

November 3, 2022



# Veris Residential Unanimously Rejects Unsolicited Proposals from Kushner Companies

*Board is Open to Evaluating All Credibly Financed Proposals That Maximize Value for Shareholders*

JERSEY CITY, N.J., Nov. 3, 2022 /PRNewswire/ -- Veris Residential, Inc. (NYSE: VRE) (the "Company"), a forward-thinking, environmentally- and socially-conscious real estate investment trust (REIT) that primarily owns, operates, acquires, and develops Class A multifamily properties, today announced that its Board of Directors (the "Board") has unanimously rejected Kushner Companies' unsolicited proposals to acquire the Company for \$16.00 per share or to externally manage the Company.



The Board evaluated Kushner Companies' proposals – in consultation with its financial advisors and legal counsel – and determined that neither proposal was in shareholders' best interests.

The Board's letter to Kushner Companies detailing its rationale is below, and prior letters the Board has sent to Kushner Companies can be found attached. Veris Residential encourages all shareholders to review these letters.

The full text of the Board's November 3, 2022 letter follows.

November 3, 2022

**VIA EMAIL**

Mr. Charles Kushner  
Kushner Companies

767 Fifth Avenue  
New York, NY 10153

Dear Mr. Kushner,

We are writing in response to your October 20<sup>th</sup> letter to the Veris Residential, Inc. (the "Company") Board of Directors (the "Board"), in which you presented unsolicited proposals for Kushner Companies to acquire Veris Residential for \$16.00 per share or to externally manage the Company. Consistent with its fiduciary duties – and in consultation with its financial advisors (Goldman Sachs & Co. LLC & J.P. Morgan) and legal counsel (Cadwalader, Wickersham & Taft LLP) – the Board reviewed your latest proposals on behalf of Veris Residential shareholders.

To this end, the Board unanimously rejects Kushner Companies' unsolicited proposal to acquire the Company for \$16.00 per share. The Board believes this proposal grossly undervalues the Company in its current form and denies Veris Residential shareholders the substantial value expected to be unlocked from the pending completion of the Company's strategic transformation.

Per our most recent communication to you on October 16<sup>th</sup>, the Board is committed to evaluating any proposal to realize the substantial value that has been created at Veris Residential. However, any such proposal must fully compensate shareholders for the intrinsic value of their shares and be accompanied by explicitly committed equity and debt financing. Given Veris Residential's prior experience with Kushner Companies – during which Kushner Companies was unable to substantiate its equity or debt financing sources – we reiterate the Board's expectation that any proposal pertaining to the Company must include confirmation of the specific sources for requisite debt and equity capital (including details of expected commitments and anticipated due diligence) to be considered.

The Board also reaffirms its previously communicated unanimous rejection of your proposal for Kushner Companies to externally manage Veris Residential. As clearly stated in our October 4<sup>th</sup> letter to you, the Board remains resolute in its conviction that implementing an external management structure would be deleterious to the Company's intrinsic value and severely limit its strategic flexibility at a critical inflection point in its nearly complete transformation. Over the last ten years, externally managed REITs have underperformed their internally managed peers by 93%, and traded at a significantly wider discount to NAV (~35%) and lower earnings multiple (~9.0x lower price to AFFO).<sup>1</sup> While external management is not worthy of further consideration for the reasons outlined above, we would note that in the event the Board were to evaluate any business arrangement, it would be fundamental to the fulfillment of our fiduciary responsibilities to run a thorough process and prioritize partners with "best-in-class" property management, relevant third-party expertise, outstanding reputations and strong track records. Kushner Companies lacks third-party management expertise, has a well-documented history of questionable management practices, and is in direct competition with Veris Residential, creating inherent conflicts of interest. It is therefore highly unlikely that we would consider Kushner Companies as an appropriate partner.

As we also noted in our October 16<sup>th</sup> letter – and as clearly signaled by the significant Board and management share purchases over the last several weeks – we recognize that the

Company's recent achievements are not reflected in the current stock price. This is frustrating to the Board, Company management, and no doubt – to all of the Company's long-term shareholders. Veris Residential's strategic transformation (inclusive of our recent agreement to sell Harborside 1, 2 & 3 and completion of the sale of 101 Hudson Street) results in 98% of Veris Residential's Net Operating Income (NOI) being derived from multifamily assets, up from 39% only 18 months ago. Additionally, as announced on Wednesday, the third quarter of 2022 represented Veris Residential's fourth consecutive quarter of strong rental and NOI growth across our multifamily portfolio despite significant market volatility. A full account of the transformation effectuated by current Company management is detailed within Veris Residential's most recent corporate presentation, available [here](#). We have confidence that the Company's intrinsic value will be realized in the coming months as we continue to streamline our business and operations, and near the completion of our transformation.

To this end, we note that Kushner Companies' analysis of Veris Residential's operational performance appears to be rooted in sub-institutional market practices and lacks familiarity with public-company structures. The analysis of our cost structure also ignores the Company's history. While Kushner Companies has been a shareholder of Veris Residential for only a few months, longtime Veris Residential shareholders know that, until recently, the Company operated as two disparate companies – Mack-Cali Realty Corporation (predominantly commercial) and Roseland Residential Trust (residential) – with two separate, largely duplicative cost structures which were, in part, a function of contractual arrangements instituted by legacy management. The improvements made during the past 18 months have resulted in the lowest G&A in nominal terms for the Company in over a decade, in-line with our mid-cap public REIT peers as a percentage of gross asset value. As we conclude this transition, we continue to recognize opportunities to further realize efficiencies and enhance our cost structure.

Finally, we were surprised by your repeated contention that the Board has "ignored" Kushner Companies. Your most recent approach is the fourth proposal you have made to Veris Residential in a matter of months. Your October 20<sup>th</sup> proposal was preceded by:

1. An abruptly withdrawn bid for the Company's Harborside assets (bid placed on April 4<sup>th</sup> and subsequently withdrawn on April 19<sup>th</sup>);
2. A proposal for an external management contract between Kushner Companies and Veris Residential (September 20<sup>th</sup>); and
3. A quid-pro-quo demanding two Board seats for Kushner Companies' employees and a "consulting contract" for Kushner Companies (October 4<sup>th</sup>).

As you are aware, over the past several months the Board has openly engaged with Kushner Companies via multiple in-person meetings and telephone conversations. Further, the Board has evaluated each proposal with its external legal and financial advisors and provided Kushner Companies detailed responses to each. As part of this process, our financial advisors spoke with the equity partners to whom you referred us (in connection with your Harborside offer) and were unable to confirm the readiness of any of them to provide you with financing in connection with a potential transaction with Veris Residential. We reiterate that this inability to substantiate your capital casts serious doubt on Kushner Companies' ability to complete any meaningful transaction with the Company.

The Board continues to welcome input from all shareholders, including Kushner Companies, and remains open to evaluating all proposals that maximize shareholder value. Should Kushner Companies (or any shareholder) have proposals that have the potential to create meaningful value for shareholders – substantiated by credible and verifiable equity and debt financing sources – we look forward to hearing them.

---

Tammy K. Jones

Alan R. Batkin

Frederic Cumenal

A. Akiva Katz

Nori Gerardo Lietz

Victor B. MacFarlane

Mahbod Nia

Howard S. Stern

### **About Veris Residential, Inc.**

Veris Residential, Inc. is a forward-thinking, environmentally- and socially-conscious real estate investment trust (REIT) that primarily owns, operates, acquires, and develops holistically-inspired, Class A multifamily properties that meet the sustainability-conscious lifestyle needs of today's residents while seeking to positively impact the communities it serves and the planet at large. The company is guided by an experienced management team and Board of Directors and is underpinned by leading corporate governance principles, a best-in-class and sustainable approach to operations, and an inclusive culture based on equality and meritocratic empowerment. For additional information on Veris Residential, Inc. and our properties available for lease, please visit [verisresidential.com](https://www.verisresidential.com).

### **Investors**

Anna Malhari  
Chief Operating Officer  
[investors@verisresidential.com](mailto:investors@verisresidential.com)

### **Media**

Amanda Shpiner/Grace Cartwright  
Gasthalter & Co.  
212-257-4170  
[veris-residential@gasthalter.com](mailto:veris-residential@gasthalter.com)

<sup>1</sup> Market data as of October 13, 2022.



SOURCE Veris Residential, Inc.