ISTAR INC.
Form DEF 14A
April 08, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934
Filed by the Registrant ý
Filed by a Party other than the Registrant ¨
Check the appropriate box:
¨ Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
ý Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12
iSTAR INC.
(Name of Registrant as Specified In Its Charter)

(Name of Registrant as Specified In Its Charter)
Payment of Filing Fee (Check the appropriate box):
ý No fee required.
¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

(5) Total fee paid:

1114 Avenue of the Americas, 39th Floor
New York, New York 10036
April 8, 2016

Dear iStar Shareholder:

We cordially invite you to attend our 2016 annual meeting of shareholders. We will hold the meeting at the Harvard Club of New York City, 35 West 44th Street, 3rd Floor, New York, New York 10036 on Wednesday, May 18, 2016 at 9:00 a.m. local time.

At the 2016 annual meeting, Professor John G. McDonald is standing for re-election for the last time, as he has stated that he will retire as a director on December 31, 2016, following more than 17 years of service on our Board. We look forward to continuing to work with Professor McDonald through the current year. We are extremely grateful for his guidance and valuable contributions as a long-standing member of the Board of Directors.

Attached are a notice of meeting and proxy statement that contain information on the proposals to be voted on at the annual meeting and other important matters. We encourage you to read the proxy statement and attachments carefully.

YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE:

- FOR THE ELECTION OF THE SEVEN NOMINEES AS DIRECTORS;
- FOR THE RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM; AND
- FOR THE RESOLUTION APPROVING, ON A NON BINDING, ADVISORY BASIS, OUR EXECUTIVE COMPENSATION AS DESCRIBED IN THIS PROXY STATEMENT.

Every shareholder vote is important and we encourage you to vote as promptly as possible. All shareholders are invited to attend the annual meeting in person. Any shareholder attending the annual meeting may vote in person even if he or she previously returned a proxy.

As an iStar shareholder, you play an important role in our company by considering and taking action on the matters being presented, as set forth in the attached proxy statement. We appreciate the time and attention you invest in making thoughtful decisions.

Sincerely,
Jay Sugarman
Chairman and Chief Executive Officer

NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS

Meeting Date: Wednesday, May 18, 2016

Time: 9:00 a.m. (Eastern time)

Location: Harvard Club of New York City
35 West 44th Street, 3rd Floor,
New York, New York 10036

ITEMS OF BUSINESS

Proposal 1.	Election of Directors: Jay Sugarman, Clifford De Souza, Robert W. Holman, Jr., Robin Josephs, John G. McDonald, Dale Anne Reiss, and Barry W. Ridings.
Proposal 2:	Ratification of the Appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2016.
Proposal 3:	Non-binding, Advisory Vote on a "Say on Pay" Resolution to Approve Executive Compensation

In addition, at the annual meeting we will transact such other business as may properly come before the meeting or any postponement or adjournment of the meeting.

RECORD DATE

The board has fixed the close of business on March 23, 2016 as the record date for the determination of shareholders entitled to receive notice of and to vote at the annual meeting or any postponement or adjournment of the meeting. Only holders of record of our common stock, par value $0.001 per share, and 8.00% Series D preferred stock, par value $0.001 per share, at the close of business on that date will be entitled to vote at the annual meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 18, 2016:

We make proxy materials available to our shareholders on the Internet. You can access proxy materials at http://www.edocumentview.com/STAR. You also may authorize your proxy via the Internet or by telephone by following the instructions on that website. In order to authorize your proxy via the Internet or by telephone you must have the shareholder identification number that appears on the enclosed Notice of Internet Availability of Proxy Materials. You also may request a paper or an e mail copy of our proxy materials and a paper proxy card by following the instructions included in the Notice of Internet Availability of Proxy Materials.

By Order of the Board of Directors,
Geoffrey M. Dugan
General Counsel, Corporate and Secretary
New York, NY

April 8, 2016

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, TO ENSURE YOUR REPRESENTATION AT THE ANNUAL MEETING, PLEASE MARK, SIGN, DATE AND RETURN THE ATTACHED PROXY CARD AS PROMPTLY AS POSSIBLE

1114 Avenue of the Americas, 39th Floor
New York, New York 10036

PROXY STATEMENT

Annual Meeting of Shareholders

To Be Held May 18, 2016

GENERAL

We are making this proxy statement available to holders of our common stock, par value $0.001 per share, and holders of our 8.00% Series D preferred stock, par value $0.001 per share, on or about April 8, 2016 in connection with the solicitation by our board of directors of proxies to be voted at our 2016 annual meeting of shareholders or at any postponement or adjournment of the annual meeting. Our common stock is listed on the New York Stock Exchange, or the NYSE, and is traded under the symbol “STAR.”

This proxy statement is accompanied by a copy of our Annual Report to Shareholders for the year ended December 31, 2015. Additional copies of the Annual Report, including our financial statements at December 31, 2015, may be obtained from our website at www.istar.com, or by contacting our Investor Relations department at (212) 930 9400, 1114 Avenue of the Americas, 39th Floor, New York, NY 10036. Copies will be furnished at no additional expense. The information found on, or accessible through, our website is not incorporated into, and does not form a part of, this proxy statement or any other report or document we file with or furnish to the Securities and Exchange Commission, or the SEC.

Who is entitled to vote at the meeting?

Only holders of record of our common stock and our Series D preferred stock at the close of business on March 23, 2016 are entitled to receive notice of and to vote at the annual meeting or at any postponement or adjournment of the meeting. On the record date, there were 75,310,955 shares of common stock and 4,000,000 shares of Series D preferred stock outstanding and entitled to vote.

What constitutes a quorum?

The presence, either in person or by proxy, of the holders of the outstanding common stock and Series D preferred stock entitled to cast a majority of all the votes entitled to be cast at the meeting, considered as a single class, on the record date is necessary to constitute a quorum at the annual meeting.

What are the voting rights of shareholders?

Each shareholder is entitled to one vote for each share of common stock and 0.25 votes for each share of Series D preferred stock registered in the shareholder’s name on the record date.

What vote is needed to approve each proposal?
Assuming a quorum is present in person or by proxy at the annual meeting:

- For the election of directors (Proposal 1), the vote of a plurality of the votes cast by the holders of our common stock and Series D preferred stock, all voting as one class, is required.
- For the ratification of the appointment of the independent registered public accounting firm (Proposal 2), the resolution to approve, on a non binding, advisory basis, our executive compensation as described in this proxy statement (Proposal 3), and the approval of any other matters properly presented at the meeting for shareholder approval, the affirmative vote of a majority of the votes cast by the holders of our common stock and Series D preferred stock, all voting as one class, is required.

What are broker non votes and what is the effect of broker non votes and abstentions?
A "broker non vote" occurs when a broker, bank or other nominee returns a properly executed proxy, but indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter and has not received voting instructions from the beneficial owner of such shares on that matter. Under current NYSE rules, a broker, bank or other nominee does not have discretionary authority to vote shares without specific voting instructions from the beneficial owner on the election of directors (Proposal 1) or the resolution to approve, on a non binding, advisory basis, our executive compensation (Proposal 3). A broker, bank or other nominee does, however, have discretionary authority to vote shares without specific voting instructions from the beneficial owner on the ratification of the appointment of the independent registered public accounting firm (Proposal 2).
For purposes of votes on all matters described in this proxy statement to be presented at the annual meeting, broker non votes and abstentions will not be counted as votes cast and will have no effect on the result of the vote. Both abstentions and broker non votes will be considered present for the purpose of determining the presence of a quorum.
How is my vote counted?
If you properly execute a proxy in the accompanying form, and if we receive it prior to voting at the annual meeting, the shares that the proxy represents will be voted in the manner specified on the proxy. If no specification is made, the common stock or Series D preferred stock will be voted FOR the election of directors (Proposal 1), the ratification of the appointment of the independent registered public accounting firm (Proposal 2), the resolution to approve, on a non binding, advisory basis, executive compensation (Proposal 3), and as recommended by the board with regard to all other matters in the discretion of the proxy holder.
Votes cast in person or by proxy at the annual meeting will be tabulated by the election inspectors appointed for the meeting, who will determine whether or not a quorum is present. If your shares are held by a broker, bank or other nominee (i.e., in "street name"), you will receive instructions from your nominee which you must follow in order to have your shares voted. Such shareholders who wish to vote in person at the meeting will need to obtain a proxy from the broker, bank or other nominee that holds their shares of record.
Can I change my vote after I submit my proxy card?
If you authorize a proxy to vote your shares, you may revoke it at any time before it is voted by:

- submitting voting instructions at a later time via Internet or telephone before the closing of these voting facilities;
- giving written notice to our Secretary by any means bearing a date later than the date of the proxy expressly revoking the proxy;
- signing and forwarding to us a proxy dated later; or
- attending the annual meeting and personally voting the common stock or Series D preferred stock owned of record by you, although attendance at the annual meeting will not, by itself, revoke a proxy.

Who pays the costs of soliciting proxies?
We will pay the costs of soliciting proxies from our shareholders. In addition to solicitation by mail, certain of our directors, officers and regular employees may solicit the return of proxies by telephone, facsimile, personal interview

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or otherwise without being paid additional compensation. We will also reimburse brokerage firms and other persons representing the beneficial owners of our shares for their reasonable expenses in forwarding proxy solicitation material to the beneficial owners in accordance with the proxy solicitation rules and regulations of the SEC and the NYSE. Alliance Advisors LLC has been engaged to solicit proxies on our behalf in connection with our 2016 annual meeting of shareholders and provide other advisory services for a fee of $27,000, plus expenses.

ELECTION OF DIRECTORS

At the 2016 annual meeting, seven directors are to be elected to hold office for a term of one year, until the next annual meeting and until their successors have been elected and qualified, except that Professor John G. McDonald has informed the Company that he will retire as a director on December 31, 2016. In accordance with the provisions of our charter, each member of our board is elected annually.

All of the nominees for election as a director are presently serving as directors. If a nominee becomes unavailable to serve as a director for any reason, the shares represented by any proxy will be voted for the person, if any, who may be designated by the board to replace that nominee. At this time, the board has no reason to believe that any nominee will be unavailable to serve as a director if elected.

All of the nominees for election as a director, other than Mr. Sugarman, are independent within the standards prescribed by the NYSE.

The following table sets forth the name, age and the position(s) with us currently held by each person nominated for election as a director:

Name	Age	Title
Jay Sugarman	53	Chairman and Chief Executive Officer
Clifford De Souza(1)	54	Independent Director
Robert W. Holman, Jr.(2)(3)	72	Independent Director
Robin Josephs(2)(3)	56	Lead Independent Director
John G. McDonald(2)(3)	78	Independent Director
Dale Anne Reiss(1)	68	Independent Director
Barry W. Ridings(1)(2)	64	Independent Director

(1) Member of Audit Committee
(2) Member of Compensation Committee
(3) Member of Nominating and Governance Committee

Director Qualifications

Our Nominating and Governance Committee believes that our directors should possess the following qualifications:

- Education, background, skills and experience that provide knowledge of business, financial, governmental or legal matters relevant to our business or to our status as a publicly owned company;
- A high level of personal and professional ethics, integrity and values;
- Reputation for exercising good business judgment;
- Commitment to representing the long term interests of our shareholders; and

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- Sufficient available time to be able to fulfill his or her responsibilities as a member of the board and of any committees to which he or she may be appointed.

The committee endeavors to ensure our board represents a broad range of experience, qualifications, skills and attributes and, as a whole, reflects an appropriate diversity of background, experience and perspectives. We believe that the nominees for election as a director have the qualifications necessary to ensure that we are taking appropriate steps to address the complex issues confronting us in a challenging business and economic environment. The nominees for election as a director have held leadership positions in business (and in particular the real estate, investment and financial services business sectors), finance and academia over an extended period of time. Each of the nominees has demonstrated a long record of professional integrity, intellectual acumen, analytic skills, a strong work ethic and the ability to maintain a constructive environment for discussion of matters considered by our board. Additionally, all of our directors have experience as board members of a diverse range of public and private companies.

Director Nominees

Jay Sugarman has served as a director of iStar Inc. (and our predecessor) since 1996 and chief executive officer since 1997. Prior to forming iStar Inc. and its predecessors, Mr. Sugarman managed private investment funds on behalf of the Burden family (a branch of the Vanderbilt family) and the Ziff family. Mr. Sugarman received his undergraduate degree summa cum laude from Princeton University, where he was nominated for valedictorian and received the Paul Volcker Award in Economics, and his M.B.A. with high distinction from Harvard Business School, graduating as a Baker Scholar and recipient of the school’s academic prizes for both finance and marketing. As founder of iStar Inc. and chief executive officer since 1997, Mr. Sugarman has demonstrated the leadership skills and extensive executive experience across a broad range of investment, financial and operational matters that are necessary to lead iStar, a fully integrated finance and investment company focused on the commercial real estate industry.

Clifford De Souza is the newest member of our board, having served as one of our directors since July 2015. Mr. De Souza is a member of our Audit Committee. Previously, he was chairman of the board of directors and head of international business at Mitsubishi UFJ Securities International, or Mitsubishi, from 2012 to 2014 and served as its chief executive officer from 2008 to 2012. At Mitsubishi, Mr. De Souza was responsible for its securities and investment banking operations and served as the global head of fixed income and commodities for its securities business. From 2005 to 2007, Mr. De Souza served as the chief executive officer and chief investment officer of EMG Investment Management where he managed and developed an alternative asset management business. From 2001 to 2004, Mr. De Souza served as the head of the hedge fund group at Citigroup Alternative Investment where he managed over $40 billion in private equity, real estate, structured product and hedge fund assets. From 1995 to 2000, Mr. De Souza served as global co-head of the UBS Emerging Markets Debt and Currency Trading Franchise where he directed its global secondary debt, derivative, local instrument and foreign exchange trading functions. He holds a B.A. in Physics from the University of Cambridge and a Ph.D. in Theoretical Physics from the University of Maryland. Mr. De Souza’s qualifications for election to our board include his experience as chairman and chief executive officer at Mitsubishi, his involvement and experience leading and developing the management of complex businesses and his in-depth expertise as an investor and allocator of capital.

Robert W. Holman, Jr. has served as one of our directors since 1999. He is chairman of our Compensation Committee and a member of our Nominating and Governance Committee. Mr. Holman was co founder of TriNet Corporate Realty Trust, Inc., or TriNet, a NYSE listed company that we acquired in 1999, and served as its chief executive officer and chairman of the board. He was chief executive officer and chairman of TriNet’s predecessor, Holman/Shidler Corporate Capital, Inc., for ten years. He has structured, acquired, financed and managed several billion dollars of commercial and corporate assets in 40 states and Canada. Mr. Holman co founded and was a senior executive and director of Watkins Pacific Corporation, a public multi national conglomerate. Mr. Holman currently serves as a director and member of the audit and investment committees of the Parasol Tahoe Community Foundation.

Mr. Holman has previously served as a director of Amerivest Properties, Inc., an American Stock Exchange listed company, and as a senior executive, director, owner or board advisor for investment and operating companies in the

United States, Great Britain, Australia and Mexico. He holds a B.A. degree in international economics from the University of California at Berkeley, an M.A. degree with honors from Lancaster University in England, where he was a British Council Fellow, and did post graduate work at Harvard University where he was awarded a Loeb Fellowship. Mr. Holman's experience as a founder, chief executive and director of TriNet, a public real estate investment firm focused on corporate tenant leasing that remains a key aspect of our business, his involvement in leadership capacities in other companies and

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organizations engaged in a broad range of business, finance and investment activities and his experience as a private investor all bring valuable skills and qualifications to our board.

Robin Josephs has served as one of our directors since 1998. Ms. Josephs serves as our Lead Director, with duties that include presiding at all executive sessions of the independent directors and serving as principal liaison between the chairman and the independent directors. Ms. Josephs is chair of our Nominating and Governance Committee and a member of our Compensation Committee. From 2005 to 2007, Ms. Josephs was a managing director of Starwood Capital Group L.P., a private equity firm specializing in real estate investments. Previously, Ms. Josephs was a senior executive with Goldman Sachs & Co. in various capacities. She currently serves as a director, chair of the compensation committee and a member of the audit committee of MFA Financial, Inc. (NYSE: MFA), which is primarily engaged in investing in residential mortgage backed securities, and as a director and member of the audit committee and compensation committee of QuinStreet, Inc. (NASDAQ: QNST), a vertical marketing and online media company. Ms. Josephs previously served until 2016 as a director and member of the audit and compensation committees of Plum Creek Timber Company, Inc. (NYSE: PCL), which conducted operations in the land, wood products, natural resource and energy businesses. Ms. Josephs is a trustee of the University of Chicago Cancer Research Foundation. Ms. Josephs received a B.S. degree in economics magna cum laude from the Wharton School (Phi Beta Kappa) and an M.B.A. degree from Columbia University. Ms. Josephs' employment as an investment banking professional brings valuable knowledge of finance and capital markets to our board. Her background working as a managing director of Starwood Capital Group, where she evaluated and managed numerous real estate investments, adds knowledge and expertise in this area of vital importance to our company. Ms. Josephs' extensive experience as a director of public companies also brings to our board valuable skills and insights into the governance of real estate, investment and operating companies.

John G. McDonald has served as one of our directors since 1999. Previously, Professor McDonald served as a director of TriNet from 1993 until we acquired TriNet in 1999. Professor McDonald is a member of our Nominating and Governance Committee and our Compensation Committee. He is the Stanford Investors Professor of Finance in the Graduate School of Business at Stanford University, where he has taught since 1968. Professor McDonald has taught M.B.A. courses and executive programs in subject areas including investment management, private equity, venture capital and corporate finance. He currently serves as a director, a member of the audit committee and chairman of the compensation committee of QuinStreet, Inc. (NASDAQ: QNST), a vertical marketing and online media company. Professor McDonald previously served until 2016 as a director, chairman of the audit committee and a member of the corporate governance and nominating committee of Plum Creek Timber Company, Inc. (NYSE: PCL), until 2014 as a director of Scholastic Corporation (NASDAQ: SCHL), a global children's publishing, education and media company, until 2012 as a director of 13 mutual funds managed by Capital Research and Management Company, and until 2010 as a director of Varian, Inc. Professor McDonald is an internationally noted finance and investment expert. His background and expertise in equity markets, investment and financial management, entrepreneurial finance, and private equity investing and asset management brings to the board a keen understanding of the investor's perspective of our company and its operations. Professor McDonald is standing for re-election at the 2016 annual meeting and has stated that he will retire as a director on December 31, 2016, following more than 17 years of service on our Board.

Dale Anne Reiss has served as one of our directors since 2008. Ms. Reiss is chair of our Audit Committee. Until her retirement in 2008, she served as Global and Americas Director of Real Estate at Ernst & Young LLP, was a Senior Partner there from 1995 through 2008, and subsequently was a senior consultant to the Global Real Estate Center of Ernst & Young LLP from 2008 to 2011. Ms. Reiss serves as Senior Managing Director of Brock Capital Group LLC and Chairperson of Brock Real Estate LLC, its equity and mezzanine financing arm, as well as Managing Director of Artemis Advisors, LLC. Ms. Reiss currently serves as a director and chair of the audit committee of Tutor Perini Corporation (NYSE:TPC), a leading civil and building construction company, as a director and a member of the audit committee of CYS Investments, Inc. (NYSE: CYS), a specialty finance company that invests in residential mortgage backed securities, and as a director, chair of the compensation committee and a member of the nominating and governance and executive committees of Care Capital Properties, Inc., a healthcare real estate investment trust with a diversified portfolio of triple-net leased properties. Ms. Reiss also serves on the boards of Educational Housing Services, Inc., the Guttmacher Institute and the Police Pension Board of the City of Sanibel, FL. She is a former member of the boards of directors of Post Properties, Inc., where she also served on the audit committee, the Pension Real Estate Association, and ULI-the Urban Land Institute, where she continues to serve as a governor. Ms. Reiss is a Certified Public Accountant. She received a B.S. from the Illinois Institute of Technology and an M.B.A. from the University of Chicago. Ms. Reiss' qualifications for election to our board include extensive expertise in financial and accounting matters from her experience over an extended period at several major public accounting firms, her leadership experience in management and operations at those firms and her experience as a director of other public and private companies.

Barry W. Ridings has served as one of our directors since 2011. He is a member of our Audit Committee and our Compensation Committee. Mr. Ridings is Vice Chairman of U.S. Investment Banking of Lazard Frères & Co. LLC, where he has been employed since 1999. He serves as Chairman of LMDC Holdings LLC and Chairman of Lazard Middle Market LLC. Mr. Ridings served as Managing Director of BT Alex Brown from 1990 to 1999. He has over 40 years of experience in debt and equity offerings, mergers and acquisitions and corporate restructurings. Mr. Ridings serves as a director of Siem Industries Inc., a company with interests in oil, gas and shipping, and Ultrapetrol (Bahamas) Limited (NASDAQ:ULTR), an industrial transportation company that provides marine transportation. He serves on the Advisory Council for the Cornell University Johnson Graduate School of Business. He serves as a trustee of the Mu of Delta Kappa Epsilon Foundation, a charitable fraternal organization associated with Colgate University, a trustee of The Montclair Kimberley Academy and a director of the Catholic Charities of the Archdiocese of New York. Mr. Ridings has a B.A. in Religion from Colgate University and an M.B.A. in Finance from Cornell University. Mr. Ridings' distinguished career in the finance industry, his experience in helping companies access debt and equity capital and navigate challenging market conditions and his service as a director of other public and private companies demonstrate the valuable skills and attributes Mr. Ridings brings to our board.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND ITS COMMITTEES

Board Leadership Structure

Our board has the authority to select the leadership structure it considers appropriate for us. In making leadership structure determinations, the board considers many factors, including the specific needs of our business and what is in the best interests of our shareholders. Our current leadership structure consists of a combined chairman of the board and chief executive officer position, a lead independent director, or Lead Director, an active and involved board, a majority of which consists of independent directors, and board committees chaired by independent directors.

Under our bylaws, the chairman of the board presides over the meetings of the board and of the shareholders. The chairman of the board shall perform such other duties as may be assigned to him by the board of directors. The chief executive officer has general responsibility for implementation of our policies, as determined by the board, and for the management of our business and affairs. Jay Sugarman serves as both chairman of the board and chief executive officer.

Our board, by vote of its independent members, designates a Lead Director from among the independent directors, whose duties include the following:

- Preside at all meetings of the board at which the chairman is not present and all executive sessions of the independent directors;
- Serve as principal liaison between the chairman and the independent directors;
- Approve agendas for board meetings;
- Approve information presented to the board;
- Approve the schedule of meetings of the board to assure that there is sufficient time for discussion of agenda items;
- Call meetings of the independent directors, if deemed necessary or appropriate by the Lead Director;
- If requested by major shareholders, be available for consultation and direct communication with major shareholders and their representatives; and
- Such other duties as the board may determine from time to time.

Robin Josephs currently serves as our Lead Director.

The board believes that this leadership structure - a combined chairman and chief executive officer, a lead independent director, active and involved independent directors, and board committees led by independent directors - is the most appropriate and effective arrangement for us at this time. Due to the varied and complex nature of our business, the board believes the chief executive officer is in the best position to serve in the critical role of chairman of the board and lead us and the board effectively. Having a chairman who also serves as chief executive officer facilitates timely

communication with directors on critical business matters. The board believes that leadership of both the board and the company by Mr. Sugarman is the optimal structure to guide us and maintain the focus needed to achieve our business goals, while also providing for effective oversight by an independent board through an independent lead director. The board also believes the current board leadership structure functions very well and provides an effective balance between strong company leadership and appropriate oversight by independent directors. The board recognizes that circumstances may change, however, and will periodically review its leadership structure.

No Staggered Board

All of our directors are elected annually.

Board Composition

The Nominating and Governance Committee regularly assesses the size and composition of our board to help ensure that our board functions in an effective manner given the size, diversity and complexity of our business and the range of business segments and markets in which we operate. The committee believes it is important to have a mix of experienced directors with a deep understanding of our business and others who bring fresh perspectives. The committee engages in discussions of potential additions to our board on an ongoing basis. In seeking to maintain an engaged, independent board possessing broad experience and judgment and committed to representing the long term interests of our shareholders, the committee takes into account the various factors described above in the section of this proxy statement captioned “ELECTION OF DIRECTORS-Director Qualifications”. Mr. De Souza joined our board in July 2015 following a determination by the committee that his background, skills and experience would provide valuable perspectives to our board and enhance our corporate governance.

Director Independence

Our board has determined that all of our current directors, other than our chairman and chief executive officer, are independent. In determining director independence, the board considers all relevant facts and circumstances and the NYSE listing standards. Under the NYSE listing standards, no director qualifies as independent unless the board affirmatively determines that the director has no material relationship with us, either directly or as a partner, stockholder or officer of an organization that has a relationship with us.

Board and Committee Annual Assessments

Our directors engage in an annual assessment of the board and committee performance, for the purpose of increasing the effectiveness of the board as a whole and its committees. An independent party interviews each director individually on a wide range of topics relating to board structure and composition, communications, information furnished to the board, the board’s relationship with management and the effectiveness of the board and its committees, and then summarizes the individual comments and assessments in an oral report to the board in executive session. The board utilizes the results of this process to help refine and improve the operations of the board and its committees.

Board Meetings Held during 2015

During the fiscal year ended December 31, 2015, the board held 9 meetings, including meetings held in person and by telephone conference call. All directors are expected to attend a majority of the board meetings. All directors attended at least 75% of all of the board meetings and applicable committee meetings. In addition, all of the directors who were elected at the 2015 annual meeting were present in person or by conference telephone call at that annual meeting.

Executive Sessions

Our board of directors meets in executive session at least quarterly without management present. Our audit committee also meets in executive session at least quarterly, without management present, with representatives of our independent registered public accounting firm and with representatives with the accounting firm engaged to assist us in the preparation of our documentation, testing and evaluation of internal controls over financial reporting.

Committees Established by the Board

Our board has standing Audit, Compensation and Nominating and Governance Committees. These standing committees are comprised entirely of independent directors. Our board appoints special committees from time to time, as deemed necessary or appropriate.

Audit Committee

The Audit Committee is responsible for, among other things, retaining or dismissing our independent registered public accounting firm, reviewing with the auditors the plan and scope of the audit and audit fees, monitoring the adequacy of reporting and internal controls and meeting periodically with management and our independent registered public accounting firm.

As of the date of this proxy statement, the members of the Audit Committee are Dale Anne Reiss (chair), Clifford De Souza and Barry W. Ridings. The board has determined that each of the current members of the Audit Committee is independent, as defined by the Audit Committee's charter and the NYSE listing standards, and that the chair of the committee qualifies as an "audit committee financial expert" as defined by the SEC. In addition, the board has determined that each of the current members of the Audit Committee is financially literate and has accounting or related financial management expertise, as such qualifications are defined under the rules of the NYSE. The Audit Committee met 8 times during 2015, including meetings held in person and by telephone conference call.

Compensation Committee

The Compensation Committee is responsible for overseeing our executive compensation programs. The principal responsibilities of the committee are:

- To review management's recommendations and advise management and the board on broad compensation programs and policies such as salary ranges, annual incentive bonuses and long term incentive plans, including equity based compensation programs, as well as other group benefit programs offered to employees generally.
- To approve performance objectives that may be established for our senior executives and evaluate the performance of such executives relative to these objectives in connection with the committee's overall review of executive compensation.
- To approve, either as a committee or together with the other independent directors based on a recommendation of the committee, the base salary, annual incentive awards, long term incentive awards and other compensation for our chief executive officer.
- To approve base salaries, annual incentive awards, long term incentive awards and other compensation for our other officers and employees with base salaries in excess of $200,000 per year (which include all officers who are subject to Section 16(b) of the Securities Exchange Act of 1934, as amended).
- To administer the issuance of any award under our long term incentive plans and other equity compensation programs.
- To retain and oversee third party consultants to assist with the committee's activities, from time to time.
- To oversee our performance evaluation practices and procedures.
- To consider and evaluate "Say on Pay" resolutions and recommend to the board the frequency with which "Say on Pay" resolutions should be voted on by the shareholders.
- To perform such other duties and responsibilities pertaining to compensation matters as may be assigned to the committee by the board.
- To review the Compensation Discussion and Analysis and recommend to the full board that it be included in our proxy statement.

As of the date of this proxy statement, the members of the Compensation Committee are Robert W. Holman, Jr. (chairman), Robin Josephs, John G. McDonald and Barry W. Ridings. Each of the current members of the Compensation Committee is independent as defined by the Compensation Committee's charter and the NYSE listing standards. The

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Compensation Committee met 8 times during 2015, including meetings held in person and by telephone conference call.

Nominating and Governance Committee

The Nominating and Governance Committee is responsible for, among other things, considering and recommending actions relating to corporate governance matters. In addition, the committee considers and recommends to the board individuals to serve as our directors and executive officers. In making such recommendations, the committee considers such factors as it deems appropriate. These factors may include judgment, skill and experience with businesses and other organizations comparable to us. The charter of our Nominating and Governance Committee also identifies diversity as one factor which the committee may consider when nominating a candidate for election to the board. Diversity includes not only factors such as gender, race and age, but also background, experience, skills, accomplishments, personal qualities and other traits desirable in achieving an appropriate mix of qualified individuals. The Nominating and Governance Committee may solicit and consider suggestions of the directors or management regarding possible nominees, may consider nominees suggested by shareholders and generally shall guide the process of recruiting new directors. The committee may employ professional search firms or consultants to assist us in identifying potential members of the board with the desired skills and disciplines. Nominations made by shareholders should be made in accordance with the procedures set forth below in this section under “Shareholder Nominations for the Board.” Candidates proposed by shareholders will be considered using the same criteria and in the same manner as all other candidates are considered.

As of the date of this proxy statement, the members of the Nominating and Governance Committee are Robin Josephs (chair), Robert W. Holman, Jr. and John G. McDonald. Each of the current members of the Nominating and Governance Committee is independent as defined by the applicable NYSE listing standards. The Nominating and Governance Committee met 5 times during 2015, including meetings held in person and by telephone conference call.

Committee Charters

Our Audit, Compensation and Nominating and Governance Committees have adopted charters that meet the standards established by the NYSE. Copies of these charters are available on our website at www.istar.com and will be provided in print, without charge, to any shareholder who requests copies.

Service on Other Boards

In view of the commitment of time and effort that is required of a director of a public company, our board has established a guideline that its directors should not serve on the boards of more than six public companies. For this purpose, we treat service on the boards of mutual funds having the same investment adviser as service on the board of one company.

No Special Arrangements for Service as Directors

No arrangement or understanding exists between any director or executive officer and any other person or persons pursuant to which any director or executive officer was, or is, to be selected as a director or nominee.

Board’s Role in Risk Oversight

Our management is charged with assessing and managing risks associated with our business on a day to day basis. The board’s role is to oversee management’s execution of these responsibilities and to assess our approach to risk management. In our view, it is not possible or desirable to eliminate risk from our activities. We believe that our focus should be on identifying, pricing, managing and monitoring risk with the objective of achieving attractive, long term, risk adjusted returns for the benefit of the company and our shareholders. We have robust internal processes and a strong internal control environment designed to identify, manage and mitigate material risks and to communicate with the board. The board exercises its oversight role periodically as part of its regular meetings and also through its committees, which examine various elements of risk as part of their responsibilities. The full board, or the appropriate board committee in the case of risks under the purview of a particular committee, receives regular reports from members of senior management on areas of material risk to us, including operational, financial, legal, regulatory, strategic and reputational risk, in order to review and understand risk identification, risk management and risk mitigation strategies. The board’s role in risk oversight is consistent with our leadership structure generally, with the chief executive officer and other members of senior management having responsibility for assessing and managing our risk exposure, and the board and its committees providing oversight in connection with those efforts.

Shareholder Nominations for the Board

Shareholder nominations for election to the board should be sent to the attention of our corporate secretary at the address appearing on the notice accompanying this proxy statement, describing the candidate's qualifications and accompanied by the candidate's written statement of willingness and affirmative desire to serve in a manner representing the interest of all shareholders. Shareholders may also make nominations directly by following the procedure specified in our bylaws.

Candidates proposed by shareholders will be considered using the same criteria and in the same manner utilized by the Nominating and Governance Committee of the board in considering all candidates for election to the board, set forth above in this section under "Nominating and Governance Committee."

Communications with the Board

We provide the opportunity for interested parties, including shareholders, to communicate with members of the board. Interested parties may communicate with our Lead Director, the other independent board members or the chair of any of the committees of the board by e mail or regular mail. All communications by e mail should be sent to CorporateSecretary@istar.com. Communications sent by regular mail should be sent to the attention of the Lead Director, the independent directors, the Audit Committee chair, the Compensation Committee chair or the Nominating and Governance Committee chair, as the case may be, in each instance in care of our corporate secretary at our headquarters at 1114 Avenue of the Americas, 39th Floor, New York, NY 10036.

Our chief legal officer and our secretary will review each communication received in accordance with this process to determine whether the communication requires immediate action. These officers will forward all appropriate communications received, or a summary of such communications, to the appropriate board member(s). However, we reserve the right to disregard any communication that our chief legal officer and our secretary determine is unduly hostile, threatening, or illegal, does not reasonably relate to us or our business, or is similarly inappropriate. These officers have the authority to disregard any inappropriate communications or to take other appropriate actions with respect to any such inappropriate communications.

EXECUTIVE OFFICERS

Information for Jay Sugarman, our chairman and chief executive officer, is contained above under the heading "ELECTION OF DIRECTORS." Information is set forth below with regard to our other executive officers identified in this proxy statement. We have determined we have three executive officers. All of our officers serve at the pleasure of the board of directors and are customarily appointed as officers at the annual organizational meeting of the board held following each annual meeting of shareholders.

Nina Matis, age 68, serves as our executive vice president, chief legal officer and chief investment officer. She assumed her current position in February 2008 after serving as our general counsel since 1996, executive vice president since November 1999 and chief investment officer since April 2007. Ms. Matis is responsible for overseeing and managing the strategic consideration and execution of our investment and financing transactions, restructurings and resolutions of loans and other problem assets, significant operational responsibilities and litigation and other legal matters. She serves as a member of our Senior Management Investment Committee, which has authority to approve any of our investments in an amount greater than $25 million and up to and including $60 million. Ms. Matis previously served as a partner in the law firm of Katten Muchin Rosenman LLP, one of our principal outside law firms, and was an inactive special capital partner of the firm until her withdrawal from this position during 2010. From 1984 through 1987, Ms. Matis was an adjunct professor at Northwestern University School of Law where she taught real estate transactions. Ms. Matis previously served as a director of New Plan Excel Realty Trust, Inc. She is a director of Signature Theater Company, Thomas Cole House, a National Historic Landmark that includes the home and the studio of painter Thomas Cole, and National Partnership for Women & Families, a nonprofit, nonpartisan 501(c)(3) organization. Ms. Matis received a B.A. degree, with honors, from Smith College and a J.D. degree from New York University School of Law.

David DiStaso, age 51, serves as our chief financial officer, having assumed this position in December 2010. He previously served as our chief accounting officer since June 2008. Mr. DiStaso is responsible for managing our financial reporting, accounting, treasury, investor relations and other corporate finance functions, and is involved in the execution of all capital markets activities. He serves as a member of our Senior Management Investment Committee. Before joining us, Mr. DiStaso previously spent 11 years with the CIT Group, Inc., most recently as chief financial officer of the Consumer Finance Division. He spent the first 10 years of his career in public accounting with KPMG, serving as a senior manager within the audit group and providing audit and consulting services to clients within the financial services industry. Mr. DiStaso received a bachelor's degree from Rutgers College and is a Certified Public Accountant.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee oversees the financial reporting process of iStar Inc. (Company), on behalf of the Board of Directors of the Company in accordance with our Audit Committee charter. The board, in its judgment, has determined that all members of our Audit Committee meet the independence requirements of the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE). The board has also determined that at least one member of the Audit Committee, the chair of the Committee, is an "audit committee financial expert" within the meaning of the rules of the SEC and that each member of our Audit Committee is financially literate and has accounting or related financial management expertise, as such qualifications are defined under the rules of the NYSE. We operate under a written charter approved by the board, consistent with the corporate governance rules issued by the SEC and the NYSE. Our charter is available on the Company's website at www.istar.com and will be provided in print, without charge, to any shareholder who requests a copy.

The Company's management is responsible for the financial reporting process and preparation of the quarterly and annual consolidated financial statements, including maintaining a system of internal controls over financial reporting, as well as disclosure controls and procedures. We are directly responsible for the appointment, compensation, retention, oversight and termination of the Company's external auditors, PricewaterhouseCoopers LLP, an independent registered public accounting firm. The independent registered public accounting firm is responsible for auditing the effectiveness of the Company's internal controls over financial reporting and for expressing its opinion thereon, in addition to auditing the annual consolidated financial statements and expressing an opinion on the conformity of those financial statements with generally accepted accounting principles in the United States. We also approve the engagement of an accounting firm to assist the Company in the preparation of its documentation, testing and evaluation of internal controls over financial reporting and reviewed their performance. We do not prepare financial statements or conduct audits.

In connection with the December 31, 2015 audited consolidated financial statements, we have:

- reviewed and discussed with management and the independent registered public accounting firm the Company's internal controls over financial reporting, including a review of management's and the independent registered public accounting firm's assessments of and reports on the effectiveness of internal controls over financial reporting and any significant deficiencies or material weaknesses;
- reviewed and discussed with management and the independent registered public accounting firm the Company's audited financial statements, including discussions regarding critical accounting policies, other financial accounting and reporting principles and practices appropriate for the Company, the quality of such principles and practices, and the reasonableness of significant judgments;
- discussed with the independent registered public accounting firm the items that are required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended by Statement on Auditing Standards No. 90, Audit Committee Communications; and
- reviewed and considered the written disclosures in the letter received from PricewaterhouseCoopers LLP, as required by the PCAOB regarding the independent accountant's communications with the Audit Committee regarding independence, including a discussion about its independence from the Company and management.

Based on the reviews and discussions above, and subject to the limitations on the role and responsibilities of the Audit Committee referred to above and in the Audit Committee charter in effect in 2015, we recommended to the board that the audited consolidated financial statements for 2015 be included in the Company's Annual Report on Form 10 K for the year ended December 31, 2015, as amended on Form 10 K/A on March 9, 2016 (the "2015 10 K Report"), for filing with the SEC. The board approved our recommendation.

Submitted by the Audit Committee:

Dale Anne Reiss (Chair)
Clifford De Souza
Barry W. Ridings

The above report will not be deemed to be incorporated by reference into any filing by us under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate the same by reference.

OTHER CORPORATE GOVERNANCE MATTERS

In addition to matters discussed elsewhere in this proxy statement, including above under "INFORMATION REGARDING THE BOARD OF DIRECTORS AND ITS COMMITTEES", we have implemented the following practices and policies regarding corporate governance:

Opt-Out from MUTA Provisions

After undertaking significant discussions with our shareholders, described further below, our board has adopted a resolution approving an amendment to our charter (the "Articles Supplementary") pursuant to which we are prohibited from electing to be subject to the provisions of Sections 3-803, 3-804 and 3-805 of the Maryland General Corporation Law (MGCL). Subtitle 8, Title 3 of the MGCL is commonly referred to as the Maryland Unsolicited Takeover Act, or MUTA, which would otherwise allow our board to unilaterally classify itself into staggered classes and adopt certain other takeover defense measures. The Articles Supplementary will become effective upon filing with the State Department of Assessments and Taxation of Maryland. The opt-out from MUTA provisions may not be repealed unless the repeal is approved by shareholders by the affirmative vote of at least a majority of the votes cast on the matter by shareholders which are entitled to vote generally in the election of directors.

Corporate Governance Guidelines

Our board has approved a set of general guidelines that provide the framework for our corporate governance. The board reviews these guidelines and other aspects of our corporate governance periodically, as necessary. Our corporate governance guidelines may be found on our website at www.istar.com and will be provided in print, without charge, to any shareholder who requests a copy.

Code of Conduct

Our Code of Conduct documents the principles of conduct and ethics to be followed by our directors, officers and employees. The purpose of the Code of Conduct is to promote honest and ethical conduct, compliance with applicable governmental rules and regulations, full, fair, accurate, timely and understandable disclosure in periodic reports, prompt internal reporting of violations of the Code of Conduct and a culture of honesty and accountability. A copy of the Code of Conduct has been provided to each of our directors, officers and employees, who are required to acknowledge that they have received and will comply with the Code of Conduct. Among its many features, the Code of Conduct describes how employees can report any matter that may be of concern to a named Compliance Officer, any other member of our Compliance Committee, our chief executive officer or the chair of the Audit Committee. This reporting may be done on an anonymous basis. We have also established an independent "hotline" telephone service that may be used by employees who wish to report any concerns or suspected violations of our standards of conduct, policies or laws and regulations, on an anonymous basis or otherwise. We will disclose any material changes to the Code of Conduct, and any waivers that are approved for directors or executive officers, in our public SEC filings and on our website within four business days of such an event. A copy of our Code of Conduct may be found on our website at www.istar.com and will be provided in print, without charge, to any shareholder who requests a copy.

Disclosure Committee

We maintain a Disclosure Committee consisting of members of our executive management and senior staff. The purpose of the Disclosure Committee is to oversee our system of disclosure controls and assist and advise the chief executive officer and chief financial officer in making the required certifications in SEC reports. The Disclosure Committee was established to bring together on a regular basis representatives from our core business lines and employees involved in the preparation of our financial statements to discuss any issues or matters of which the members are aware that should be considered for disclosure in our public SEC filings and review our draft periodic SEC reports prior to filing. The Disclosure Committee reports to our chief executive officer and, as appropriate, to our Audit Committee. The Disclosure Committee meets quarterly and otherwise as needed. The Disclosure Committee has adopted a written charter to memorialize the Committee's purpose and procedures. A copy of the charter may be found on our website at www.istar.com and will be provided in print, without charge, to any shareholder who requests a copy.

Shareholder Outreach and Communication; Shareholder Responsiveness

On a regular basis throughout the year, our management engages in communications with our significant investors to ensure that management and the board understand and consider the issues that are important to our shareholders. We regularly discuss with our investors matters relating to our business, strategic plans, financial results, corporate governance issues, compensation program and related matters.

We significantly expanded these outreach efforts following the 2015 annual meeting at which a majority of our shareholders expressed support for a proposal recommending that we permanently opt out of MUTA (as described above). In recent months, we reached out to our significant investors and engaged in discussions with holders of approximately 56% of our outstanding shares. The specific purpose of these discussions was to get feedback from significant investors, including investors who supported the MUTA proposal and those who did not, on their goals in supporting (or not supporting) the proposal, and what they are looking for the board to do in response. Following these discussions, the board carefully considered the issues relating to MUTA and determined to adopt the Articles Supplementary and opt out of MUTA, as described above.

We plan to continue these types of discussions with our shareholders, which provide valuable feedback and enable us to address shareholder concerns and interests in designing and implementing our programs and practices.

No Poison Pill

We do not currently have a shareholder rights plan, commonly known as a "poison pill," in effect.

Compensation Related Matters

See "Compensation Discussion and Analysis - Key Compensation Practices" and "- Other Compensation Design Practices" for additional information on our policies on matters such as our stock ownership guidelines, hedging and pledging restrictions, compensation clawbacks and similar matters.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This compensation discussion and analysis describes the key principles and factors underlying our executive compensation policies and decisions for 2015 for our executive officers identified in this proxy statement. The following discussion should be read in conjunction with the other information presented in this proxy statement, including the information in the compensation tables and the footnotes to those tables.

Introduction

Our compensation program reflects our pay for performance philosophy and is designed to create a strong connection between executive pay and our business performance, including shareholder value creation. The compensation program has the following objectives:

- To further our current and long term strategic, business and financial goals in the creation of shareholder value by enabling us to attract, retain, motivate and reward key executives who contribute to achieving those goals.
- To encourage our key executives to improve business performance and increase shareholder value by providing a mix of current compensation and long term rewards that is variable and distributed between salary and performance-based pay and includes cash, equity compensation and other benefits.
- To align shareholder and employee interests by compensating employees for improving our business performance and increasing the value of the company, to the benefit of our shareholders.

To promote these objectives, a significant part of executive compensation is based on accomplishments that improve the performance of the company and increase the company's value. We believe this approach helps us achieve our objectives and promote the interests of our shareholders. Our compensation actions during 2015 took into account the performance and accomplishments of our management team towards achieving our current and long term strategic, business and financial goals, and reflect our continuing efforts to enhance the alignment between our executive incentives and results realized by our shareholders.

Company Performance

We have continued to originate investments within our core business segments of real estate finance and net lease, which we anticipate should drive future revenue growth. In addition, we have made significant investments within our operating property and land and development portfolios in order to better position assets for sale. Through strategic ventures, we have partnered with other providers of capital within our net lease segment and with developers with residential building expertise within our land and development segment. These partnerships have had a positive impact on our business, particularly in our land and development segment, which experienced an increase in revenue in 2015.

Access to the capital markets has allowed us to extend our debt maturity profile and become primarily an unsecured borrower. In 2015, we entered into the 2015 Revolving Credit Facility with a maximum capacity of $250.0 million. As of December 31, 2015, we had $711.1 million of cash, which we expect to use primarily to fund future investment activities, pay down debt, and for general corporate purposes.

During the year ended December 31, 2015, three of our four business segments, including real estate finance, net lease and operating properties, contributed positively to our earnings. We continue to work on repositioning or redeveloping our transitional operating properties and progressing on the entitlement and development of our land and development assets in order to maximize their value. We intend to continue these efforts, with the objective of having these assets contribute positively to earnings in the future.

For the year ended December 31, 2015, we recorded a net loss allocable to common shareholders of $52.7 million, compared to a net loss of $33.7 million during the prior year. Adjusted Income allocable to common shareholders for the year ended December 31, 2015 was $84.0 million, compared to $109.4 million during the prior year. (See Exhibit A attached to this proxy statement for our calculation of Adjusted Income.)

During the year ended December 31, 2015, we recognized $62.8 million less in equity method earnings than we did in the prior year, primarily associated with the sales of certain investments in 2014. This decrease was partially offset by an increase in total gross margin from our land and development portfolio, which improved to $49.5 million in 2015 from $17.3 million in 2014.

Compensation Program Design

Our compensation program seeks to enhance the linkage and measurement of employee performance and shareholder value creation through the design of our annual incentive and long term incentive compensation programs. Our Compensation Committee (Committee), with the assistance of Pay Governance LLC (Pay Governance), an independent compensation consultant engaged by the Committee, regularly reviews the design and implementation of the compensation programs to achieve this purpose.

In our regular communications with significant shareholders regarding our business, strategic plans, financial results and related matters, we have elicited our shareholders' views regarding our compensation program and our efforts to enhance the alignment between our performance, our shareholders' results and our executives' incentives. The results of our recent Say on Pay vote indicates strong shareholder support of our compensation programs: at our 2015 annual meeting, our Say on Pay resolution received the support of 96.86% of our shareholders who voted. We continue to work to enhance our overall compensation program to provide appropriate incentive compensation opportunities for our executives that are aligned with our financial performance and results for our shareholders.

Key Compensation Practices

Our key executive compensation practices are summarized below. We believe these practices promote good governance and serve the interests of our shareholders. Certain of these practices are described in more detail elsewhere in this proxy statement.

WHAT WE DO

- We emphasize variable pay over fixed pay, with a substantial portion of the compensation of our executive officers identified in this proxy statement being long-term performance-based
- We provide a mix of cash and equity compensation, with equity incentive compensation for our executive officers identified in this proxy statement consisting substantially of performance-based awards that also require continued service
- We include a variety of objective performance metrics in our incentive compensation program

Under our annual incentive bonus plan, the size of the annual incentive bonus pool is determined based on our performance in achieving a predetermined financial performance benchmark compared to a target approved by the Committee

Under our Performance Incentive Plan, or iPIP, which is the primary long-term incentive program for our executive officers identified in this proxy statement and key investment professionals, payouts to participants are based upon the performance of pools of new investments originated during a two-year period. No payouts to participants will occur until the company has realized a full return of our invested capital in the assets included in the pool plus a return based on both the company's corporate leverage ratio and borrowing rate from time to time (or asset specific leverage if applicable to a particular investment) and a fixed preferred return rate; in addition, any earned payouts will be reduced if our total shareholder return, or TSR, underperforms the TSR of two selected market indices

For other employees, payouts of our performance-based awards under our Long Term Incentive Plan, or LTIP, are based on our TSR compared to the TSR of two selected market indices

- We impose stock ownership guidelines for our senior executives and directors
- We impose sale restrictions on vested annual incentive awards delivered in the form of shares
- We prohibit hedging and significant pledging of our shares by our senior executives and directors
- We include "double trigger" change in control provisions in incentive award agreements, which require termination of employment following a change in control for compensation to be paid
- We impose "clawback" provisions in compensation awards, which enable us to recoup incentive compensation in the event of misconduct directly related to a material restatement of our financial or operating results

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- We utilize an independent compensation consultant to advise the Committee on compensation program design, key compensation trends and internal and external competitiveness of our compensation program

WHAT WE DON’T DO

- No employment agreements
- No “change in control” agreements
- No excise tax gross ups on any compensation paid on a change in control
- No repricing of underwater stock options or granting of stock options at a price less than 100% of fair market value on grant date
- No dividends or dividend equivalents paid on restricted stock units unless and until they vest
- No preferential retirement plan, severance arrangements or perquisites available to executives that are not generally available to all employees

Primary Compensation Elements

Our executives are compensated through a combination of the following types of compensation:

- Base salaries
- Annual incentive awards (bonus)
- Long term incentive awards, in the form of points in the iPIP and/or equity based awards under the LTIP
- Group benefits available to employees generally, including 401(k) retirement plan and group health and welfare benefits

Tax Considerations

Section 162(m) of the Internal Revenue Code (Code) generally limits tax deductibility of compensation paid by a public company to its chief executive officer and certain other highly compensated executive officers (excluding the chief financial officer) to $1 million in the year compensation becomes taxable to the executive, subject to an exception for performance-based compensation that meets specific requirements. The Committee considers the impact of this rule when developing and implementing its executive compensation programs; however, the Committee reserves the right to provide compensation that is not tax deductible if it believes the value in doing so outweighs the value of the lost tax deduction.

2015 Compensation Actions

Compensation decisions for our executives are made annually, after reviewing our performance as a business and evaluating individuals’ performance and contributions during the year, leadership qualities, business responsibilities, career with us, current compensation arrangements, long term potential to enhance shareholder value and other relevant performance and market data. For 2015, Mr. Sugarman, our chief executive officer, made specific compensation recommendations to the Committee based on the objectives and approach set by the Committee, as well as current business conditions and other factors. Specifically, for each executive other than himself, Mr. Sugarman made recommendations regarding base salaries for the following year, annual incentive awards and long term incentive awards, for review and discussion with and approval by the Committee. As part of its evaluation, the Committee considered various factors and data, including compensation levels and practices at other companies considered to be relevant for purposes of comparison, but did not engage in a formal benchmarking process. Mr. Sugarman attended meetings of the Committee at the request of the Committee chair, but did not attend executive sessions and did not participate in any Committee or Board discussions relating to the final determination of his own compensation.

In connection with its oversight of our 2015 compensation decisions, the Committee engaged Pay Governance as its independent compensation consultant to assist the Committee on a range of executive compensation matters. The Committee has considered the independence of Pay Governance in light of SEC rules and NYSE listing standards. The Committee reviewed a report from Pay Governance addressing the consultant’s independence and concluded that the work of Pay Governance did not raise any concerns regarding independence, conflicts of interest or related matters.

Pay Governance provided information and advice regarding compensation levels for our executives and generally assisted the Committee in its consideration of (a) compensation for the chief executive officer, (b) recommendations made by the chief executive officer for the other executive officers identified in this proxy statement and other employees, and (c) an appropriate overall structure and mix of compensation. The consultant conferred with the Committee members, as a group and individually, to discuss our recent compensation history and other relevant matters. The consultant met with the Committee regularly, including in executive sessions as requested by the Committee, to discuss guiding compensation principles, competitive market trends and potential pay frameworks.

Base Salaries

The Committee reviews the base salaries of our executive officers identified in this proxy statement every year. In 2015, the base salaries of our chief executive officer and our other executive officers identified in this proxy statement were not changed and remained as follows: Mr. Sugarman-$1,000,000; Ms. Matis-$500,000; and Mr. DiStaso-$400,000.

Annual Incentive Awards

Under our annual incentive program, our total annual incentive pool is funded based on how we perform compared to a specific performance metric, as determined by the Committee. To comply with Section 162(m) of the Code for 2015, the Committee established a separate performance metric and applicable performance target which is required to be achieved in order for bonuses paid for such fiscal year to the employees covered by Section 162(m) to be tax deductible. For 2015, the Section 162(m) performance target selected by the Committee was $234 million of Adjusted EBITDA, defined as net income (loss) plus interest expense, depreciation and amortization, stock-based compensation expense, provision for loans losses and impairments, and income tax expense, and less gains (losses) on early extinguishment of debt. (See Exhibit A attached to this proxy statement for our calculation of Adjusted EBITDA.)

The Committee selected Target Adjusted Income per share as the appropriate performance measure for determining the size of the annual incentive pool to be funded for payment of annual incentive bonuses to all employees. Target Adjusted Income is calculated as Adjusted Income less actual economic losses realized on assets. (See Exhibit A attached to this proxy statement for our calculation of Adjusted Income.)

During 2015, the Committee reviewed the Target Adjusted Income per share forecast, established target ranges for potential outcomes, and determined projected Threshold, Target and Maximum annual incentive pool amounts to be funded based on the Target Adjusted Income per share performance achieved for 2015, in the amounts of $17 million (Threshold), $20 million (Target) and $24 million (Maximum).

In making these determinations relating to the annual incentive pool for 2015, the Committee conferred with Pay Governance regarding competitive market data and competitive target bonus award levels for individuals, reviewed our historical annual incentive awards levels and other factors, and consulted with the chief executive officer. To account for unanticipated circumstances and external economic factors, including the impact of shifts in timing of our asset transactions, the Committee has discretion to adjust the size of the total pool up or down by 25% based on its assessment of our overall performance.

Following the end of the year, the Committee determined that the amount of Target Adjusted Income per share achieved for 2015 was in the projected range for funding the annual incentive pool at the Target level of $20 million. The Committee then took into consideration various factors and reduced the amount of the total annual incentive pool to be funded for 2015 to $19 million.

Once the total funding of the annual incentive pool was determined by the Committee, individual employees' payouts from the pool were determined on a discretionary basis by the Committee based on recommendations from the chief executive officer following an assessment of individual performance.

Under the annual incentive program, annual incentive awards to our more highly-paid executives, including the executive officers identified in this proxy statement, are typically paid in a mix of cash and equity: for annual incentive awards for services performed in 2015, approximately 20% of the annual bonus amount was paid in the form of shares of iStar common stock, which are fully-vested but subject to restrictions on selling the shares for 18 months, and/or allocations of points in the 2013-14 iPIP pool.

The Committee made its determinations in January 2016 regarding annual incentive awards for the executive officers identified in this proxy statement for services performed in 2015.

- No annual incentive cash bonus was awarded to our chief executive officer, based on a determination to emphasize the long-term incentives in his total compensation in the form of Points in the 2015 2016 iPIP pool described below.
- Annual incentive awards for our other executive officers identified in this proxy statement were approved by the Committee based on the amount of the available annual incentive pool and the Committee's assessment of each officer's individual contributions to our financial and operating achievements during the year, as follows:
Ms. Matis-$1,464,250, of which she received $1,056,250 in cash and $408,000 in the form of an allocation of 2.0 Points in the 2013 2014 iPIP pool; and
Mr. DiStaso-$500,000 in cash.

Pursuant to the SEC's disclosure rules and regulations, in the Summary Compensation Table below, the value of equity awards granted in 2016, even if granted in respect of 2015 performance, is not reported as part of the compensation for 2015 for our executive officers identified in this proxy statement but is reported as 2016 compensation. As a result, the equity portion of the annual incentive awards described above are not reported in the Summary Compensation Table of this proxy statement, but will be reported in next year's proxy statement.

Long Term Incentive Compensation: iStar Performance Incentive Plan (iPIP)

The iPIP is the primary vehicle for providing, primarily to senior executives and select professionals engaged in our investment activities, long term incentive compensation that has a direct relationship to the realized returns on our new investments. The iPIP in particular is designed to provide our management team with appropriate incentives and strengthen the alignment of their interests with those of our shareholders. The iPIP continues the evolution of our incentive compensation programs and enhances the performance based orientation of our overall program.

The iPIP creates compensation pools (which may be short term and/or long term pools depending on the nature of the investment assets included in the iPIP compensation pools) every two years that track the investment performance of the new investments made by us during those periods. iPIP compensation is awarded in the form of Points, which are distributed at the outset of an iPIP compensation pool and may also be held in reserve for subsequent distribution at the discretion of the Committee. The total number of Points in any iPIP compensation pool will be initially limited to 100 (in addition, participants may be diluted ratably during the first two years of a pool in order to admit additional participants, up to a total of 125 Points).

The iPIP is based on the fundamental principle that participants should only realize compensation benefits from a specified group of investments if those particular investments have achieved success for the company. Therefore, there are meaningful hurdles which must be achieved before iPIP participants receive any payout from the iPIP compensation pools. Specifically, all payouts from each iPIP compensation pool are fully subordinated to a complete return of our invested capital in the assets included in that pool, together with a return partially based on a leverage component and partially based on a preferred return hurdle rate (which is 9% for all of the iPIP pools allocated to date). In addition, there is another test designed to further align management and shareholder interests, which has the potential to reduce payouts from an iPIP compensation pool in the event that our long term TSR is below the average of the median of two market indices equally weighted between REITs (the FTSE NAREIT All REITs Index) and small cap stocks (the Russell 2000 Index).

No payouts to participants from the iPIP compensation pools will occur until there is a full return of our invested capital in the assets included in a particular pool and the required return on that capital and, therefore, the initial payouts of an iPIP compensation pool are not expected to occur until a substantial majority of the investment assets included in that particular pool are successfully liquidated. Further, iPIP participants are generally subject to a six year vesting period. To promote a further alignment of interests, 50% of iPIP compensation will be payable in shares of our common stock, provided there are available shares for issuance under our LTIP, and the balance will be paid in cash.

The iPIP is a critical component of accomplishing our long term goals and is specifically designed to provide an incentive compensation opportunity that is modeled after private equity "carried interest" programs. It is intended to provide a target aggregate compensation opportunity which, when taken together with a participant's base salary and annual incentive compensation, will be consistent with the expectations of top tier investment talent in other high caliber, investment based organizations.

In 2015, the Committee approved long-term incentive compensation in the form of allocations of Points for the iPIP compensation pool that includes investments made in 2015-2016 (consisting of a long-term investment pool and a short-term investment pool). During 2015, 33.625 Points were initially allocated in the 2015-2016 iPIP Pool, out of a total of 100 Points initially authorized for the 2015-2016 iPIP Pool. The allocations made in 2015 as long-term incentive awards to our chief executive officer and our other executive officers identified in this proxy statement were approved by the Committee based on the Committee's assessment of each officer's individual contributions to our investment and origination activities in particular and our financial and operating achievements in general, as follows: Mr. Sugarman-20.0 Points (20% of the Points initially authorized in the 2015-2016 iPIP pool); Ms. Matis-3.5 Points (3.5% of the authorized Points); and Mr. DiStaso-1.0 Point (1% of the authorized Points).

Long Term Incentive Compensation: Equity Based Awards under Long Term Incentive Plan (LTIP)

As noted above, while our iPIP is intended to serve as the primary vehicle for providing long term incentive compensation to our senior executives and investment professionals, we will continue to utilize equity based awards under our LTIP, which may be in the form of restricted stock units (Units) that are performance based or time based. In 2015, the long-term incentive awards granted to Mr. DiStaso also included a long term incentive equity based award in the form of Units, consisting of a target number of 8,052 performance based Units, which may vest on December 31, 2017 if we achieve performance goals with respect to TSR over a three year performance period measured against two selected market indices, and 3,451 time based Units, which will cliff vest in one installment on December 31, 2017 if he is employed by us on the vesting date. The terms of the performance based Units and the time based Units are described below. During 2015, our other executive officers identified in this proxy statement were not granted long term incentive equity based awards under our LTIP.

In 2015, other officers and employees were granted long term incentive equity based awards under our LTIP program in the form of performance based Units and time based Units.

• Performance Based Awards

LTIP awards delivered in the form of performance based Units provide for vesting only if we achieve performance goals with respect to TSR over a three year performance period measured against two market indices, the FTSE NAREIT All REITs Index (one half of the target award) and the Russell 2000 Index (one half of the target award). In addition, the employee must be employed by us on the vesting date.

Under these performance based LTIP awards, TSR is measured by the increase in the share price of our common stock during the relevant performance period by comparing the price at the end of the current period to the price at the end of the prior period, and assuming reinvestment of dividends paid, if any, on common stock during the period. Our share price is calculated as the average of the NYSE closing prices of our common stock on the last 20 trading days of each relevant period. Our TSR is compared to that of the constituents of the two market indices, which are calculated using a 20 trading day average price. Our stock price, and any companies that are not in the index at the beginning and end of the performance period, will be excluded from the TSR calculation for that index. Performance based Units will vest, and shares of our common stock will be earned in the amount of the vested performance based Units, based on the performance of our TSR compared to each index (measured as a percentile), as follows:

	< Threshold	Threshold	Target	High
TSR Percentile Achieved	Less than 30th Percentile	30th Percentile	50th Percentile	75th Percentile
Shares Earned (as % of Target amount)	0%	50%	100%	200%

No shares will be earned if performance is below the threshold level, and results are interpolated on a linear basis between the levels of threshold, target and high, as shown above. If our TSR is negative, the number of shares earned is capped at the threshold level, regardless of our TSR performance relative to the NAREIT All REITs Index and the Russell 2000 Index. Dividends will accrue but will not be paid unless and until performance based Units vest and are settled, that is, by the release and delivery of shares to the employee, net of statutory minimum required tax withholdings.

• Time based Awards

LTIP awards delivered in the form of time based Units provide for "cliff" vesting in one installment at the end of a three year vesting period if the employee remains employed on the vesting date. Dividends will accrue but will not be paid unless and until time based Units vest and are settled.

Other Compensation Program Design Features

We have also adopted the following policies as part of the overall design of our compensation program:

Minimum Stock Ownership Guidelines for Non Employee Directors and Senior Officers

Our non employee directors, executive officers and other senior officers are expected to maintain equity ownership interests having a value at least equal to a specified minimum ownership level determined by reference to each such individual's position, as set forth below:

Position	Minimum Ownership Level
Non-Employee Directors	5X annual cash retainer
Chief Executive Officer (CEO)	5X base salary
Chief Legal Officer/Chief Investment Officer	3X base salary
Other CEO Direct Reports (including Chief Financial Officer and Executive Vice Presidents)	1.5X base salary
Senior Vice Presidents (or equivalent)	1X base salary

For purposes of these stock ownership guidelines, unvested time based Units are counted and unearned performance based Units are not counted. Each non employee director and officer has five years from the adoption of these guidelines in 2013, or the date of his or her election to the board or appointment to an officer position, as the case may be, whichever is later, to satisfy the ownership guidelines. Taking into account any permitted transition period, all of our non employee directors and executive officers identified in this proxy statement are currently in compliance with the guidelines.

Clawback Policy

We have a “clawback” policy that is reflected in the provisions of our incentive compensation awards. If we determine that an employee has engaged in fraud, willful misconduct or violation of a company policy that causes or contributes to a material restatement or adjustment of financial results within two years after the period presented, or causes a material negative revision of a financial measure used to award incentive compensation, the Compensation Committee will review performance based compensation awarded to the employee and, if appropriate, seek recoupment of an appropriate portion of such performance based compensation.

Prohibition on Hedging Transactions

We have adopted a policy that prohibits directors, officers and other employees from trading in financial instruments or engaging in hedging transactions involving our securities that are designed to hedge or offset the risks of price fluctuations in the value of our securities (including but not limited to collars or forward sale contracts, puts, calls or other exchange traded options, or short sales of our shares).

Prohibition on Pledged Securities and Margin Accounts

We prohibit directors, officers and other employees from pledging our securities as collateral for a loan or holding iStar securities in a margin account, except with prior approval in accordance with guidelines approved by our board from time to time. Exceptions may be granted and approval given on a case by case basis in circumstances where an individual clearly demonstrates the financial capacity to meet a margin call or repay the loan without resort to the pledged shares, or where the amount of pledged shares or shares held in a margin account is not significant in comparison to the individual’s total ownership of our shares, or where the aggregate amount of pledged shares by all insiders is not significant compared to our total outstanding shares.

“Double Trigger” Change in Control Provision for Long Term Incentive Compensation

All long term incentive compensation awards for our executive officers, in the form of iPIP Points or LTIP Units, include a “double trigger” change in control provision, meaning that a change in control of the Company alone will not cause any acceleration of vesting of the incentive compensation awards Only if the change in control transaction is followed by termination of the executive’s employment or effective termination, such as material reduction in position, responsibilities, compensation or other significant terms of employment, will the incentive compensation awards continue to vest, either in full or on prorated basis.

Risk and Compensation

As noted above in the discussion of the board’s role in risk oversight, in our view, it is not possible or desirable to eliminate risk from our business activities. We believe that both the company and our individual employees should focus on identifying, pricing, managing and monitoring risk with the objective of achieving attractive, long term, risk adjusted returns for our shareholders. We believe that our compensation program should support and motivate our employees in achieving this objective, but should not encourage excessive risk taking. We believe that our compensation program does not create risks that are reasonably likely to have a material adverse effect on us, based in part on the following attributes of our program:

- We have no employment agreements with executive officers. All of our executives are employed on an “at will” basis and may be terminated with or without cause at any time.
- Compensation is variable and performance based. No individual’s compensation is guaranteed.
- A significant portion of the compensation we pay our senior executives consists of long term equity incentive awards which vest over multiple years, and a substantial portion of the LTIP award opportunity will only vest if our shareholder value creation is above market, measured by comparison to two market indices.
- Our executives have no “golden parachute” or “golden coffin” arrangements.
- Our equity awards include clawback provisions which enable us to recover the awards in the event of gross negligence or misconduct directly related to a material restatement of our financial or operating results.

Taken as a whole, our compensation arrangements reward executives for appropriately identifying and managing risks, but provide no guaranteed “safety net” if they are ineffective in doing so. Moreover, the structure of our incentive compensation program ensures that any loss of value to our shareholders is shared by our management.

Compensation Committee Report

In connection with our oversight of the compensation programs of iStar Inc., a Maryland corporation (the Company), we, the members of the Compensation Committee listed below, have reviewed and discussed with management the Compensation Discussion and Analysis set forth in this proxy statement. Based upon the review and discussion, the Compensation Committee has recommended to the board of directors of the Company that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference in the Company’s 2015 Form 10 K Report.

Submitted by the Compensation Committee:

Robert W. Holman, Jr. (Chairman)
Robin Josephs
John G. McDonald
Barry W. Ridings

The above report will not be deemed to be incorporated by reference into any filing by us under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate the same by reference.

Summary Compensation Table

The following table, and the accompanying footnotes, sets forth compensation information for the past three years for Jay Sugarman, our chief executive officer, David DiStaso, our chief financial officer, and Nina Matis, our chief legal officer and chief investment officer, in accordance with the SEC's disclosure rules and regulations.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Non-Equity Incentive Plan Compensation($)	All Other Compensation ($)[1]	Total ($)
Jay Sugarman	2015	$1,000,000	$—	$5,360,000 [2]	$ — [3]	$11,345	$6,371,345
Chairman and	2014	1,000,000	—	5,500,000 [2]	— [3]		