KINDRED HEALTHCARE, INC
Form 4
August 01, 2016

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Breier Benjamin A

(Last) (First) (Middle)

680 SOUTH FOURTH STREET

(Street)

LOUISVILLE, KY 40202

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
KINDRED HEALTHCARE, INC [KND]

3. Date of Earliest Transaction (Month/Day/Year)
07/29/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
President & CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	07/29/2016		F		4,905	D	$ 12.26	678,452	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Breier Benjamin A 680 SOUTH FOURTH STREET LOUISVILLE, KY 40202	X		President & CEO	

Signatures

Benjamin A. Breier	08/01/2016
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. rm Cash Incentive Compensation

We provide annual cash incentive compensation designed to reward achievement of specific previously established short-term financial and strategic goals.

2018 Performance Goals

For 2018 the committee determined that the NEOs would have the opportunity to earn the following percentage of their base salary based on the achievement of the financial performance goals (and, in the case of Mr. Reed, designated strategic objectives) described below.

The 2018 percentages of base salary at the threshold, target and stretch levels for each NEO were set at the following percentages (unchanged from 2017):

	Threshold Level	Target Level	Stretch Level
Mr. Reed	75%	150%	300%
Mr. Fioravanti	62.5%	125%	250%
Mr. Westbrook	50%	100%	200%
Mr. Chaffin	50%	100%	200%
Mr. Lynn	50%	100%	200%

The percentage of salary awarded for performance falling between the threshold and target achievement levels and the target and stretch achievement levels was to be determined using straight-line interpolation.

In 2018, assuming performance at the target level of achievement, short-term cash incentive compensation represented approximately 28% of our CEO s total compensation package and (on average) approximately 33% of our other NEOs total

compensation package (calculated in the manner described on page 32).

In 2018, the performance targets, measured using Adjusted Funds From Operation as reported (AFFO), excluding income tax expense or benefit (Further Adjusted AFFO), established by the committee were:

Threshold Performance Goal: Further Adjusted AFFO of $276.3 million.
Target Performance Goal: Further Adjusted AFFO of $307.0 million.
Stretch Performance Goal: Further Adjusted AFFO of $337.7 million.

The committee selected this performance metric because it is a measure of our operations without regard to specified non-cash items such as real estate depreciation and amortization, gain or loss on sale of assets and certain other items which we believe are not indicative of the performance of our underlying hotel properties. Moreover, AFFO is one of the principal tools used by our management and the investment community in evaluating our financial performance as a REIT. These performance levels were set by the committee at the beginning of 2018 after thorough discussion with management regarding our anticipated financial performance. In choosing this goal, the committee considered the general economic climate expected in 2018, the expected conditions in the hospitality industry and our expected financial performance, including our guidance for 2018, as reflected in our earnings release issued in the first quarter of 2018. The committee intended the target performance goal to be a challenging level of achievement. The committee attempted to set the threshold, target and stretch performance goals to ensure that the relative level of difficulty of achieving these performance levels would be generally consistent with prior years. For information regarding the manner in which AFFO is calculated from our financial statements, see Appendix A to this proxy statement.

The awards to the NEOs (other than Mr. Reed) were based solely on our level of achievement of Further Adjusted AFFO. The award to Mr. Reed was based 75% on our achievement of Further Adjusted AFFO and 25% on our achievement of the strategic objectives, approved in advance by the committee, of achieving effective capital allocation and balance sheet management, specifically including maintaining leverage with a designated range, ensuring compliance with applicable debt covenants and managing interest rate risk associated with floating rate indebtedness.

When the committee established these targets at the beginning of 2018, it made a determination that it would have the discretion to adjust Further Adjusted AFFO for the year to exclude losses or expense, or income or gain, related to certain unusual, infrequently occurring or other specified events as set forth in our omnibus incentive plan. In addition, under the terms of our omnibus incentive plan, the committee may exercise negative discretion in determining the final amounts of the short-term cash incentive awards payable at any given level of performance to ensure that such awards accurately reflect our actual performance. The committee also had the option of lowering the amount of, or not awarding, annual cash incentive compensation otherwise payable to an executive under the plan for 2018 if the executive did not attain a minimum-level annual performance rating under the company s employee evaluation program, which is a prerequisite to receiving cash incentive compensation under the plan.

2018 Short-Term Incentive Compensation Awards

In analyzing our results for purposes of determining the level of achievement under the short-term incentive compensation plan, the committee reviewed our operating and financial results for 2018.

In performing its review, the committee made note of the following financial and operating highlights:

- The financial results of our Hospitality business segment, which the committee believed reflected the continued strength of that business, particularly the group meetings sector in which we focus.
- The successful opening of the Gaylord Texan rooms and meeting space expansion project and the Gaylord Opryland SoundWaves project during 2018.
- The completion of the company s acquisition of a majority interest in the joint venture which owns the Gaylord Rockies Resort & Convention Center.
- The Ole Red Nashville entertainment venue successfully opened in May 2018, and development sites for two additional Ole Red locations (Gatlinburg, Tennessee and Orlando, Florida) were secured during 2018.
- Our continued focus on returning capital to our stockholders, as evidenced by the 6.3% increase in the amount of our annual dividend in 2018 (as compared to 2017), which resulted in the payment of approximately $174.5 million in dividends on our common stock (including the fourth quarter dividend paid in early 2019 to holders of record as of December 28, 2018).

The committee determined that the company s level of Further Adjusted AFFO achievement in 2018 for purposes of our short-term incentive compensation plan was $304.5 million, which using straight-line interpolation was equivalent to a payout level of 96.4% of the target performance goal. There were no gains or losses related to unusual, infrequently occurring or other specified events set forth in our omnibus incentive plan which were excluded by the committee in connection with our calculation of Further Adjusted AFFO (which were not included in the calculation of AFFO) for purposes of our short-term incentive compensation plan.

The committee also determined that Mr. Reed had met the individual strategic performance objectives described above, which combined with the AFFO achievement level described above, resulted in a payout level equal to 96.4% of the target payout level for Mr. Reed.

The committee also determined that each NEO should receive an additional amount of cash incentive compensation, as listed in the table below, due to their contributions to the company s operating and financial performance in 2018, including, in particular, with respect to: Mr. Reed, his efforts in overseeing the company s senior management team and his contributions to the company s financial results; Mr. Fioravanti, his leadership of the balance sheet and capital markets activities undertaken and contemplated by the company; Mr. Westbrook, his oversight of the successful development and construction projects completed in 2018; Mr. Chaffin, his efforts in effectively supervising the company s relationship with the manager of its hotel properties; and Mr. Lynn, his oversight of the company s legal and compliance functions.

The committee also reviewed the annual performance rating of each NEO and determined that each NEO met the minimum level performance rating.

As a result, the committee approved the following short-term cash incentive compensation awards:

	Calculated Short-Term Cash Incentive Compen-sation ($)	Additional Short-Term Cash Incentive Compen-sation ($)	Total Short-Term Cash Incentive Compen-sation(1) ($)
Mr. Reed	1,350,037	149,963	1,500,000
Mr. Fioravanti	635,265	44,635	680,000
Mr. Westbrook	381,159	28,841	410,000
Mr. Chaffin	320,716	49,284	370,000
Mr. Lynn	328,132	26,868	355,000

(1) The estimated threshold, target and stretch payout levels for each NEO established under the short-term cash incentive plan for 2018 are listed in *2018 Grants of Plan-Based Awards* below.

2018 Long-Term Equity Incentive Compensation

Our long-term equity incentive compensation plan is designed to align the interests of our NEOs and stockholders and focus our NEOs on long-term objectives over a multi-year period. Long-term equity incentive awards are also intended to attract and retain our NEOs through long-term vesting. In 2018, long-term equity incentive compensation represented approximately 51% of our CEO s total compensation package and (on average) approximately 34% of our other NEOs total compensation package (calculated in the manner described on page 32).

Long-Term Equity Incentive Compensation Plan Components

Our long-term equity incentive plan components are:

Performance-Based RSUs:

Vest over a three-year period based on our TSR over the award cycle, as compared to our peers.
Awards settled in stock, with cash dividends on RSUs being paid only upon RSUs that ultimately vest upon the achievement of performance goals.
Granted only to the NEOs and senior executives.

Time-Based RSUs:

Annual time-based RSU awards vest in equal amounts over four years, beginning on the first anniversary of the grant date. In certain cases, in
connection with a promotional RSU grant or to aid in retention, the committee may designate that certain time-based RSU awards will vest in equal installments over two years, beginning on the third anniversary of the grant date.
Awards settled in stock, with dividends on RSUs held by our NEOs being paid in additional RSUs only upon RSUs that ultimately vest.
Granted to the NEOs, as well as to other eligible employees.

2018 Long-Term Equity Incentive Compensation Awards

For 2018, the committee discussed with Aon Hewitt the most appropriate way to motivate and retain our executives. The committee believed it was important to continue to use RSU awards instead of stock options to better align the interests of our executives with our stockholders, to encourage executive retention and to conform to compensation practices in the REIT industry.

As a result of these discussions, the committee decided to structure long-term equity incentive compensation awards in 2018 as a combination of performance-based RSUs and time-based RSUs. The determination of the number of RSUs to award to each NEO was based on a number of factors including but not limited to corporate and individual performance, historical grants and competitive practices.

As a result of the determinations discussed above, on February 21, 2018, the committee made the following long-term incentive compensation awards to the NEOs:

	Performance-Based RSU Awards[(1)] (#)	Annual Time-Based RSU Awards[(2)] (#)
Mr. Reed	16,823	17,929
Mr. Fioravanti	5,360	5,712
Mr. Westbrook	2,680	2,856
Mr. Chaffin	2,255	2,403
Mr. Lynn	2,320	2,473

(1) Up to 150% of the performance-based RSUs listed above will vest on March 15, 2021 based on our TSR performance over the three-year award cycle (January 1, 2018 December 31, 2020) relative to the median of the TSR performance of the 2018 Performance Peer Groups described below.
(2) These RSUs vest ratably over four years, beginning on March 15, 2019.

37

2018 Performance-Based RSU Awards (2018-2020 Performance Period)

The amount of the performance-based RSUs which will ultimately vest on March 15, 2021 will be determined by comparing our TSR performance during the performance period (January 1, 2018 December 31, 2020) relative to the median of the TSR performance of the following two peer groups (the 2018 Performance Peer Groups), weighted equally: (1) our 2018 compensation peer group listed above; and (2) the following companies within the FTSE NAREIT Lodging Resorts Index (which were selected by the committee based on their industry focus and their status as a REIT, enterprise value, revenue size, debt to capital ratio and TSR performance over a three year period):

Apple Hospitality REIT, Inc.	
Ashford Hospitality Prime	InnSuites Hospitality Trust
Ashford Hospitality Trust, Inc.	LaSalle Hotel Properties
Chatham Lodging Trust	Park Hotels & Resorts, Inc.
Chesapeake Lodging Trust	Pebblebrook Hotel Trust
Condor Hospitality Trust, Inc.	RLJ Lodging Trust
Diamondrock Hospitality Co.	Sotherly Hotels, Inc.
Hersha Hospitality Trust	Summit Hotel Properties, Inc.
Hospitality Properties Trust	Sunstone Hotel Investors, Inc.
Host Hotels & Resorts, Inc.	Xenia Hotels & Resorts, Inc.

The peer group listed above was the same as the peer group used for the 2017 performance-based RSU awards granted by the company, except for the removal of FelCor Lodging Trust Inc. and the addition of InnSuites Hospitality Trust and Park Hotels & Resorts, Inc.

Specifically, the awards will vest as follows:

Company TSR Performance	% of Award Vesting
Greater than 15 percentage points above the median TSR performance of the 2018 Performance Peer Groups	150%
Equal to the median TSR performance of the 2018 Performance Peer Groups	100%
	50%

15 percentage points below the median TSR performance of the 2018 Performance Peer Groups	
Greater than 15 percentage points below the median TSR performance of the 2018 Performance Peer Groups	0%

If the performance achieved falls in between the established performance goal levels, the percentage of the award earned by the NEO will be determined using straight-line interpolation and rounding to the nearest full share. The awards also provide that if our TSR is negative, on an absolute basis, the committee

may, in its discretion, reduce by 25% the number of awards ultimately vesting. In no event will the final value of the award exceed 500% of the fair market value of our common stock on the grant date of February 21, 2018. The committee believes that limiting the maximum value of the award ensures the NEOs are not disproportionally awarded for performance.

The committee re-evaluates the 2018 Performance Peer Groups for each fiscal year to take into account changes to the composition of the 2018 Performance Peer Groups (i.e., corporate changes such as mergers or delistings), or to otherwise modify the terms of the award to take into account such other factors which the committee in its sole discretion has determined. The committee has not exercised this discretion in connection with the 2018 performance-based RSU awards except to reflect certain corporate changes in the peer group companies.

The committee believed the amount of these awards was appropriate given our compensation philosophy and objectives, specifically noting that achievement of greater than target level performance would have also resulted in higher than average TSR to our stockholders, as compared to our peers. In 2018, performance-based RSUs represented approximately 26% of our CEO s total compensation package and (on average) approximately 17% of our other NEOs total compensation package (calculated in the manner described on page 32).

2018 Time-Based RSU Awards

The time-based RSUs granted to the NEOs reflected in the chart above vest ratably over four years, beginning on March 15, 2019. The committee believed the amount of the time-based RSU awards made to our NEOs was appropriate given our compensation philosophy and objectives, including the need to retain our executives. In 2018, time-based RSUs represented approximately 25% of our CEO s total compensation package and (on average) approximately 17% of our other NEOs total compensation package (calculated in the manner described on page 32).

Vesting of 2016 Performance-Based RSU Awards in March 2019 (2016-2018 Performance Period)

In February 2016 we awarded performance-based RSUs to each NEO, which ultimately were to vest based on the company s TSR performance over the 3-year award cycle (2016-2018), as compared to the TSR for the designated performance peer groups during the same performance period.

Specifically, the awards were to vest as follows:

Company TSR Performance	% of Award Vesting
Greater than 15 percentage points above the median TSR performance of the 2016 Performance Peer Groups	150%
Equal to the median TSR performance of the 2016 Performance Peer Groups	100%
15 percentage points below the median TSR performance of the 2016 Performance Peer Groups	50%
Greater than 15 percentage points below the median TSR performance of the 2016 Performance Peer Groups	0%

Our TSR over the performance period, calculated pursuant to the terms of the performance-based RSU agreements, was approximately 46 percentage points above the median TSR performance of the designated performance peer groups.

As a result, the 2016 performance-based RSUs ultimately vested at the 150% level in March 2019 as follows:

	2016 Performance-Based RSU Awards Vesting in March 2019 (#)
Colin Reed	35,775
Mark Fioravanti	12,627
Bennett Westbrook	5,648
Patrick Chaffin	5,051
Scott Lynn	5,051

Benefits and Perquisites

Our benefit programs are based upon an assessment of competitive market factors and a determination of what is needed to attract and retain qualified executives. Our primary benefits for executives include participation in our broad-based plans at the same cost as other employees. These plans include a tax qualified 401(k) savings plan (with matching contributions up to four percent of a participant s pay), health and dental plans and various disability and life insurance plans.

We also provide a limited amount of executive-level perquisites to our NEOs and other designated senior executives, including the ability to participate in our unfunded, unsecured, supplemental deferred compensation plan, or

SUDCOMP, with a company matching component. Details about our SUDCOMP may be found under *Other Compensation Information Nonqualified Deferred Compensation* on page 51.

Our directors, NEOs and other employees routinely use commercial air service for business travel, and we generally reimburse them only at the coach or business class rate.

Although we do not own a corporate airplane, we do maintain a limited aircraft program to provide our executives with timely and cost-effective travel alternatives in connection with our business activities. We do not operate any aircraft, own or lease a hangar or employ pilots. Instead, we have purchased a fractional interest in an aircraft. We pay a fixed monthly fee, plus a variable charge for hours actually flown. Our directors, NEOs and other employees use this aircraft for selected business trips when commercial air service is unavailable or otherwise impractical, based on the availability and cost of commercial air service, the travel time involved, the number of employees traveling and the need for flexible travel arrangements. All travel under this program must be approved by our CEO.

Mr. Reed s employment agreement provides that he is entitled to a limited amount of personal aircraft usage on an annual basis. We also make the aircraft available to our other executives for limited personal use, which is typically limited to permitting the executive s spouse or other family member to accompany the executive on required business travel. We believe allowing limited personal use of our aircraft program serves to reduce our executives personal travel time and to increase the time they can conduct company business on our behalf.

For more information about this perquisite, and amounts reported as income in 2018 for each NEO, see the *All Other Compensation* table on page 46.

These executive-level perquisites represented approximately 2% of our CEO s total compensation package and (on average) approximately 2% of our

39

other NEOs total compensation package (calculated in the manner described on page 32).

When we recruited Mr. Reed to join our company in 2001, we agreed to pay Mr. Reed a retirement benefit pursuant to a Custom Mid-Career Supplemental Employee Retirement Plan, or SERP.

This benefit, which is described in *Other Compensation Information Nonqualified Deferred Compensation* below, was in the committee s view essential to attracting Mr. Reed to employment with us and has also proved valuable in securing his extended employment. The company has fully satisfied its funding obligations under the SERP by previously paying, in total, $3.5 million to Mr. Reed s SERP account (as described below), and the current balance in Mr. Reed s SERP account in excess of such amount is attributable to investment gains and losses associated with the assets in the SERP account (currently shares of our common stock).

Other Compensation Information

Stock Ownership and Retention Guidelines

The committee has adopted stock ownership guidelines for our senior executives. These guidelines are designed to encourage our executives to have a meaningful equity ownership in our company, thereby linking their interests with those of our stockholders. These guidelines provide that within five years of becoming a senior executive, each executive must own (by way of shares owned directly or indirectly (including through our 401(k) plan) and shares represented by unvested time-based RSUs, but not including unexercised stock options or performance-based RSUs) common stock with a value of either five times (5x) base salary for Mr. Reed, three times (3x) base salary for the NEOs, and two times (2x) base salary for other executives subject to these guidelines. The guidelines also provide that if an executive is not currently in compliance with this guideline (regardless of the compliance grace period), the executive must retain 50% of the net shares (after satisfying any tax obligations and any required payments upon exercise) received upon vesting of RSUs or the exercise of stock options.

As of January 31, 2019 (the annual compliance date) all of the NEOs were in compliance with the guidelines, as follows:

	Required Ownership as of January 31, 2019(1)	Shares Owned
Colin Reed	57,561	1,339,039(2)
Mark Fioravanti	19,805	185,437(3)
Bennett Westbrook	14,854	24,952(3)
Patrick Chaffin	12,498	19,164(3)
Scott Lynn	12,862	15,232(3)

(1) The number of shares required to be owned by an NEO is an amount equal to (i) the product obtained by multiplying the NEO s base salary times the applicable multiple (5x for Mr. Reed and 3x for the other NEOs) *divided by* (ii) the closing market price of our common stock on January 31, 2019 ($80.35).

(2) Includes 592,476 shares credited to Mr. Reed s SERP and 52,180 shares of common stock issuable upon the vesting of time-based RSUs.

(3) Includes the following number of shares of common stock issuable upon the vesting of time-based RSUs: Mr. Fioravanti: 22,290; Mr. Westbrook: 10,486; Mr. Chaffin: 7,589; and Mr. Lynn: 7,614.

Post-Termination Benefits

The committee believes that severance and change of control benefits assist in attracting and retaining qualified executives. The committee believes these benefits have proven particularly important in providing for continuity of management during the period following our REIT conversion and transition-related efforts. The levels of payments and benefits upon termination were set to be at a market-competitive level based upon each executive s experience and level in the organization.

Mr. Reed, Mr. Fioravanti and Mr. Westbrook have employment agreements that provide for cash severance payments and certain other benefits if termination occurs without cause or if the executive leaves for good reason (as defined in their employment agreement). These agreements also provide for cash compensation and certain other benefits in the event of termination following a change of control of the company (i.e., a double trigger). Mr. Chaffin and Mr. Lynn have severance agreements that provide for cash compensation and certain other benefits only in the event of termination following a change of control of the company (i.e., a double trigger).

In addition, no tax gross-ups are provided in connection with any severance payments to our NEOs. Information regarding these payments, including a definition of key terms and the amount of benefits that would have been received by our NEOs had termination occurred on December 31, 2018, is found under *Potential Payments on Termination or Change of Control* on page 53.

Tax Deductibility Considerations

The committee s policy is to consider the tax treatment of compensation paid to our executive officers with appropriate rewards for their performance. Section 162(m) of the Internal Revenue Code generally disallows public companies a tax deduction for their compensation in excess of $1.0 million paid to their chief executive officers and certain of their other executive officers. Prior to the enactment of the Tax Cuts and Jobs Act (TCJA), signed into law on December 22, 2017, this limitation did not apply to qualified performance-based compensation within the meaning of Section 162(m).

As the result of the TCJA, the exception to the deduction limit of Section 162(m) for qualified performance-based compensation is not applicable to compensation paid after January 1, 2018 unless paid pursuant to any written binding contract (such as certain long-term equity incentive compensation awards) which was in effect on November 2, 2017. While the committee considers the tax treatment of compensation paid to our executive officers and the potential non-deductibility of compensation under Section 162(m), the committee also believes that the interests of our stockholders are best served if we retain discretion and flexibility in awarding compensation to our NEOs, even where the compensation paid under such programs may not be fully deductible (and the committee has approved and may continue to approve the payment of compensation that is outside of the deductibility limitations of Section 162(m)).

Because we qualify as a REIT for Federal income tax purposes, we expect to distribute at least 100% of our net taxable income each year and therefore will not pay Federal income tax on our REIT taxable income. As a result, based on the level of cash compensation paid to our executive officers, we do not expect that any loss of a Federal income tax deduction as a result of Section 162(m) would materially impact our income tax liability. The committee will continue to monitor the

tax and other consequences of our executive compensation programs as part of its primary objective of ensuring that compensation paid to our executives is reasonable, performance-based and consistent with our goals.

Equity Grant Practices

Our omnibus incentive plan allows the committee to grant various types of equity awards to any eligible employee, including the NEOs. Annual equity awards to executives are approved by the committee and occur on the date of our first quarterly committee meeting of each year. Consistent with the terms of our omnibus incentive plan, the committee has also delegated to the CEO the authority to make limited equity grants to new members of our management team, which are then ratified by the committee.

These awards are granted pursuant to a formula based on a specified dollar amount, with the number of shares for each RSU award determined by dividing the dollar amount by the closing market price of our stock on the date immediately prior to the grant date. Annual RSU awards for directors are approved by the committee and are granted on the date the director is elected to the Board. These awards are granted pursuant to a formula based on a specified dollar amount, with the number of shares for each RSU grant determined by dividing the dollar amount by the closing market price of our stock on the date immediately prior to the grant date.

Role of the Human Resources Committee and Management

The committee awards compensation to our NEOs and other executives consistent with our philosophy that compensation paid to our executives be fair, reasonable and competitive. The committee establishes and monitors compliance with our compensation philosophy, and the committee also oversees the development and administration of our compensation programs. Our management is responsible for the administration of our compensation programs once approved by the committee.

The committee makes all compensation decisions with respect to our NEOs, which are ratified by our Board. Our CEO annually reviews the performance of, and provides compensation recommendations for, each NEO (other than the CEO). In the case of the

41

CEO, the CEO provides the committee with a self-assessment of his performance. The committee then reviews these items and discusses and approves compensation for each NEO based on the considerations previously discussed.

For a complete description of the committee s members and its responsibilities, as well as information regarding the authority of our CEO to make limited equity grants to new members of our management team, see *Committees of the Board* on page 19. You may also view the committee s charter on our website at *www.rymanhp.com (*under Corporate Governance on the Investor Relations page).

Role of the Compensation Consultant

The committee has retained Aon Hewitt as its outside compensation consultant since 2013. During 2018, Aon Hewitt regularly attended committee meetings and reported directly to the committee on matters relating to compensation for our executives. During 2018 the committee requested that Aon Hewitt:

- Analyze the compensation for our NEOs and other executives and assess how target and actual short-term incentive compensation aligned with our compensation philosophy and objectives.
- Develop recommendations for the committee on the size and structure of long-term incentive compensation awards.
- Assist the committee in the review of this proxy statement and this Compensation Discussion and Analysis.
- Provide the committee with ongoing advice and counsel on market compensation practices, trends and legal and regulatory changes and their impact on our compensation programs.

Advisory Vote on Executive Compensation

At our annual meeting in May 2018, we held a stockholder advisory vote on the compensation of our NEOs, commonly referred to as a say-on-pay vote. In our say-on-pay vote, approximately 95.5% of the stockholder votes, excluding broker non-votes, were cast in favor of the say-on-pay resolution. As the committee reviewed our compensation practices, it was mindful of the level of support our stockholders had previously expressed for our compensation

programs, including our pay for performance philosophy and emphasis on variable compensation.

The committee intends to continue to consider the outcome of future advisory say-on-pay votes when making executive compensation decisions.

2019 NEO Compensation

At its February 20, 2019 meeting, the committee reviewed and approved the compensation to be paid to the NEOs for 2019, in light of our compensation philosophy described above.

Base Salary

The committee determined that the base salaries for the NEOs for 2019 should be:

	2019 Base Salary ($)	% Increase from 2018 Base Salary
Colin Reed	1,000,000	8.1%
Mark Fioravanti	546,400	3.0%
Bennett Westbrook	409,800	3.0%
Patrick Chaffin	360,000	7.5%
Scott Lynn	361,700	5.0%

Short-Term Cash Incentive Compensation

The committee also established criteria for short-term cash incentive compensation pursuant to our omnibus incentive plan. The committee determined that each NEO will have the opportunity to earn the following percentage of his base salary based on the achievement of designated financial goals established under the incentive compensation plan, based on AFFO (and, in the case of Mr. Reed, designated strategic objectives) established by the committee, at the following threshold, target and stretch levels:

	Threshold Level	Target Level	Stretch Level
Colin Reed	75%	150%	300%
Mark Fioravanti	62.5%	125%	250%
Bennett Westbrook	50%	100%	200%
Patrick Chaffin	50%	100%	200%
Scott Lynn	50%	100%	200%

Table of Contents

These percentages were unchanged from 2018. In choosing the AFFO target performance goal for 2019, the committee considered the general economic climate expected in 2019, the expected conditions in the hospitality industry and our expected financial performance, including our guidance for 2019, as reflected in our earnings release issued in the first quarter of 2019. In setting these goals, the committee attempted to set performance goals to ensure that the relative level of difficulty of achieving these levels was consistent with prior years.

In establishing these targets for 2019, the committee made a determination that it will have the discretion to adjust AFFO for the year to exclude losses or expense, or income or gain, related to certain unusual, infrequently occurring or other specified events as set forth in our omnibus incentive plan. In addition, under the terms of our omnibus incentive plan, the committee may exercise negative discretion in determining the final amounts of the short-term cash incentive awards payable at any given level of performance to ensure that such awards accurately reflect our actual performance. The committee also has retained the discretion to lower the amount of, or not award, annual cash incentive compensation otherwise payable to an executive under the plan for 2019 if the executive does not

attain a minimum-level annual performance rating under the company s employee evaluation program, which is a prerequisite to receiving cash incentive compensation under the plan.

Long-Term Equity Incentive Compensation

The committee also made the following long-term equity incentive compensation awards to the NEOs:

	Performance-Based RSU Awards(1) (#)	Time-Based RSU Awards(2) (#)
Colin Reed	15,000	15,000
Mark Fioravanti	5,000	5,000
Bennett Westbrook	2,500	2,500
Patrick Chaffin	2,500	2,500
Scott Lynn	2,500	2,500

(1) Up to 150% of the performance-based RSUs listed above will vest on March 15, 2022 based on our TSR performance over the three-year award cycle (January 1, 2019 December 31, 2021) relative to the median of the TSR performance of the designated performance peer groups for such awards.

(2) The time-based RSUs vest ratably over four years, beginning March 15, 2020.

Human Resources Committee Report

The following report of the Human Resources Committee does not constitute soliciting material and should not be deemed incorporated by reference into any other filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this report herein.

The Human Resources Committee (which functions as our compensation committee), comprised of independent directors, reviewed and discussed the above Compensation Discussion and Analysis with the company s management. Based on its review and these discussions, the Human Resources Committee recommended to the Board that the Compensation Discussion and Analysis be included in these proxy materials.

Human Resources Committee:

Michael Bender, Chairman

Ellen Levine

Robert Prather

Michael Roth

Table of Contents

Executive Compensation

The Summary Compensation Table below shows compensation information about our principal executive officer, our principal financial officer and the three other most highly compensated executive officers as of December 31, 2018 other than our principal executive officer and principal financial officer. As required by SEC rules, the compensation amounts listed below include non-cash items such as the grant date fair value of equity awards (some of which are performance-based and may or may not ultimately be earned).

2018 Summary Compensation Table

Name and Principal Position	Year	Salary[1] ($)	Bonus[2] ($)	Stock Awards[3] ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation[4] ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation[5] ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Colin Reed	2018	925,165	149,963	2,478,521	-	1,350,037	-	89,014	4,992,700
	2017	907,830	250,000	2,565,253	-	1,998,831	-	103,104	5,825,018
Chairman & Chief Executive Officer	2016	838,599	241,393	2,124,995	-	1,258,607	-	70,498	4,534,092
Mark Fioravanti	2018	527,049	44,635	789,659	-	635,265	-	42,293	2,038,901
	2017	511,676	-	792,722	-	937,480	-	39,857	2,281,735
President & Chief Financial Officer	2016	494,368	-	750,025	-	618,169	-	38,773	1,901,335
Bennett Westbrook	2018	395,296	28,841	394,829	-	381,159	-	33,722	1,233,847
	2017	383,792	-	396,293	-	562,488	-	31,318	1,373,891
EVP & Chief Development Officer	2016	351,776	-	433,905	-	352,363	-	31,124	1,169,168
Patrick Chaffin	2018	332,632	49,284	332,211	-	320,716	-	19,109	1,053,952
	2017	319,368	-	333,475	-	468,426	-	19,624	1,140,893
	2016	295,522	-	299,992	-	295,628	-	18,644	909,786

EVP, Asset Management									
Scott Lynn	2018	340,132	26,868	341,837	-	328,132	-	17,405	1,054,374
	2017	319,368	-	333,475	-	468,426	-	21,401	1,142,670
EVP & General Counsel	2016	293,215	-	299,992	-	293,443	-	19,545	906,195

(1) Amounts shown are not reduced to reflect the NEO s contributions to our 401(k) plan or elections to defer receipt of salary under our SUDCOMP plan. Amounts shown are the amounts actually paid to the NEO during the year and reflect, to the extent applicable, any changes in the base salary during the year.

(2) Represents a discretionary cash bonus award paid to the NEO in recognition of their contributions to the company s operating and financial performance for the applicable fiscal year as described in the *Compensation Discussion and Analysis* above. Cash incentive
compensation paid to each NEO pursuant to our short-term cash incentive compensation plan is reflected in the column above entitled *Non-Equity Incentive Plan Compensation*.

(3) Represents a non-cash amount equal to the grant date fair value of the time-based RSU awards and performance-based RSU awards granted to the NEO, determined in accordance with FASB ASC Topic 718, disregarding for this purpose estimated forfeitures. See Note 7 to our consolidated financial statements for the three years ended December 31, 2018, included in our

45

Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on February 26, 2019, for the assumptions made in determining grant date fair value. The maximum dollar value of the performance-based RSU awards granted in 2018 (based on the grant-date fair value and assuming vesting at the stretch (150% performance level) are as follows: Mr. Reed: $1,873,157; Mr. Fioravanti: $596,810; Mr. Westbrook: $298,404; Mr. Chaffin: $251,084; and Mr. Lynn: $258,321.

(4) Represents amounts paid under our short-term cash incentive compensation plan.

(5) The table below lists the components of the *All Other Compensation* amount for each NEO listed above:

Name	Company Match to 401(k) Plan ($)[(a)]	Company Match to SUDCOMP Plan ($)[(b)]	Group Term Life ($)[(c)]	Executive LTD ($)[(d)]	Other ($)[(e)]	Total ($)
Colin Reed	11,000	34,342	25,655	3,629	14,388	89,014
Mark Fioravanti	11,000	17,191	7,920	3,918	2,264	42,293
Bennett Westbrook	11,000	12,956	4,360	3,139	2,267	33,722
Patrick Chaffin	-	13,320	3,129	2,660	-	19,109
Scott Lynn	11,000	-	3,105	2,733	567	17,405

(a) We make matching contributions to the 401(k) plan accounts of the NEOs as described in *Compensation Discussion and Analysis* above.

(b) We make matching contributions to the SUDCOMP accounts of the NEOs as described in *Nonqualified Deferred Compensation* below. Does not include company matching amounts for SUDCOMP deferrals with respect to 2017 short-term cash incentive plan payments made in 2018.

(c) Represents the cost associated with the executive group term life insurance not made available generally to other employees.

(d) Represents the cost associated with the executive long term disability insurance not made available generally to other employees.

(e) Represents, for Mr. Reed, $13,685 in personal usage of aircraft and $703 in physical examination fees. Represents, for Mr. Fioravanti and Mr. Lynn, personal usage of aircraft. Represents, for Mr. Westbrook, $567 in personal usage of aircraft and $1,700 in physical examination fees. For purposes of reporting the value of personal usage of aircraft in this table, we use the incremental cost of such personal usage, calculated by estimating the direct variable operating cost of the aircraft on a per mile basis. These costs include the cost of fuel, maintenance, landing and parking fees, crew travel expenses and supplies. For trips by NEOs that involved mixed personal and business usage, we include the incremental cost of such personal usage (i.e., the excess of the cost of the actual trip over the cost of a hypothetical trip without the personal usage). For income tax purposes, the amounts included in NEO income are calculated based on the standard industry fare level valuation method. No tax gross-ups are provided for this imputed income.

46

2018 Grants of Plan-Based Awards

The table below shows information about (1) the threshold, target and stretch (i.e., maximum) level of annual cash incentive awards for our NEOs for performance during 2018, and (2) RSU awards granted to our NEOs during 2018 under our long-term equity incentive compensation plan.

2018 Grants of Plan-Based Awards Table

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1] Threshold	Target	Maximum	Estimated Future Payouts Under Equity Incentive Plan Awards[2] Threshold	Target	Maximum	All Other Stock Awards: Number of Shares of Stock or Units[3]	Grant Date Fair Value of Stock Awards[4]
(a)	(b)	($)(c)	($)(d)	($)(e)	(#)(f)	(#)(g)	(#)(h)	(#)(i)	($)(j)
Colin Reed		693,750	1,387,500	2,775,000	-	-	-	-	-
	2/21/18	-	-	-	8,412	16,823	25,235	-	1,248,771
	2/21/18	-	-	-	-	-	-	17,929	1,229,750
Mark Fioravanti		329,303	658,606	1,317,211				-	-
	2/21/18	-	-	-	2,680	5,360	8,040	-	397,873
	2/21/18	-	-	-	-	-	-	5,712	391,786
Bennett Westbrook		197,582	395,163	790,327	-	-	-	-	-
	2/21/18	-	-	-	1,340	2,680	4,020	-	198,936
	2/21/18	-	-	-	-	-	-	2,856	195,893
Patrick Chaffin		166,250	332,500	665,000	-	-	-	-	-
	2/21/18	-	-	-	1,128	2,255	3,383	-	167,389
	2/21/18	-	-	-	-	-	-	2,403	164,822
Scott Lynn		170,000	340,000	680,000	-	-	-	-	-
	2/21/18	-	-	-	1,160	2,320	3,480	-	172,214
	2/21/18	-	-	-	-	-	-	2,473	169,623

(1) Represents threshold, target and stretch performance goal achievement payout levels established under our annual short-term cash incentive plan for 2018 performance. See the Non-Equity Incentive Plan Compensation column of

the *2018 Summary Compensation Table* above for the amount actually paid to each NEO for 2018 performance.

(2) Consists of performance-based RSUs awarded under our long-term equity incentive compensation plan. Each RSU is equivalent to one share of our common stock on the date of grant. The RSUs are earned for achieving specified calculated TSR targets over a three-year performance period beginning January 1, 2018 and ending December 31, 2020. See *Compensation Discussion and Analysis 2018 Compensation Decisions Long-Term Equity Incentive Compensation* for a discussion of the terms of these RSUs.

(3) Consists of time-based RSUs awarded under our long-term equity incentive compensation plan. Each RSU is equivalent to one share of common stock on the date of grant. The RSUs reflected in the chart above vest 25% on each of the first through fourth anniversaries of the grant date.

(4) Grant date fair value of the RSU awards to the NEOs is determined in accordance with FASB ASC Topic 718, disregarding for this purpose estimated forfeitures. See Note 7 to our consolidated financial statements for the three years ended December 31, 2018, included in our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on February 26, 2019, for the assumptions made in determining grant date fair value.

Outstanding Equity Awards at 2018 Fiscal Year End

The table below shows information about the outstanding equity awards held by our NEOs as of December 31, 2018.

Outstanding Equity Awards at 2018 Fiscal Year End Table

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested[(1)]	Market Value of Shares or Units of Stock That Have Not Vested[(2)]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested[(3)]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[(2)]
(a)	(#)(b)	(#)(c)	($)(d)	(e)	(#)(f)	($)(g)	(#)(h)	($)(i)
Colin Reed	-	-	-	-	51,521	3,435,936	-	-
	-	-	-	-	-	-	71,409	4,762,266
Mark Fioravanti	-	-	-	-	22,010	1,467,847	-	-
	-	-	-	-	-	-	23,800	1,587,222
Bennett Westbrook	-	-	-	-	10,356	690,642	-	-
	-	-	-	-	-	-	11,234	749,196
Patrick Chaffin	-	-	-	-	7,495	499,842	-	-
	-	-	-	-	-	-	9,751	650,294
Scott Lynn	-	-	-	-	7,567	504,643	-	-
	-	-	-	-	-	-	9,816	654,629

(1) The following table provides information as of December 31, 2018 with respect to the vesting of each NEO s outstanding time-based RSUs (including additional RSUs accrued with respect to dividends paid):

Grant Date	Vesting Date	Colin Reed	Mark Fioravanti	Bennett Westbrook	Patrick Chaffin	Scott Lynn
2/24/2015	3/15/2019	5,277	1,872	835	1,285	1,285
3/1/2015	3/15/2019	-	5,132	-	-	-
2/24/2016	3/15/2019	6,211	2,191	979	873	873
2/22/2017	3/15/2019	5,111	1,579	789	663	663
2/21/2018	3/15/2019	4,623	1,473	736	620	638
6/27/2016	6/27/2019	-	-	2,255	-	-
2/24/2016	3/15/2020	6,210	2,190	978	872	872
2/22/2017	3/15/2020	5,111	1,578	788	663	663
2/21/2018	3/15/2020	4,623	1,473	736	619	637
2/22/2017	3/15/2021	5,111	1,578	788	662	662
2/21/2018	3/15/2021	4,622	1,472	736	619	637
2/21/2018	3/15/2022	4,622	1,472	736	619	637

(2) Market value was determined based on the December 31, 2018 NYSE closing price of our common stock ($66.69).

(3) The following table provides information with respect to the vesting of the performance-based RSUs granted to each NEO:

Grant Date	Vesting Date	Colin Reed	Mark Fioravanti	Bennett Westbrook	Patrick Chaffin	Scott Lynn
2/24/2016[a]	3/15/2019	35,775	12,627	5,648	5,051	5,051
2/22/2017[b]	3/15/2020	18,811	5,813	2,906	2,445	2,445
2/21/2018[b]	3/15/2021	16,823	5,360	2,680	2,255	2,320

(a) The number of shares listed above with respect to the February 24, 2016 performance-based RSU grant assume vesting at the stretch (150%) performance level. The RSUs ultimately vested at this payout level based on our achievement of TSR over the applicable performance period, as determined by the Human Resources Committee. See *Compensation Discussion and Analysis 2018 Compensation Decisions Long-Term Equity Incentive Compensation* for a discussion of the terms of these RSUs.

(b) The number of RSUs listed above with respect to the February 22, 2017 grant assume vesting at the target (100%) performance level, and the number of RSUs listed above with respect to the February 21, 2018 grant assume vesting at the target (100%) performance level, in each case taking into account performance to date with respect to the performance metrics under the award agreement. Each RSU is equivalent to one share of our common stock on the date of grant. The RSUs are earned for achieving specified calculated TSR targets over a three-year performance period (a period from January 1, 2017 to December 31, 2019 for the February 22, 2017 awards; and a period from January 1, 2018 to December 31, 2020 for the February 21, 2018 awards). See *Compensation Discussion and Analysis 2018 Compensation Decisions Long-Term Equity Incentive Compensation* for a discussion of the terms of these RSUs.

2018 Option Exercises and Stock Vested

The table below shows information about the exercise of stock options by the NEOs and the vesting of the NEOs RSU awards in 2018.

2018 Option Exercises and Stock Vested Table

	Option Awards		Stock Awards	
Name	Number of Shares Acquired Upon Exercise	Value Realized Upon Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting[1]
(a)	(#)(b)	($)(c)	(#)(d)	($)(e)
Colin Reed	-	-	49,359	3,737,881
Mark Fioravanti	-	-	22,792	1,727,389
Bennett Westbrook	-	-	7,866	595,673
Patrick Chaffin	-	-	6,665	503,965
Scott Lynn	-	-	6,524	493,191

(1) Equal to the number of shares of common stock issued upon vesting of RSUs multiplied by the closing market price of our common stock on the NYSE on the day prior to the vesting date.

Other Compensation Information

Pension Benefits

No NEOs participate in our frozen defined benefit plan.

Nonqualified Deferred Compensation

Supplemental Deferred Compensation

Our supplemental deferred compensation plan, or SUDCOMP, is a nonqualified plan that allows eligible participants, including NEOs (whose ability to contribute amounts to our 401(k) plan may be limited by IRS regulations), to defer up to 40% of their base salary, less amounts deferred under our 401(k) plan, and up to 100% of their short-term cash incentive compensation. We contribute one dollar for each dollar contributed by the participant, up to four percent of the participant s contributions (less matching amounts under our 401(k) plan).

Participants elect hypothetical investment options mirroring the funds in our 401(k) plan, with the exception of company stock. Participants can change their investment selections on a daily basis in the same manner as the 401(k) plan. Deferred amounts are credited with earnings or losses based on the rate of return of the investment options selected by the participant. When participants elect to defer amounts into the SUDCOMP, they also select when the amounts will be distributed to them. Distributions may either be made in a specific year (whether or not employment has then ended) or at a time that begins at or after termination of employment. Distributions can be made in a lump sum or up to 15 annual installments. However, after a participant s employment ends, his or her account balance is automatically distributed in a lump sum (without regard to his or her election) if the balance is $10,000 or less.

Supplemental Executive Retirement Plan

When we recruited Mr. Reed to join us in 2001, we agreed to establish a supplemental executive retirement plan, or SERP, for Mr. Reed with an initial retirement benefit of $2.5 million. We believed at the time (and continue to believe) that the SERP was a material factor in Mr. Reed s agreement to give up benefits at his former employer and to begin working for us. We believe that the SERP benefit was

necessary to attract and retain a highly qualified executive such as Mr. Reed. Mr. Reed s April 23, 2001 employment agreement with us established the SERP, which fully vested on April 23, 2005.

In 2004, as part of an amendment to Mr. Reed s employment agreement extending his employment term, we agreed to adjust the initial SERP benefit for hypothetical investment earnings or losses, based on the performance of one or more mutual funds selected by Mr. Reed. At that time, we also agreed to pay Mr. Reed an additional retirement benefit under the SERP of $1.0 million, as adjusted beginning April 23, 2005 for hypothetical investment earnings or losses, based on the performance of one or more mutual funds selected by Mr. Reed. This additional SERP benefit fully vested on May 1, 2010. Mr. Reed is entitled to receive all of his SERP benefit upon any termination of employment. Mr. Reed has elected to receive his SERP benefits, as adjusted, in the form of one lump sum payment.

On February 4, 2008, we entered into a new employment agreement with Mr. Reed which did not modify the terms of the SERP. On December 18, 2008, we amended Mr. Reed s employment agreement to allow him to make an irrevocable election to invest his SERP benefit in our common stock. We established an independent rabbi trust and transferred cash in an amount equal to the then-current balance of the SERP benefit, and the independent trustee of the rabbi trust purchased shares of our common stock in the open market.

Mr. Reed is now only entitled to a distribution of our stock and any accrued cash dividends held by the rabbi trust in satisfaction of his SERP benefit. We believe that the ownership of shares of common stock by the rabbi trust and the distribution of those shares and any accrued cash dividends to Mr. Reed in satisfaction of his SERP benefit meets requirements necessary so that we will not recognize any increase or decrease in expense as a result of subsequent changes in the value of our common stock. The terms of the rabbi trust provide that, to the extent that the

shares owned by the rabbi trust are entitled to vote on any matter, the rabbi trustee will be entitled to vote such shares.

2018 Nonqualified Deferred Compensation Table

The table below shows each NEO s salary deferrals, company matching obligations, earnings and account balances in the SUDCOMP (and, in the case of Mr. Reed, his SERP), as of December 31, 2018.

Name	Plan	Executive Contributions in Last FY[1]	Registrant Contributions in Last FY	Aggregate Earnings (Losses) in Last FY[2]	Aggregate Withdrawals/ Distributions in Last FY	Aggregate Balance at Last FY[3]
(a)	(b)	($)(c)	($)(d)	($)(e)	($)(f)	($)(g)
Colin Reed	SUDCOMP	291,018	34,342	(729,038)	-	20,078,173
Colin Reed	SERP[4]	-	-	(357,422)[5]	-	39,513,020[6]
Mark Fioravanti	SUDCOMP	21,171	17,191	(130,966)	-	1,175,892
Bennett Westbrook	SUDCOMP	39,609	12,956	(83,186)	-	908,443
Patrick Chaffin	SUDCOMP	16,650	13,320	(19,927)	(1,845)	217,571
Scott Lynn	SUDCOMP	-	-	(20,745)	-	226,949

(1) Amounts in this column are reported as compensation in the *2018 Summary Compensation Table* above. Amounts in this column do not include deferrals of cash incentive compensation amounts with respect to the 2017 fiscal year paid in 2018 (in the case of Mr. Fioravanti, $37,499) or company matching amounts with respect to such deferral (in the case of Mr. Fioravanti, $30,320).

(2) None of the amounts in this column are included as compensation in the *2018 Summary Compensation Table* above because above-market or preferential earnings are not available.

(3) Of the amounts listed in this column with respect to the SUDCOMP, the following amounts have been reported as compensation in the *2018 Summary Compensation Table* above or previous years (or would have been reported if the NEO had been included in our proxy statement in those years): Mr. Reed: $8,803,317; Mr. Fioravanti: $503,490; Mr. Westbrook: $419,633; Mr. Chaffin: $89,411; and Mr. Lynn: $131,180. With respect to Mr. Reed s SERP, no amounts have been reported as compensation in the *Summary Compensation Table* for 2018 or previous years.

(4) We have summarized the SERP benefit using the disclosure format prescribed by the SEC for

nonqualified deferred compensation (under Item 402(i) of SEC Regulation S-K) rather than pension benefits due to the fact that this SERP benefit more closely resembles a defined contribution award than a defined benefit award. This determination was based on the fact that the value of the SERP benefit in 2018 was based solely on the amounts previously contributed.

(5) Represents the change in market value of our common stock from December 31, 2017 to December 31, 2018, plus the reinvestment of cash dividends received on the shares of common stock held in the SERP. This amount has not been reported as compensation in the *Summary Compensation Table* for 2018 or previous years since above-market or preferential returns are not available with respect to the SERP.

(6) Represents the value of both the initial SERP benefit and the additional SERP benefit as of December 31, 2018, which is calculated by multiplying the 592,476 shares of our common stock held by the rabbi trust on such date by the December 31, 2018 NYSE closing price of our common stock ($66.69), plus accrued cash.

Potential Payments on Termination or Change of Control

Employment and Severance Agreements

Mr. Reed, Mr. Fioravanti and Mr. Westbrook each have employment agreements with us, originally entered into in February 2008, with an initial two-year term and automatically renewing two-year terms (unless either party provides notice of non-renewal). Mr. Reed s employment agreement was amended in December 2008 and September 2010. Mr. Fioravanti s employment agreement was amended in February 2010 and September 2010. Mr. Westbrook s employment agreement was amended in September 2010. In November 2012, Mr. Reed s, Mr. Fioravanti s and Mr. Westbrook s employment agreements were amended in connection with our REIT restructuring. Mr. Fioravanti s employment agreement was amended in March 2015. Mr. Westbrook s employment agreement was amended in July 2016. Mr. Reed s, Mr. Fioravanti s and Mr. Westbrook s employment agreements, together with each of their equity incentive award agreements and the terms of our incentive and other benefit plans, provide for cash payments and other benefits in connection with their termination of employment in various circumstances, including in the event of a Change of Control (as

defined below). Payment of these amounts generally is conditioned upon compliance with the other provisions of the agreement, which include confidentiality obligations and nonsolicitation and noncompetition provisions.

Mr. Chaffin and Mr. Lynn each have restated severance agreements with us, entered into in February 2018 (replacing severance agreements entered into in October 2010 and February 2013, respectively), with a one-year term and automatic renewals of one year following the initial term (unless either party provides notice of non-renewal). The severance agreements provide for cash payments and other benefits only in connection with Mr. Chaffin s and Mr. Lynn s termination of employment in the event of a Change of Control. Payment of these amounts generally is conditioned upon compliance with the other provisions of the severance agreement, which include confidentiality obligations. In addition, Mr. Chaffin s and Mr. Lynn s equity incentive award agreements, and the terms of our incentive and other benefit plans, provide for other benefits in connection with their termination of employment in various circumstances, including in the event of a Change of Control.

Description of Potential Payments on Termination or Change of Control

The discussion below outlines our obligations to our NEOs upon a termination or Change of Control. Except as otherwise noted, the discussion applies to each NEO.

Payments Made on Any Termination of Employment

Regardless of the manner in which an NEO s employment with us is terminated, the NEO would be entitled to receive amounts which have been earned by the NEO pursuant to the terms of our incentive and other benefit plans[(1)].

Payments Made on Termination With Cause or Resignation Without Good Reason

Mr. Reed s, Mr. Fioravanti s and Mr. Westbrook s employment agreements each provide that if the executive is terminated for Cause[(2)] or if he resigned without Good Reason[(3)] he would not be entitled to receive any payments (other than as listed under *Payments Made on Any Termination of Employment*).

(1) These amounts consist of: (1) accrued but unpaid base salary through the date of termination; (2) any unpaid portion of any annual short-term cash incentive compensation bonus for prior calendar years; (3) accrued but unpaid vacation pay, unreimbursed employment-related expenses and other benefits owed to the NEO under our general employee benefit plans or policies; (4) all vested 401(k) plan and SUDCOMP account balances; and (5) in the case of Mr. Reed, his SERP benefit.

(2) Under Mr. Reed s, Mr. Fioravanti s and Mr. Westbrook s employment agreements, the term Cause is defined as: fraud, self-dealing, embezzlement or dishonesty in the course of employment, or any conviction of a crime involving moral turpitude; a failure to comply with any valid or legal company directive, or any material uncured breach of obligations under the employment agreement; or the executive s failure to adequately perform his responsibilities, as demonstrated by objective and verifiable evidence showing that the business operations under his control have been materially harmed as a result of gross negligence or willful misconduct.

(3) Under Mr. Reed s, Mr. Fioravanti s and Mr. Westbrook s employment agreements, the term Good Reason is defined as: any adverse change in the executive s position or title (whether or not approved by our Board), any assignment over the executive s reasonable objection to any duties materially inconsistent with his current status or a substantial adverse alteration in the nature of his responsibilities; a reduction in the executive s annual base salary; a failure to pay any portion of the executive s current compensation, or a failure to continue in effect any material compensatory plan (or equivalent) in which the executive may participate; permanent relocation of the executive s principal place of employment to a location other than our corporate headquarters; a failure to provide, or a material reduction of, any insurance, retirement savings plan or other employee benefits package substantially similar to those enjoyed by other senior executives in which the executive is entitled to participate; or a material uncured breach of the company s obligations under the executive s employment agreement (or the company s failure to renew it).

Payments Made on Death or Disability

Mr. Reed s, Mr. Fioravanti s and Mr. Westbrook s employment agreements, together with their equity incentive award agreements and the terms of our incentive and other benefit plans, provide for the following payments and other benefits (in addition to payments under our disability or life insurance plans) if the executive dies or becomes permanently disabled (defined as a physical or mental incapacity rendering him unable to perform job duties for 90 consecutive days or for a total of 180 days in any 12 month period):

- all amounts under *Payments Made on Any Termination of Employment* above;
- a pro rata portion of his annual short-term cash incentive compensation in the year of termination;
- the immediate vesting of all time-based RSUs;
- for all performance-based RSUs, a pro rata (based on length of service during the performance period) portion of the awards actually vesting to the extent of satisfaction of the applicable performance criteria;
- the accelerated vesting of all outstanding stock option awards (with an exercise period ending on the option expiration date); and
- in the case of Mr. Reed, continuation of health care coverage at employee rates for Mr. Reed and his spouse until the earlier of their election to terminate coverage (or their non-payment of premiums), their death or until we stop providing health care coverage to our employees.

In the event of Mr. Chaffin s or Mr. Lynn s death or permanent disability, the executive would be entitled, under the terms of his equity incentive award agreements and the terms of our incentive and other benefit plans, to the following (in addition to payments under our disability or life insurance plans):

- all amounts under *Payments Made on Any Termination of Employment* above;
- the immediate vesting of all time-based RSUs;
- for all performance-based RSUs, a pro rata (based on length of service during the performance period) portion of the awards actually vesting to the extent of satisfaction of the applicable performance criteria; and
- the accelerated vesting of all outstanding stock option awards (with an exercise period ending on the option expiration date).

Payments Made on Termination Without Cause or Resignation for Good Reason (Other Than Following a Change of Control)

Mr. Reed s, Mr. Fioravanti s and Mr. Westbrook s employment agreements, together with their equity incentive award agreements and the terms of our incentive and other benefit plans, provide for the following payments and other benefits if the executive is terminated without Cause (or resigned for Good Reason), other than following a Change of Control:

- all amounts under *Payments Made on Any Termination of Employment* above;
- the following severance payment:

Mr. Reed	Mr. Fioravanti & Mr. Westbrook
2x base salary plus 2x last year s annual short-term cash incentive compensation	1x base salary plus 1x last year s annual short-term cash incentive compensation

in the case of Mr. Fioravanti and Mr. Westbrook, a pro rata portion of his annual cash bonus in the year of termination;

immediate vesting of RSUs as follows (in the case of performance-based RSUs, to the extent of the satisfaction of applicable performance criteria):

Mr. Reed	Mr. Fioravanti & Mr. Westbrook
all awards scheduled to vest within 2 years of termination	all awards scheduled to vest within 1 year of termination

55

the accelerated vesting of the following stock option awards:

Mr. Reed	Mr. Fioravanti & Mr. Westbrook
all unvested stock options scheduled to vest within 2 years of termination	all unvested stock options scheduled to vest within 1 year of termination

Mr. Reed would have 2 years from termination to exercise the awards, while Mr. Fioravanti and Mr. Westbrook would have 1 year from termination to exercise the awards; and

in the case of Mr. Reed, continuation of health care coverage at employee rates for Mr. Reed and his spouse until the earlier of their election to terminate coverage (or their non-payment of premiums), their death or until we stop providing health care coverage to our employees.

Payments Made on Termination Without Cause or Resignation for Good Reason Following a Change of Control

Mr. Reed s, Mr. Fioravanti s and Mr. Westbrook s employment agreements (and Mr. Chaffin s and Mr. Lynn s severance agreements), together with their equity incentive award agreements and the terms of our incentive and other benefit plans, provide for payments and other benefits in the event of a termination in a designated period(3) following a Change of Control . With respect to the employment agreements with Mr. Reed, Mr. Fioravanti and Mr. Westbrook (and the severance agreements with Mr. Chaffin and Mr. Lynn), a Change of Control is deemed to occur if:

any person, other than us, our benefit plan or our designated affiliates, becomes the beneficial owner of 35% or more of our outstanding voting stock;

a majority of the incumbent members of our Board cease to serve on our Board without the consent of the incumbent Board;

following a merger, tender or exchange offer, other business combination or contested election, the holders of our stock prior to the transaction hold less than a majority of the combined voting power of the combined entity; or

we sell all or substantially all of our assets.

If any of our NEOs were terminated without Cause(4) (or resigned for Good Reason(5)) following a Change of Control within the designated period, the executive would be entitled to receive:

all amounts under *Payments Made on Any Termination of Employment* above;

the following severance payment:

Mr. Reed, Mr. Fioravanti & Mr. Westbrook	Mr. Chaffin & Mr. Lynn

3x base salary plus 3x highest short-term cash incentive compensation in last 3 years	2x base salary plus 2x last year s annual short-term cash incentive compensation

immediate vesting of all RSUs, with performance-based RSUs vesting at the target level;
the accelerated vesting of all outstanding stock option awards. Each NEO would have 2 years from termination to exercise the awards;
continuation of health care coverage at employee rates: for Mr. Reed and his spouse, until the earlier of their election to terminate such coverage (or non-payment of premiums), their death or until we stop providing health care coverage to our employees; for Mr. Fioravanti and Mr. Westbrook, for 3 years from termination; and for Mr. Chaffin and Mr. Lynn, for 2 years from the Change of Control; and
in the case of Mr. Fioravanti and Mr. Westbrook, executive physical examination fees for 3 years.

In addition, under the terms of our omnibus incentive plans and the award agreements issued thereunder, in the event of a Change of Control(6), irrespective of any termination of employment, all outstanding RSU awards held by our NEOs and other employees would vest immediately, with performance-based RSUs vesting at target level, and all outstanding stock option awards held by our NEOs and other employees would automatically accelerate and become exercisable.

(3) For Mr. Reed, Mr. Fioravanti and Mr. Westbrook, this period is one year. For Mr. Chaffin and Mr. Lynn, this period is two years.

56

Table of Contents

(4) The severance agreements for Mr. Chaffin and Mr. Lynn provide that the executive may be terminated for Cause if he was terminated for gross misconduct.

(5) The severance agreements for Mr. Chaffin and Mr. Lynn provide that the executive may terminate his employment for Good Reason following a Change of Control if: his salary is reduced, there is a material reduction in his benefits or there is a material change in his status, working conditions or management responsibilities; or he is required to relocate his residence more than 100 miles from our corporate headquarters.

(6) Under our 2016 and 2006 omnibus incentive plans, a Change of Control is deemed to occur if: (i) any person (subject to certain exceptions) becomes the beneficial owner of 35% or more of the combined voting power of our then outstanding voting securities; (ii) two-thirds of the incumbent members of our Board cease to serve on our Board without the consent of the incumbent Board; (iii) following the consummation of a merger, consolidation or reorganization, (a) the holders of our voting securities immediately prior to the transaction hold less than a majority of the combined voting power of the resulting entity in substantially the same proportion as their ownership prior to such merger, consolidation or reorganization, (b) the individuals who were members of the incumbent Board immediately prior to the execution of the agreement providing for such transaction constitute less than two-thirds of the members of the board of directors of the resulting entity, and (c) no person (subject to certain exceptions) has beneficial ownership of 35% or more of the resulting entity s then outstanding voting securities; (iv) we completely liquidate or dissolve the company; or (v) we sell substantially all of our assets to any person, other than a transfer to a subsidiary of the company.

Summary of Potential Payments on Termination or Change of Control

The following tables estimate the value of the potential payments on termination or change of control of the company for the NEOs as of December 31, 2018.

Benefits and Payments	Termination for Cause or Resignation Without Good Reason	Retirement	Death or Disability	Termination Without Cause or Resignation for Good Reason	Termination Without Cause or Resignation for Good Reason Upon a Change of Control[10]
Upon Termination	**($)**	**($)**	**($)**	**($)**	**($)**
Cash Severance					
Mr. Reed	-	-	-	5,847,662[1]	8,771,493[2]
Mr. Fioravanti	-	-	-	1,467,930[3]	4,403,790[2]
Mr. Westbrook	-	-	-	960,326[3]	2,880,978[2]
Mr. Chaffin	-	-	-	-	1,606,352[1]
Mr. Lynn	-	-	-	-	1,625,852[1]
Non-Equity Incentive Compensation[4]					
Mr. Reed	-	-	1,500,000	-	-
Mr. Fioravanti	-	-	679,900	679,900	-
Mr. Westbrook	-	-	410,000	410,000	-
Mr. Chaffin	-	-	-	-	-
Mr. Lynn	-	-	-	-	-
Performance-Based RSU Accelerated Vesting[5]					
Mr. Reed	-	-	2,800,847	2,845,062	3,966,988
Mr. Fioravanti	-	-	938,996	561,396	1,306,524
Mr. Westbrook	-	-	439,866	251,088	623,618
Mr. Chaffin	-	-	383,379	-	537,988
Mr. Lynn	-	-	384,824	-	542,323
Time-Based RSU Accelerated Vesting[6]					
Mr. Reed	-	-	3,435,936	2,478,534	3,435,936
Mr. Fioravanti	-	-	1,467,847	816,686	1,467,847
Mr. Westbrook	-	-	690,642	373,031	690,642
Mr. Chaffin	-	-	499,842	-	499,842
Mr. Lynn	-	-	501,509	-	501,509
Other Benefits and Perquisites					

Mr. Reed	-	-	163,485[7]	163,485[7]	163,485[7]
Mr. Fioravanti	-	-	-	-	35,208[8]
Mr. Westbrook	-	-	-	-	54,150[8]
Mr. Chaffin	-	-	-	-	30,100[9]
Mr. Lynn	-	-	-	-	30,100[9]

58

Table of Contents

(1) Amount equal to two times base salary in effect at December 31, 2018, plus two times short-term cash incentive compensation for the 2017 fiscal year.

(2) Amount equal to three times base salary in effect at December 31, 2018, plus three times short-term cash incentive compensation for the 2017 fiscal year (the highest short-term cash incentive compensation for the last three fiscal years).

(3) Amount equal to one times base salary in effect at December 31, 2018, plus one times short-term cash incentive compensation for the 2017 fiscal year.

(4) Reflects the short-term cash incentive compensation and discretionary bonus for the 2018 fiscal year.

(5) Calculated by multiplying the number of shares of common stock to be issued on the vesting of such award(s) by the December 31, 2018 NYSE closing price of our common stock ($66.69), assuming vesting at the target (100%) performance level. The 2016 performance-based RSUs ultimately vested in March 2019 at the 150% payout level based on our achievement of TSR over the applicable performance period, as determined by the Human Resources Committee. The number of shares of common stock to be issued upon vesting of the remaining performance-based RSUs will ultimately be based upon the actual achievement of the performance goals stated in the applicable award agreement.

(6) Calculated by multiplying the number of shares of common stock to be issued on the vesting of such award(s) by the December 31, 2018 NYSE closing price of our common stock ($66.69).

(7) Represents health insurance coverage for Mr. Reed and his spouse for a period of 15 years (assuming a life expectancy of 86 years for Mr. Reed and assuming an annual cost of $10,899, which was the cost of such benefit in 2018).

(8) Represents health insurance coverage and physical examination fees for a period of three years.

(9) Represents health insurance coverage for a period of two years.

(10) The awards underlying the amounts set forth under the headings Performance-Based RSU Accelerated Vesting and Time-Based RSU Accelerated Vesting will automatically vest, with performance-based RSU awards vesting at target level, upon a Change of Control (as defined in the applicable omnibus incentive plan and the award agreements issued thereunder), irrespective of whether or not the NEO is terminated in connection with a Change of Control.

Director Compensation

Cash Compensation

Effective as of the 2018 annual meeting of stockholders, each non-employee director receives the following annual cash compensation:

Compensation Item	Amount ($)
Annual Retainer (Independent Directors)	65,000
Lead Independent Director	30,000
Audit Committee Chairman	25,000
Human Resources Committee Chairman	20,000
Nominating and CG Committee Chairman	15,000
Audit Committee Members	10,000
Human Resources Committee Members	10,000
Nominating and CG Committee Members	7,500

The amounts represent an increase from the amounts previously paid to non-employee directors as follows: (1) a $5,000 increase in the annual retainer paid to all non-employee directors; and (2) a $2,500 increase in the annual retainer paid to each member of the Human Resources Committee. The level of annual cash compensation paid to non-employee directors, which was recommended by the Human Resources Committee and approved by the full Board of Directors, was determined based on, among other factors, peer group and general market information provided to the Human Resources Committee by Aon Hewitt.

Directors may elect to defer their cash compensation in the form of RSUs, the receipt of which will be deferred until either a specified date or the director s retirement or resignation from the Board. In 2018, two directors elected to defer cash compensation pursuant to this deferred compensation plan.

All directors are reimbursed for expenses incurred in attending meetings. Mr. Reed does not receive cash compensation for his service as a director.

Equity-Based Compensation

Effective as of the 2018 annual meeting of stockholders, each non-employee director receives, as of the date of the first board meeting following the annual meeting of stockholders, an annual grant of RSUs having a fixed dollar value of $95,000 (based upon the fair market value of our common stock on the grant date). This represents a $15,000 increase from the fixed dollar value in effect prior to the 2018 annual meeting of stockholders. The level of annual equity-based compensation paid to non-employee directors, which was recommended by the Human Resources Committee and approved by the full Board of Directors, was determined based on, among other factors, peer group and general market information provided to the Human Resources Committee by Aon Hewitt.

The RSUs vest fully on the first anniversary of the date of grant and are settled in shares of our common stock on such date, unless receipt of such shares is deferred by the director. Until shares of common stock are issued in conversion of the RSUs, the director does not have any rights as a stockholder with respect to such RSUs, other than the right to receive additional RSUs equal to any dividends paid on our common stock.

Director Stock Ownership Guidelines

We have adopted stock ownership guidelines for our non-employee directors, which require directors to hold a minimum of 6,000 shares of our common stock, with a five-year time period to comply. Shares of common stock issuable upon the vesting of RSUs are credited toward this requirement. If a non-employee director is not currently in compliance with these guidelines (regardless of the applicable grace period for compliance) the non-employee director must retain 50% of the net shares (after satisfying any tax obligations and any required payments upon exercise) received upon vesting of RSUs or the exercise of stock options.

As of January 31, 2019 (the annual compliance date), after taking into account the applicable grace period, all of our non-employee directors then serving in office met this requirement, as follows:

	Required Ownership (#)	Shares Owned(1) (#)
Michael Bender	6,000	25,314
Rachna Bhasin	6,000	4,209
Alvin Bowles	6,000	1,249
Ellen Levine	6,000	28,320
Fazal Merchant	6,000	2,213
Patrick Moore	6,000	8,750
Robert Prather	6,000	28,052
Michael Roth	6,000	37,431

(1) Includes the following shares represented by RSUs held by each director: Mr. Bender: 2,953; Ms. Bhasin 1,249; Mr. Bowles: 1,249; Ms. Levine: 1,249; Mr. Merchant: 2,213; Mr. Moore: 8,750; Mr. Prather: 24,092; and Mr. Roth: 1,249.

2018 Non-Employee Director Compensation Table

The following table summarizes the annual compensation for 2018 for our non-employee directors who served as directors in 2018.

Name (a)	Fees Earned or Paid in Cash(1) ($)(b)	Stock Awards(2) ($)(c)	Option Awards ($)(d)	Non-Equity Incentive Plan Compen-sation ($)(e)	Change in Pension Value and Nonqualified Deferred Compen-sation Earnings(3) ($)(f)	All Other Compen-sation ($)(g)	Total ($)(h)
Michael Bender	90,000	94,985	-	-	-	-	184,985
Rachna Bhasin	72,500	94,985	-	-	-	-	167,485
Alvin Bowles	72,500	94,985	-	-	-	-	167,485
Ellen Levine	78,750	94,985	-	-	-	-	173,735
Fazal Merchant	72,500	94,985	-	-	-	-	167,485

Patrick Moore	91,250	94,985	-	-	-	-	186,235
Robert Prather	81,250	94,985	-	-	-	-	176,235
Michael Roth	116,250	94,985	-	-	-	-	211,235

(1) The amount listed above represents cash compensation paid to the director or amounts which have been deferred by the director, as described above. Compensation for service on the Board and its committees is payable quarterly in arrears. Due to the timing of payments and changes in committee assignments in 2018, these amounts may not correspond to the amounts listed above under *Cash Compensation*. Ms. Pantoya did not become a director until February 22, 2019 and thus did not receive compensation during 2018.

(2) Represents the grant date fair value of the annual grant of 1,210 RSUs to the non-employee directors then serving as directors on May 3, 2018, determined in accordance with FASB ASC Topic 718. See Note 7 to our consolidated financial statements for the three years ended December 31, 2018 filed with the SEC on February 26, 2019 for the assumptions made in determining grant date fair value. As of December 31, 2018, the non-employee directors then serving as directors held the following RSUs (consisting of annual RSU grants, including RSUs previously deferred, and RSUs granted pursuant to the directors deferred compensation plan, as adjusted for dividends paid on our common stock):

Table of Contents

Non-Employee Director	RSUs (#)
Michael Bender	2,926
Rachna Bhasin	1,234
Alvin Bowles	1,234
Ellen Levine	1,234
Fazal Merchant	2,188
Patrick Moore	8,645
Robert Prather	23,792
Michael Roth	1,234

(3) During 2018 two directors elected to defer annual cash compensation pursuant to the directors deferred compensation plan described above. No amount is reported in this column due to the fact that above-market or preferential earnings were not available under the plan.

Table of Contents

Certain Transactions

Since January 1, 2018, there have not been any related person transactions that are required to be disclosed pursuant to Item 404(a) of Regulation S-K under the Securities Exchange Act of 1934.

Our policies and procedures for the review, approval or ratification of related person transactions (including those required to be disclosed under Item 404(a) of SEC Regulation S-K) are referenced in the charter of the Audit Committee of the Board and are as follows: Possible related person transactions are first screened by the company s legal department for

materiality and then sent to the Audit Committee of the Board (or, if otherwise determined by the Board, another committee of the Board) for review, discussion with the company s management and independent registered public accounting firm and approval. In its discretion, the Audit Committee (or other committee) may also consult with our legal department or external legal counsel. Audit Committee (or other committee) review and approval of related person transactions would be evidenced in the minutes of the applicable Audit Committee (or other committee) meeting.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors and persons who beneficially own more than 10% of the outstanding shares of our common stock to file reports of ownership and changes in ownership with the SEC and the NYSE. Based solely on our review of those reports and written representations from our executive officers and directors, we believe that in 2018 all of our executive officers, directors and greater than 10% beneficial owners were in

compliance with all applicable filing requirements, except: (1) a Form 4 for Alvin Bowles reporting the sale of 1,326 shares of common stock was not reported on a timely basis due to an administrative error by the reporting person s broker; and (2) a Form 4 for Michael Bender reporting the acquisition of 4,462 shares of common stock upon the vesting of deferred restricted stock units was not reported on a timely basis due to an administrative error by the company.

Equity Compensation Plan Information

December 31, 2018 Equity Compensation Plan Information Table

The table below includes information about our equity compensation plans as of December 31, 2018:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	378,792[(1)]	-[(1)]	1,452,525
Equity compensation plans not approved by security holders	-	-	-
Total:	378,792[(1)]	-[(1)]	1,452,525

(1) Consists of: 237,112 shares issuable upon the vesting of time-based RSUs, with a weighted-average grant date fair value of $61.42 per share; 126,010 shares issuable upon the vesting of performance-based RSUs, with a weighted-average grant date fair value of $58.01 per share (valuing the 2016 performance-based RSUs at the stretch (150%) level and the remaining performance-based RSUs outstanding at the target (100%) level); and 15,670 shares issuable upon the exercise of stock options (with a weighted-average exercise price of $20.97 per share).

Table of Contents

Our Independent Registered Public Accounting Firm

Appointment of Ernst & Young LLP

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm. The committee has appointed Ernst & Young LLP as our independent registered public accounting firm, who will audit our consolidated financial statements for 2019 and the effectiveness of our internal control over financial reporting as of December 31, 2019. This appointment has been submitted for your ratification. The committee and the Board believe that the continued retention of Ernst & Young LLP as our independent registered public accounting firm is in the best interests of the company and its stockholders. If you do not ratify the appointment of Ernst & Young LLP, the committee will reconsider their appointment. Ernst & Young LLP has served as our independent registered public accounting firm since 2002. Representatives of Ernst & Young LLP will attend the 2019 Annual Meeting and will have an opportunity to speak and respond to your questions.

Fee Information

We paid the following amounts as audit, audit-related, tax and other services fees to Ernst & Young LLP for the years ended December 31, 2018 and 2017:

Description of Services	2018 Fees ($)	2017 Fees ($)
Audit Fees	1,791,074	1,374,274
Audit-Related Fees	152,310	66,411
Tax Fees	606,858	317,930
All Other Fees	-	-
Total:	2,550,242	1,758,615

Audit and Audit-Related Services

The fees for audit services during 2018 and 2017 include fees associated with the audit of our consolidated financial statements, including the audit of internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, issuances of comfort letters and assistance with documents filed with the SEC and reviews of our 2018 and 2017

quarterly financial statements. The fees for audit-related services during 2018 represent fees related to a stand-alone audit of the Gaylord Rockies joint venture (of which we paid our pro-rata share) and a stand-alone audit of our Entertainment business segment. The fees for audit-related services during 2017 represent fees related to a stand-alone audit of our Entertainment business segment and other projects. Ernst & Young LLP did not provide professional services during 2018 or 2017 related to financial information systems design and implementation.

Tax Services

In 2018, approximately 10% of fees for tax services related to general tax compliance matters, tax advice and planning, and tax assistance with respect to our REIT compliance efforts. The remaining 90% of fees for non-recurring tax services in 2018 related primarily to an intracompany entity restructuring and the transaction in which we increased our ownership in the Gaylord Rockies joint venture and the REIT structuring and compliance analysis associated with such joint venture. In 2017, approximately 17% of fees for tax services related to general tax compliance matters, tax advice and planning, and tax assistance, including with respect to our REIT compliance efforts. The remaining 83% of fees for non-recurring tax services in 2017 related primarily to tax advice and planning with respect to the renewal of the intracompany leases associated with our REIT structure and an intracompany entity restructuring. We expect that, due to our REIT status and the nature of our assets (including the Gaylord Rockies joint venture project), tax services fees paid to Ernst & Young LLP in a given year may be higher than those tax services fees paid to Ernst & Young LLP than in years when we were operating as a taxable operating company. However, we believe that the selection of Ernst & Young LLP to provide these REIT-related services, and the amount of fees paid to Ernst & Young LLP in 2018 and 2017 to provide these services, was appropriate and in the best interests of the company and our stockholders given Ernst & Young LLP s expertise and historical knowledge of our company and its organizational structure. We believe this expertise is critical to our ongoing REIT compliance efforts.

Audit Committee Pre-Approval Policy

All audit, audit-related, tax and other services were pre-approved by the committee, which concluded that the provision of such services by Ernst & Young LLP was compatible with the maintenance of that firm s independence in the conduct of its auditing functions. The committee s pre-approval policy provides for pre-approval of audit, audit-related, tax and other services specifically described by the committee on

an annual basis, and individual engagements anticipated to exceed pre-established thresholds must be separately approved. The policy also requires specific approval by the committee if total fees for audit-related and tax services would exceed total fees for audit services in any fiscal year. The policy authorizes the committee to delegate to one or more of its members pre-approval authority with respect to permitted services.

Audit Committee Report

The following report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any of our filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this report by reference therein.

The committee operates under a written charter originally adopted by the Board on February 4, 2004, as amended, which can be found on our website at *www.rymanhp.com* under Corporate Governance on the Investor Relations page. The charter is also available in print to any stockholder who requests it by making a written request addressed to:

Ryman Hospitality Properties, Inc.

Attn: Corporate Secretary

One Gaylord Drive

Nashville, Tennessee 37214

All members of the committee meet the SEC and NYSE definitions of independence and financial literacy for audit committee members. In addition, the Board has determined that Mr. Prather and Mr. Merchant are audit committee financial experts for purposes of SEC rules. During the fall of 2018 the committee conducted its annual self-evaluation in order to assess its effectiveness, and at its December 2018 meeting the committee members discussed the results of its self-evaluation process.

The committee reviews the financial information provided to stockholders and others, oversees the performance of the internal audit function and the system of internal control over financial reporting which management and the Board have established, oversees compliance with legal and regulatory requirements by the company and its employees relating to the preparation of financial information and reviews the independent registered public accounting firm s qualifications, independence and performance.

As part of its oversight of our financial statements, the committee has:

- reviewed and discussed our audited financial statements for the year ended December 31, 2018, and the financial statements for the three years ended December 31, 2018, with management and Ernst & Young LLP, our independent registered public accounting firm;
- discussed with Ernst & Young LLP the matters required to be discussed by applicable requirements of the Public Company Accounting Oversight Board; and
- received the written disclosures and the letter from Ernst & Young LLP required by the applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young LLP s communications with the committee on independence, and has discussed with Ernst & Young LLP its independence.

The committee also has considered whether the provision by Ernst & Young LLP of non-audit services described under *Our Independent Registered Public Accounting Firm* above is compatible with maintaining Ernst & Young LLP s independence.

The committee s review and discussion of the audited financial statements with management included a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. In addressing the quality of management s accounting judgments, members of the committee asked for management s representations that our audited consolidated financial statements have been prepared in conformity with generally accepted accounting principles. In performing these functions, the committee acts in an oversight capacity. In its oversight role, the committee relies on the work and assurances of management, which has the primary responsibility for financial statements and reports, and of Ernst & Young LLP, which in its report expresses an opinion on the conformity of our annual financial statements with generally accepted accounting principles.

In reliance on these reviews and discussions and the report of the independent registered public accounting firm, the committee recommended to the Board that the audited financial statements be included in the company s Annual Report on Form 10-K for the year ended December 31, 2018, for filing with the SEC.

Audit Committee:

Patrick Moore, Chairman

Rachna Bhasin

Alvin Bowles

Fazal Merchant

Robert Prather

Submitting Stockholder Proposals and Nominations for 2020 Annual Meeting

Stockholder Proposals

If you would like to submit a proposal for inclusion in our proxy statement for the 2020 annual meeting under SEC Rule 14a-8, your proposal must be in writing and be received by us at our principal executive offices prior to the close of business on December 4, 2019 and otherwise comply with the requirements of Rule 14a-8.

If you want to bring business before the 2020 annual meeting which is not the subject of a proposal submitted for inclusion in the proxy statement under Rule 14a-8 (excluding director nominations, which are discussed below under *Nominations of Board Candidates*), our Bylaws require that you deliver a notice in proper written form (and provide all information required by our Bylaws) to our Secretary by February 9, 2020, but not before January 10, 2020 (or, if the annual meeting is called for a date that is not within 30 days of May 9, 2020, the notice must be received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs). If the presiding officer at an annual meeting determines that business was not properly brought before the annual meeting in accordance with the procedures set forth in our Bylaws, then the presiding officer will declare to the meeting that your business was not properly brought before the meeting, and your business will not be transacted at that meeting.

Nominations of Board Candidates

If you wish to nominate an individual to serve as a director, our Bylaws require that you deliver timely notice of the nomination in proper written form, as provided by our Bylaws. The notice must include certain biographical information regarding the proposed nominee, a completed written questionnaire with respect to each proposed nominee setting forth the background and qualifications of such proposed nominee (which questionnaire will be provided by the Secretary upon written request), the proposed nominee s written consent to nomination and the additional information as set forth in our Bylaws.

For a stockholder s notice to the Secretary to be timely under our Bylaws, it must be delivered to or mailed and received at our principal executive offices:

(a) in the case of a nomination to be voted on at an annual meeting, by February 9, 2020, but not before January 10, 2020 (or, if the annual meeting is called for a date that is not within 30 days of May 9, 2020, the notice must be received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs); and (b) in the case of a special meeting of stockholders called for the purpose of electing directors, not earlier than the close of

business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs. If the presiding officer at a meeting determines that a nomination was not properly made in accordance with the procedures set forth in our Bylaws, then the presiding officer will declare to the meeting that the nomination was defective, and the defective nomination shall be disregarded.

Discretionary Voting of Proxies on Other Matters

We do not intend to bring any proposals to the 2019 Annual Meeting other than Proposals 1, 2 and 3. As noted above, our Bylaws require stockholders to give advance notice of any proposal intended to be presented at an annual meeting. The deadline for this notice has passed, and we did not receive any such notice made in compliance with our Bylaws. If any other matter properly comes before our stockholders for a vote at the 2019 Annual Meeting, the persons named in the accompanying proxy card intend to vote the shares represented by them in accordance with their best judgment.

By Order of the Board of Directors,

Scott J. Lynn, Secretary

Nashville, Tennessee

April 2, 2019

Appendix A

Reconciliation of Non-GAAP Financial Measures to GAAP Measures

Reconciliation of

AFFO[1]

to Net Income

(in thousands, except per share data)

	Twelve Months Ended December 31, 2018	2017
Net income	$ 264,670	$ 176,100
Depreciation & amortization	120,876	111,959
Pro rata adjustments from joint ventures	(130,524)	71
Funds from operations (FFO)	$ 255,022	$ 288,130
Non-cash lease expense	5,291	5,180
Pension settlement charge	1,559	1,734
Impairment charges	23,783	35,418
Pro rata adjustments from joint ventures	(2,702)	307
Loss on other assets	80	1,097
Write-off of deferred financing costs	1,956	925
Amortization of deferred financing costs	5,632	5,350
Transaction costs on completed acquisitions	993	-
Deferred tax (benefit) expense	10,190	(52,637)
Adjusted funds from operations (AFFO)	$ 301,804	$ 285,504
Capital expenditures[2]	(68,792)	(60,672)
AFFO less maintenance capital expenditures	$ 233,012	$ 224,832
Basic net income per share	$ 5.16	$ 3.44
Diluted net income per share	$ 5.14	$ 3.43
FFO per basic share	$ 4.97	$ 5.63
Adjusted FFO per basic share	$ 5.88	$ 5.58
FFO per diluted share	$ 4.95	$ 5.61
Adjusted FFO per diluted share	$ 5.86	$ 5.56

(1) We calculate FFO, which definition was clarified by NAREIT in its December 2018 white paper as net income (calculated in accordance with GAAP) excluding depreciation and amortization (excluding amortization of deferred financing costs and debt discounts), gains and losses from the sale of certain real estate assets, gains and losses from a change in control, impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciated real estate held by the entity, income (loss) from consolidated joint ventures attributable to noncontrolling interest, and pro rata adjustments for unconsolidated joint ventures. The clarifications did not change our calculation of FFO and Adjusted FFO for any historical period. To calculate Adjusted FFO, we then exclude, to the extent the following adjustments occurred during the periods presented, impairment charges that do not meet the NAREIT definition above; write-offs of deferred financing costs, non-cash ground lease expense, amortization of debt discounts and amortization of deferred financing costs, pension settlement charges, additional pro rata adjustments from joint ventures, (gains) losses on other assets, transaction costs on completed acquisitions, deferred income tax expense (benefit), and (gains) losses on extinguishment of debt and warrant settlements. We believe that the presentation of Adjusted FFO provides useful information to investors regarding the performance of our ongoing operations because it is a measure of our operations without regard to specified non-cash items such as real estate depreciation and amortization, gain or loss on sale of assets and certain other items which we believe are not indicative of the performance of our underlying hotel properties. We believe that these items are more representative of our asset base than our ongoing operations. We also use Adjusted FFO as a measure in determining our results after taking into account the impact of our capital structure.

(2) Represents furniture, fixtures and equipment reserve for managed properties and maintenance capital expenditures for non-managed properties.

Reconciliation of Consolidated Adjusted EBITDA[1] to Net Income

(in thousands)

	Twelve Months Ended December 31, 2018	2017
Consolidated		
Revenue	$ 1,275,118	$ 1,184,719
Net Income	$ 264,670	$ 176,100
Provision (benefit) for income taxes	11,745	(49,155)
Other (gains) and losses, net	(1,633)	337
(Gain) loss from joint ventures	(125,005)	4,402
Interest expense, net	64,492	54,233
Operating Income	214,269	185,917
Depreciation & amortization	120,876	111,959
Preopening costs	4,869	1,926
Non-cash ground lease expense	5,291	5,180
Equity-based compensation expense	7,656	6,636
Pension settlement charge	1,559	1,734
Impairment charges	23,783	35,418
Interest income on Gaylord National bonds	10,128	11,639
Pro rata adjusted EBITDA from joint ventures	(2.394)	(323)
Transaction costs on completed acquisitions	993	-
Other gains and (losses), net	1,633	(337)
Loss on disposal of assets	115	1,090
Consolidated Adjusted EBITDA	$ 388,778	$ 360,839

(1) To calculate Adjusted EBITDA, we first determine Operating Income, which represents Net Income (loss) determined in accordance with GAAP, plus, to the extent the following adjustments occurred during the periods presented: loss (income) from discontinued operations, net; provision (benefit) for income taxes; other (gains) and losses, net; loss on extinguishment of debt; (income) loss from joint ventures; and interest expense, net. Adjusted EBITDA is then calculated as Operating Income, plus, to the extent the following adjustments occurred during the periods presented: depreciation and amortization; preopening costs; non-cash ground lease expense; equity-based compensation expense; impairment charges; any transaction costs of completed acquisitions; interest income on bonds; other gains and (losses), net; (gains) losses on warrant settlements; pension settlement charges; pro rata Adjusted EBITDA from unconsolidated joint ventures; (gains) losses on the disposal of assets; and any other adjustments we have identified. We believe Adjusted EBITDA is useful to investors in evaluating our operating performance because this measure helps investors evaluate and compare the results of our operations from period

to period by removing the impact of our capital structure (primarily interest expense) and our asset base (primarily depreciation and amortization) from our operating results.

A-2

Table of Contents

RYMAN HOSPITALITY PROPERTIES, INC.

ONE GAYLORD DRIVE

NASHVILLE, TN 37214

VOTE BY INTERNET - www.proxyvote.com or scan the QR Barcode above

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on May 8, 2019 (for shares in the Company s 401(k) Savings Plan, the voting deadline is 11:59 P.M. Eastern Time on May 7, 2019). Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on May 8, 2019 (for shares in the Company s 401(k) Savings Plan, the voting deadline is 11:59 P.M. Eastern Time on May 7, 2019). Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

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

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

E57216-P17395 KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

RYMAN HOSPITALITY PROPERTIES, INC.

The Board of Directors recommends you vote FOR the following:

1. Election of Directors

Nominees:	**For**	**Against**	**Abstain**
1a. Rachna Bhasin			
1b. Alvin Bowles Jr.			
1c. Fazal Merchant			
1d. Patrick Q. Moore			
1e. Christine Pantoya			
1f. Robert S. Prather, Jr.			
1g. Colin V. Reed			
1h. Michael I. Roth			

The Board of Directors recommends you vote FOR proposals 2 and 3.	**For**	**Against**	**Abstain**
2. To approve, on an advisory basis, the Company s executive compensation.			
3. To ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for fiscal year 2019.			

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

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

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date

Table of Contents

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

The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com.

E57217-P17395

RYMAN HOSPITALITY PROPERTIES, INC.

Annual Meeting of Stockholders

May 9, 2019 10:00 A.M.

This proxy is solicited by the Board of Directors

The stockholder(s) hereby appoint(s) Colin V. Reed, Michael I. Roth and Scott J. Lynn, and each of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of RYMAN HOSPITALITY PROPERTIES, INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 10:00 A.M., Central Time on May 9, 2019, at the Gaylord Opryland Resort and Convention Center, 2800 Opryland Drive, Nashville, TN 37214, and any adjournment or postponement thereof. In their discretion the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting of Stockholders or any postponement or adjournment thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors recommendations. This proxy also provides voting instructions for shares held by Lincoln Financial Group, the Trustee for the Company s 401(k) Savings Plan, and directs such Trustee to vote, as indicated on the reverse side of this card, any shares allocated to the account in this plan. The Trustee will vote these shares as you direct. The Trustee will vote allocated shares of the Company s stock for which proxies are not received in direct proportion to voting by allocated shares for which proxies are received. This card should be voted by 11:59 P.M. Eastern Time on May 7, 2019, for the Trustee to vote the plan shares.

Continued and to be signed on reverse side