. A reconciliation of the components that comprise Interest Coverage Ratio - adjusted for non-recurring items is provided below (dollars in thousands).

A reconciliation between Net income/(loss) and EBITDA and a reconciliation of the components that comprise fixed charge coverage is provided below (dollars in thousands):

Quarter Ended

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	December 31, 2017
Net income/(loss)	\$ 75,627
Adjustments:	
Interest expense	34,211
Real estate depreciation and amortization	109,401
Real estate depreciation and amortization on unconsolidated joint ventures	14,128
Other depreciation and amortization	1,648
Income tax provision/(benefit), net	(1,065)
EBITDA	\$ 233,950
Net gain on the sale of depreciable real estate owned	(41,272)
Net gain on the sale of unconsolidated depreciable property	(20,850)
Acquisition-related costs/(fees)	27
Severance costs and other restructuring expense	624
Casualty-related charges/(recoveries), net	647
EBITDA - adjusted for non-recurring items	\$ 173,126
Annualized EBITDA - adjusted for non-recurring items	\$ 692,504
Interest expense	\$ 34,211
Capitalized interest expense	4,645
Total interest	\$ 38,856
Costs associated with debt extinguishment	\$ (3,378)
Total interest – adjusted for non-recurring items	\$ 35,478
Preferred dividends	\$ 924
Total debt	\$ 3,671,663
Cash	2,038
Net debt	\$ 3,669,625
Interest Coverage Ratio – adjusted for non-recurring items	4.9x
Fixed Charge Coverage Ratio - adjusted for non-recurring items	4.8x
Net Debt-to-EBITDA - adjusted for non-recurring items	5.3x

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PROXY STATEMENT and notice of annual meeting of STOCKHOLDERS 2018

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The following table outlines our reconciliation of Net income/(loss) attributable to common stockholders to FFO, FFO as Adjusted, and AFFO for the years ended December 31, 2017, 2016, 2015, 2014 and 2013 (dollars in thousands):

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Net income/(loss) attributable to common stockholders	\$ 117,850	\$ 289,001	\$ 336,661	\$ 150,610	\$ 41,088
Real estate depreciation and amortization	430,054	419,615	374,598	358,154	341,490
Noncontrolling interests	11,097	27,662	16,776	5,508	1,470
Real estate depreciation and amortization on unconsolidated joint ventures	57,102	47,832	38,652	42,133	33,180
Net gain on the sale of unconsolidated depreciable property	(35,363)	(47,848)	(59,445)	—	—
Net gain on the sale of depreciable real estate owned	(41,824)	(209,166)	(251,677)	(144,703)	(40,450)
Funds from operations (“FFO”) attributable to common stockholders and unitholders, basic	\$ 538,916	\$ 527,096	\$ 455,565	\$ 411,702	\$ 376,778
Distribution to preferred stockholders — Series E (Convertible)	3,708	3,717	3,722	3,724	3,724
FFO attributable to common stockholders and unitholders, diluted	\$ 542,624	\$ 530,813	\$ 459,287	\$ 415,426	\$ 380,502
Income/(loss) per weighted average common share, diluted	\$ 0.44	\$ 1.08	\$ 1.29	\$ 0.59	\$ 0.16
FFO per common share and unit, basic	\$ 1.85	\$ 1.81	\$ 1.68	\$ 1.58	\$ 1.45
FFO per common share and unit, diluted	\$ 1.83	\$ 1.80	\$ 1.66	\$ 1.56	\$ 1.44
Weighted average number of common shares and OP/DownREIT Units outstanding — basic	291,845	290,516	271,616	260,775	259,306
Weighted average number of common shares, OP/DownREIT Units, and common stock equivalents outstanding — diluted	296,672	295,469	276,699	265,728	263,926
Impact of adjustments to FFO:					
Acquisition-related costs/(fees)	\$ 371	\$ 213	\$ 2,126	\$ 373	\$ (254)
Acquisition-related costs/(fees) on unconsolidated joint ventures	—	—	1,460	69	—
Costs/(benefit) associated with debt extinguishment and other	9,212	1,729	—	192	178
Texas joint venture promote and disposition fee income	—	—	(10,005)	—	—
Long-term incentive plan transition costs	—	898	3,537	—	—
	—	—	—	(8,411)	—

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Net gain on prepayment of note receivable					
Net (gain)/loss on the sale of non-depreciable real estate owned	(1,580)	(1,685)	—	1,056	—
Legal claims, net of tax	—	(480)	705	—	—
Net loss on sale of unconsolidated land	—	1,016	—	—	—
Severance costs and other restructuring expense	624	871	—	—	—
Tax benefit associated with the conversion of certain TRS entities into REITs	—	(2,436)	—	(5,770)	—
Gain on sale of TRS property	—	—	—	—	(2,651)
Casualty-related (recoveries)/charges, net	4,504	732	2,335	541	(9,665)
Casualty-related (recoveries)/charges, on unconsolidated joint ventures, net	(881)	(3,752)	2,474	—	—
	\$ 12,250	\$ (2,894)	\$ 2,632	\$ (11,950)	\$ (12,392)
FFO as Adjusted attributable to common stockholders and unitholders, diluted	\$ 554,874	\$ 527,919	\$ 461,919	\$ 403,476	\$ 368,110
FFO as Adjusted per common share and unit, diluted	\$ 1.87	\$ 1.79	\$ 1.67	\$ 1.52	\$ 1.39
Recurring capital expenditures	(46,034)	(47,257)	(45,467)	(43,921)	(42,707)
AFFO attributable to common stockholders and unitholders, diluted	\$ 508,840	\$ 480,662	\$ 416,452	\$ 359,555	\$ 325,403
AFFO per common share and unit, diluted	\$ 1.72	\$ 1.63	\$ 1.51	\$ 1.35	\$ 1.18

The following table is our reconciliation of FFO share information to weighted average common shares outstanding, basic and diluted, for the years ended December 31, 2017, 2016, 2015, 2014 and 2013 (shares in thousands):

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PROXY STATEMENT and notice of annual meeting of STOCKHOLDERS 2018

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	Year Ended December 31,				
	2017	2016	2015	2014	2013
Weighted average number of common shares and OP/DownREIT Units outstanding — basic	291,845	290,516	271,616	260,775	259,306
Weighted average number of OP/DownREIT Units outstanding	(24,821)	(25,130)	(12,947)	(9,247)	(9,337)
Weighted average number of common shares outstanding — basic	267,024	265,386	258,669	251,528	249,969
Weighted average number of common shares, OP/DownREIT Units, and common stock equivalents outstanding — diluted	296,672	295,469	276,699	265,728	263,926
Weighted average number of OP/DownREIT Units outstanding	(24,821)	(25,130)	(12,947)	(9,247)	(9,337)
Weighted average incremental shares from assumed conversion of stock options	—	—	—	—	(1,169)
Weighted average incremental shares from unvested restricted stock	—	—	—	—	(415)
Weighted average number of Series E preferred shares outstanding	(3,021)	(3,028)	—	(3,036)	(3,036)
Weighted average number of common shares outstanding — diluted	268,830	267,311	263,752	253,445	249,969

VOTE BY INTERNET - www.proxyvote.com

UDR,

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or the voting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction

CENTER
DRIVE

SUITE

~~FOR~~ ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS

~~HIGHLANDS~~ Like to reduce the costs incurred by UDR, Inc. in mailing proxy materials, ~~FOR~~ I consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, ~~FOR~~ follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access Stockholder Communications electronically in future years.

VOTE BY PHONE - 1-800-690-6903

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Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to UDR, Inc. c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E41635-P02084

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

The Board of Directors recommends that you vote
 “FOR” each of the nominees listed in Item 1:

1. ELECTION OF DIRECTORS

Nominees:

- 1a. Katherine A. Cattanach
- 1b. Robert P. Freeman

For Against Abstain For Against Abstain

The Board of Directors recommends that you vote "FOR" Items 2, 3 and 4:
 2 To ratify the appointment of Ernst & Young LLP to serve as independent registered public accounting firm for the year ending December 31, 2018.

- 1c. Jon A. Grove

3 Advisory vote to approve named executive officer compensation.

- 1d. Mary Ann King

4 To approve an amendment to the Charter to remove a restriction on Stockholders' ability to amend the bylaws.

- 1e. James D. Klingbeil
- 1f. Clint D. McDonnough

5 To transact such other business as may properly come before the meeting and any adjournment or postponement of the meeting.

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- 1g. Robert A. McNamara
- 1h. Mark R. Patterson
- 1i. Lynne B. Sagalyn
- 1j. Thomas W. Toomey

NOTE: The shares represented by this proxy when properly executed will be voted in the manner directed herein by the undersigned Stockholder(s). If no direction is made, this proxy will be voted FOR each of the nominees listed in Item 1 and FOR Items 2, 3 and 4. If any other matters properly come before the meeting or any adjournment of the meeting, the person(s) named in this proxy will vote in their discretion.

For address changes, please check this box and write them on the back where indicated.

Please indicate if you plan to attend this meeting. Yes No

Please sign exactly as your name(s) appear(s) hereon. All holders must sign. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. If a corporation, please sign in full corporate name by authorized officer. If a partnership, please sign in partnership name by authorized person.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

UDR, INC.

ANNUAL MEETING OF STOCKHOLDERS

May 24, 2018

10:00 a.m., Local Time

The Ritz-Carlton, Washington, DC

1150 22nd Street NW

Washington, DC 20037

This proxy is solicited on behalf of the Board of Directors of UDR, Inc. for use at the Annual Meeting on May 24, 2018.

The shares of stock held in your account or in a dividend reinvestment account will be voted as you specify on the reverse side.

If no choice is specified, the proxy will be voted "FOR" each of the nominees listed in Item 1, and "FOR" Items 2, 3 and 4.

By signing the proxy, you (i) acknowledge receipt of the notice of annual meeting of stockholders and proxy statement, each dated April 9, 2018, (ii) revoke all prior proxies, and (iii) appoint James D. Klingbeil and Thomas W. Toomey, or either of them, as proxies and attorneys-in-fact, each with the power to appoint his substitute and hereby authorize(s) them to represent and to vote the shares which you would be entitled to vote if then and there personally present on the matters shown on the reverse side and any other matters which may come before the Annual Meeting and any adjournment thereof.

See reverse for voting instructions

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

UDR, Inc.'s Notice of Annual Meeting and Proxy Statement, Form 10-K for the year ended December 31, 2017

and Shareholder Letter are available on the Internet at www.proxyvote.com.

E41636-P02084

UDR, INC.

THIS PROXY IS
SOLICITED ON BEHALF
OF THE BOARD OF
DIRECTORS

ANNUAL MEETING OF
STOCKHOLDERS

MAY 24, 2018

The stockholder(s) hereby appoint(s) James D. Klingbeil and Thomas W. Toomey, or either of them, as proxies and attorneys-in-fact, each with the power to appoint his substitute and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this proxy card, all of the shares of common stock and/or Series E preferred stock or Series F preferred stock of UDR, Inc. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 10:00 a.m., Local Time on May 24, 2018, at the Ritz-Carlton, Washington, DC, 1150 22nd Street NW, Washington, DC 20037, and any adjournment or postponement thereof.

THIS PROXY, WHEN
PROPERLY EXECUTED,
WILL BE VOTED AS
DIRECTED BY THE
STOCKHOLDER(S). IF
NO SUCH DIRECTIONS
ARE MADE, THIS
PROXY WILL BE VOTED
FOR THE ELECTION OF
THE NOMINEES LISTED
ON THE REVERSE SIDE
FOR THE BOARD OF
DIRECTORS, AND FOR
ITEMS 2, 3 AND 4.

PLEASE MARK, SIGN,
DATE AND RETURN
THIS PROXY CARD
PROMPTLY USING THE
ENCLOSED REPLY
ENVELOPE

Address Changes:

(If you noted any
Address Changes
above, please mark
corresponding box
on the reverse side.)

CONTINUED AND
TO BE SIGNED ON
REVERSE SIDE

