

ASHFORD HOSPITALITY TRUST INC  
Form DEF 14A  
April 17, 2018

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No.        )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**Ashford Hospitality Trust, Inc.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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o Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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**2018 Proxy Statement  
Annual Meeting of Stockholders**

**Tuesday, May 15, 2018  
9:00 a.m., Central Time**

**Dallas/Fort Worth Airport Marriott  
8440 Freeport Pkwy  
Irving, Texas 75063**

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April 17, 2018

Dear Stockholders of Ashford Hospitality Trust, Inc.:

On behalf of the Board of Directors of Ashford Hospitality Trust, Inc., I cordially invite you to attend the 2018 annual meeting of stockholders of your company, which will be held at 9:00 a.m., Central time, on Tuesday, May 15, 2018.

As for our 2017 highlights, at year-end, our portfolio consisted of 120 hotels containing 25,031 net rooms spread across 31 states. We believe our geographic diversity, combined with the fact that no major market represents more than 10% of our EBITDA, provides economic balance and reduces risk. Turning to our financial performance for 2017, comparable RevPAR for our hotels increased 1.8% to \$123.47, driven by a 1.4% increase in rate and a 0.4% improvement in occupancy. We are also pleased to report the fourth straight year of increasing our RevPAR penetration index, which we believe is evidence of strong hotel operations and the benefits of our capital refreshes at the hotels. Although we had a net loss of \$88.8 million for 2017, our Adjusted EBITDA available to the Company and OP unitholders for 2017 totaled \$419.2 million, and, while we had a net loss per share of \$1.30 in 2017, our AFFO per share was \$1.37. Our performance, as reflected by such RevPAR, Adjusted EBITDA and AFFO per share performance in 2017, emphasizes the quality of our portfolio as well as the strength of our asset management capabilities. See Annex A to this proxy statement below for more information about such Adjusted EBITDA and AFFO per share.

Our business is managed with the oversight and direction of our Board of Directors, which regularly considers the optimal strategy for the strategic advancement and growth of our Company and the long-term interests of our stockholders. When making decisions, our Board of Directors considers the views of our stockholders. To understand our stockholders' views about our company, our management team conducts outreach and engagement with our stockholders throughout the year and regularly provides our Board with management's summaries of stockholder feedback. In our latest effort to promote transparency and accountability, we have redesigned our proxy statement for 2018 to make the information in it more accessible to, and understandable by, investors.

We encourage you to review the proxy statement and to return your proxy card as soon as possible so that your shares will be represented at the meeting.

Thank you.

Sincerely,

Monty J. Bennett  
*Founder and Chairman of the Board*

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**Notice of Annual Meeting of Stockholders of  
Ashford Hospitality Trust, Inc.**

**Meeting Date:** Tuesday, May 15, 2018

**Meeting Time:** 9:00 a.m., Central time

**Meeting Location:** Dallas/Fort Worth Airport Marriott  
8440 Freeport Pkwy  
Irving, Texas 75063

**Meeting Agenda**

1. Election of seven directors;
2. Advisory approval of our executive compensation;
3. Ratification of the appointment of BDO USA, LLP as our independent auditors for 2018; and
4. Transaction of any other business that may properly come before the annual meeting.

**Record Date**

You may vote at the 2018 annual meeting of stockholders the shares of common stock of which you were the holder of record at the close of business on March 29, 2018.

**Review your proxy statement and vote in one of the four ways:**

In person: Attend the Annual Meeting and vote by ballot.

By telephone: Call the telephone number and follow the instructions on your proxy card.

Via the internet: Go to the website address shown on your proxy card and follow the instructions on the website.

By mail: Mark, sign, date and return the enclosed proxy card in the postage-paid envelop.

By order of the Board of Directors,

Deric S. Eubanks,  
*Chief Financial Officer*

14185 Dallas Parkway, Suite 1100  
Dallas, Texas 75254  
April 17, 2018

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2018 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 15, 2018.**

The Company's Proxy Statement for the 2018 Annual Meeting of Stockholders, the Annual Report to Stockholders for the fiscal year ended December 31, 2017, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, are available at [www.ahtreit.com](http://www.ahtreit.com) by clicking "INVESTOR," then "Financial Reports & SEC Filings," and then "Annual Meeting Material."



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**SUMMARY**

This summary highlights selected information contained in this proxy statement, but it does not contain all the information you should consider in determining how to vote your shares of our common stock at the 2018 annual meeting of stockholders of the Company. We urge you to read the entire proxy statement before you vote. This proxy statement was first mailed to stockholders on or about April 17, 2018.

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Ashford Hospitality Trust, Inc. of proxies to be voted at our annual meeting of stockholders.

In this proxy statement:

"*we*," "*our*," "*us*," "*Ashford Trust*," and the "*Company*" each refers to Ashford Hospitality Trust, Inc., a Maryland corporation and real estate investment trust ("*REIT*"), shares of the common stock of which are listed for trading on the New York Stock Exchange ("*NYSE*") under the ticker symbol "AHT";

"*Annual Meeting*" refers to the 2018 annual meeting of stockholders of the Company;

"*Ashford Prime*" refers to Ashford Hospitality Prime, Inc. (NYSE: AHP), a Maryland corporation and REIT that we spun off in November 2013;

"*Ashford Inc.*" refers to Ashford Inc. (NYSE: AINC), a Maryland corporation that we spun off in November 2014;

"*Ashford LLC*" refers to Ashford Hospitality Advisors, LLC, a Delaware limited liability company and a subsidiary of Ashford Inc.;

"*Board*" refers to the Board of Directors of Ashford Hospitality Trust, Inc.; and

"*Remington*" refers to Remington Lodging & Hospitality, LLC, a Delaware limited liability company that is our property management company. Remington is owned by Mr. Monty J. Bennett, Chairman of our Board, and his father, Mr. Archie Bennett, Jr., Chairman Emeritus of Ashford Trust. Mr. Monty Bennett also serves as the Chief Executive Officer of Remington, Chief Executive Officer and Chairman of Ashford Inc. and Chairman of Ashford Prime.

Ashford Inc. and Ashford LLC together serve as our external advisor. In this proxy statement, we refer to Ashford Inc. and Ashford LLC collectively as our "*advisor*."

**Annual Meeting of Stockholders**

<b>Time and Date</b>	<b>Record Date</b>
9:00 a.m., Central time, May 15, 2018	March 29, 2018

<b>Place</b>	<b>Number of Common Shares Eligible to Vote at the Annual Meeting as of March 28, 2018</b>
Dallas/Fort Worth Airport Marriott 8440 Freepoint Pkwy Irving, Texas 75063	98,153,889



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<b>Matter</b>	<b>Board Recommendation</b>	<b>Page Reference (for more detail)</b>
Election of Directors	ü For each director nominee	8
Advisory Approval of Executive Compensation	ü For	48
Ratification of Appointment of BDO USA, LLP	ü For	50

**Board Nominees**

The following table provides summary information about each director nominee. All directors of the Company are elected annually by a majority of the votes cast at the Company's Annual Meeting.

<b>Name, Age</b>	<b>Director Since</b>	<b>Principal Occupation</b>	<b>Committee Memberships*</b>					<b>Other U.S. Public Company Boards</b>
			<b>A</b>	<b>NCG</b>	<b>C</b>	<b>RC</b>	<b>AC</b>	
Monty J. Bennett, 53	2003	Chairman of Ashford Trust; Chairman and CEO of Ashford Inc.; Chairman of Ashford Prime; CEO of Remington						Ashford Inc., Ashford Prime
Benjamin J. Ansell, M.D., 50 (L)	2009	Chairman and founder of UCLA Executive Health Program; Founder and Director of UCLA Medical Hospitality					F	
Amish Gupta, 38	2014	Chief Operating Officer of RETC, Limited Partnership						
Kamal Jafarnia, 61	2013	Attorney at Law; Former Senior Vice President of W.P. Carey, Inc., Senior Vice President of W.P. Carey Credit Advisors, LLC, and Chief Compliance Officer and General Counsel of Carey Financial, LLC						
Frederick J. Kleisner, 72	2016	Retired CEO of Morgans Hotel Group Co.						Caesars Entertainment Corporation and Kindred Healthcare, Inc.
Sheri L. Pantermuehl, 62		Chief Financial Officer of Alan Ritchey Inc.						
Alan L. Tallis, 72	2013	Principal of Alan L. Tallis & Associates and Founding Director of Cruise Inns, LLC					F	

\*

Reflects current committee membership of current directors standing for re-election only and is not intended to imply any future committee membership after the election of our directors at the Annual Meeting. Our Board, in consultation with the Nominating and Corporate Governance Committee, will determine the appropriate committee membership for the forthcoming year shortly after the completion of the Annual Meeting.

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A: Audit Committee

NCG: Nominating and Corporate Governance Committee

C: Compensation Committee

RC: Related Party Transactions Committee

AC: Acquisitions Committee

L: Lead Director

F: Audit Committee financial expert

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**Summary of Director Diversity and Experience**

Our Board embodies a broad and diverse set of experiences, qualifications, attributes and skills. Below is a brief summary of some of the attributes, skills and experience of our director nominees. For a more complete description of each director nominee's qualifications, please see their biographics starting on page 10.

**Corporate Governance Highlights**

We are committed to the values of effective corporate governance and high ethical standards. Our Board believes that these values are conducive to the strong performance of the Company and creating long-term stockholder value. Our governance framework gives our independent directors the structure necessary to provide oversight, direction, advice and counsel to the management of the Company. This framework is described in more detail in our corporate governance guidelines and codes of conduct, which can be found in the governance documents section of our website at [www.ahtreit.com](http://www.ahtreit.com). As reflected below, in recent years, we have made a number of improvements to our corporate governance framework.

**Recent Developments in  
2016 and 2017**

Separated the roles of Chairman and CEO

Lowered the threshold for stockholders to call a special meeting of stockholders to 30% from 35% of all the votes entitled to be cast on such meeting

Established a minimum vesting period of 12 months for stock options and the stock appreciation rights granted pursuant to our equity incentive plan

Increased the stock ownership requirement for the Company's directors from 3x his or her annual board retainer fee to 4x his or her annual board retainer fee

Redesigned proxy statement to be more readable and useful for stockholders

**Board Independence**

All directors except our Chairman are independent

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**Board Committees**

Five Board committees:

Audit Committee

Compensation Committee

Nominating and Corporate Governance Committee

Related Party Transactions Committee

Acquisitions Committee

All committees, except the Acquisitions Committee, composed entirely of independent directors

At least two Audit Committee members are "financial experts"

**Leadership Structure**

Chairman of the Board separate from CEO

**Risk Oversight**

Independent and empowered Lead Director with broadly defined authority and responsibilities

Regular Board review of enterprise risk management and related policies, processes and controls

**Open Communication**

Board committees exercise oversight of risk for matters within their purview

We encourage open communication and strong working relationships among the Lead Director, Chairman, CEO and other directors and officers

**Stock Ownership**

Our directors have direct access to management and employees

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Mandatory stock ownership and equity award retention guidelines for directors and executives

our directors are required to own our common stock in excess of 4x the annual board retainer fee

our CEO is required to own our common stock in excess of 6x his annual base salary

our President (if not the CEO) is required to own our common stock in excess of 4x his annual base salary

our other executive officers are required to own our common stock in excess of 3x his or her annual base salary

our directors and executive officers are required to retain at least 50% of the after-tax stock awards until the required ownership levels described above have been met

Comprehensive insider trading policy

Prohibitions on hedging and pledging transactions



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**Accountability to Stockholders**

Directors elected by majority vote in uncontested director elections

We have a non-classified Board and elect every director annually

We do not have a stockholder rights plan

We have opted out of the Maryland Control Share Acquisition Act (which had provided certain takeover defenses)

We have not elected to be subject to the provisions of the Maryland Unsolicited Takeover Act, which would have permitted our Board to classify itself without a stockholder vote

Stockholders holding a stated percentage of our outstanding voting shares may call special meetings of stockholders

**Board Practices**

Board receives quarterly updates from management interaction with stockholders and prospective investors

Robust annual Board and committee self-evaluation process

Mandatory director retirement at age 70 unless waived by the Board

Balanced and diverse Board composition

Limits on outside public company board service

**Conflicts of Interest**

Matters relating to our advisor or any other related party are subject to the approval of our independent directors

**2017 Performance Highlights**

In 2017, we continued to implement strategies in an effort to enhance stockholder value which were endorsed by management and the Board. Our investment strategy focuses predominantly on upper upscale full-service hotels. We seek to maintain targeted debt and cash levels. We intend to exercise disciplined capital management with respect to equity and debt initiatives. We seek to achieve superior long-term total shareholder returns.

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As for our 2017 highlights, at year-end, our portfolio consisted of 120 hotels containing 25,031 net rooms spread across 31 states. We believe our geographic diversity, combined with the fact that no major market represents more than 10% of our EBITDA, provides economic balance and reduces risk. Turning to our financial performance for 2017, comparable RevPAR for our hotels increased 1.8% to \$123.47, driven by a 1.4% increase in rate and a 0.4% improvement in occupancy. We are also pleased to report the fourth straight year of increasing our RevPAR penetration index, which we believe is evidence of strong hotel operations and the benefits of our capital refreshes at the hotels. Although we had a net loss of \$88.8 million for 2017, our Adjusted EBITDA available to the Company and OP unitholders for 2017 totaled \$419.2 million, and, while we had a net loss of \$1.30 per share in 2017, our AFFO per share attributable to common stockholders and OP unitholders was \$1.37. Our performance, as reflected by our

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RevPAR, Adjusted EBITDA and AFFO per share performance in 2017, emphasizes the quality of our portfolio as well as the strength of our asset management capabilities.

<b>2017 Financial Highlights:</b>	<b>Aligned Interests:</b>	<b>Hotel Portfolio:</b>	<b>Capital Markets:</b>
\$419.2 Million Adjusted EBITDA	19% Insider Ownership Exceeds Peer Average By Approximately Six Times	120 Hotels 25,031 Net Rooms Spread Across 31 States	Raised \$230m Preferred Equity and Used Proceeds to Complete Redemption of Series A and Partial Redemption of Series D resulting in \$1.2 Million of Annual Dividend Savings
\$1.37 AFFO Per Share	Motivates our performance and continues to be one of our many key differentiators	Geographic Diversity No Major Market Represents More Than 10% of EBITDA	
\$459 Million Net Working Capital		Comparable RevPAR Increased 1.8% to \$123.47, driven by 1.4% Increase in Rate and 0.4% Improvement in Occupancy	Refinanced 4 Loans, 21 Hotels resulting in \$705 Million Refinanced, \$74 Million of Excess Proceeds and Expected \$13 Million Annual Principal and Interest Savings Relative to Previous Loan Terms
7.1% Common Dividend Yield One of Highest in Industry		4th Straight Year of Increasing RevPAR Penetration Index	

Our Adjusted EBITDA available to the Company and OP unitholders for 2017 and our AFFO per share attributable to common stockholder and OP unitholders for 2017 are non-GAAP financial measures as defined in the SEC rules. See Annex A to this proxy statement for more information about such Adjusted EBITDA and AFFO per share.

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**PROPOSAL NUMBER ONE ELECTION OF DIRECTORS**

All of our directors are elected annually by our stockholders. Our Nominating and Corporate Governance Committee has recommended, and our Board has nominated Monty J. Bennett, Benjamin J. Ansell, M.D., Amish Gupta, Kamal Jafarnia, Frederick J. Kleisner, Sheri L. Pantermuehl and Alan L. Tallis for election as our directors.

Each of the persons nominated as director who receives a majority vote at the Annual Meeting will serve until the next annual meeting of stockholders and until their successors are duly elected and qualified. Under the terms of our bylaws, in uncontested elections of directors of our Company, a nominee is elected as a director by the affirmative vote of a majority of the votes cast in the election for that nominee (with abstentions and broker nonvotes not counted as a vote cast either for or against that director's election), at the meeting of stockholders at which such election occurs. Under our corporate governance guidelines, if an incumbent director who is a nominee for reelection does not receive the affirmative vote of the holders of a majority of the shares of common stock so voted for such nominee, such incumbent director must promptly tender his or her resignation as a director for consideration by the Nominating and Corporate Governance Committee of our Board and ultimate decision by the Board. The Nominating and Corporate Governance Committee will promptly consider any such tendered resignation and will make a recommendation to our Board as to whether such tendered resignation should be accepted or rejected, or whether other action should be taken with respect to such offer to resign. Any incumbent director whose tendered resignation is under consideration may not participate in any deliberation or vote of the Nominating and Corporate Governance Committee or our Board regarding such tendered resignation. The Nominating and Corporate Governance Committee and our Board may consider any factors they deem relevant in deciding whether to accept, reject or take other action with respect to any such tendered resignation. Within ninety (90) days after the date on which certification of the stockholder vote on the election of directors is made, our Board will publicly disclose its decision and rationale regarding whether to accept, reject or take other action with respect to the tendered resignation. If any incumbent director's tendered resignation is not accepted by our Board, such director will continue to serve until the next annual meeting of stockholders and until his or her successor is elected and qualified or his or her earlier death or resignation.

Set forth below are the names, principal occupations, committee memberships, ages, directorships held with other companies, if any, and other biographical data for each of the seven nominees for director, as well as the month and year each nominee first began his service on our Board. For a discussion of such person's beneficial ownership of our common stock, see the "Security Ownership of Management and Certain Beneficial Owners" section of this proxy statement.

If any nominee becomes unable to stand for election as a director, an event that our Board does not presently expect, our Board reserves the right to nominate substitute nominees prior to the meeting. In such a case, the Company will file an amended proxy statement that will identify each substitute nominee, disclose whether such nominee has consented to being named in such revised proxy statement and to serve, if elected, and include such other disclosure relating to such nominee as may be required under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*").

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**Our Board unanimously recommends a vote FOR all nominees.**

**Nominees for Election as Directors**

**MONTY J. BENNETT**

Age: 53

Director since 2003

Committees:

Acquisitions (chair)

Mr. Monty Bennett was first elected to our Board in May 2003 and has served as a director of the Company since that time and served as our Chief Executive Officer from that time until February 2017. Effective in January 2013, Mr. Bennett was appointed as the Chairman of our Board. Prior to January 2009, Mr. Bennett also served as our President. Mr. Bennett currently serves as the chairman of our Acquisitions Committee. Mr. Bennett also currently serves as Chief Executive Officer and Chairman of the Board of Directors of Ashford Inc., where he has served in such capacities since November 2014, and as Chairman of the Board of Ashford Prime since April 2013. Mr. Bennett also served as Chief Executive Officer of Ashford Prime from April 2013 until November 2016. Mr. Bennett also serves as the Chairman of Ashford Investment Management, LLC ("*AIM*"), an investment fund platform and an indirect subsidiary of Ashford Inc., and as Chief Executive Officer of Remington Holdings, LP. Mr. Bennett joined Remington Hotel Corporation in 1992 and has served in several key positions, such as President, Executive Vice President, Director of Information Systems, General Manager and Operations Director.

Mr. Bennett holds a Master's degree in Business Administration from the S.C. Johnson Graduate School of Management at Cornell University and a Bachelor of Science degree with distinction from the Cornell School of Hotel Administration. He is a life member of the Cornell Hotel Society. He has over 20 years of experience in the hotel industry and has experience in virtually all aspects of the hospitality industry, including hotel ownership, finance, operations, development, asset management and project management. He is a member of the American Hotel & Lodging Association's Industry Real Estate Finance Advisory Council (IREFAC), and is on the Advisory Editorial Board for GlobalHotelNetwork.com. He is also a member of the Chief Executive Officer Fiscal Leadership Council for Fix the Debt, a non-partisan group dedicated to reducing the nation's federal debt level and on the advisory board of Texans for Education Reform. Formerly, Mr. Bennett was a member of Marriott's Owner Advisory Council and Hilton's Embassy Suites Franchise Advisory Council.

Mr. Bennett is a frequent speaker and panelist for various hotel development and industry conferences, including the NYU Lodging Conference and the Americas Lodging Investment Summit conferences. Mr. Bennett received the Top-Performing CEO Award from HVS for 2011. This award is presented each year to the Chief Executive Officer in the hospitality industry who offers the best value to stockholders based on HVS's pay-for-performance model. The model compares financial results relative to Chief Executive Officer compensation, as well as stock appreciation, company growth and increases in EBITDA.

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**Skills, Qualifications, Attributes and Experience:** Mr. Bennett's extensive industry experience as well as the strong and consistent leadership qualities he has displayed in his prior role as the Chief Executive Officer and a director of the Company and his experience with, and knowledge of the Company and its operations gained in those roles and in his role as Chief Executive Officer and director of Ashford Inc. since the inception of such entities are vital qualifications and skills that make him uniquely qualified to serve as a director of the Company and as the Chairman of our Board.

**BENJAMIN J. ANSELL, M.D.**

Age: 50  
Director since 2009  
Independent  
Lead Director  
Committees:

Dr. Ansell was first elected to our Board in May 2009 and currently serves as our lead independent director ("**Lead Director**"). Dr. Ansell currently serves as a member of our Audit and Acquisitions Committees. Dr. Ansell is the founder of and current Director and Chairman of the Board of the UCLA Executive Health Program, where he has been responsible for marketing and selling executive health program services to more than 20 Fortune 500 companies and 4,000 individual customers. Dr. Ansell also founded and serves as the Director of UCLA Medical Hospitality, which coordinates health services, concierge and some hospitality functions within the UCLA Health System. Dr. Ansell is also a senior practice physician within the UCLA Health System specializing in cardiovascular disease prevention and early detection strategies. Over the past two decades, Dr. Ansell has acted as senior advisor to the pharmaceutical industry and financial community with respect to U.S. marketing, sales and branding strategies for cardiovascular medication.

Audit

Dr. Ansell received a dual undergraduate degree with distinction in Biology and as a College Scholar in Music from Cornell University, followed by his Doctor of Medicine from the UCLA School of Medicine. Dr. Ansell successfully completed the director certification program at the UCLA Anderson Graduate School of Management in 2009.

Acquisitions

Audit Committee Financial Expert

**Skills, Qualifications, Attributes and Experience:** Dr. Ansell has significant entrepreneurial and management experience including brand development and positioning, sales and marketing, finance and establishing strategic relationships with both corporate and individual clients and customers that are beneficial in his service on the Board. In addition, Dr. Ansell brings his experience with, and knowledge of, the Company and its operations gained as a director of the Company since May 2009 to his role as a director of the Company.

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**AMISH GUPTA**

Age: 38  
 Director since 2014  
 Independent  
 Committees:

Mr. Gupta was first elected to our Board in May 2014 and currently serves as the chairman of our Related Party Transactions Committee, and as a member of our Nominating and Corporate Governance Committee and our Acquisitions Committee. Mr. Gupta is currently the Chief Operating Officer of RETC, Limited Partnership, a property tax advisory firm that has represented over \$20 billion in asset value nationally. He has led RETC since 2010, where he is responsible for overall operations and strategy. Prior to joining RETC, Mr. Gupta served as a real estate associate at The Carlyle Group, a private equity firm headquartered in Washington D.C. with more than \$189 billion in assets under management, for three years. Mr. Gupta received his MBA from the Kellogg School of Management and his BA from Emory University.

Related Party Transactions (chair)

**Skills, Qualifications, Attributes and Experience:** Mr. Gupta's extensive real estate experience, stemming from his experience with the RETC and the Carlyle Group, combined with his business acumen, generate valuable insights into the economic environment of the real estate industry for the Board. In addition, Mr. Gupta brings his experience with, and knowledge of, the Company and its operations gained as a director of the Company since May 2014 to his role as a director of the Company.

Nominating and Corporate Governance

Acquisitions

**KAMAL JAFARNIA**

Age: 51  
 Director since 2013  
 Independent  
 Committees:

Mr. Jafarnia was appointed to our Board effective January 2013 and currently serves as chairman of our Nominating and Corporate Governance Committee and as a member of our Compensation Committee. Mr. Jafarnia is a seasoned corporate and securities attorney and a financial services industry veteran who most recently had served as Senior Vice President of W.P. Carey Inc., as well as Senior Vice President and Chief Compliance Officer of Carey Credit Advisors, Inc. from October 2014 to December 2017. He was also Executive Vice President, Chief Compliance Officer and General Counsel of Carey Financial, LLC during the same period. Prior to joining W. P. Carey Inc., he served as Counsel to two American Lawyer Global 100 law firms in New York. From March 2014 to October 2014, he served as Counsel in the REIT practice group at the law firm of Greenberg Traurig, LLP. From August 2012 to March 2014, Mr. Jafarnia served as Counsel in the Financial Services & Products Group and was a member of the REIT practice group of Alston & Bird, LLP. Before his tenure at these firms, Mr. Jafarnia served as a senior executive, in-house counsel, and Chief Compliance Officer for several alternative investment program sponsors. Between 2008 and 2012, he served as counsel at American Realty Capital, a real estate investment program sponsor, and served as Chief Compliance Officer of its affiliated broker-dealer, Realty Capital Securities, LLC. Mr. Jafarnia received his JD from Temple University School of Law and LLM in securities and financial regulation from Georgetown University. Mr. Jafarnia is a licensed attorney admitted to practice law in four states and the District of Columbia and has spent a majority of his career specifically as a regulatory compliance officer.

Nominating and Corporate Governance  
 (chair)

Compensation





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**Skills, Qualifications, Attributes and Experience:** Mr. Jafarnia has over 20 years of experience in the real estate and financial services industry as an attorney, owner, principal, compliance officer and executive. His experience in these multiple roles provides unique perspectives and benefits to the Board, including specifically with respect to regulatory compliance. Mr. Jafarnia also has and maintains numerous relationships in the real estate industry that may be beneficial to his service on the Board. In addition, Mr. Jafarnia brings his experience with, and knowledge of, the Company and its operations gained as a director of the Company since May 2013 to his role as a director of the Company.

**FREDERICK J. KLEISNER**

Age: 72  
 Director since 2016  
 Independent  
 Committees:

Compensation

Mr. Kleisner was appointed to our Board in September 2016. Mr. Kleisner held a long illustrious career in the industry, serving as President and a director of Hard Rock Hotel Holdings, LLC, a destination casino and resort company, from October 2007 until March 2011. He also served as President and Chief Executive Officer (including interim President and Chief Executive Officer) of Morgans Hotel Group Co. (NASDAQ: MHGC), or Morgans, a hospitality company, from September 2007 until December 2009, and as Morgans' Chief Executive Officer from December 2009 until March 2011, and as a director from February 2006 to March 2011. Prior to his time at Morgans, Mr. Kleisner was the Chairman and Chief Executive Officer of Rex Advisors, LLC, a hotel advisory firm from January 2006 to September 2007. Mr. Kleisner served as President, Chief Operating Officer and, from March 2000 to August 2005, Chief Executive Officer of Wyndham International, Inc., or Wyndham International, a global hotel company, and as Chairman from 2000 to 2005. He served as President and Chief Operating Officer of The Americas for Starwood Hotels & Resorts Worldwide, Inc. Hotel Group from January 1998 to August 1999. He has held senior positions with Westin Hotels and Resorts Worldwide, where he served as President and Chief Operating Officer from 1995 to 1998; Interstate Hotels Company, where he served as Executive Vice President and Group President of Operations from 1990 to 1995; the ITT Sheraton Corporation, where he served as Senior Vice President, Director of Operations, North America Division-East from 1985 to 1990; and Hilton Hotels, Corp. where for 16 years he served as General Manager of several landmark hotels.

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Mr. Kleisner currently serves as a director of Caesars Entertainment Corporation (NASDAQ: CZR) since 2013 and of Kindred Healthcare, Inc. (NYSE: KND) since 2009. From July 2011 to August 2016, Mr. Kleisner served as a director of Apollo Residential Mortgage, Inc. (formerly NYSE: AMTG), a real estate investment trust. From November 2007 to August 2010, Mr. Kleisner served as a director of Innkeepers USA Trust, a subsidiary of Apollo Investment Corporation (NASDAQ: AINV).

Mr. Kleisner graduated from Michigan State University with a BA in Hotel Management, and currently serves as a Real Estate Investment Management Advisory Board member of Michigan State University's Eli Broad College of Business, School of Hospitality Business. He also completed advanced studies at the University of Virginia, Darden School of Business and attended the Catholic University of America.

**Skills, Qualifications, Attributes and Experience:** Mr. Kleisner's extensive, impressive experience in the management and operation of companies in the hospitality industry enable him to provide the Board with a wealth of knowledge regarding operational issues facing companies in the hospitality industry and a business acumen essential to guiding the Company's strategy.

**SHERI L. PANTERMUEHL**

Age: 62

Ms. Pantermuehl has been nominated by our Board for election as a director at our Annual Meeting. Ms. Pantermuehl has been serving as the Chief Financial Officer of Alan Ritchey, Inc. since May 2015, which has operations in the transportation and agriculture segments. From February 2011 to April 2015, Ms. Pantermuehl performed back office functions and acted as the Chief Financial Officer for a number of small to medium size firms, including a software development/document imaging firm and a bio-technology firm. From April 2007 to January 2011, Ms. Pantermuehl served as Controller and Chief Financial Officer of Riptide Worldwide, Inc. Prior to that, Ms. Pantermuehl served as the Chief Financial Officer of Intrametrix Corporation and Vertical Computer Systems, Inc., and as Director of Finance of Blockbuster, Inc. Ms. Pantermuehl is a former Treasurer and member of the board of directors of the Arthritis Foundation.

Ms. Pantermuehl received a bachelor's degree in Business Administration with an emphasis in Accounting and Finance from Texas A&M University and graduated *magna cum laude*. She has been a Certified Public Accountant since 1981, currently inactive status.

**Skills, Qualifications, Attributes and Experience:** As a financial executive with over 25 years of experience as chief financial officer/controller of different companies and an innovative leader with significant successes in reducing operational costs and implementing effective strategies for business growth, Ms. Pantermuehl will be a valued member of the Board.

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**ALAN L. TALLIS**

Age: 72

Director since 2013

Independent

Committees:

Compensation (chair)

Related Party Transactions

Audit

Audit Committee Financial Expert

Mr. Tallis has served on our Board since his appointment in January 2013. Mr. Tallis currently serves as the chairman of our Compensation Committee and as a member of our Audit and Related Party Transactions Committees. Mr. Tallis is currently principal of Alan L. Tallis & Associates, a consulting firm principally engaged in serving the lodging industry. He is also Founding Director of Cruise Inns, LLC, a membership organization providing brand and marketing to the recreational park industry. He currently serves on the Advisory Board of a fund managed by Stonehill Strategic Capital. From March 2008 through February 2011, Mr. Tallis served as Executive Vice President, Asset Management for our Company, and from February 2011 through January 2012, Mr. Tallis served as a consultant to our Company. From June 2006 to May 2007, Mr. Tallis served as a senior advisor to Blackstone Real Estate Advisors following its acquisition of La Quinta Corporation. From July 2000 until May 2006, Mr. Tallis served in various positions with La Quinta Corporation, most recently serving as President and Chief Development Officer of LQ Management LLC and President of La Quinta Franchising LLC. Prior to joining La Quinta Corporation, Mr. Tallis held various positions with Red Roof Inns, including serving as Executive Vice President Development and General Counsel from 1994 to 1999.

Mr. Tallis received a Master of Business Administration from the Red McCombs School of Business at the University of Texas at Austin and a Juris Doctor from the University of Miami.

**Skills, Qualifications, Attributes and Experience:** Mr. Tallis has over 30 years of experience in the lodging industry, including his responsibility for the growth of both of La Quinta Inns and Red Roof Inns. His diverse experience has included extensive transaction work, brand management and brand relations. In addition to his extensive experience in the lodging industry, Mr. Tallis' service with our Company, first as our Executive Vice President, Asset Management and then as a consultant and as a director of the Company, allows him to bring a valuable perspective to the Board.

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**Summary of Director Qualifications, Skills, Attributes and Experience**

Our Nominating and Corporate Governance Committee and the full Board believe a complementary mix of diverse qualifications, skills, attributes, and experiences will best serve the Company and its stockholders. The summary of our directors' qualifications, skills, attributes and experiences that appears below, and the related narrative for each director nominee appearing in the directors' biographies above, notes some of the specific experience, qualifications, attributes, and skills for each director that our Board considers important in determining that each nominee should serve on the Board in light of the Company's business, structure, and strategic direction. The absence of a checkmark for a particular skill does not mean the director in question is unable to contribute to the decision-making process in that area.



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**CORPORATE GOVERNANCE**

Our Board is committed to corporate governance practices that promote the long-term interests of our stockholders. The Board regularly reviews developments in corporate governance and updates the Company's corporate governance framework, including its corporate governance policies and guidelines, as it deems necessary and appropriate. Our policies and practices reflect corporate governance initiatives that comply with the listing requirements of the NYSE and the corporate governance requirements of the Sarbanes-Oxley Act of 2002. We maintain a corporate governance section on our website, which includes key information about our corporate governance initiatives including our corporate governance guidelines, charters for the committees of our Board, our code of business conduct and ethics and our code of ethics for the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer. The corporate governance section can be found on our website at [www.ahtreit.com](http://www.ahtreit.com) by clicking "INVESTOR" and then "CORPORATE GOVERNANCE."

**Code of Business Conduct and Ethics**

Our code of business conduct and ethics applies to our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, as well as our other officers and our directors and to Ashford Inc.'s and Ashford LLC's personnel when such individuals are acting for us or on our behalf. Among other matters, our code of business conduct and ethics is designed to deter wrongdoing and to promote:

honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

full, fair, accurate, timely and understandable disclosure in our public communications;

compliance with applicable governmental laws, rules and regulations;

prompt internal reporting of violations of the code to appropriate persons identified in the code; and

accountability for adherence to the code.

Any waiver of the code of business conduct and ethics for our officers or directors may be made only by our Board or one of our Board committees and will be promptly disclosed if and to the extent required by law or stock exchange regulations.

**Board Leadership Structure**

Our Board regularly considers the optimal leadership structure for the Company and its stockholders. In making decisions related to our leadership structure, the Board considers many factors, including the specific needs of the Company in light of its current strategic initiatives and the best interests of stockholders.

Mr. Monty J. Bennett served as Chairman of the Board as well as our Chief Executive Officer until February 2017, when our Board decided to separate those roles and appointed Mr. Douglas A. Kessler to serve as our Chief Executive Officer. Mr. Bennett has continued to serve as Chairman of the Board since that time.

To further minimize the potential for future conflicts of interest, our bylaws and our corporate governance guidelines, as well as the NYSE rules applicable to its listed companies, require that the Board must maintain a majority of independent directors at all times, and our bylaws and corporate governance guidelines require that if the Chairman of the Board is not an independent director, at least two-thirds of the directors must be independent. Currently, all of our directors other than Mr. Bennett are independent directors. Our Board must also comply with each of our conflict of interest policies discussed in "Certain Relationships and Related Party Transactions Conflict of Interest Policy." Our bylaw provisions,

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governance policies and conflicts of interest policies are designed to provide a strong and independent board and ensure independent director input and control over matters involving potential conflicts of interest.

Under our corporate governance guidelines, in 2017 our Board re-appointed Dr. Benjamin J. Ansell to serve as the lead independent director for a one-year term. The lead director has the following duties and responsibilities:

preside at all meetings of the Board at which the Chairman of the Board is not present and all executive sessions of the independent or non-employee directors of the Company;

advise Chairman of the Board and Chief Executive Officer of decisions reached and suggestions made at meetings of independent directors or non-employee directors;

serve as liaison between the Chairman of the Board and the independent directors;

approve information sent to the Board;

approve meeting agendas for the Board;

approve meeting schedules to assure that there is sufficient time for discussion of all agenda items;

authorize the calling of meetings of the independent directors; and

if requested by major stockholders, be available for consultation and direct communication.

Our Board believes that our leadership structure provides a very well-functioning and effective balance between strong company leadership and appropriate safeguards and oversight by independent directors.

**Board Role**

Subject to the advisory agreement entered into by the Company, Ashford Inc., Ashford Hospitality Limited Partnership, and Ashford LLC, as amended from time to time (the "*advisory agreement*"), the business and affairs of the Company are managed by or under the direction of our Board in accordance with Maryland law. Our Board provides direction to, and oversight of, management of the Company. In addition, our Board establishes the strategic direction of the Company and oversees the performance of the Company's business, management and the employees of our advisor who provide services to the Company. Subject to our Board's supervision, our advisor is responsible for the day-to-day operations of the Company and to make available sufficient experience and appropriate personnel to serve as executive officers of the Company. The management of the Company is responsible for presenting business objectives, opportunities and/or strategic plans to our Board for review and approval and for implementing the Company's strategic direction and the Board's directives.

*Strategy*

Our Board recognizes the importance of ensuring that our overall business strategy is designed to create long-term value for our stockholders and maintains an active oversight role in formulating, planning and implementing the Company's strategy. Our Board regularly considers the progress of, and challenges to, the Company's strategy and related risks throughout the year. At each regularly-scheduled Board meeting, the management and the Board discuss strategic and other significant business developments since the last meeting and the Board considers, recommends and approves changes in strategies for the Company.

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***Risk Oversight***

Our full Board has ultimate responsibility for risk oversight, but the committees of our Board help oversee risk in areas over which they have responsibility. The Board does not view risk in isolation. Risks are considered in virtually every business decision and as part of the Company's business strategy. Our Board and the Board committees receive regular updates related to various risks for both our Company and our industry. The Audit Committee regularly receives and discusses reports from members of management who are involved in the risk assessment and risk management functions of our Company. The Compensation Committee annually reviews the overall structure of our equity compensation programs to ensure that those programs do not encourage executives to take unnecessary or excessive risks.

***Succession Planning***

Our Board, acting through the Nominating and Corporate Governance Committee, has reviewed and concurred in a management succession plan, developed by our advisor in consultation with the Chairman, to ensure continuity in senior management. This plan, on which the Chief Executive Officer is to report from time to time, addresses:

emergency Chief Executive Officer succession;

Chief Executive Officer succession in the ordinary course of business; and

succession for the other members of senior management.

The plan also includes an assessment of senior management experience, performance, skills and planned career paths.

**Board Refreshment**

In addition to ensuring the Board reflects an appropriate mix of experiences, qualifications, attributes and skills, the Nominating and Corporate Governance Committee also focuses on director succession and tenure. For example, our bylaws provide that individuals who would be 70 years of age at the time of their election may not serve on our Board unless the Board waives such limitation. That limitation has been waived respecting the election of both Mr. Kleisner and Mr. Tallis as directors at the Annual Meeting and their service as directors until the annual meeting of stockholders to be held in 2019. Upon attaining age 70 while serving as a director of the Company and annually thereafter, an individual must tender a letter of proposed retirement from our Board effective at the expiration of such individual's current term, and our Board may accept the retirement of the director or request such director to continue to serve as a director.

**Director Nomination Procedures by the Company**

The Nominating and Corporate Governance Committee recommends qualified candidates for Board membership based on the following criteria:

integrity, experience, achievements, judgment, intelligence, competence, personal character, expertise, skills, knowledge useful to the oversight of the Company's business, ability to make independent analytical inquiries, willingness to devote adequate time to board duties and likelihood of a sustained period of service on the Board;

business or other relevant experience; and

the extent to which the interplay of the candidate's expertise, skills, knowledge and experience with that of other board members will build a board that is effective, collegial and responsive to the needs of the Company.

In connection with the selection of nominees for director, consideration will also be given to the Board's desire for an overall balance of diversity, including diversity in background, experience,





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perspective, sex, race, ethnicity, color, age, geography, viewpoint, education and skills. In early 2018, our Board approved specific amendments to the "Selection of Directors" section of the Corporate Governance Guidelines to more specifically include diversity of sex, race, color, ethnicity, age and geography when considering director candidates. The Board, taking into consideration the recommendations of the Nominating and Corporate Governance Committee, is responsible for selecting the director nominees for election by the stockholders and for appointing directors to the Board between annual meetings to fill vacancies, with primary emphasis on the criteria set forth above. The Board and the Nominating and Corporate Governance Committee assess the effectiveness of the Board's diversity efforts as part of the annual board evaluation process.

**Stockholder Nominations and Recommendations**

Our bylaws permit stockholders to nominate candidates for election as directors of the Company at an annual meeting of stockholders. Stockholders wishing to nominate director candidates can do so by providing a written notice to the Corporate Secretary, Ashford Hospitality Trust, Inc., 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254. Stockholder nomination notices and the accompanying certificate, as described below, must be received by the Associate General Counsel not earlier than December 14, 2018 and not later than 5:00 p.m., Eastern time, on January 13, 2019 for the nominated individuals to be considered for candidacy at the 2019 annual meeting of stockholders. Such nomination notices must include all information regarding the proposed nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the proposed nominee as a director in an election contest pursuant to the SEC's proxy rules under the Exchange Act, as well as certain other information regarding the proposed nominee, the stockholder nominating such proposed nominee and certain persons associated with such stockholder, and must be accompanied by a certificate of the nominating stockholder as to certain matters, all as prescribed in the Company's bylaws. A detailed description of the information required to be included in such notice and the accompanying certificate is included in the Company's bylaws. You may contact the Associate General Counsel at the address above to obtain a copy of the relevant bylaw provisions regarding the requirements for making stockholder nominations. Failure of the notice and certificate to comply fully with the requirements of the Company's bylaws in such regard will result in the stockholder nomination being invalid and the election of the proposed nominee as a director of the Company not being voted on at the pertinent annual meeting of stockholders.

Stockholders may recommend director candidates for consideration by the Nominating and Corporate Governance Committee. Any such recommendation must include verification of the stockholder status of the person submitting the recommendation and the nominee's name and qualifications, attributes, skills and experiences for board membership. Stockholder recommendations may be submitted by writing to the Corporate Secretary, Ashford Hospitality Trust, Inc., 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254 and must be received not earlier than December 14, 2018 and not later than 5:00 p.m., Eastern time, on January 13, 2019 for the recommended individual to be considered for nomination for election as a director of the Company at the 2019 annual meeting of stockholders. The Nominating and Corporate Governance Committee expects to use a similar process to evaluate candidates recommended by stockholders as the one it uses to evaluate candidates otherwise identified by the committee.

Our bylaws provide that if a holder or a group of up to 20 holders having held at least 3% of the Company's common stock outstanding as of the most recent date for which such amount has been given in any filing by the Company with the SEC prior to the submission of the nomination notice, as described below, continuously for a period of at least three consecutive years immediately preceding the submission of the nomination notice may nominate an individual for election at any annual meeting of stockholders in accordance with such bylaw provision and the Company will include such nominated individual in the Company's proxy statement for that annual meeting and on the Company's form of proxy card and the ballot for that annual meeting as a nominee for election as a director of the Company at an annual

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meeting. The Company will not, however, be required to include in its proxy statement or on its proxy card or a ballot more stockholder nominees under this provision of the bylaws than the greater of (i) two nominees and (ii) that number of nominees equaling 20% of the total number of directors of the Company on the last day of which a nomination notice under such provision may be submitted to the Company (rounded down to the nearest whole number). Our bylaws set forth procedures for choosing among stockholder nominees if the number of stockholder nominees validly nominated under such provision of the bylaws exceeds the maximum number of nominees as described above. The nomination notices nominating stockholder nominees must contain all information regarding the proposed nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the proposed nominee as a director in an election contest pursuant to the SEC's proxy rules under the Exchange Act, as well as certain other information regarding the proposed nominee, the stockholder or stockholders nominating such proposed nominee and certain persons associated with such persons and contain certain representations and warranties of such stockholder or stockholders in a nominating group, all as set forth in the Company's bylaws, and be accompanied by written agreements of the nominating stockholder or stockholders and the stockholder nominee containing provisions as prescribed by the Company's bylaws. The Company's bylaws describe in detail the information required to be included, and the representations and warranties to be made, in such nomination notice and the provisions to be contained in the accompanying agreements. In addition, a stockholder or the stockholders in a group proposing to nominate an individual to stand for election pursuant to this bylaw provision must file a Schedule 14N with the SEC in accordance with the SEC's proxy rules. Stockholder nomination notices and the accompanying agreements must be received by the Corporate Secretary, Ashford Hospitality Trust, Inc., 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254, not earlier than December 14, 2018 and not later than 5:00 p.m., Eastern time, on January 13, 2019 for the nominated individuals to be eligible for inclusion in the Company's proxy statement or on its proxy card or the ballot for the 2019 annual meeting of stockholders. You may contact the Associate General Counsel at the address above to obtain a copy of the relevant bylaw provisions regarding the requirements for making stockholder nominations. Failure of a nomination notice and the accompanying agreements to comply fully, or of a relevant party to otherwise comply fully, with the applicable requirements of the Company's bylaws will result in the stockholder nomination being invalid and the proposed nominee not being eligible for inclusion in the Company's proxy statement or on its proxy card or the ballot for the 2019 annual meeting of stockholders.

**Stockholder and Interested Party Communication with Our Board of Directors**

Stockholders and other interested parties who wish to contact any of our directors either individually or as a group may do so by writing to them c/o the Corporate Secretary, Ashford Hospitality Trust, Inc., 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254. Stockholders' and other interested parties' letters are screened by Company personnel based on criteria established and maintained by our Nominating and Corporate Governance Committee, which includes filtering out improper or irrelevant topics such as solicitations.

**Director Orientation and Continuing Education**

Our Board and senior management conduct a comprehensive orientation process for new directors to become familiar with our vision, strategic direction, core values, including ethics, financial matters, corporate governance policies and practices and other key policies and practices through a review of background material and meetings with senior management. Our Board also recognizes the importance of continuing education for directors and is committed to providing education opportunities in order to improve both our Board's and its committees' performance. Senior management will assist in identifying and advising our directors about opportunities for continuing education, including conferences provided by independent third parties.

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**Director Retirement Policy**

Upon attaining the age of 70 and annually thereafter, as well as when a director's principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board, a director will tender a letter of proposed retirement or resignation, as applicable, from our Board to the chair of our Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee will review the director's continuation on our Board and recommend to the Board whether, in light of all the circumstances, our Board should accept such proposed resignation or request that the director continue to serve.

Both Mr. Kleisner and Mr. Tallis have tendered letters of proposed retirement from the Board to the chair of our Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee has reviewed the continuation of each such person on the Board and recommended to the Board that, in light of all the circumstances, the Board should not accept the proposed retirement of such person and should request that such person continue to serve as a director of the Company and stand for reelection as a director of the Company at the Annual Meeting. The Board has not accepted the proposed retirement of Mr. Kleisner or Mr. Tallis and has requested and nominated each of them to stand for reelection as a director of the Company at the Annual Meeting. Each of Mr. Kleisner and Mr. Tallis has agreed to stand for reelection as a director of the Company at the Annual Meeting and to serve as a director until the annual meeting of stockholders in 2019.

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**BOARD OF DIRECTORS AND COMMITTEES**

Our business is managed through the oversight and direction of our Board. Members of our Board are kept informed of our business through discussions with the Chairman of the Board, Chief Executive Officer, Lead Director and other officers, by reviewing materials provided to them and by participating in meetings of our Board and its committees.

The Board has retained Ashford Inc. and Ashford LLC to manage our operations and our portfolio of hotel assets, subject to the Board's oversight and supervision and the terms and conditions of the advisory agreement. Because of the conflicts of interest created by the relationships among us, Ashford Trust, Ashford Inc. and any other related party, and each of their respective affiliates, many of the responsibilities of the Board have been delegated to our independent directors, as discussed below and under "Certain Relationships and Related Party Transactions Conflict of Interest Policies."

During the year ended December 31, 2017, our Board held 17 regular meetings and one executive session of our non-employee directors, each of whom is an independent director. Our Board must hold at least two regularly scheduled meetings per year of the non-employee directors without management present. All of our incumbent directors standing for re-election attended, in person or by telephone, at least 75 percent of all meetings of our Board and committees on which such director served, held during the period for which such person was a director or was a member of such committees, as applicable.

**Board Member Independence**

Our Board determines the independence of our directors in accordance with our corporate governance guidelines and Section 303A.02(a) of the NYSE Listed Company Manual, which requires an affirmative determination by our Board that the director has no material relationship with us that would impair independence. In addition, Section 303A.02(b) of the NYSE Listed Company Manual sets forth certain tests that, if any of them is met by a director automatically disqualifies that director from being independent from management of our Company. Moreover, our corporate governance guidelines provide that if any director receives more than \$120,000 per year in compensation from the Company, exclusive of director and committee fees, he or she will not be considered independent. The full text of our Board's corporate governance guidelines can be found in the Investor Relations section of our website at [www.ahtreit.com](http://www.ahtreit.com) by clicking "INVESTOR," then "CORPORATE GOVERNANCE."

Following deliberations, our Board has affirmatively determined that, with the exception of Mr. Monty J. Bennett, our Chairman, each nominee for election as a director of the Company is independent of Ashford Trust and its management and, with respect to each nominee for election as a director who is an incumbent director of the Company, has been such during his term as a director commencing with the annual meeting of stockholders of the Company, held on May 16, 2017, in each case, under the standards set forth in our corporate governance guidelines and the NYSE Listed Company Manual, and our Board has been since such date and is comprised of a majority of independent directors, as required by Section 303A.01 of the NYSE Listed Company Manual. Any reference to an independent director herein means such director satisfies both the standards set forth in our corporate governance guidelines and the NYSE independence tests.

In addition, each current member of our Audit Committee and our Compensation Committee has been determined by our Board to be independent and to have been independent at all pertinent times under the heightened independence standards applicable to members of audit committees of board of directors and to members of compensation committees of board of directors of companies with equity securities listed for trading on the NYSE and under the rules of the SEC under the Exchange Act and that each nominee for election as a director of the Company at the Annual Meeting is independent under those standards.

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In making the independence determinations with respect to our current directors, our Board examined all relationships between each of our directors or their affiliates and Ashford Trust or its affiliates. Our Board determined that none of these transactions impaired the independence of the directors involved.

**Board Committees and Meetings**

Historically, the standing committees of our Board have been the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, the Related Party Transactions Committee and the Acquisitions Committee. Each of the Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee is governed by a written charter that has been approved by our Board. A copy of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee charters can be found in the Investor Relations section of our website at [www.ahtreit.com](http://www.ahtreit.com) by clicking "INVESTOR" and then "CORPORATE GOVERNANCE." The committee members of each active committee and a description of the principal responsibilities of each such committee follows:

**CURRENT COMMITTEE MEMBERSHIP**

	Audit	Compensation	Nominating and Corporate Governance	Related Party Transactions Committee	Acquisitions
Monty J. Bennett					Chair
Benjamin J. Ansell, M.D.	X				X
Amish Gupta			X	Chair	X
Kamal Jafarnia		X	Chair		
Frederick J. Kleisner		X			
Philip S. Payne	Chair				
Alan L. Tallis	X	Chair		X	

***Audit Committee***

Current Members:

Philip S. Payne (chair), Benjamin J. Ansell, M.D. and Alan L. Tallis

Independence

All of the members of the Audit Committee have been determined by our Board to be independent at all pertinent times, including under the heightened independence standards for members of audit committees of boards of directors.

Number of Meetings in 2017:

5

Key Responsibilities

Assist the Board in overseeing (i) our accounting and financial reporting processes; (ii) the integrity and audits of our financial statements; (iii) our compliance with legal and regulatory requirements; (iv) adequacy of our internal control over financial reporting; (v) the qualifications and independence of our independent auditors; (vi) the performance of our internal and independent auditors; and (vii) our processes to manage business, financial and cybersecurity risk;

has sole authority to appoint or replace our independent auditors;

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has sole authority to approve in advance all audit and non-audit engagement fees, scope of the audit and terms with our independent auditors;

monitor compliance of our employees with our standards of business conduct and conflict of interest policies;

meet at least quarterly with our senior executive officers, internal audit staff and our independent auditors in separate executive sessions;

recommend to the Board whether the Company's financial statements should be included in the Annual Report on Form 10-K; and

prepare the audit committee report that the SEC rules and regulations require to be included in the Company's annual proxy statement.

Each current Audit Committee member qualifies as an "audit committee financial expert," as defined by the applicable rules and regulations of the Exchange Act. All of the members of our Audit Committee on and after January 1, 2017 are "financially literate" under the NYSE listing standards.

***Compensation Committee***

Current Members:

Alan L. Tallis (chair), Frederick J. Kleisner and Kamal Jafarnia

Independence

All of the members of the Compensation Committee have been determined by our Board to be independent at all pertinent times, including under the heightened standards for members of the compensation committees of boards of directors.

Number of Meetings in 2017:

5

Key Responsibilities

Evaluate the performance of our officers;

review and approve the officer compensation plans, policies and programs;

evaluate the performance of our advisor;

review the compensation and fees payable to Ashford Inc. under the advisory agreement;

annually review the compensation paid to non-employee directors for service on the Board and make recommendations to the Board regarding any proposed adjustments to such compensation;

prepare compensation committee reports; and

administer the Company's equity incentive plan.

The Compensation Committee has the authority to retain and terminate any compensation consultant to assist it in the evaluation of officer compensation, or to delegate its duties and responsibilities to one or more subcommittees as it deems appropriate. In 2017, the Compensation Committee retained Gressle & McGinley LLC as its independent compensation consultant. Gressle & McGinley LLC provided competitive market data to support the Compensation Committee's decisions on the value of equity to be awarded to our named executive officers. Gressle &

McGinley LLC has not performed any other services



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for the Company and performed its services only on behalf of, and at the direction of, the Compensation Committee. Our Compensation Committee reviewed the independence of Gressle & McGinley LLC in light of SEC rules and NYSE listing standards regarding compensation consultant independence and has affirmatively concluded that Gressle & McGinley LLC is independent from management of the Company and has no conflicts of interest relating to its engagement by our Compensation Committee.

***Nominating and Corporate Governance Committee***

Current Members:	Kamal Jafarnia (chair) and Amish Gupta
Independence	All of the members of the Nominating and Corporate Governance Committee have been determined by our Board to be independent at all pertinent times.
Number of Meetings in 2017:	6
Key Responsibilities	

Identify individuals qualified to become members of our Board;

recommend to our Board the director nominees for election at the next annual meeting of stockholders;

identify and recommend candidates to fill vacancies on our Board occurring between annual stockholder meetings;

recommend to our Board director nominees for each committee of the Board;

develop and recommend to our Board our corporate governance guidelines and periodically review and update such corporate governance guidelines as well as the charters of each committee of our Board;

perform a leadership role in shaping in our corporate governance; and

oversee an evaluation of the Board, its committees and executive management.

***Related Party Transactions Committee***

Members:	Amish Gupta (chair) and Alan L. Tallis
Number of Meetings in 2017	4
Key Responsibilities	

Review any transaction in which our officers, directors, Ashford Inc. or Ashford Prime or their officers, directors or respective affiliates have an interest, including our advisor or any other related party and their respective affiliates, before recommending approval by a majority of our independent directors. The Related Party Transactions Committee can deny a new proposed transaction or recommend for approval to the independent directors. Also, the Related Party Transactions Committee periodically reviews and reports to independent directors on past approved related party transactions.

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**Acquisitions Committee**

Members:	Monty J. Bennett (chair), Benjamin J. Ansell, M.D. and Amish Gupta
Number of Meetings in 2017	0
Key Responsibilities	

Review and approve any acquisition or disposition (and any related property level financing) by the Company, or its affiliates of assets valued at under \$100 million.

**Director Compensation**

Each of our non-employee directors is paid an annual base cash retainer of \$90,000. The lead director is paid an additional annual cash retainer of \$50,000, the chairman of our Audit Committee is paid an additional annual cash retainer of \$25,000, each member of our Audit Committee other than the chairman is paid an additional annual cash retainer of \$5,000, the chairman of our Compensation Committee is paid an additional annual cash retainer of \$15,000 and the chairman of our Nominating and Corporate Governance Committee is paid an additional annual cash retainer of \$10,000, and the chairman of our Related Party Transactions Committee is paid an additional annual cash retainer of \$10,000, each member of our Related Party Transactions Committee other than the chairman is paid an additional annual cash retainer of \$5,000. Each non-employee director also receives an annual grant of immediately vested equity shares having a value of \$90,000, in the form of shares of our common stock or long-term incentive partnership units in our operating partnership, at the election of each director, and additional cash retainers from time to time for their service on special committees. We do not pay meeting fees to any of our directors. We have historically reimbursed and will continue to reimburse all directors for reasonable out-of-pocket expenses incurred in connection with their services on the Board. Officers receive no additional cash compensation for serving on the Board.

In August 2016, our Board adopted and approved an amendment to our corporate governance guidelines to increase the stock ownership requirement for our directors from an amount of our common stock having a value in excess of three times his or her annual board retainer fee to an amount of our common stock having a value in excess of four times his or her annual board retainer fee. Current directors are expected to achieve compliance within two years and new directors are expected to achieve compliance within four years. A director who falls out of compliance with the guideline as a result of stock price volatility will have a cure period of two years in which to return to compliance with the guidelines. Each director is required to retain at least half of the after-tax shares received in connection with any awards granted under any of the Company's equity plans until such time that such director has met his required ownership level. In addition, our Board adopted and approved an amendment to the 2011 Stock Incentive Plan to: (i) add management stock ownership requirements that match the stock ownership requirements set forth in the our corporate governance guidelines; and (ii) establish a minimum vesting period of twelve months for stock options and the stock appreciation rights granted pursuant to the plan. In addition, in August 2016, our Board adopted and approved an amendment to our bylaws by which each director is required to retain at least 50% of the after-tax shares received in connection with any awards granted under any of the Company's equity plans until such time that such director has met his required ownership level.

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The following table summarizes the compensation paid by us to our non-employee directors for their services as director for the fiscal year ended December 31, 2017:

Name	Fees Earned or Paid in Cash(1)	Stock Awards/LTIP(2)	Total
Benjamin J. Ansell, M.D.	\$ 225,480	\$ 89,542	\$ 315,022
Amish Gupta	106,091	89,542	195,633
Kamal Jafarnia	100,000	89,542	189,542
Frederick J. Kleisner	90,000	89,542	179,542
Philip S. Payne	112,527	90,302	202,829
Alan L. Tallis	160,549	89,542	250,091

(1) Includes cash payments for services on a special committee to consider and evaluate (i) a potential transaction with FelCor Lodging and (ii) a potential related party transaction.

(2) Based on the fair market value of the stock awards computed in accordance with FASB ASC Topic 718 on the date of the grant, which was May 16, 2017. See Notes 2, 13 and 15 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2017 for a discussion of the assumptions used in the valuation of stock-based awards.

#### Compensation Committee Interlocks and Insider Participation

During 2017, Messrs. Tallis, Kleisner and Jafarnia served on our Compensation Committee. Messrs. Kleisner and Jafarnia were or is an independent director throughout the period for which they served or have served on our Compensation Committee during 2017 and thereafter. Neither Mr. Kleisner nor Mr. Jafarnia were, is or has ever been an officer or employee of our Company. Neither Mr. Kleisner nor Mr. Jafarnia serves, or during 2017 served, as (i) a member of a Compensation Committee (or board committee performing equivalent functions) of any entity, one of whose executive officers served as a director of the Company or as a member of our Compensation Committee, or (ii) a director of another entity, one of whose executive officers served or serves on our Compensation Committee. No member of our Compensation Committee has, or had during 2017, any relationship with the Company requiring disclosure as a related person transaction in the section "Certain Relationships and Related Party Transactions" of this proxy statement.

#### Attendance at Annual Meeting of Stockholders

In keeping with our corporate governance principles, directors of the Company are expected to attend the annual meeting of stockholders in person. All persons who were directors at the time of our 2017 annual meeting of stockholders attended such annual meeting in person or by telephone.

Table of Contents**EXECUTIVE OFFICERS AND COMPENSATION****Executive Officers**

The following table shows the names and ages of our current executive officers and the positions held by each individual. A description of the business experience of each for the past five years follows the table. Mr. David A. Brooks, our former Chief Transaction Officer, General Counsel and Secretary, passed away on March 29, 2018.

Name	Age	Title
Douglas A. Kessler	57	Chief Executive Officer and President
Deric S. Eubanks	42	Chief Financial Officer and Treasurer
J. Robison Hays, III	40	Chief Strategy Officer
Jeremy Welter	41	Chief Operating Officer
Mark L. Nunneley	60	Chief Accounting Officer

**Douglas A. Kessler**  
Chief Executive Officer and President  
Age 57  
Executive since 2003

Mr. Kessler has served as our Chief Executive Officer since February 2017 and served as our President since January 2009. He served on our Board from January 2013 until November 2013. Mr. Kessler was also the President and a director of Ashford Prime from April 2013 until April 2017. Mr. Kessler also previously served as the President of Ashford Inc. from November 2014 until March 2018. Mr. Kessler became a Senior Managing Director of Ashford Inc. in March 2018. Prior to being appointed President of our Company, Mr. Kessler served as our Chief Operating Officer and Head of Acquisitions beginning in May 2003. Mr. Kessler has spearheaded numerous key initiatives while at Ashford and has been responsible for several billion dollars of capital transactions along with the growth of the Company's asset base. From July 2002 until August 2003, Mr. Kessler also served as the Managing Director/Chief Investment Officer of Remington Hotel Corporation.

Prior to joining Remington Hotel Corporation in 2002, Mr. Kessler was employed by Goldman Sachs' Whitehall Real Estate Funds, from 1993 to 2002, where he assisted in the management of several billion dollars of real estate involving multiple operating partner platforms worldwide. During his time at Whitehall, Mr. Kessler served on the boards or executive committees of several lodging companies, including Westin Hotels and Resorts and Strategic Hotel Capital. Mr. Kessler has been a member of Urban Land Institute's Hotel Council and is a frequent speaker and panelist at lodging industry conferences including Americas Lodging Investment Summit and the NYU Lodging Conference. Mr. Kessler has more than 30 years' experience in real estate transactions, finance, capital markets, and asset-management. Mr. Kessler has a Master's degree in Business Administration and a Bachelor of Arts degree in Economics from Stanford University.

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**Deric S. Eubanks**

Chief Financial Officer and Treasurer

Age 42

Executive since 2011

Mr. Eubanks has served as our Chief Financial Officer and Treasurer since June 2014 and has served in that capacity for Ashford Inc. and Ashford Prime since June 2014. Prior to serving as Chief Financial Officer and Treasurer, Mr. Eubanks served as our Senior Vice President of Finance from September 2011 to June 2014 and in that capacity for Ashford Prime from April 2013 to June 2014. In his role as Chief Financial Officer and Treasurer, Mr. Eubanks is responsible for assisting our Chief Executive Officer with all corporate finance and financial reporting initiatives and capital market activities including equity raises, debt financings and loan modifications. He also oversees Investor Relations and is responsible for overseeing and executing our hedging strategies. Prior to his role as Senior Vice President of Finance, Mr. Eubanks was Vice President of Investments and was responsible for sourcing and underwriting hotel investments including direct equity investments, joint venture equity, preferred equity, mezzanine loans, first mortgages, B-notes, construction loans and other debt securities. Mr. Eubanks has been with us since our initial public offering in August of 2003. Mr. Eubanks has written several articles for industry publications and is a frequent speaker at industry conferences and industry round tables. Before joining our Company, Mr. Eubanks was a Manager of Financial Analysis for ClubCorp, where he assisted in underwriting and analyzing investment opportunities in the golf and resort industries.

Mr. Eubanks earned a Bachelor of Business Administration degree from the Cox School of Business at Southern Methodist University and is a CFA charter holder. He is a member of the CFA Institute and the CFA Society of Dallas-Fort Worth.

**J. Robison Hays, III**

Chief Strategy Officer

Age 40

Executive since 2010

Mr. Hays has served as our Chief Strategy Officer since May 2015 and prior to that served as our Senior Vice President Corporate Finance and Strategy since 2010. He has been with our Company since 2005. Mr. Hays also serves as Chief Strategy Officer for Ashford Prime, Chief Strategy Officer for Ashford Inc. since 2014 and Co-President of Ashford Inc. since March 2018. Mr. Hays is responsible for the formation and execution of our strategic initiatives, working closely with our Chief Executive Officer. He also oversees all financial analysis as it relates to the corporate model, including acquisitions, divestitures, refinancings, hedging, capital market transactions and major capital outlays. Prior to 2013, in addition to his other responsibilities, Mr. Hays was in charge of our investor relations group. Mr. Hays is a frequent speaker at industry and Wall Street investor conferences. Prior to joining our Company, Mr. Hays worked in the Corporate Development office of Dresser, Inc., a Dallas-based oil field service and manufacturing company, where he focused on mergers, acquisitions and strategic direction. Before working at Dresser, Mr. Hays was a member of the Merrill Lynch Global Power & Energy Investment Banking Group based in Texas.

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**Jeremy J. Welter**

Chief Operating Officer

Age 41

Executive since 2011

Mr. Hays has been a frequent speaker at various lodging, real estate and alternative investment conferences around the globe. He earned his A.B. degree in Politics with a certificate in Political Economy from Princeton University and later studied philosophy at the Pontifical University of the Holy Cross in Rome, Italy.

Jeremy J. Welter has served as our Chief Operating Officer since March 2018 and has also served in that capacity for Ashford Inc. and Ashford Prime since March 2018. He served as our Executive Vice President, Asset Management from March 2011 to March 2018. He also served in that capacity for Ashford Inc. from November 2014 to March 2018 and for Ashford Prime from April 2013 to March 2018. From August 2005 until December 2010, Mr. Welter was employed by Remington Hotels, LP in various capacities, most recently serving as its Chief Financial Officer. Mr. Welter oversees the asset management, capital management and acquisition underwriting functions for Ashford Trust and Ashford Prime as well as the operations of Ashford Inc., including both its asset management advisory business and its hospitality products and services business. Mr. Welter is a current member of Marriott's Owner Advisor Council and serves as a Board Member for the American Hotel and Lodging Association. Mr. Welter is a frequent speaker and panelist for various lodging investment and development conferences, including the NYU Lodging Conference.

Mr. Welter earned his Bachelor of Science in Economics from Oklahoma State University, where he served as student body president and graduated *summa cum laude*.

**Mark L. Nunneley**

Chief Accounting Officer

Age 60

Executive since 2003

Mr. Nunneley has served as our Chief Accounting Officer since May 2003 and has served in that capacity for Ashford Inc. since April 2014 and for Ashford Prime since April 2013. From 1992 until 2003, Mr. Nunneley served as Chief Financial Officer of Remington Hotel Corporation. He previously served as a tax consultant at Arthur Andersen & Company and as a tax manager at Deloitte & Touche. Mr. Nunneley is a certified public accountant (CPA) in the State of Texas and is a member of the American Institute of Certified Public Accountants, Texas Society of CPAs and Dallas Chapter of CPAs.

Mr. Nunneley earned his Bachelor of Science degree in Business Administration from Pepperdine University and his Master of Science in Accounting from the University of Houston.

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**COMPENSATION DISCUSSION & ANALYSIS**

The following is a discussion and analysis of the equity compensation program adopted for our named executive officers, which include each person who was our Chief Executive Officer during 2017, our Chief Financial Officer, and the three other most highly compensated executive officers appearing in the Summary Compensation Table. Also included below is a discussion of the equity awarded to our named executive officers in 2018 with respect to 2017 performance. This discussion should be read together with the compensation tables and related disclosures set forth elsewhere in this proxy statement.

**2017 Company Performance Highlights**

As for our 2017 highlights, at year-end, our portfolio consisted of 120 hotels containing 25,031 net rooms spread across 31 states. We believe our geographic diversity, combined with the fact that no major market represents more than 10% of our EBITDA, provides economic balance and reduces risk. Turning to our financial performance for 2017, comparable RevPAR for our hotels increased 1.8% to \$123.47, driven by a 1.4% increase in rate and a 0.4% improvement in occupancy. We are also pleased to report the fourth straight year of increasing our RevPAR penetration index, which we believe is evidence of strong hotel operations and the benefits of our capital refreshes at the hotels. Although we had a net loss of \$88.8 million for 2017, our Adjusted EBITDA available to the Company and OP unitholders for 2017 totaled \$419.2 million, and, while we had a net loss of \$1.30 per share in 2017, our AFFO per share attributable to common stockholders and OP unitholders was \$1.37. Our performance, as reflected by such RevPAR, Adjusted EBITDA and AFFO per share performance in 2017, emphasizes the quality of our portfolio as well as the strength of our asset management capabilities. Our Adjusted EBITDA available to the Company and OP unitholders for 2017 and our AFFO per share attributable to common stockholders and OP unitholders for 2017 are non-GAAP financial measures as defined in the SEC rules. See Annex A to this proxy statement for more information about such Adjusted EBITDA and AFFO per share.

**Compensation of Our Executive Officers**

We are externally advised by Ashford Inc. pursuant to an advisory agreement. Ashford Inc., through its operating company Ashford LLC (collectively, our "*advisor*") is responsible for implementing our investment strategies and managing our operations. Our advisor manages the day-to-day operations of our Company and our affiliates in exchange for an advisory fee, the terms of which are described under "Certain Relationships and Related Person Transactions Our Relationship and Agreements with Ashford Inc." As a consequence of this management arrangement and although the Company has executive officers, it does not have any employees. Each of the Company's executive officers is, however, an employee of our advisor and is compensated by our advisor in his capacity as such. During all of 2015, 2016 and 2017, the cash compensation received by our executive officers was paid to those persons by Ashford Inc. in their capacity as employees of our advisor. However, our executive officers (as well as other employees of our advisor) continue to be eligible to receive equity awards under our equity incentive plan and we grant equity compensation to our executive officers under our equity incentive plan as described below. We do not, however, provide any other compensation or employee benefit plans for our executive officers.

**Compensation Objectives & Philosophy**

The objectives of our equity compensation program are to: (i) motivate our officers to achieve the Company's business and strategic objectives; (ii) align the interests of key leadership with the long-term interests of the Company's stockholders; and (iii) provide rewards and incentives, without excessive risk taking, in order to attract, retain and motivate our executive officers to perform in the best interests of the Company and its stockholders.

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Our compensation philosophy is to make all equity compensation decisions following the end of our fiscal year based on the performance of the prior year and over the longer term. Our primary business objective of maximizing total stockholder return ("*TSR*") through growth from internal asset performance and dynamic portfolio management strategies demands a long-term focus. As a result, we believe that the equity compensation we pay to our executive officers should be reflective of the overall performance of our Company on both a short-term and a long-term basis. The equity compensation we offer should reward the successes of the recent past, as well as motivate the executives to maximize the creation of long-term stockholder value in a competitive environment. Most of our management team has been working together for over 15 years, and the Company believes that the synergies among the management team, along with their cumulative knowledge and breadth of experience, have been key factors in the Company's growth since its inception.

In August 2016, our Board adopted and approved an amendment to the 2011 Stock Incentive Plan to: (i) add management stock ownership requirements that match the stock ownership requirements, set forth in the our corporate governance guidelines; and (ii) establish a minimum vesting period of twelve months for stock options and the stock appreciation rights granted pursuant to the plan.

*Role of the Compensation Committee*

The equity compensation we pay to our executive officers is administered under the direction of our Compensation Committee. In its role as the administrator of our equity compensation program, our Compensation Committee recommends the equity compensation to be paid to our named executive officers with respect to a year to the Board, taking into consideration the recommendations of our Chairman, with the independent members of the Board ultimately approving all executive compensation decisions. A full description of the Compensation Committee's roles and responsibilities can be found in its charter which is posted to our website at [www.ahreit.com](http://www.ahreit.com) under the "INVESTOR" tab, then to the "Corporate Governance" link, then to the "Governance Documents" link.

Our Compensation Committee has the authority to retain independent advisors to assist the committee in fulfilling its responsibilities. In July of 2015, the committee retained Gressle & McGinley LLC as its independent compensation consultant. Gressle & McGinley has not performed any services other than executive and director compensation services for the Company, and has performed its services only on behalf of, and at the direction of, the Compensation Committee. Our Compensation Committee has reviewed the independence of Gressle & McGinley in light of SEC rules and NYSE listing standards regarding compensation consultant independence and has affirmatively concluded that Gressle & McGinley is independent from the Company and has no conflicts of interest relating to its engagement by our Compensation Committee.

*Interaction with Management*

Our Compensation Committee regularly meets in executive sessions without management or other directors present. Executives generally are not present during Compensation Committee meetings. However, our Chairman does attend all or part of certain Compensation Committee meetings. Our Chairman, considering certain performance factors as set by the Board each year, annually reviews the equity compensation for each named executive officer and our advisor's employees as a group and makes recommendations to our Compensation Committee regarding the equity compensation we should grant to our named executive officers. Final equity compensation decisions are ultimately made in the sole discretion of, and with the approval of, the independent members the Board based on the recommendations of the Compensation Committee.



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*Corporate Governance*

Our Compensation Committee believes that our solid corporate governance should be reinforced through our equity compensation program. We believe that our equity compensation program provides appropriate performance-based incentives to attract and retain leadership talent, to align officer and stockholder interests and to continue to drive our long-term track record of superior returns to stockholders.

The following policies support our position:

- | <b>What We Do</b>   | <b>What We Don't Do</b>  |
|---|--|
| o <b>Pay for Performance.</b> A substantial portion of our equity grants are tied to rigorous absolute and relative TSR performance goals.  | Ø <b>No Hedging/Pledging.</b> We do not allow hedging or pledging of Company securities.   |
| o <b>Equity Ownership Guidelines.</b> We impose robust stock ownership guidelines on our executive officers.  | Ø <b>Equity Ownership Guidelines.</b> We do not count performance shares toward our stock ownership guidelines.                      |
| o <b>Clawback Policy.</b> We can recover performance-based equity incentive compensation in various circumstances.  | Ø <b>No Dividends on Performance Shares.</b> We do not pay dividends on unvested performance shares unless the shares actually vest. |
| o <b>Independent Compensation Consultant.</b> Our Compensation Committee uses the consulting firm of Gressle & McGinley, which is independent and provides no other services to the Company.  | Ø <b>No Stock Options.</b> We do not grant stock options.  |
| o <b>Compensation Risk Assessment.</b> We conduct an annual compensation risk assessment.   | Ø <b>No Evergreen Provision.</b> We have no evergreen provisions in our stock incentive plan.  |
| o <b>External Advisor Compensation.</b> We provide detailed disclosure of compensation paid by our advisor to our named executive officers.   | Ø <b>No Perquisites.</b> We do not provide our executive officers with any perquisites or retirement programs.                       |
| o <b>Employment Contracts.</b> All of the employment agreements between Ashford Inc. and our named executive officers adhere to best practices as it pertains to change of control provisions and, except the employment agreement with Mr. Kessler, contain "double triggers." |  |

*Advisory Fee and Compensation Paid by the Advisor*

Pursuant to our advisory agreement, we pay Ashford Inc. an advisory fee. In turn, Ashford Inc. uses a portion of the proceeds of such advisory fee to pay the cash compensation it pays its personnel. We do not specifically reimburse Ashford Inc. for any executive officer compensation or benefits costs. The following is a summary of the advisory fees we paid to Ashford Inc. in 2017 and the total 2017 compensation paid to

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our named executive officers, including the equity compensation we paid to our named executive officers in 2017:

Under the terms of our advisory agreement, for 2017 our advisory services fee totaled \$53.2 million, comprised of a base fee of \$34.6 million, reimbursable overhead and internal audit, insurance claims advisory and asset management services of \$7.5 million and equity-based compensation of \$11.1 million associated with equity grants of our common stock and long-term incentive partnership units, or LTIP units, awarded to the officers and employees of Ashford Inc.

No specific portion of our advisory fees is allocated to the compensation paid by Ashford Inc. to its employees who are also our executive officers. Our advisor makes all decisions relating to compensation paid by Ashford Inc. to our executive officers who are its employees based on such factors as the terms of their employment agreements with Ashford Inc. and an evaluation of the performance of such employees on behalf of Ashford Inc. and its advisees during the year.

For 2017, our named executive officers earned total cash compensation of \$7,501,492 from Ashford Inc. The total cash compensation paid by Ashford Inc. to our named executive officers was comprised of an aggregate of \$3,786,154 in salaries and an aggregate of \$3,715,338 in cash bonus awards. In addition, Ashford Inc. granted options to purchase an aggregate of 229,044 shares of the common stock of Ashford Inc. with an aggregate grant date fair value of \$8,916,683 to our named executive officers for 2017. We have not agreed to or otherwise undertaken to pay Ashford Inc. any amount or otherwise reimburse Ashford Inc. for any expense it incurs in connection with the grant of any options to purchase shares of Ashford Inc. common stock to its employees who are our named executive officers or the exercise of any or all of those options.

Not all of the compensation received by our named executive officers from Ashford Inc. was attributable to services performed as executive officers of our Company. Based on a review of the proportion of our Company to the total operations managed using various measures of size (revenue, assets and total enterprise value), we estimate that approximately 70% of the compensation paid by Ashford Inc. is attributable to services provided by our named executive officers to our Company.

The cash bonus awards paid by Ashford Inc. to its employees who are our named executive officers pursuant to Ashford Inc.'s non-equity incentive plan represent variable incentive compensation that was earned for achieving specific performance targets. The performance metrics for 2017 included TSR of Ashford Inc. relative to peers, adjusted net income per share of Ashford Inc., adjusted EBITDA, increased media and sell-side analyst coverage, number of investor and analyst meetings, increase in assets under management by Ashford Inc. and its affiliates, and investments in or acquisition of new products or service businesses at Ashford Inc. or its affiliates.

**Our Compensation Program**

We are externally advised by our advisor, which determines our executive officers' salaries, bonuses and other benefits. However, our Compensation Committee, together with the independent members of the Board, may grant equity awards to our officers and employees and other agents or affiliates of our advisor pursuant to our stock incentive plan.

The primary objectives of our equity compensation program are to: (i) motivate our officers to achieve the Company's business and strategic objectives; (ii) align the interests of key leadership with the long-term interests of the Company's stockholders; and (iii) provide rewards and incentives, without excessive risk taking, in order to attract, retain and motivate our executive officers to perform in the best interests of the Company and its stockholders.

We strive to follow best practices in structuring our compensation program. Several years ago, the Company discussed with a number of its institutional stockholders the Company's executive compensation

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practices. In response to feedback from the Company's stockholders, the Compensation Committee took a series of actions to enhance the Company's equity compensation program. Based on a thorough review of our peer companies and current industry trends, the committee revised the equity compensation plan in 2016 to include objective performance metrics tied to the Company's business goals and stockholder returns. The committee now sets specific vesting requirements for half of the annual equity awards granted for Company performance based on TSR relative to our peers and absolute stockholders returns over a three-year performance period. These changes reflect the Company's pay for performance philosophy and were aimed at creating further alignment of our executives' pay with stockholders.

This past year we named Douglas Kessler our Chief Executive Officer. In 2017, we received a negative recommendation on our Say-on-Pay from a proxy advisor due to the old employment agreements that contained a single trigger Change of Control provision. We believe this recommendation of the proxy advisor led to the low affirmative vote on Say-on-Pay last year. This past year, 56.8% of the votes cast either "for" or "against" on our stockholder advisory vote on executive compensation held at our annual meeting of stockholders in 2017 were cast in favor of the Company's executive compensation disclosed in our proxy statement. As we have in the past, we will continue to discuss our compensation practices with our investors and will take into consideration their comments and concerns, as well as the results of the Say-on-Pay vote in determining executive compensation.

During 2017, our Company delivered strong operating performance, with management achieving or exceeding seven of the eight business objectives set by our Board for the year. At the same time, our 2017 TSR of (6.7)% was at the 11<sup>th</sup> percentile of our peers. The average 2017 TSR of our peers was 7.2%. The Compensation Committee took the Company's operating performance and relatively low TSR in 2017 into consideration in making decisions to grant equity in March 2018.

**2017 Compensation Results**

The Compensation Committee believes that our named executive officers should have an ongoing stake in the long-term success of our business, and our equity compensation program is intended to align our executives' interests with those of our stockholders, as well as to reward our executive officers for their performance on the Company's behalf. In 2016, the Compensation Committee adopted a new equity program designed to create greater alignment of equity awards with performance. Under the new equity program, the Compensation Committee determines the size of potential equity awards by officer based on a review of market pay levels, taking into consideration the size of our Company against our peers. The Compensation Committee also considers the most recent burn rate benchmarks published by ISS for the real estate Global Industry Classification Standard (GICS). Equity awards granted to our named executive officers in 2016, 2017 and 2018 were made under the new equity program.

One-half of the value of the potential performance-based equity award is granted in a form that will vest based on the Company's three-year absolute and relative TSR. The other half of the potential award is eligible to be earned based on management's performance against business objectives adopted by the Board in the preceding year.

For 2017, the size of the potential equity awards for our named executive officers was determined in part based on historical compensation levels in the hospitality REIT sector. Also, the Compensation Committee considered the recommendations of the Chairman in setting the potential equity awards for each individual named executive officer.

The performance shares/units include performance stock units ("**PSUs**") pursuant to which a target number of common stock shares may be issued, and performance LTIP units ("**performance LTIPs**"), which may vest from 0% to 200% based on achievement of a specified absolute or relative TSR, as applicable, on the date that is three years from the date of grant, subject to forfeiture. Upon vesting and reaching economic parity with the common units, the LTIP units are convertible into common units at the option of the recipient. Common units are redeemable for cash or, at our option, convertible into shares of our

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common stock based on a conversion ratio of 1:1. The performance shares/units granted in 2017 and 2018 are eligible to vest based on the Company's TSR three years from the date of grant. We use a three-year performance period in order to tie incentive compensation to long-term results. Achievement levels are set for "threshold" at which 50% of shares/units may be earned, "target", at which 100% of the shares/units may be earned and "maximum" performance, at which 200% of the shares/units are earned. No performance shares/units are earned if performance is below threshold, and the payouts under the performance shares/units granted will be interpolated between the levels of threshold, target and maximum, where the results exceed the threshold. Dividends, or distributions in the case of units, accrue on unvested shares/units and are paid in the form of additional shares/units on the actual number of shares/units that ultimately vest at the end of the three-year performance period.

One-half of the performance shares/units are subject to performance goals based on the Company's absolute TSR over the performance period. For the performance shares/units granted in 2018, the annualized TSR goals over the three-year performance period for threshold, target and maximum performance levels are 5.0%, 9.0% and 13.0%, respectively. The other half of the performance shares/units are subject to performance goals based on the Company's relative TSR over the performance period. For the performance shares/units granted in 2018, the percentile rank goals for threshold, target and maximum performance levels are the 30th, 50th and 70th percentiles, respectively. The percentile rank will be determined based on the Company's three-year TSR relative to the following peer companies:

Chesapeake Lodging Trust (CHSP)	Park Hotels & Resorts, Inc. (PK)
DiamondRock Hospitality Co. (DRH)	Pebblebrook Hotel Trust (PEB)
Hersha Hospitality Trust (HT)	RLJ Lodging Trust (RLJ)
Host Hotels & Resorts, Inc. (HST)	Sunstone Hotel Investors Inc. (SHO)
LaSalle Hotel Properties (LHO)	Xenia Hotels & Resorts, Inc. (XHR)

As stated previously, half of each named executive officer's potential equity award is in the form of performance shares/units. The other half can be earned based on the Company's performance against business objectives set by the Board at the beginning of each year and subject to vesting over three years. The equity award based on Company objectives is granted in the form of shares of restricted common stock or LTIP units that vest in three equal annual installments on the first three anniversaries following the date of grant if the grant recipient remains an executive officer of the Company through the vesting date for the awards. Holders of shares of unvested restricted stock and LTIP units will participate in any dividend paid or distribution made by the Company with respect to its common stock.

For 2017, the Board set eight business objectives. The Compensation Committee determined that the full potential award would be earned if six or more of the business objectives were achieved for the year. For each objective less than six achieved, the potential award would be reduced by one-sixth (e.g. for achievement of five of the eight awards, the potential award would be reduced by one-sixth, or 16.67%).

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The following table summarizes the eight business objectives set by the Board for 2017, along with the actual results:

<b>2017 Business Objectives</b>	<b>Target</b>	<b>Actual</b>	<b>Meet or Exceed Target</b>
1. Budgeted AFFO/Share	\$ 0.95	\$ 1.37	Yes
2. EBITDA Flows	35.0%	41.9%	Yes
3. Outperform Peer Avg EBITDA Flows	5.9%	41.9%	Yes
4. RevPAR Yield Growth that beats AHT Comp Sets	1.3%	1.8%	Yes
5. Investor & Analyst Meetings	200	476	Yes
6. Risk Management & Cash Balance (% of Mkt Cap)	20.0%	38.7%	Yes
7. Raise Equity Capital	Board discretion	Board discretion	Yes
8. Sell select service assets and redeploy proceeds into accretive hotel acquisitions, buybacks, or other attractive opportunities, if possible	Board discretion	Board discretion	No

Based on its review of 2017 performance, the Compensation Committee determined that the Company achieved seven of the eight business objectives resulting in all of the potential award of restricted stock and LTIP units being earned by our named executive officers, subject to the satisfaction of the time-vesting conditions of those awards.

### **2017 Equity Grant Decisions**

Based on consideration of Company performance during 2017 and 2016, the Compensation Committee made time-based and performance-based equity grants in March 2018 and March 2017, respectively, to our named executive officers as follows (in number of shares awarded):

<b>Executive</b>	<b>March 2017 Equity Award for 2016 Performance</b>	<b>March 2018 Equity Award for 2017 Performance</b>
Monty J. Bennett(1)	662,977(2)(5)	400,642(2)
Douglas A. Kessler(1)	346,000(3)	400,642(3)
Deric S. Eubanks	208,000(3)	181,090(3)
David A. Brooks(4)	276,000(3)	192,308(3)
J. Robison Hays, III	257,942(2)(5)	181,090(2)
Jeremy Welter	257,942(2)(5)	181,090(6)

(1) Mr. Bennett served as our Chief Executive Officer until February 20, 2017, when Mr. Kessler was appointed as Chief Executive Officer of the Company.

(2) Includes special LTIP units in our operating partnership that vest in three substantially equal installments on the first three anniversaries following the date of grant. Also includes a target number of performance LTIPs awards, which may vest from 0% to 200% based on achievement of a specified absolute or relative TSR, as applicable, on the date that is three years from the date of grant, subject to forfeiture. Upon vesting and reaching economic parity with the common units, the LTIP units are convertible into common units at the option of the recipient. Common units are redeemable for cash or, at our option, convertible into shares of our common stock based on a conversion ratio of 1:1.

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- (3) Includes shares of restricted common stock that vest in three substantially equal installments on the first three anniversaries following the date of grant. Also includes target number of common stock shares that may be issued pursuant to PSUs. The actual number of PSUs that may vest can range from 0% to 200% of target based on achievement of a specified absolute or relative TSR, as applicable, as determined by the Compensation Committee. The PSUs will vest on the date that is three years from the date of grant, subject to forfeiture.
- (4) Mr. Brooks, our former Chief Transaction Officer, General Counsel and Secretary, passed away on March 29, 2018, on which date all of his outstanding equity awards immediately vested in accordance with their terms.
- (5) On December 13, 2017, the total number of LTIPs and performance LTIPs were reduced by a conversion factor as more fully described in the Company's Form 8-K filed on December 14, 2017 and as reflected in the Form 4's filed with the SEC for each named executive officer. This table reflects the original number granted and does not reflect the December 13, 2017 reduction.
- (6) Includes special LTIP units in our operating partnership that vest in three substantially equal installments on the first three anniversaries following the date of grant. Also includes target number of common stock shares that may be issued pursuant to PSUs. The actual number of PSUs that may vest can range from 0% to 200% of target based on achievement of a specified absolute or relative TSR, as applicable, as determined by the Compensation Committee. The PSUs will vest on the date that is three years from the date of grant, subject to forfeiture.

A summary of the components of the shares awarded in March 2018 to our named executive officers is as follows:

Executive	Target Performance-based Shares/LTIPs Awarded		Time-Based Shares/LTIPs Awarded Business Objectives	Total March 2018 Equity Award for 2017
	Absolute TSR	Relative TSR		
Monty J. Bennett(1)	100,160(2)	100,161(2)	200,321(3)	400,642(2)(3)
Douglas A. Kessler(1)	100,160(4)	100,161(4)	200,321(5)	400,642(4)(5)
Deric S. Eubanks	45,273(4)	45,272(4)	90,545(5)	181,090(4)(5)
David A. Brooks(6)	48,077(4)	48,077(4)	96,154(5)	192,308(4)(5)
J. Robison Hays, III	45,273(2)	45,272(2)	90,545(3)	181,090(2)(3)
Jeremy Welter	45,273(4)	45,272(4)	90,545(3)	181,090(3)(4)

- (1) Mr. Bennett served as our Chief Executive Officer until February 20, 2017, when Mr. Kessler was appointed as Chief Executive Officer of the Company.
- (2) Represents the target number of LTIP units that may be issued pursuant to a performance LTIP award subject to performance-based vesting criteria. The actual number of performance LTIPs that may vest ranges from 0% to 200% of the target number based on achievement of a specified absolute or relative TSR. Subject to forfeiture and achievement of the specified TSR, the performance LTIPs will vest on the date that is three years from the date of grant. Vested LTIP units, upon achieving economic parity with the common limited partnership units of our operating partnership, are convertible into common units at the option of the recipient. Common units are redeemable for cash or, at our option, convertible into shares of our common stock based on a conversion ratio described in the partnership agreement of our operating partnership, which, on March 28, 2018, was one share of common stock for each common unit.

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- (3) Represents special LTIP units in our operating partnership that vest in three substantially equal installments on the first three anniversaries following the date of grant. Upon vesting and reaching economic parity with common units in our operating partnership, the LTIP units are convertible into common units at the option of the recipient. Common units are redeemable for cash or, at our option, convertible into shares of our common stock based on a conversion ratio described in the partnership agreement of our operating partnership which, on March 28, 2018, was one share of our common stock per common unit.
- (4) Represents target number of shares of common stock that may be issued pursuant to an award of PSUs subject to performance-based vesting criteria. The actual number of PSUs that may vest can range from 0% to 200% of the number of PSUs reported, based on achievement of a specified absolute and relative TSR. Subject to forfeiture and achievement of the specified absolute and/or relative TSR, the PSUs, as adjusted, will generally vest on the date that is three years from the date of grant.
- (5) Represents shares of restricted common stock that vest in three substantially equal installments on the first three anniversaries following the date of grant.
- (6) Mr. Brooks, our former Chief Transaction Officer, General Counsel and Secretary, passed away on March 29, 2018, on which date all of his outstanding equity awards immediately vested in accordance with their terms.

As shown in the table above, the Compensation Committee determined in 2018 to award half of the shares/units awarded in the form of time-based shares/units that vest in three equal annual installments following the date of grant, with cash dividends paid on unvested shares/units, and half in the form of performance-based shares/units. The performance-based shares/units vest at the end of three years based on the Company's TSR over that three year period, with 50% of the shares/units vesting based on the Company's absolute TSR and 50% of the shares/units vesting based on the Company's relative TSR. 100% of the shares/units awarded will vest if the Company achieves the target TSR for such award. The award levels for achieving threshold and maximum TSR performance are 50% and 200% of the target award, respectively. Award levels between the threshold and target performance and between the target and maximum performance are interpolated. Dividends on the unvested time-based awards are paid when and if any dividend or other distribution is paid or made by the Company on its common stock and dividends on the performance-based awards are accrued and paid on the actual number of shares/units vesting, if any, in the form of additional shares/units.

As noted previously, performance shares/units were first granted in March of 2016. The following table shows the total number of performance shares/units granted to the named executive officers and other officers in 2016 and 2017. Those performance shares have a three-year performance period ending

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with 2018 (with respect to the 2016 award) and 2020 (with respect to the 2017 award). None of the performance shares granted in 2016 or 2017 vested in 2017.

	# of
Performance-Based Awards	Awards(1)(2)
Granted	705,106
Vested	
Forfeited	
<b>Unvested at December 31, 2016</b>	<b>705,106</b>
Granted	1,026,358
Vested	
Forfeited	
<b>Unvested at December 31, 2017</b>	<b>1,731,464</b>

- (1) Includes a target number of shares of common stock that may be issued pursuant to settlement under an award of PSUs or, at the election of the recipient, LTIP units that may be issued pursuant to an award of performance LTIPs, that in each case will vest on December 31, 2018 (with respect to the 2016 award) and March 23, 2020 (with respect to the 2017 award). The actual number of PSUs or performance LTIPs that may vest can range from 0% to 200% of target based on the absolute or relative TSR, as applicable, achieved if the TSR achieved is over the stated threshold absolute or relative TSR, as applicable.
- (2) The total number of performance LTIP units granted to the named executive officers and other officers in 2016 and 2017 were reduced by a conversion factor on December 13, 2017 as more fully described in the Company's Form 8-K filed on December 14, 2017 and as reflected in the Form 4's filed with the SEC for each named executive officer.

The Compensation Committee also elected to give our executive officers a choice of receiving their time-based equity awards in the form of either restricted stock or LTIP units, or a combination of both. Messrs. Bennett, Hays and Welter elected to receive the time-based equity awards granted in March 2018 in the form of LTIP units. Holders of shares of unvested restricted stock will participate in any dividend paid or distribution made by the Company with respect to its common stock. For the performance-based awards, the executives could choose between PSUs or performance LTIPs, or a combination of both. Messrs. Bennett and Hays elected to receive the performance-based equity grants made in March 2018 in the form of performance LTIP units. Dividends and distributions accrue on unvested PSUs or performance LTIPs and are paid in the form of additional units on the actual number of units that ultimately vest at the end of the three-year performance period.

The LTIP units are a special class of partnership units in our operating partnership called "long-term incentive partnership units." Grants of LTIP units are designed to offer executives the same long-term incentive as restricted stock, while allowing them more favorable income tax treatment. Each LTIP unit awarded is deemed equivalent to an award of one share of common stock reserved under our stock incentive plan, reducing availability for other equity awards, because LTIP units are convertible into common units of our operating partnership, which may themselves be converted into shares of our common stock based on a conversion ratio of 1:1. As a result, an LTIP unit granted in March 2018 may result in an issuance of one share of our common stock. LTIP units, whether vested or not, receive the same quarterly per unit distributions as common units of our operating partnership, which typically equal per share dividends on our common stock, if any. This treatment with respect to quarterly distributions is analogous to the treatment of time-vested restricted stock. The key difference between LTIP units and restricted stock is that at the time of award, LTIP units do not have full economic parity with common units but can achieve such parity over time. At the time of the award, executives who receive LTIP units make a capital contribution to our operating partnership of \$0.05 per LTIP unit. Upon the occurrence of certain corporate events, which are not performance related events, the capital accounts of our operating



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partnership may be adjusted, allowing for the LTIP units to achieve parity with the common units over time. If such parity is reached, vested LTIP units become convertible into an equal number of common units. Until and unless such parity is reached, the value that an executive will realize for a given number of vested LTIP units is less than the value of an equal number of shares of our common stock.

Subject to satisfaction of the applicable performance or time vesting requirements for the LTIP units or performance LTIPs, the LTIP units will achieve parity with the common units upon the sale or deemed sale of all or substantially all of the assets of the partnership at a time when the Company's stock is trading at some level in excess of the price it was trading at on the date of the LTIP issuance. More specifically, LTIP units will achieve full economic parity with common units in connection with (i) the actual sale of all or substantially all of the assets of our operating partnership or (ii) the hypothetical sale of such assets, which results from a capital account revaluation, as defined in the partnership agreement, for the operating partnership. A capital account revaluation generally occurs whenever there is an issuance of additional partnership interests or the redemption of a partnership interest. If a sale, or deemed sale as a result of a capital account revaluation, occurs at a time when the operating partnership's assets have sufficiently appreciated, the LTIP units will achieve full economic parity with the common units. However, in the absence of sufficient appreciation in the value of the assets of the operating partnership at the time a sale or deemed sale occurs, full economic parity would not be reached. Until and unless such economic parity is reached, the value that an executive will realize for vested LTIP units will be less than the value of an equal number of shares of our common stock.

As of March 28, 2018, all except for 195,875 of the LTIP units issued prior to 2017 have reached economic parity with the common units and have been converted to common units and all of the LTIP units issued during 2017 have achieved such parity. None of the LTIP units issued during 2018 have reached such parity.

**Review of Market Data for Peer Companies**

Equity compensation grants for our named executive officers are determined based on a number of factors, including a periodic review of the compensation levels in the marketplace for similar positions. In 2017, the Compensation Committee, with the assistance of Gressle & McGinley, our independent compensation consultant, undertook such a review of competitive compensation compared to market, with a particular emphasis on market level of equity compensation (both actual awards granted and target awards for our peers' equity incentive plans).

Competitive pay data is used for reference only to gauge the marketplace for executive compensation in our industry. The Compensation Committee does not establish a specific target percentile of market for our executives and generally seeks to provide the compensation levels needed to retain our exceptional executive team and reward appropriately for performance.

The specific peers used to assess competitive pay include other hospitality REITs with similar assets. The hospitality REITs included in our assessment of competitive pay include:

Chatham Lodging Trust (CLDT)	Park Hotels & Resorts, Inc. (PK)
Chesapeake Lodging Trust (CHSP)	Pebblebrook Hotel Trust (PEB)
DiamondRock Hospitality Company (DRH)	RLJ Lodging Trust (RLJ)
Hersha Hospitality Trust (HT)	Summit Hotel Properties (INN)
Host Hotels & Resorts (SHT)	Sunstone Hotel Investors (SHO)
LaSalle Hotel Properties (LHO)	Xenia Hotels & Resorts (XHR)

The Compensation Committee also assessed the pay practices of these hospitality REITs in evaluating 2018 equity grant decisions for 2017 performance. Specifically, the committee reviewed the absolute and relative TSR performance targets used by our peers in their equity programs. The committee set the

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performance targets (threshold, target and maximum) for the absolute and relative TSR components of the 2018 equity awards at about the median of our peers.

In evaluating the market pay levels of our peers, the Compensation Committee also considers the unique role that each of the named executive officers of the Company holds. Specifically, each of our named executive officers performs duties that are traditionally assigned to multiple senior officers in competitive companies. By way of example, during 2017, our President, Douglas Kessler, was charged with capital markets activities and was also responsible for securing our investments and for identifying opportunities for joint ventures or other business partnerships as well as being the lead contact for Company financing activities. In February of 2017, Mr. Kessler was promoted to the position of Chief Executive Officer of the Company and Mr. Bennett ceased to be an executive officer of the Company. Further, the General Counsel has the mandate to negotiate the terms of, and close, all acquisition and disposition transactions, capital market transactions and equity and debt financings and he is charged with supervising the legal department, monitoring corporate governance and performing the normal duties associated with the office of the General Counsel. The Company's division of responsibilities has created a cohesive and extremely streamlined management system, which enables the Company to operate with a smaller staff of senior executives, including the named executive officers, than would be expected of a company of our size and structure. The Compensation Committee recognizes that these other factors must be considered in setting compensation for each named executive officer.

Together with its consideration of the unique roles of each named executive officer, the Compensation Committee also considered the time commitment of Mr. Bennett to the Company during the period in 2017 for which he was Chief Executive Officer of the Company, as well as Chairman of the Board, in relation to his executive duties at Remington and its affiliates when determining the amount of the equity award to be granted to Mr. Bennett for his service as Chief Executive Officer during 2017. Based on its review, the Compensation Committee determined that those business activities were generally beneficial to the Company and did not materially interfere with his duties to the Company while Mr. Bennett was the Company's Chief Executive Officer. Therefore, the committee followed a compensation philosophy for the former Chief Executive Officer comparable to the philosophy for the other named executive officers for 2017.

**Stock Ownership Guidelines**

Our corporate governance guidelines provide ownership guidelines for our executive officers. The guidelines state that the Chief Executive Officer should hold an amount of our common stock or other equity equivalent having a market value in excess of six times his annual base salary, our President (if not also the Chief Executive Officer) should hold an amount of our common stock or other equity equivalent having a market value in excess of four times his annual base salary and each other executive is required by our guidelines to hold common stock or other equity equivalent having a market value in excess of three times his annual base salary. The guidelines provide that ownership of common units or LTIP units (including performance LTIP units) in our operating partnership constitute "common stock" for purposes of compliance with the guideline based on a conversion ratio of 1:1. Any future executive officer will be expected to achieve compliance within three years of being appointed. Currently, all of our executive officers satisfy our stock ownership guidelines or are within the three-year ramp-up period for compliance. Each executive officer is required to retain at least half of the after-tax shares received in connection with any awards granted under any of the Company's equity plans until such time that such director or executive officer has met his required ownership level. In addition, our Board adopted and approved an amendment to the 2011 Stock Incentive Plan to: (i) add management stock ownership requirements that match the stock ownership requirements set forth in the our corporate governance guidelines; and (ii) establish a minimum vesting period of twelve months for stock options and the stock appreciation rights granted pursuant to the plan, if any.

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As a group, our named executive officers have demonstrated a commitment to the Company through long tenure and significant equity ownership levels that, as a multiple of salary paid to them by our advisor, are well in excess of market best practices.

**Say on Pay**

As we stated in "Our Compensation Program," we received 56.8% "for" votes of the total "for" and "against" votes cast on the advisory vote on executive compensation at the annual meeting in 2017. In 2017, we received a negative recommendation on our Say-on-Pay from a proxy advisor due to an employment agreement that contained a "single trigger" change of control provision. We believe this recommendation by the proxy advisor led to the low affirmative vote on Say-on-Pay last year. In response to the vote in the Say-on-Pay, in 2017, the employment agreements between our current executive officers and Ashford Inc., other than the agreement of Mr. Douglas Kessler, were amended to provide for a "double trigger" change of control provision.

**Hedging and Pledging Policies**

Pursuant to our Code of Business Conduct and Ethics of the Company and our Corporate Governance Guidelines, we maintain a policy that prohibits our directors and executive officers from holding Company securities in a margin account or pledging Company securities as collateral for a loan. Our policy also prohibits our directors and executive officers from engaging in speculation with respect to Company securities, and specifically prohibits our executives from engaging in any short-term, speculative securities transactions involving Company securities, including in-and-out trading, engaging in short sales or "sales against the box," buying or selling put or call options, and engaging in hedging transactions.

**Adjustment or Recovery of Awards**

Under the Company's clawback policy, if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirements, then the Compensation Committee, or, in the discretion of the Board, any other committee or body of the Board consisting only of independent directors, may require any Section 16 reporting officer, as well as any other officer holding the title of senior vice president or a more senior title whose job description includes the function of accounting or financial reporting (each, a "*covered officer*"), during the three-year period preceding the publication of the restated financial statement to reimburse the Company for any annual cash bonus and long-term equity incentive compensation earned during the prior three-year period in such amounts that the independent director committee determines to be in excess of the amount that such covered officer would have received had such compensation been calculated based on the financial results reported in the restated financial statement.

The independent director committee may take into account any factors it deems reasonable, necessary and in the best interests of the Company to remedy any misconduct and prevent its recurrence. In determining whether to seek recoupment of any previously paid excess compensation and how much to recoup from each covered officer, the independent director committee must consider the accountability of the applicable covered officer, any conclusion by the independent director committee whether a covered officer engaged in wrongdoing, committed grossly negligent acts, omissions or engaged in willful misconduct, as well as any failure of the covered officer to report another person's grossly negligent acts, omissions or willful misconduct. In addition, if a covered officer engaged in intentional misconduct or violation of Company policy that contributed to the award or payment of any annual cash bonus or long-term equity incentive compensation to him or her that is greater than would have been paid or awarded in the absence of the misconduct or violation, the independent director committee may take other remedial and recovery action permitted by applicable law, as determined by such committee.

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Under the Dodd-Frank Act, the SEC has proposed additional rules regarding the clawback of equity awards in certain circumstances. If the proposed rules or other rules are finally adopted by the SEC, the Company intends to modify its recoupment policies accordingly.

**Tax and Accounting Considerations**

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally precludes a publicly held corporation from a federal income tax deduction for a taxable year for compensation in excess of \$1 million paid to our Chief Executive Officer or any of our other named executive officers with the exception of our Chief Financial Officer. Certain performance-based compensation exceptions were available. However, the Tax Cuts and Jobs Act, which was signed into law on December 22, 2017, eliminated this performance-based compensation exception effective January 1, 2018, subject to a special rule that "grandfathers" certain awards and arrangements that were in effect on or before November 2, 2017.

Our Company is structured such that compensation is not paid and deducted by the corporation, but at the operating partnership level. The IRS has previously issued a private letter ruling holding that Section 162(m) does not apply to compensation paid to employees of a REIT's operating partnership. Consistent with that ruling, we have taken a position that compensation expense paid and incurred at the operating partnership level is not subject to the Section 162(m) limit. As such, the Compensation Committee does not believe that it is necessary to meet the requirements of the performance-based compensation exception to Section 162(m). As private letter rulings are applicable only for the taxpayer who obtains the ruling, and we have not obtained a private letter ruling addressing this issue, there can be no assurance that the IRS will not challenge our position that Section 162(m) does not apply to compensation paid at the operating partnership level. We also consider the accounting impact of all compensation paid to our executives, and equity awards are given special consideration pursuant to FASB ASC Topic 718.

**Compensation Risk Assessment**

The Compensation Committee has overall responsibility for overseeing the risks relating to our compensation policies and practices. The Compensation Committee uses its independent compensation consultant, Gressle & McGinley, to independently consider and analyze the extent, if any, to which our compensation policies and practices might create risks for the Company, as well as policies and practices that could mitigate any such risks. After conducting this review in early 2017, the Compensation Committee has determined that none of our compensation policies and practices create any risks that are reasonably likely to have a material adverse effect on our Company.

**Compensation Committee Report**

The Compensation Committee has reviewed and discussed the compensation discussion and analysis disclosure with the Company's management, and based on this review and discussion, the Compensation Committee has recommended to the Board that the compensation discussion and analysis be included in this proxy statement.

COMPENSATION COMMITTEE

Alan L. Tallis, Chairman  
Kamal Jafarnia  
Frederick J. Kleisner

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The following table sets forth the compensation paid to or earned by the Chairman of the Company's Board who served as Chief Executive Officer of the Company until February 20, 2017 as well as the Company's Chief Executive Officer, Chief Financial Officer and the Company's three other most highly compensated executive officers for each of fiscal years 2017, 2016 and 2015 for services rendered to the Company in all capacities. Additionally, consistent with the SEC's rules, compensation information for Mr. Hays is provided only for the fiscal years ended December 31, 2016, the year that he first became a named executive officer of the Company, and December 31, 2017.

Name and Principal Position	Year	Salary(1)	Bonus(1)	Equity Based Awards(2)(5)	Total(5)
Monty J. Bennett(3) Former Chief Executive Officer	2017	\$	\$	\$ 3,878,413	\$ 3,878,413
	2016			2,944,638	2,944,638
	2015			4,500,000	4,550,000
Douglas A. Kessler(3) Chief Executive Officer and President	2017			4,774,099	4,774,099
	2016			1,549,428	1,549,428
	2015			2,700,000	2,700,000
Deric S. Eubanks Chief Financial Officer and Treasurer	2017			1,216,800	1,216,800
	2016			1,042,511	1,042,511
	2015			750,000	750,000
David A. Brooks(4) Former Chief Transaction Officer, General Counsel and Secretary	2017			1,614,600	1,614,600
	2016			1,609,080	1,126,485
	2015			2,000,000	2,000,000
J. Robison Hays, III Chief Strategy Officer	2017			1,508,961	1,508,961
	2016			1,090,055	1,090,055
Jeremy Welter Chief Operating Officer	2017			1,508,961	1,508,961
	2016			1,090,055	1,090,055
	2015			1,500,000	1,500,000

(1)

We do not pay salary or bonus compensation to our Chairman of the Board or our executive officers, including our named executive officers. However, we grant our executives and the executives and employees of our advisor equity awards, if and to the extent determined appropriate by our Compensation Committee. No allocation of the total compensation paid and benefits provided by Ashford Inc. to its officers and employees who are our named executive officers is made for the time spent by such persons on behalf of any of our Company and Ashford Prime. As a result, we have not included any amount of the compensation paid and benefits provided to such persons by Ashford Inc. in the foregoing summary compensation table.

(2)

Represents the total grant date fair value of restricted stock awards, LTIP unit awards, PSU awards that will be settled in shares of common stock of the Company, and performance LTIP awards made in the fiscal year indicated (with respect to prior year performance), computed in accordance with FASB ASC Topic 718 without regard to the effects of forfeiture. Assumptions used in the calculation of these amounts are described in Notes 2, 13 and 15 to the Company's audited consolidated financial statements for the fiscal year end December 31, 2017, included in the Company's Annual Report on Form 10-K that was filed with the SEC on March 14, 2018. These grants are subject to vesting over a period of time generally commencing on the date of their issuance and/or upon the achievement of certain goals with respect to certain performance criteria. With respect to the PSUs and performance LTIPs, the amount reflected in the Summary Compensation Table assumes that the required

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performance goals will be achieved at target levels. The following table provides the grant date fair values of the performance LTIPs and the PSUs, issued to the named executive officers in 2017, assuming maximum performance is achieved and target performance is achieved, for comparative purposes.

Name	At Target	At Maximum
Monty J. Bennett	\$ 1,939,208	\$ 3,878,413
Douglas A. Kessler	1,012,050	2,024,100
Deric S. Eubanks	608,400	1,216,800
David A. Brooks	807,300	1,614,600
J. Robison Hays, III	754,480	1,508,961
Jeremy Welter	754,480	1,508,961

- (3) Mr. Bennett served as our Chief Executive Officer until February 20, 2017, when Mr. Kessler was appointed as Chief Executive Officer of the Company.
- (4) Mr. Brooks, our former Chief Transaction Officer, General Counsel and Secretary, passed away on March 29, 2018, on which date all of his outstanding equity awards immediately vested in accordance with their terms.
- (5) On December 13, 2017, the total number of LTIPs and performance LTIPs were reduced by a conversion factor as more fully described in the Company's Form 8-K filed on December 14, 2017 and as reflected in the Form 4's filed with the SEC for each named executive officer. This table does not reflect such reduction.

### **Grants of Plan-Based Awards**

Name	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards(1)			All Other Equity Awards: Number of Shares of Stock or LTIPs(2)	Grant Date Fair Value of Equity Awards(3)
		Threshold	Target	Maximum		
Monty J. Bennett(4)	3/24/2017	165,744	331,489	662,977	331,488	\$ 3,878,413
Douglas A. Kessler	2/20/2017				359,477	2,749,999
	3/24/2017	86,500	173,000	346,000	173,000	2,024,100
Deric S. Eubanks	3/24/2017	52,000	104,000	208,000	104,000	1,216,800
David A. Brooks(5)	3/24/2017	69,000	138,000	276,000	138,000	1,614,600
J. Robison Hays, III(4)	3/24/2017	64,486	128,971	257,942	128,971	1,508,961
Jeremy Welter(4)	3/24/2017	64,486	128,971	257,942	128,971	1,508,961

- (1) Amounts represent the threshold, target and maximum number of PSUs or performance LTIPs, at the election of the recipient, pursuant to the March 2017 equity awards for 2016 performance. Subject to forfeiture and the achievement of certain performance-based vesting criteria, these awards will vest on March 23, 2020.
- (2) Represents LTIP units or restricted common stock, at the election of the recipient, that vest in three substantially equal installments on the first three anniversaries following the date of grant, with vesting solely conditioned on the award recipient continuing to be an executive officer of the Company.
- (3) Computed in accordance with FASB ASC Topic 718, excluding the effect of forfeitures. In the case of the March 2017 equity awards for 2016 performance, the fair value is reported for target level of achievement.



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- (4) Elected to receive LTIP unit and performance LTIP awards that, upon vesting, are convertible into common units at the option of the recipient. Common units are redeemable for cash or, at our option, convertible into shares of our common stock based on a conversion ratio of 1:1. On December 13, 2017, the total number of LTIPs and performance LTIPs were reduced by a conversion factor as more fully described in the Company's Form 8-K filed on December 14, 2017 and as reflected in the Form 4's filed with the SEC for each named executive officer. This table reflects the number of units prior to such reduction.
- (5) Mr. Brooks, our former Chief Transaction Officer, General Counsel and Secretary, passed away on March 29, 2018, on which date all of his outstanding equity awards immediately vested in accordance with their terms.

**Outstanding Equity Awards At Fiscal Year-End**

Name	Number of Time-Based Equity Awards That Had Not Vested at December 31, 2017	Market Value of Time-Based Equity Awards That Had Not Vested at December 31, 2017(9)	Equity Incentive Plan Awards (PSUs and Performance LTIPs) at December 31, 2017	Market Value of Equity Incentive Plan Awards (PSUs and Performance LTIPs) at December 31, 2017(9)
Monty J. Bennett	146,907(1)\$	988,682		
	141,562(2)\$	952,710	424,681(5)\$	2,858,104
	305,015(3)\$	2,052,752	610,031(7)\$	4,105,510
Douglas A. Kessler	88,582(1)\$	596,157		
	80,952(2)\$	544,807	242,858(6)\$	1,634,434
	359,477(4)\$	2,419,280		
	173,000(3)\$	1,164,290	346,000(8)\$	2,328,580
Deric S. Eubanks	24,607(1)\$	165,605		
	54,467(2)\$	366,563	163,404(6)\$	1,099,709
	104,000(3)\$	699,920	208,000(8)\$	1,399,840
David A. Brooks(10)	65,616(1)\$	441,596		
	58,855(2)\$	396,094	176,566(6)\$	1,188,289
	138,000(3)\$	928,740	276,000(8)\$	1,857,480
J. Robison Hays, III	49,212(1)\$	331,197		
	52,404(2)\$	352,677	157,209(5)\$	1,058,020
	118,671(3)\$	798,658	237,343(7)\$	1,597,316
Jeremy Welter	48,968(1)\$	329,554		
	52,404(2)\$	352,677	157,209(5)\$	1,058,020
	118,671(3)\$	798,658	237,343(7)\$	1,597,316

- (1) These equity awards were granted on March 20, 2015, with an initial vesting term of three years. One-third of the awards initially granted vested on March 20, 2016; one-third vested on March 20, 2017; and the remaining one-third vested on March 20, 2018.
- (2) These equity awards were granted on March 31, 2016, with an initial vesting term of three years. One-third of the awards initially granted vested on March 31, 2017; one-third vested on March 31, 2018; and the remaining one-third will vest on March 31, 2019.
- (3) These equity awards were granted on March 24, 2017, with an initial vesting term of three years. One-third of the awards initially granted vested on March 24, 2018; one-third will vest on March 24, 2019; and the remaining one-third will vest on March 24, 2020.





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- (4) These equity awards were granted on February 20, 2017, with an initial vesting term of three years. One-third of the awards initially granted vested on February 20, 2018; one-third will vest on February 20, 2019; and the remaining one-third will vest on February 20, 2020.
- (5) These performance LTIP awards were granted on March 31, 2016, and, assuming continued service and achievement of the specified performance-based vesting criteria, will vest on December 31, 2018. Amount reflects the maximum payout level; however the actual number of performance LTIPs that will vest could range from 0% to 100% of the maximum number.
- (6) These PSU awards were granted on March 31, 2016 and, assuming continued service and achievement of the specified performance-based vesting criteria, will vest on December 31, 2018. Amount reflects the maximum payout level; however, the actual number of PSUs that will vest could range from 0% to 100% of the maximum number.
- (7) These performance LTIP awards were granted on March 24, 2017, and, assuming continued service and achievement of the specified performance-based vesting criteria, will vest on March 23, 2020. Amount reflects the maximum payout level; however the actual number of performance LTIPs that will vest could range from 0% to 100% of the maximum number.
- (8) These PSU awards were granted on March 24, 2017 and, assuming continued service and achievement of the specified performance-based vesting criteria, will vest on March 23, 2020. Amount reflects the maximum payout level; however, the actual number of PSUs that will vest could range from 0% to 100% of the maximum number.
- (9) Market value of unvested time-based and performance-based awards is based on the closing share price of our common stock on December 29, 2017 of \$6.73.
- (10) Mr. Brooks, our former Chief Transaction Officer, General Counsel and Secretary, passed away on March 29, 2018, on which date all of his outstanding equity awards immediately vested in accordance with their terms.

**Equity Awards Vested During 2017**

Name	Stock Awards:	
	Number of Equity Awards(1) Acquired on Vesting(2)	Value Realized on Vesting
Monty J. Bennett	357,025	\$ 2,142,103
Douglas A. Kessler	195,304	\$ 1,244,225
Deric S. Eubanks	62,418	\$ 390,440
David A. Brooks	149,244	\$ 933,332
J. Robison Hays, III	119,845	\$ 739,802
Jeremy Welter	101,695	\$ 592,775

- (1) Includes LTIP units that vested during 2017. All except for 212,875 of the LTIP units that vested during 2017 have reached economic parity with common units in our operating partnership.
- (2) Includes LTIP units acquired on vesting. On December 13, 2017, LTIP units were reduced by a conversion factor as more fully described in the Company's Form 8-K filed on December 14, 2017 and as reflected in the Form 4's filed with the SEC for each named executive officer. This table reflects the number of awards that vested prior to such reduction.



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**Potential Payments Upon Termination of Employment or Change of Control**

We are not a party to any employment agreements with our executive officers. As a result, all payments we would need to make to the Chairman of our Board or any named executive officer upon termination of employment or following a change of control are pursuant to awards granted under our equity incentive plan.

Our equity incentive plan provides that equity awards granted pursuant to the plan will fully vest upon (i) the death or disability of the named executive officer; (ii) the termination or removal of the named executive officer as an employee or consultant of the Company or an affiliate, or as a non-employee director of the Company without "cause" (as defined therein) or by the named executive officer for "good reason" (as defined therein); (iii) the termination, removal or resignation of the named executive officer as an employee or consultant of the Company or an affiliate or as a non-employee director of the Company for any reason within one year from the effective date of a change in control of the Company; provided however, for all executive officers other than Messrs. Bennett and Kessler, if a change of control occurs and the executive officer's employment is terminated by the executive officer without good reason, only unvested restricted equity securities awarded prior to September 13, 2017 will become fully vested and the unvested restricted equity securities awarded on or after September 13, 2017 will be forfeited.

The award agreements for the PSUs and performance LTIPs granted to the named executive officers in 2017 provide for accelerated vesting upon (i) the termination or removal of the named executive officer as an officer of the Company by the Company without cause (including a termination of the advisory agreement with our advisor) or by the named executive officer for good reason, (ii) the death or disability of the named executive officer, (iii) a change of control of the Company, (iv) a change of control of our advisor, if such change in control results in the vesting of the award under the terms of any employment agreement that the named executive officer has with our advisor, and (v) an involuntary termination of employment or the nonrenewal of the employment agreement to the extent such event causes vesting of the award under the employment agreement the named executive officer has with our advisor. Our advisor is an affiliate under our equity incentive plan.

For the purposes of the plan, the following definitions apply:

"**Cause**" has, with respect to any named executive officer, the same definition as in any employment agreement that such named executive officer has with the Company, Ashford Inc. or any of their respective affiliates. If such named executive officer is not a party to such an employment agreement, generally, (i) the willful commission of a crime or act that results in substantial economic damage to, or substantial injury to the business reputation of, the Company, or an affiliate; (ii) the commission of an act of fraud in the performance of such participant's duties on behalf of the Company or an affiliate; or (iii) the continuing willful failure of a participant to perform his or her duties (other than for incapacity due to physical or mental illness) after written notice by the Compensation Committee and a reasonable opportunity for such participant to be heard and cure such failure.

A "**change of control**" of the Company is deemed to have occurred when:

(i) any person other than (A) the Company or any of its subsidiaries, (B) any employee benefit plan of the Company or any of its subsidiaries, (C) Remington or an affiliate, (D) a Company owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company, or (E) an underwriter temporarily holding securities pursuant to an offering of such securities, becomes the beneficial owner, directly or indirectly, of securities of the Company representing 30% or more of the shares of voting stock of the Company then outstanding; provided, however, that an initial public offering of common stock will not constitute a change of control;

(ii) the consummation of any merger, organization, business combination or consolidation of the Company or one of its subsidiaries with or into any other company, other than a merger,

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reorganization, business combination or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding securities which represent immediately after such merger, reorganization, business combination or consolidation more than 50% of the combined voting power of the voting securities of the Company or the surviving company or the parent of such surviving company;

(iii) the consummation of a sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition if the holders of the voting securities of the Company outstanding immediately prior thereto hold securities immediately thereafter which represent more than 50% of the combined voting power of the voting securities of the acquiror, or parent of the acquiror, of such assets, or the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company; or

(iv) individuals who, as of the effective date of the Ashford Hospitality Trust, Inc. 2011 Stock Incentive Plan, constituted our Board cease for any reason to constitute at least a majority of our Board; provided, however, that any individual becoming a director subsequent to the effective date whose election by our Board was approved by a vote of at least a majority of the directors then comprising the Board is considered as though such individual were a member of the initial Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an election contest with respect to the election or removal of directors or other solicitation of proxies or consents by or on behalf of a person other than our Board.

"**Good reason**" has, with respect to a named executive officer, the same definition as in any employment agreement that such named executive officer has with the Company. If such named executive officer is not a party to such an employment agreement, "good reason" means termination of employment or service under any of the following circumstances, if the Company fails to cure such circumstances within 30 days after receipt of written notice from the participant setting forth a description of such good reason:

(i) the removal from or failure to re-elect the named executive officer to the office or position in which he or she last served;

(ii) the assignment to the named executive officer of any duties, responsibilities, or reporting requirements materially inconsistent with his or her position with the Company or any material diminishment, on a cumulative basis, of the named executive officer's overall duties, responsibilities or status;

(iii) a material reduction by the Company in the named executive officer's fees, compensation, or benefits; or

(iv) the requirement by the Company that the principal place of business at which the participant performs his or her duties be changed to a location more than 50 miles from downtown Dallas, Texas.

The following table sets forth the potential payments to the Company's named executive officers upon a theoretical termination of employment or change of control occurring on December 29, 2017. The amounts shown assume a common stock value of \$6.73 per share, the closing share price of the common stock as of December 29, 2017, the last day of 2017 on which the NYSE was open for trading. The actual

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amount paid out to an executive upon an actual termination or change of control can only be determined at the time of such event.

Name	Change in Control(1)	Termination Following Change in Control for any Reason(2)	Involuntary Termination from the Company(3)	Involuntary Termination from Advisor, Death, Disability and Non-Renewal of Employment Agreement(4)
Monty J. Bennett				
LTIP unit awards	\$	3,994,144	3,994,144	3,994,144
Performance LTIP awards	6,963,614	6,963,614	6,963,614	6,963,614
<b>Total</b>	<b>\$ 6,963,614</b>	<b>10,957,758</b>	<b>10,957,758</b>	<b>10,957,758</b>
Douglas A. Kessler				
Restricted stock awards	\$	4,724,534	4,724,534	4,724,534
PSU awards	3,963,014	3,963,014	3,963,014	3,963,014
<b>Total</b>	<b>\$ 3,963,014</b>	<b>8,687,548</b>	<b>8,687,548</b>	<b>8,687,548</b>
Deric S. Eubanks				
Restricted stock awards	\$	1,232,088	1,232,088	1,232,088
PSU awards	2,499,549	2,499,549	2,499,549	2,499,549
<b>Total</b>	<b>\$ 2,499,549</b>	<b>3,731,637</b>	<b>3,731,637</b>	<b>3,731,637</b>
David A. Brooks(5)				
Restricted stock awards	\$	1,766,430	1,766,430	1,766,430
PSU awards	3,045,769	3,045,769	3,045,769	3,045,769
<b>Total</b>	<b>\$ 3,045,769</b>	<b>4,812,199</b>	<b>4,812,199</b>	<b>4,812,199</b>
J. Robison Hays, III				
LTIP unit awards	\$	1,151,335	1,151,335	1,151,335
Performance LTIP awards	2,655,335	2,655,335	2,655,335	2,655,335
Restricted Stock Awards		331,197	331,197	331,197
<b>Total</b>	<b>\$ 2,655,335</b>	<b>4,137,867</b>	<b>4,137,867</b>	<b>4,137,867</b>
Jeremy Welter				
LTIP unit awards	\$	1,480,890	1,480,890	1,480,890
Performance LTIP awards	2,655,335	2,655,335	2,655,335	2,655,335
<b>Total</b>	<b>\$ 2,655,335</b>	<b>4,136,225</b>	<b>4,136,225</b>	<b>4,136,225</b>

(1) In the event of a change of control of the Company, the number of PSUs and performance LTIPs that vest will be based on actual Company performance for the shortened performance period through the date of such change in control. Values assume that the outstanding performance-based awards are paid out at maximum level.

(2) In the event of a termination of a named executive officer as an employee or consultant of the Company or an affiliate or as a non-employee director of the Company for any reason within the one year period following a change in control of the Company, outstanding restricted stock and LTIP unit awards will vest fully. Additionally, this column includes the value of the PSUs and performance LTIPs that would vest upon a change in control of the Company, as set forth in the column entitled "Change in Control." Because the named executive officers are employees of an affiliate of the Company



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rather than the Company, awards will be accelerated upon a termination from our advisor for any reason within the one year period following a change in control.

- (3) Upon an involuntary termination of a named executive officer as an officer of the Company, which we assume will be coincident with the removal of the named executive officer as an employee of our advisor, outstanding restricted stock and LTIP unit awards will vest fully, and outstanding PSU and performance LTIP awards vest based on the greater of actual performance (for the shortened performance period through the date of such termination) and target performance. Values assume that the outstanding performance-based awards are paid out a maximum level.
- (4) In the event of an involuntary termination from our advisor, death, disability or non-renewal of the employment agreement of a named executive officer, outstanding restricted stock or LTIP awards will vest fully, and outstanding PSU and performance LTIP awards vest based on the greater of actual performance (for the shortened performance period through the date of such termination) and target performance. Values assume that the outstanding performance-based awards are paid out at maximum level.
- (5) Mr. Brooks passed away on March 29, 2018, on which date all of his outstanding equity awards immediately vested in accordance with their terms.



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**PROPOSAL NUMBER TWO ADVISORY APPROVAL OF EXECUTIVE COMPENSATION**

We are providing stockholders an opportunity to cast a non-binding advisory vote on executive compensation (sometimes referred to as "*say on pay*"). This proposal allows the Company to obtain the views of stockholders on the design and effectiveness of our executive compensation program. Your advisory vote will serve as an additional tool to guide the Compensation Committee and our Board in continuing to improve the alignment of our executive compensation programs with the interests of the Company and our stockholders.

Section 14A of Exchange Act and related SEC rules require that we provide our stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with SEC rules. We must provide this opportunity to our stockholders at least once every three years; however, following the recommendation of our stockholders, our Board has chosen to hold this vote every year.

During 2017, our named executive officers were employees of Ashford Inc. While our named executive officers were paid cash compensation by Ashford, Inc., they (as well as employees of our advisor) continue to be eligible to receive equity awards under our equity incentive plan and we have granted our named executive officers equity incentive compensation awards with respect to 2017. We do not provide any other compensation or employee benefit plans for our named executive officers.

The Board believes the equity compensation program for our named executive officers should follow a pay for performance philosophy. In early 2016, our Compensation Committee approved a new equity compensation program for our executive officers which provides that at least half of the shares awarded will be performance based and vest based on the Company's three-year TSR, beginning with grants made in 2016. The other half is eligible to be earned based on a formulaic assessment of prior year performance against business objectives established by our Board. Our Compensation Committee believes this equity compensation program increases the alignment of our executive officer's interests with our stockholders and motivates our executive officers to achieve our primary objective of maximizing long-term stockholder returns.

Our corporate governance guidelines provide ownership guidelines for our executive officers. The guidelines state that the Chief Executive Officer should hold an amount of our common stock having a market value in excess of six times his annual base salary, our President should hold an amount of our common stock having a market value in excess of four times his annual base salary and each other executive is required by our guidelines to hold common stock having a market value in excess of three times his annual base salary. The guidelines provide that ownership of common units or LTIP units (including performance LTIP units) in our operating partnership constitute "common stock" for purposes of compliance with the guideline based on a conversion ratio of 1:1. Any future executive officer will be expected to achieve compliance within three years of being appointed. Currently, all of our executive officers satisfy our stock ownership guidelines or are within the three-year ramp-up period for compliance. Each executive officer is required to retain at least half of the after-tax shares received in connection with any awards granted under any of the Company's equity plans until such time that such director or executive officer has met his required ownership level. In addition, our Board adopted and approved an amendment to the 2011 Stock Incentive Plan to: (1) add management stock ownership requirements that match the stock ownership requirements set forth in the our corporate governance guidelines; and (2) establish a minimum vesting period of twelve months for stock options and the stock appreciation rights granted pursuant to the plan.

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In deciding how to vote on this proposal, the Board encourages you to read the Compensation Discussion & Analysis section beginning on page 29 of this proxy statement. The Board recommends that stockholders vote "FOR" approval of the following resolution:

"RESOLVED, that the Company's stockholders hereby approve, on an advisory basis, the compensation of the named executive officers of Ashford Hospitality Trust, Inc. as disclosed in the Company's proxy statement for the 2018 annual meeting of stockholders, in accordance with the SEC's compensation disclosure rules."

Because your vote is advisory in nature, it will not have any effect on compensation already paid or awarded to any of our executive officers and will not be binding on our Board. However, the Compensation Committee will take into account the outcome of this advisory vote when considering future executive compensation decisions.

**The Board unanimously recommends a vote FOR approval of Proposal Number Two, advisory approval of our executive compensation.**

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**PROPOSAL NUMBER THREE RATIFICATION OF THE APPOINTMENT OF  
BDO USA, LLP AS OUR INDEPENDENT AUDITORS**

We are asking our stockholders to ratify our Audit Committee's appointment of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018. BDO USA, LLP has audited our financial statements as of and for the years ended December 31, 2017, 2016 and 2015. Stockholder ratification of the selection of BDO USA, LLP as our independent registered public accounting firm is not required by our bylaws or otherwise. However, our Board is submitting the selection of BDO USA, LLP to our stockholders for ratification as a matter of good corporate governance practice. If our stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent accounting firm at any time during the year if it determines that such a change would be in the best interests of us and our stockholders.

Our Audit Committee is responsible for appointing, retaining, setting the compensation of, and overseeing the work of our independent registered public accounting firm. Our Audit Committee pre-approves all audit and non-audit services provided to us by our independent registered public accounting firm. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is subject to a specific budget. The Audit Committee has delegated pre-approval authority to its chairperson when expedition of services is necessary. The independent registered public accounting firm and management are required to periodically report to the full Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee approved all fees paid to BDO USA, LLP since their appointment with no reliance placed on the de minimis exception established by the SEC for approving such services.

**Audit Committee Report**

Our Audit Committee is governed by a written charter adopted by our Board and is composed of three independent directors, each of whom has been determined by our Board to be independent in accordance with the rules of the NYSE.

The following is our Audit Committee's report in its role as the overseer of the integrity of our financial statements, the financial reporting process, our independent auditor's performance, including their qualification and independence, and our compliance with legal and regulatory requirements. In carrying out its oversight responsibilities, our Audit Committee is not providing any expert or special assurance as to our financial statements or any professional certification as to the outside auditor's work. This report shall not be deemed to be soliciting material or to be filed with the SEC under the Securities Act of 1933, as amended, or the Exchange Act or incorporated by reference in any document so filed.

The Audit Committee schedules its meetings with a view to ensuring that it devotes appropriate attention to all of its tasks. The Audit Committee meetings include, whenever appropriate, executive sessions with the independent auditors and with the Company's internal auditors, in each case without the presence of management.

The Audit Committee has reviewed and discussed the consolidated financial statements of the Company as of and for the year ended December 31, 2017 with management of the Company and BDO USA, LLP, the Company's independent registered public accounting firm. Management is responsible for the preparation, presentation and integrity of the Company's consolidated financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)); establishing and maintaining internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)); evaluating the effectiveness of the Company's disclosure controls and procedures; evaluating the effectiveness of the Company's internal control over financial reporting; and evaluating any change in internal controls over financial reporting that has

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materially affected, or is reasonably likely to materially affect, internal control over financial reporting. BDO USA, LLP is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States, as well as expressing an opinion on the effectiveness of the Company's internal control over financial reporting.

Management, with the involvement of our Chief Executive Officer and Chief Financial Officer, has completed an evaluation of the Company's system of internal control over financial reporting as of the December 31, 2017 in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. Upon completion of that evaluation, management provided the Audit Committee with, and the Audit Committee reviewed, a written report on the effectiveness of Ashford's internal control over financial reporting provided by management. The Audit Committee also reviewed the report of management contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed with the SEC, as well as BDO USA, LLP's Report of Independent Registered Public Accounting Firm included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 related to its audit of (i) the consolidated financial statements and (ii) the effectiveness of internal control over financial reporting. The Audit Committee continues to oversee Ashford's efforts related to its internal control over financial reporting and management's preparation for the evaluation in fiscal year 2017.

The Audit Committee has discussed with BDO USA, LLP the matters required to be discussed with the independent auditors pursuant to Public Company Accounting Oversight Board Auditing Standard No. 1301 (Communication with the Audit Committees), including the quality of Ashford's accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Audit Committee has received the written disclosures and letter from BDO USA, LLP to the Audit Committee required by the applicable requirements of the Public Company Accounting Oversight Board regarding BDO USA, LLP's communications with the Audit Committee concerning independence, and has discussed with BDO USA, LLP its independence.

Taking all of these reviews and discussions into account, the undersigned Audit Committee members recommended to the Board that the Board approve the inclusion of Ashford's audited financial statements in Ashford's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, for filing with the SEC.

AUDIT COMMITTEE  
Philip S. Payne, Chairman  
Benjamin J. Ansell, M.D.  
Alan L. Tallis

**Auditor Fees**

Services provided by BDO USA, LLP included the audits of the annual consolidated financial statements of the Company and our subsidiaries. Services also included the review of unaudited quarterly consolidated financial information in accordance with PCAOB standards, review and consultation regarding filings with the SEC and the Internal Revenue Service, and consultation on financial and tax

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accounting and reporting matters. During the years ended December 31, 2017 and 2016, aggregate fees incurred related to our principal accountants, BDO USA, LLP consisted of the following:

	Year Ended December 31, 2017	Year Ended December 31, 2016
Audit Fees	\$ 1,223,780	\$ 1,093,178
Audit-Related Fees	27,338	16,800
Tax Fees		109,597
All Other Fees		
<b>Total</b>	<b>\$ 1,251,118</b>	<b>\$ 1,219,575</b>

"**Audit Fees**" include fees and related expenses for professional services rendered in connection with audits of our annual financial statements and the financial statements of certain of our subsidiaries, reviews of our unaudited quarterly financial information, reporting on the effectiveness of our internal controls over financial reporting and reviews and consultation regarding financial accounting and reporting matters. This category also includes fees for services that generally only the auditor reasonably can provide, such as statutory audits, comfort letters, consents, and assistance with review of our filings with the SEC.

"**Audit-Related Fees**" include fees and related expenses for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements that are not Audit Fees.

"**Tax Fees**" include fees and related expenses billed for tax compliance services and federal and state tax advice and planning.

"**All Other Fees**" include fees and related expenses for products and services that are not Audit Fees, Audit-Related Fees or Tax Fees.

Representatives of BDO USA, LLP will be present at the annual meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

**The Board unanimously recommends a vote FOR approval of Proposal Number Three, the ratification of the appointment of BDO USA, LLP as our independent auditors for the fiscal year ending December 31, 2018.**

Table of Contents**SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS**

The following table sets forth information as of March 28, 2018 regarding the ownership of our equity securities by (i) each person known to us who beneficially owns, directly or indirectly, more than five percent of our outstanding shares of voting stock, (ii) each of our directors, our director nominee and our named executive officers and (iii) all of our directors and executive officers as a group. In accordance with SEC rules, each listed person's beneficial ownership includes: (i) all shares the person owns beneficially; (ii) all shares over which the person has or shares voting or dispositive control (such as in the capacity of a general partner of an investment fund); and (iii) all shares the person has the right to acquire within 60 days. Unless otherwise indicated, each person or entity named below has sole voting and investment power with respect to all shares of our voting stock shown to be beneficially owned by such person or entity. As of March 28, 2018, we had an aggregate of 98,153,889 shares of voting stock outstanding, consisting of 98,153,889 shares of our common stock and no shares of our Series C Preferred Stock. Except as indicated in the footnotes to the table below, the address of each person listed below is the address of our principal executive office, 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254.

**Security Ownership of Management, Directors and Director Nominee**

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class(2)
Monty J. Bennett	6,606,474(3)	6.4%
Archie Bennett, Jr.	4,902,761(4)	4.8%
Benjamin J. Ansell, M.D.	221,462	*
Amish Gupta	48,088	*
Kamal Jafarnia	55,484	*
Frederick J. Kleisner	25,027	*
Sheri L. Pantermuehl		*
Philip S. Payne	98,587	*
Alan L. Tallis	298,350	*
David A. Brooks(5)	2,262,873	2.3%
Deric S. Eubanks	503,528	*
Douglas A. Kessler	2,224,315	2.2%
J. Robison Hays, III	547,219	*
Jeremy Welter	380,780	*
All executive officers and directors as a group (13 persons)	14,365,599	13.3%

\*  
Denotes less than 1.0%.

(1) Assumes that all common units of our operating partnership held by such person or group of persons are redeemed for common stock based on the applicable exchange ratio as of March 28, 2018, which was one share of our common stock per common unit, and includes all restricted stock grants made since our initial public offering through March 28, 2018. All such stock grants typically vest over a period of time generally commencing on the date of their issuance. The number includes LTIP units in our operating partnership that have achieved economic parity with the common units as of March 28, 2018 but excludes any LTIP units (including performance LTIPs) issued subsequent to March 28, 2018 or that have not yet achieved economic parity or PSUs, LTIPs or performance LTIPs that have not yet vested. All LTIP units that have achieved economic parity with the common units are, subject to certain time-based and/or performance-based vesting requirements, convertible into

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common units, which are redeemable for cash or, at our option, convertible into shares of our common stock.

- (2) As of March 28, 2018, there were outstanding and entitled to vote 98,153,889 shares of common stock. The total number of shares outstanding used in calculating the percentage for each person assumes that operating partnership common units held by such person and LTIP units held by such person that have achieved economic parity with the common units are redeemed for common stock, using the conversion ratio effective as of the record date, but none of the operating partnership units held by other persons are redeemed for common stock.
- (3) Includes 943,143 common units held directly by Ashford Financial Corporation, 50% of which is owned by Mr. Monty J. Bennett. Mr. Monty J. Bennett disclaims beneficial ownership in excess of his pecuniary interest in such common units. Also includes shares previously held by MJB Operating LP, which have been transferred to MJB Investments LP.
- (4) Does not include 943,143 common units held directly by Ashford Financial Corporation, 50% of which is owned by Mr. Archie Bennett, Jr. Mr. Archie Bennett, Jr. disclaims any beneficial ownership in any of the 943,143 common units held by Ashford Financial Corporation, although he or his affiliates do have a 50% pecuniary interest in those common units.
- (5) Mr. Brooks, our former Chief Transaction Officer, General Counsel and Secretary, passed away on March 29, 2018.

**Security Ownership of Certain Beneficial Owners**

Listed in the following table and the notes thereto is certain information with respect to the beneficial ownership of our common stock as of March 28, 2018 by the persons known to Ashford to be the beneficial owners of five percent or more of our common stock (our only voting securities), by virtue of the filing of Schedule 13D or Schedule 13G with the SEC. To our knowledge, other than as set forth in the table below, there are no persons owning more than five percent of any class of Ashford's common stock. Unless otherwise indicated, all shares are owned directly and the indicated person has sole voting and investment power.

Title of Securities	Name of Stockholder	Number of Shares Beneficially Owned	Percent of Class(1)
Common Stock	The Vanguard Group, Inc. Vanguard Specialized Funds Vanguard	16,440,333(2)	16.7%
Common Stock	REIT Index Fund	6,574,809(3)	6.7%
Common Stock	Monty J. Bennett	6,606,474(4)	6.4%
Common Stock	Archie Bennett, Jr.	4,902,761(4)	4.8%
Common Stock	Blackrock, Inc.	7,911,925(5)	8.1%

- (1) As of March 28, 2018, there were outstanding and entitled to vote 98,153,889 shares of common stock.
- (2) Based on information provided by The Vanguard Group, Inc. ("**Vanguard Group**") in an amendment to its Schedule 13G filed with the SEC on February 12, 2018. Per its Schedule 13G, Vanguard Group has sole voting power over 166,568 of such shares, shared voting power over 105,124 of such shares, sole power to dispose of 16,254,002 of such shares and shared power to dispose of 186,331 of such shares. Includes 81,207 shares of common stock held by Vanguard Fiduciary Trust Company and 190,485 shares of common stock held by Vanguard Investments Australia, Ltd. The principal business address of Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

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- (3) Based on information provided by the Vanguard Specialized Funds Vanguard REIT Index Fund ("*Vanguard Fund*"), in an amendment to its Schedule 13G filed with the SEC on February 12, 2018. Per its Schedule 13G, the Vanguard Fund has sole voting power over all such shares and does not have sole or shared dispositive power over any of such shares. The principal business address of Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.
- (4) The total number of shares of the Company's common stock outstanding used in calculating the percentage assumes that operating partnership units held by this person, including LTIP units that have achieved economic parity with our common stock, are converted into common stock but none of the operating units held by other people is converted into common stock. Each of Mr. Archie Bennett, Jr. and Mr. Monty J. Bennett owns a portion of their shares indirectly. Also, the amount reported for Mr. Monty J. Bennett includes shares previously held by MJB Operating, LP, which have been transferred to MJB Investments LP.
- (5) Based on information provided by Blackrock, Inc. in an amendment to Schedule 13G filed with the SEC on January 29, 2018. Per its Schedule 13G, Blackrock, Inc. has sole voting power of 7,656,324 of such shares and sole dispositive power over 7,911,925 such shares. The principal business address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055.

**Section 16(a) Beneficial Ownership Reporting Compliance**

To our knowledge, based solely on review of the copies of Forms 3, 4 and 5 furnished to us and the written representations of our directors and executive officers, for the year ended December 31, 2017, other than as disclosed herein, all of our directors, executive officers and beneficial owners of more than ten percent of our common stock