

Chatham Lodging Trust
Form DEF 14A
April 20, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN
PROXY STATEMENT

SCHEDULE 14A INFORMATION

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-11(c) or §240.14a-12

Chatham Lodging Trust
(Name of Registrant as Specified In Its Charter)

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

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- (3) Filing Party:

(4) Date Filed:

50 Coconut Row, Suite 211

Palm Beach, FL 33480

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 21, 2015

TO OUR SHAREHOLDERS:

The Annual Meeting of Shareholders of Chatham Lodging Trust (the Company) will be held at the Brazilian Court Hotel at 301 Australian Avenue, Palm Beach, Florida 33480, on Thursday, May 21, 2015, at 9:00 a.m., for the following purposes:

1. To elect three trustees of the Company to hold office for a one-year term and until their respective successors as trustees are duly elected and qualified;
2. To ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accountants for the year ending December 31, 2015;
3. To hold an advisory vote on executive compensation as disclosed in these materials; and
4. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Only shareholders of record at the close of business on April 1, 2015, are entitled to notice of, and to vote at, the meeting. All shareholders are requested to be present in person or by proxy. Any shareholder who later finds that he or she can be present at the meeting, or for any reason desires to do so, may revoke the proxy at any time before it is voted.

There is enclosed, as a part of this Notice, a Proxy Statement which contains further information regarding the Annual Meeting. Please read it carefully and vote. Your cooperation is appreciated, because a majority of the common shares must be represented, either in person or by proxy, to constitute a quorum for the conduct of business.

On or about April 20, 2015, we mailed to our beneficial shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2015 Proxy Statement and Annual Report and vote online. Registered shareholders will be furnished a printed copy of the 2015 Proxy Statement and Annual Report by mail.

BY ORDER OF THE BOARD OF TRUSTEES,

ERIC KENTOFF

Corporate Secretary

Palm Beach, Florida

April 17, 2015

We want your shares represented at the Annual Meeting regardless of the number of shares you hold. By following the instructions on the enclosed proxy card, your shares will be voted even if you are unable to attend the Annual Meeting. If you attend the Annual Meeting and prefer to vote in person or change your proxy vote, you may do so at any time before the vote is finalized.

PROXY STATEMENT

FOR ANNUAL MEETING OF SHAREHOLDERS TO BE HELD

MAY 21, 2015

SOLICITATION AND REVOCATION OF PROXY

Proxies in the form furnished are solicited by the Board of Trustees of the Company (the Board of Trustees or the Board) to be voted at the Annual Meeting of Shareholders to be held on May 21, 2015, or at any adjournment or postponement thereof (the Annual Meeting). The individuals named as proxies are Dennis Craven and Eric Kentoff. This Proxy Statement and the accompanying proxy card and Notice of Annual Meeting are first being mailed on or about April 17, 2015 to shareholders of record at the close of business on April 1, 2015 (the Record Date).

All shares represented by proxies received will be voted in accordance with instructions contained in the proxies. The Board of Trustees unanimously recommends a vote:

1. FOR the nominees for Trustee listed in these materials and on the proxy;
2. FOR the ratification of the selection of the Company s independent registered public accountants; and
3. FOR the approval, on an advisory non-binding basis, of the compensation of the Company s named executive officers as disclosed in these materials.

In the absence of voting instructions to the contrary, shares represented by validly executed proxies will be voted in accordance with the foregoing recommendations. A shareholder giving a proxy has the power to revoke it any time before it is voted by providing written notice to the Secretary of the Company, by delivering a later-dated proxy, or by voting in person at the Annual Meeting.

Only shareholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting. At the close of business on the Record Date, there were 38,218,580 common shares outstanding, which represent all of the voting securities of the Company. Each common share is entitled to one vote. Shareholders do not have cumulative voting rights in the election of Trustees.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on May 21, 2015. Our proxy statement is attached. Our financial and other information is contained in our Annual Report to Shareholders for the fiscal year ended December 31, 2014. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you specifically request the materials. This proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2014, as filed with the U.S. Securities and Exchange Commission, are available at www.proxyvote.com. If you received a Notice of Internet Availability of Proxy Materials by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice of Internet Availability of Proxy Materials. In addition, the Notice of Internet Availability of Proxy Materials provides instructions on how shareholders may request to receive proxy materials for future annual meetings of shareholders in printed or email form.

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A majority of the common shares entitled to vote at the Annual Meeting, present either in person or by proxy, will constitute a quorum. Shareholders who abstain from voting on any or all proposals will be included in the number of shareholders present at the meeting for purposes of determining the presence of a quorum. Abstentions and broker non-votes will not be included in the total of votes cast and will not affect the outcome of the vote.

With respect to proposal 1, the election of trustees, the affirmative vote of a majority of the votes cast is required to elect a trustee.

With respect to proposal 2, the ratification of the selection of the Company's independent registered public accountants, the votes that shareholders cast for must exceed the votes that shareholders cast against to approve.

With respect to proposal 3, the advisory vote on executive compensation, the votes that shareholders cast for must exceed the votes that shareholders cast against to approve.

If your shares are held by a broker on your behalf (that is, in street name), and you do not instruct the broker as to how to vote these shares on proposals 1 or 3, the broker may not exercise discretion to vote for or against those proposals. This would be a broker non-vote and these shares will not be counted as having been voted on the applicable proposal. With respect to proposal 2, the broker may exercise its discretion to vote for or against that proposal in the absence of your instruction. **Please instruct your bank or broker so your vote can be counted.**

PROPOSAL 1: ELECTION OF TRUSTEES

Declassification of the Board of Trustees; Opt-out of Section 3-803 of the Maryland General Corporation Law (MGCL)

On November 12, 2013, in order to protect shareholder value in response to an unsolicited takeover proposal that the Board of Trustees had determined was inadequate and contrary to the best interests of the Company and its shareholders, the Company, by resolution of the Board, opted in to Section 3-803 of the MGCL to classify the Board into three classes having staggered three-year terms. The Company announced that the classification was solely intended to protect shareholder value and was not intended to be a permanent feature of the Company's corporate governance. At that time, the Company also announced that it was committed to take action within two years to declassify the Board of Trustees. By January 2015, the Company's share price had reached \$31.60 per share, approximately 47.0% higher than the unsolicited offer price made 14 months earlier in November 2013.

On April 9, 2015, in accordance with its previously announced commitment to take action within two years to declassify the Board of Trustees, the Board adopted a resolution, and the Company filed articles supplementary to the Company's declaration of trust with the Maryland State Department of Assessments and Taxation, to (i) cause the Company to no longer be subject to Section 3-803 of the MGCL and (ii) provide for the declassification of the Board. The resolution and articles provide for annual elections to be phased in over two years, commencing with the Annual Meeting and fully implemented by the 2017 annual meeting of shareholders. The election to declassify the Board did not shorten the term of any current trustee.

As a result of the election to declassify the Board, the three trustees who were in Class II (with a term expiring in 2015) have been nominated for election at the Annual Meeting to serve as trustees for one year (i.e., until the 2016 annual meeting of shareholders and until their successors are duly elected and qualified). The Company expects that those three trustees and the three trustees whose terms as Class III trustees expire at the 2016 annual meeting will be nominated for election at the 2016 annual meeting of shareholders to serve as trustees for one year (i.e., until the 2017 annual meeting of shareholders and until their successors are duly elected and qualified). Similarly, and to complete the declassification process, the Company expects that all nine trustees will be nominated for election at the 2017 annual meeting of shareholders to serve as trustees for a one-year term (i.e., until the 2018 annual meeting of shareholders and until their successors are duly elected and qualified).

Nominees for Election at the Annual Meeting

The terms of office for our three Class II trustees, C. Gerald Goldsmith, Rolf E. Ruhfus and Joel F. Zemans, will expire at the Annual Meeting. The Nominating and Corporate Governance Committee recommended for nomination, and the Board has nominated, all three of these trustees to serve a one-year term expiring at the 2016 annual meeting of shareholders and until their successors are duly elected and qualified.

Unless a shareholder specifies otherwise, or does not return the enclosed proxy, each shareholder's common shares represented by the enclosed proxy will be voted FOR the election of the nominees to serve as trustees until the 2016 annual meeting and until their successors are elected and qualify. The nominees have indicated their willingness to serve if elected. While not anticipated, if any nominee shall become unavailable or unwilling to serve as a trustee for any reason, the persons named as proxies on the proxy card may vote for any substitute nominee proposed by the Board of Trustees.

The Board of Trustees unanimously recommends that you vote FOR each of the trustee nominees described in this Proposal 1.

The following table and biographical descriptions set forth information with respect to the three trustee nominees for election at the Annual Meeting whose terms of office will expire at our 2016 annual meeting of shareholders, and the Class I and Class III continuing trustees, whose terms of office will expire at our 2017 and 2016 annual meetings of shareholders, respectively.

**Trustee Nominees for Election at the Annual Meeting
(If Elected, Term will Expire at the 2016 Annual Meeting of Shareholders)**

Name	Age	Position
C. Gerald Goldsmith	86	Trustee
Rolf E. Ruhfus	70	Trustee
Joel F. Zemans	73	Trustee

**Class III Continuing Trustees
(Term will Expire at the 2016 Annual Meeting of Shareholders)**

Jeffrey H. Fisher	59	Chairman, President and Chief Executive Officer
Robert Perlmutter	53	Trustee
Thomas J. Crocker	61	Trustee

**Class I Continuing Trustees
(Term will Expire at the 2017 Annual Meeting of Shareholders)**

Jack P. DeBoer	84	Trustee
Glen R. Gilbert	70	Trustee
Miles Berger	84	Trustee

NOMINEES FOR ELECTION AT THE ANNUAL MEETING

(TERMS WILL EXPIRE IN 2016)

C. Gerald Goldsmith

Mr. Goldsmith has been a trustee of the Company since the completion of our initial public offering (IPO) in April 2010. He has been an independent investor and financial advisor since 1976 and has served as a director of several banks and NYSE-listed companies and various philanthropic organizations. He holds an A.B. from the University of Michigan and an M.B.A. from Harvard Business School. Mr. Goldsmith previously served on the Board of Trustees of Innkeepers USA Trust, then a NYSE-listed company (Innkeepers) from September 1994

until Innkeepers' sale in June 2007. The Board of Trustees, upon the recommendation of the Nominating and Corporate Governance Committee, has determined that Mr. Goldsmith should serve as a trustee due to his extensive financial experience to the compensation committee function and his experience specific with banking functions pertinent to the Company.

Rolf E. Ruhfus

Mr. Ruhfus has been a trustee of the Company since the completion of our IPO in April 2010. He is Chairman and Chief Executive Officer of LodgeWorks Corporation, a hotel development and management company, which owns the Archer hotel brand and in 2011, sold 20 hotels to Hyatt Hotels. Mr. Ruhfus also serves as Chairman and Chief Executive Officer of Wichita Consulting Company, L.P., a consulting services company. Previously, Mr. Ruhfus served as the Chairman and Chief Executive Officer of Summerfield Hotel Corporation, an upscale extended-stay hotel chain, from its founding in 1988 until its sale to Wyndham International, Inc. in 1998. Mr. Ruhfus served as President of the Residence Inn Company from February 1983 through July 1987 (when it was acquired by Marriott International, Inc.). Mr. Ruhfus joined the Residence Inn Company after spending four years as Director of Marketing for VARTA Battery, Europe's largest battery manufacturer. Prior to this position, he was a management consultant for McKinsey and Company in its Dusseldorf, Germany office. Mr. Ruhfus was a German Air Force Lieutenant and received a bachelor's degree from Western Michigan University in 1968. His graduate degrees include an M.B.A. from the Wharton School at the University of Pennsylvania in 1971 and a Ph.D. in marketing from the University of Muenster in 1974. Mr. Ruhfus is a member of the international chapter of The Young Presidents Organization and serves on the boards of several European companies. Mr. Ruhfus previously served on the Board of Trustees of Innkeepers from July 1997 until Innkeepers' sale in June 2007. The Board of Trustees, upon the recommendation of the Nominating and Corporate Governance Committee, has determined that Mr. Ruhfus should serve as a trustee due to his extensive experience specific to the limited service and extended stay hotel industry segments that correlate with our own strategy.

Joel F. Zemans

Mr. Zemans has been a trustee of the Company since the completion of our IPO in April 2010. He has been active in the ownership and operation of real estate and banks since 1969. From 1971 through 1976, he served as Executive Vice President (and through 1984 as a Director) of Chicago Properties Corporation, a real estate development company that specialized in the rehabilitation of multi-unit residential properties in Chicago. Between 1976 and 2001, Mr. Zemans served as Chief Executive Officer of de novo Mid Town Bancorp, Inc. and its three subsidiaries: Mid Town Bank and Trust Company of Chicago, Mid Town Development Corporation and Equitable Finance Corporation. Currently he serves on the Board of Directors of privately held Bright Electric Supply, and MBA Building Supplies. Mr. Zemans, who holds both a B.A. and an M.B.A. from the University of Chicago, previously served on the Board of Trustees of Innkeepers USA (a NYSE-listed company) from November 2001 until Innkeepers' sale in June 2007, and on the Board of Mid America Bank, a subsidiary of MAF Bancorp, Inc. (a NASDAQ-listed company) from 2001 to 2004. The Board of Trustees, upon the recommendation of the Nominating and Corporate Governance Committee, has determined that Mr. Zemans should serve as a trustee due to his extensive financial experience specific to the audit function and corporate compliance as well as his banking industry expertise.

CLASS I CONTINUING TRUSTEES

(TERMS WILL EXPIRE IN 2017)

Miles Berger

Mr. Berger has been a trustee of the Company since the completion of our IPO in April 2010. He has been engaged in real estate, banking and financial services since 1950. In 1998, Mr. Berger became Chairman and Chief Executive Officer of Berger Management Services LLC, a real estate and financial consulting and advisory

services company. From 1969 to 1998, he served as Vice Chairman of the Board of Heitman Financial Ltd., a real estate investment management firm. Mr. Berger served for more than thirty years, until 2001, as Chairman of the Board of MidTown Bank and Trust Company of Chicago, served as Vice Chairman of Columbia National Bank Corp. from 1965-1995 and was Chairman of the Board of Berger Financial Services, a full-service real estate advisory and financial services company from 1950 to 2006. Mr. Berger has served on the Board of Trustees of Universal Health Realty Income Trust, a publicly traded health care REIT, since December 1998. Mr. Berger also serves on the Board of Directors of Medallion Bank and serves on the boards of numerous philanthropic organizations. Mr. Berger previously served on the Board of Trustees of Innkeepers from September 1994 until Innkeepers' sale in June 2007. The Board of Trustees, upon the recommendation of the Nominating and Corporate Governance Committee, has determined that Mr. Berger should serve as a trustee due to his extensive financial experience specific to the REIT industry.

Jack P. DeBoer

Mr. DeBoer has been a trustee of the Company since the completion of our IPO in April 2010. He is Chairman of Consolidated Holdings, Inc., a private investment company focusing on real estate development and management. Mr. DeBoer is also the Chairman of the Board and majority owner of Value Place LLC, owner of the franchise rights to the Value Place brand of hotels, which provides affordable extended-stay lodging. Mr. DeBoer served as Chairman of the Board, President and Chief Executive Officer of Candlewood Hotel Company, Inc. from its inception in 1995 until it was acquired in December 2003. From October 1993 to September 1995, Mr. DeBoer was self-employed and engaged in the development of the Candlewood extended-stay hotel concept. From 1988 to 1993, Mr. DeBoer co-founded and developed Summerfield Hotel Corporation, an upscale extended-stay hotel chain. Previously, Mr. DeBoer founded and developed the Residence Inn franchise prior to selling the franchise to Marriott in 1987. Mr. DeBoer previously served on the Board of Trustees of Innkeepers from November 1996 until Innkeepers' sale in June 2007. The Board of Trustees, upon the recommendation of the Nominating and Corporate Governance Committee, has determined that Mr. DeBoer should serve as a trustee due to his extensive financial experience specific to the extended stay hotel industry.

Glen R. Gilbert

Mr. Gilbert has been a trustee of the Company since the completion of our IPO in April 2010. He was employed by BFC Financial Corporation, a publicly traded savings bank and real estate holding company, from November 1980 through April 2011. During that period, Mr. Gilbert served in several senior management positions, including as Chief Financial Officer from May 1987 to April 2007 and as Executive Vice President from July 1997 to April 2007. Mr. Gilbert also served as Senior Executive Vice President for Levitt Corporation, a then publicly traded home builder and real estate developer, from August 2004 to December 2005, after serving as its Chief Financial Officer and Executive Vice President from April 1997 to August 2004. Mr. Gilbert has also held various executive and chief financial officer positions for other entities related to BFC Financial Corporation. Mr. Gilbert was a certified public accountant from 1970 through 2008 and graduated from the University of Florida with a B.S.B.A. degree in accounting. Mr. Gilbert began his accounting career with KPMG LLP in 1970. The Board of Trustees, upon the recommendation of the Nominating and Corporate Governance Committee, has determined that Mr. Gilbert should serve as a trustee due to his extensive financial experience specific to the audit function and corporate compliance.

CLASS III CONTINUING TRUSTEES

(TERMS WILL EXPIRE IN 2016)

Jeffrey H. Fisher

Mr. Fisher has been our Chairman of the Board, Chief Executive Officer and President since our formation in October 2009. Mr. Fisher is also the majority shareholder of Island Hospitality Management Inc. (IHM), a firm he founded in 2007 that currently manages 149 hotels for hotel owners (including 81 of the hotels owned by our two joint ventures with affiliates of NorthStar Realty Finance Corp. (NorthStar)) and 33 of our wholly-owned hotels. From 1994 to 2007, Mr. Fisher was Chairman, Chief Executive Officer and President of Innkeepers, a lodging REIT he founded and took public in 1994 and was also Chairman and majority shareholder of Innkeepers Hospitality, a privately owned hotel management company. Mr. Fisher grew Innkeepers' portfolio

from seven hotels at the time of its initial public offering to 74 hotels at the time of its sale in June 2007 to an institutional investor at a total enterprise value of \$1.5 billion. Between 1986 and 1994, he served as President and Chief Executive Officer of JF Hotel Management, Inc.

Mr. Fisher received a Bachelor of Science degree in Business Administration from Syracuse University in 1977, a Doctor of Jurisprudence degree from Nova Southeastern University in 1980, and a Masters of Law in Taxation from the University of Miami in 1981. He is a licensed attorney and practiced at Jones & Foster P.A. and Jeffrey H. Fisher P.A. for a total of five years prior to starting his career in the hospitality industry. Additionally, Mr. Fisher currently serves as a Board Member of Marriott's The Residence Inn Association (TRIA). The Board of Trustees, upon the recommendation of the Nominating and Corporate Governance Committee, has determined that Mr. Fisher should serve as a trustee due to his extensive experience in the limited service and extended stay hotel industry segments both on the ownership and management sides.

Thomas J. Crocker

Mr. Crocker has been a trustee of the Company since the completion of our IPO in April 2010. He is Chief Executive Officer and principal investor of Crocker Partners, LLC, a privately held real estate investment company, which is the general partner of a real estate private equity fund, Crocker Partners IV, L.P. Mr. Crocker was previously the Chief Executive Officer of CRT Properties, Inc. (formerly known as Koger Equity, Inc.), until its sale in September 2005. CRT Properties, Inc. was a NYSE-listed REIT which owned or had interests in more than 137 office buildings, containing 11.7 million rentable square feet, primarily located in 25 suburban and urban office projects in 12 metropolitan areas in the Southeastern United States, Maryland and Texas. Prior to joining Koger Equity, Inc. in March 2000, Mr. Crocker was Chairman of the Board and Chief Executive Officer of Crocker Realty Trust, Inc., a privately held REIT, which owned and operated approximately 6.2 million square feet in 133 office buildings located in six states in the Southeast, plus more than 125 acres of developable land. Previously, Mr. Crocker was Chairman of the Board and Chief Executive Officer of Crocker Realty Trust, Inc., which was an office-based publicly-held REIT in the southeast U.S., from that company's inception until June 1996, when it merged with Highwoods Properties, a NYSE-listed REIT. Prior to forming Crocker Realty Trust, Inc., Mr. Crocker headed Crocker & Co., a privately held firm responsible for development, leasing and property management services to approximately 1.7 million square feet of commercial property and 272 residential units. Prior to 1984, Mr. Crocker was a real estate lending officer at Chemical Bank. Mr. Crocker previously served on the Board of Trustees of Innkeepers from February 1997 until Innkeepers' sale in June 2007. The Board of Trustees, upon the recommendation of the Nominating and Corporate Governance Committee, has determined that Mr. Crocker should serve as a trustee due to his extensive experience leading his own REITs, his understanding of financial markets, and his considerable acquisitions experience.

Robert Perlmutter

Mr. Perlmutter has been a trustee of the Company since the completion of our IPO in April 2010. He is Executive Vice President of Leasing with The Macerich Company, focusing on leasing and merchandising. He previously was the managing member and founder of Davis Street Land Company, LLC, a privately held firm focused on the development, management and ownership of upscale shopping centers, which owned a 3.0 million square foot mall portfolio prior to its sale of assets to General Growth Properties and Taubman Centers. From 1983 to 1988, Mr. Perlmutter worked as an investment analyst for Heitman Financial Services, Ltd. in its acquisitions and dispositions division. From 1988 to 1990, he served as President of Heitman Financial, in which capacity he was responsible for overseeing all of the company's acquisitions, financings and dispositions. Mr. Perlmutter subsequently served as Chief Executive Officer of Chicago-based Heitman Retail Properties from 1990 to 1998, where he supervised overall operations and growth of its retail holdings from two retail properties to 20 directly managed malls and 29 joint ventures in regional malls. From 1998 to 2001, he also served on the board of directors of Prime Retail Inc., a NYSE-listed outlet center company. He is a member of the International Council of Shopping Centers and a board member of the First Bank of Highland Park. Mr. Perlmutter received a

Bachelor of Sciences degree in business administration, with a concentration in real estate, from the University of Colorado. The Board of Trustees, upon the recommendation of the Nominating and Corporate Governance Committee, has determined that Mr. Perlmutter should serve as a trustee due to his extensive experience in real estate development, acquisitions and dispositions that is relevant to the Company's own growth strategy.

Biographical Information Regarding Executive Officers Who Are Not Trustees

Dennis M. Craven Executive Vice President and Chief Financial Officer

Mr. Craven, age 43, is our Executive Vice President and Chief Financial Officer. He joined the Company on September 9, 2010. Mr. Craven previously served as Executive Vice President and Chief Financial Officer of Innkeepers from March 2006 until the Innkeepers' sale in June 2007. Following the acquisition, he continued to serve as Chief Financial Officer of Innkeepers until August 2010. Prior to joining Innkeepers in 2006, Mr. Craven was a partner in Addison Capital Advisors, a venture capital firm based in Memphis, Tennessee, and served as Senior Vice President and Chief Accounting Officer of Independent Bank in Memphis. Prior to that, he served as Vice President and Controller, and later Vice President and Chief Accounting Officer, of RFS Hotel Investors, Inc., a NYSE-listed hotel REIT. Prior to joining RFS, he was a senior manager with PricewaterhouseCoopers LLP in Memphis and London. Mr. Craven received a Bachelor of Accountancy from the University of Mississippi in 1993. He is a licensed Certified Public Accountant in the State of Mississippi.

Peter Willis Executive Vice President and Chief Investment Officer

Mr. Willis, age 47, is our Executive Vice President and Chief Investment Officer. He joined our Company in October 2009 prior to our initial public offering. Mr. Willis has over 23 years of hotel acquisition experience. From 2001 to 2006, he served as Vice President of Acquisitions & Business Development for Innkeepers and oversaw over \$500 million of investments in 18 hotels. From June 2006 to January 2009, Mr. Willis served as Senior Vice President at The Kor Group, a privately held, fully integrated real estate investment firm with a portfolio of over \$2 billion in upscale hotel and resort investments, where he focused on U.S. and Caribbean acquisitions and third-party management contracts. While evaluating, negotiating and underwriting specific hotel investments and obtaining and negotiating management contract prospects, Mr. Willis also supported strategic acquisition and corporate planning efforts.

Mr. Willis also held positions with an industry-leading firm supporting the opening of luxury hotels. Establishing the organization's first international operation in the Asia/Pacific region in 1994, he directed the repositioning and opening of properties throughout the region and in the United States. By 2001, Mr. Willis led overall strategic planning, business development and investor relations, as well as integrating acquisitions among the firm's operating entities. Mr. Willis began as an analyst and asset manager of hotel, residential and commercial properties for Japanese investment firm JDC America in Tokyo and in the United States.

Mr. Willis received a Bachelor of Science in Business Administration from the University of Florida in 1989 and has completed professional programs at Cornell University's Hotel School and Obirin University in Tokyo.

Trustee Independence

Our Corporate Governance Guidelines, which are available on our website at www.chathamlodgingtrust.com, require that a majority of our trustees be independent. Our Board of Trustees has adopted the categorical standards prescribed by the New York Stock Exchange (the "NYSE") to assist the Board of Trustees in evaluating the independence of each trustee. The categorical standards describe various types of relationships that could potentially exist between a trustee and our Company and sets thresholds at which such relationships would be deemed to be material. Provided that no relationship or transaction exists that would disqualify a trustee under the categorical standards and as the Board of Trustees determines, taking into account all facts and circumstances, that no other material relationship between our Company and the trustee exists of a

type not specifically mentioned in the categorical standards, the Board of Trustees will deem such person to be independent. A trustee shall not be independent if he or she satisfies any one or more of the following criteria:

a trustee who is, or who has been within the last three years, an employee of our Company, or whose immediate family member is, or has been within the last three years, an executive officer of the Company;

a trustee who has received, or who has an immediate family member serving as an executive officer who has received, during any twelve-month period within the last three years more than \$120,000 in direct compensation from our Company (excluding trustee and committee fees and pension/other forms of deferred compensation for prior service that is not contingent in any way on continued service);

(i) a trustee who is or whose immediate family member is a current partner of a firm that is our Company's internal or external auditor; (ii) a trustee who is a current employee of such a firm; (iii) a trustee who has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (iv) a trustee who was or whose immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on our Company's audit within that time;

a trustee who is or has been within the last three years, or whose immediate family member is or has been within the last three years, employed as an executive officer of another company where any of our Company's present executives at the same time serves or served on that company's compensation committee; or

a trustee who is a current employee, or whose immediate family member is a current executive officer, of a company that has made payments to, or received payments from, our Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues (as reported for the last completed fiscal year).

Under these criteria, our Board of Trustees has determined that the following members of our Board of Trustees are independent: Miles Berger, Thomas J. Crocker, Jack P. DeBoer, Glen R. Gilbert, C. Gerald Goldsmith, Robert Perlmutter, Rolf E. Ruhfus and Joel F. Zemans. We presently have nine trustees, including these eight independent trustees.

Committees of the Board

Our Board of Trustees has established an Audit Committee, Compensation Committee and a Nominating and Corporate Governance Committee, and has adopted charters for each of these committees which are available on our website at www.chathamlodgingtrust.com. Pursuant to these charters, the composition of each committee is required to comply with the listing standards and other rules and regulations of the NYSE, as amended or modified from time to time. Each of these committees is comprised exclusively of independent trustees, as defined by the listing standards of the NYSE then in effect. In 2014, the Audit Committee met seven times, the Compensation Committee met three times, and the Nominating and Corporate Governance Committee met three times.

Audit Committee

Our Audit Committee consists of Messrs. Gilbert (Chair), Berger and Zemans. The Audit Committee makes recommendations concerning the engagement of independent public accountants, reviews with the independent public accountants the plans and results of the audit engagement, approves professional services provided by the independent public accountants, reviews the independence of the independent public accountants, considers the range of audit and non-audit fees and reviews the adequacy of our internal accounting controls.

Mr. Gilbert, an independent trustee, is the chair of our Audit Committee and our Board of Trustees has determined that he is an audit committee financial expert as that term is defined in the rules and regulations of the Securities and Exchange Commission (SEC).

Compensation Committee

Our Compensation Committee consists of Messrs. Goldsmith (Chair), Berger and Zemans. The Compensation Committee determines compensation for our executive officers and trustees, administers our Equity Incentive Plan, produces an annual report on executive compensation for inclusion in our Annual Meeting proxy statement and publishes an annual committee report for our shareholders.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee consists of Messrs. Crocker (Chair) and Goldsmith. The Nominating and Corporate Governance Committee is responsible for seeking, considering and recommending to the Board qualified candidates for election as trustees and recommending a slate of nominees for election as trustees at the Annual Meeting. It also periodically prepares and submits to the Board for adoption the committee's selection criteria for trustee nominees. As provided in our Corporate Governance Guidelines (which are available on our website at www.chathamlodgingtrust.com), the Nominating and Corporate Governance Committee annually reviews the board with respect to diversity, age and skills of its members. It reviews and makes recommendations on matters involving general operation of the Board and our corporate governance, and it annually recommends to the Board nominees for each committee of the Board. In addition, the committee annually facilitates the assessment of the Board of Trustees' performance as a whole and of the committees and individual trustees and reports thereon to the board. Shareholders may make recommendations of potential trustee nominees to the Nominating and Corporate Governance Committee, Chatham Lodging Trust, 50 Cocoanut Row, Suite 211, Palm Beach, FL 33480. Such communications should include information both on the recommending shareholder and the recommended trustee nominee so the Nominating and Corporate Governance Committee may have adequate information for evaluation by our Board or our Nominating and Corporate Governance Committee. Nominees recommended by shareholders will be evaluated in the same manner as those recommended by the Nominating and Corporate Governance Committee.

Shareholder Advisory Resolutions

During our 2014 Annual Meeting of Shareholders, shareholders voted on an advisory, non-binding resolution to approve executive compensation (Say on Pay) with approximately 96% of votes cast at the 2014 Annual Meeting in favor of executive compensation. After the 2011 Annual Meeting, the Company announced its decision to hold the Say on Pay vote on an annual basis unless and until circumstances warrant a vote on a different timetable.

Code of Business Conduct

We have adopted a corporate code of ethics relating to the conduct of our business by our employees, officers and trustees. We intend to maintain the highest standards of ethical business practices and compliance with all laws and regulations applicable to our business, including those relating to doing business outside the United States. Specifically, our code of ethics prohibits payments, directly or indirectly, to any foreign official seeking to influence such official or otherwise obtain an improper advantage for our business. A copy of this Code of Business Conduct may be obtained at no charge by sending a written request to the Corporate Secretary, 50 Cocoanut Row, Suite 211, Palm Beach, FL 33480. The code of conduct is available on our website at www.chathamlodgingtrust.com. If the Company makes any amendments to this code (other than technical, administrative or non-substantive amendments) or grants any waivers, including implicit waivers, from this code to the Chief Executive Officer, Chief Financial Officer or Controller, we will disclose (on our website or in a Current Report on Form 8-K filed with the SEC) the nature of the amendment or waiver, its effective date and to whom it applies.

Policy on Voting Regarding Trustees

In 2014, our Board of Trustees adopted a policy on voting regarding trustees that requires, at any meeting of shareholders at which members of the Board of Trustees are to be elected by the shareholders in an uncontested election, any nominee for trustee who receives a greater number of votes withheld from his or her election than votes for election will submit to the Board, no later than two weeks after the certification of the voting results, a written offer to resign from the Board of Trustees. An uncontested election is one in which the number of individuals who have been nominated for election as a trustee is equal to, or less than, the number of trustees to be elected.

The Nominating and Corporate Governance Committee will consider the resignation offer and, within 60 days after the certification of the voting results, recommend to the Board of Trustees whether to accept or reject the resignation offer. In determining its recommendation to the Board, the Nominating and Corporate Governance Committee will consider all factors it deems relevant, which may include (i) any stated reason or reasons why shareholders cast withheld votes for the trustee, (ii) the qualifications of the trustee and (iii) whether the trustee's resignation from the Board of Trustees would be in our best interest and the best interests of our shareholders. The Nominating and Corporate Governance Committee may also consider alternatives to acceptance or rejection of the resignation offer as the Nominating and Corporate Governance Committee members deem appropriate, which may include (i) continued service by the trustee until the next relevant meeting of shareholders, (ii) an undertaking to seek a replacement trustee, or (iii) rejecting the resignation offer coupled with committing to seek to address the underlying cause or causes of the majority-withheld vote.

The Board of Trustees will act on the Nominating and Corporate Governance Committee's recommendation no later than 90 days after the certification of the voting results. The Board of Trustees will consider the information, factors and alternatives considered by the Nominating and Corporate Governance Committee and additional information, factors and alternatives the Board of Trustees deems relevant. The recommendation of the Nominating and Corporate Governance Committee will not be binding on the Board of Trustees.

Any trustee who offers to resign as provided above shall not participate in the Nominating and Corporate Governance Committee's or the Board of Trustees' consideration of whether to accept his or her resignation offer.

If a trustee's resignation offer is accepted by the Board of Trustees, the Nominating and Corporate Governance Committee will recommend to the Board of Trustees whether to fill the vacancy created by such resignation or to reduce the number of trustees constituting the Board of Trustees. The Board of Trustees will determine the treatment of any compensation due or payable to the resigning trustee.

If a majority of the members of the Nominating and Corporate Governance Committee were required to offer their resignations as described above, the trustees whom the Board of Trustees has affirmatively determined to be independent in accordance with the applicable listing standards of the NYSE, and who were not required to offer their resignations, will appoint a special committee of the Board of Trustees to consider the resignation offers and whether to accept the resignation offers, as otherwise described above.

We will disclose publicly the Board of Trustees' decision, the process by which the decision was made and, if applicable, the reasons for rejecting a resignation offer, in a Current Report on Form 8-K filed with the SEC.

Strong Corporate Governance Practices

We have made strong corporate governance a priority. The following table highlights some of the key elements of our corporate governance practices.

Corporate Governance Highlights

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|---|--|
| <ul style="list-style-type: none"> ▫ Majority voting policy ▫ CEO Succession Plan ▫ No shareholder rights plan or poison pill ▫ 8 of our 9 trustees are independent ▫ Lead independent trustee (Mr. Berger) ▫ All standing committees consist solely of independent trustees ▫ Regular executive sessions of independent trustees ▫ Stock ownership guidelines for Directors and executive officers | <ul style="list-style-type: none"> ▫ No trustee attended < 75% of the Board/Committee meetings in 2014 ▫ Began declassification of the temporarily classified Board ▫ Policy prohibiting hedging or pledging of our stock ▫ Compensation clawback policy ▫ Strong pay-for-performance philosophy ▫ Adopted guidelines for self-evaluation of the Board, the Committees of the Board, and each trustee ▫ Comprehensive Code of Business Conduct and Corporate Governance Guidelines |
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Execution of the Company's Business Plan

In 2014, the Company followed up a very successful 2013 with outstanding results. The Company generated a total shareholder return of 47% after generating a total shareholder return of 40% in 2013. The Company's equity market capitalization increased 87% to \$985 million. The Company was named to the MSCI US REIT Index (RMZ) which, according to MSCI Inc., represents about 99% of the U.S. REIT universe. We realized a tax-free gain of approximately \$80 million or approximately \$3 per share on the recapitalization of the Innkeepers joint venture with our new joint venture partner, NorthStar Realty Finance Corp. (NorthStar). The Company grew hotel investments by approximately \$500 million.

Operating results were also strong in 2014. The Company increased revenue per available room (RevPAR) by 8.2% and increased earnings before interest, taxes, depreciation and amortization (EBITDA) by 64% year-over-year compared to the year ended 2013.

We acquired nine hotels for approximately \$500 million during 2014, or nearly 70% growth from the previous year, including the acquisition of four Residence Inn by Marriott hotels in the Silicon Valley market in California. The nine hotels acquired in 2014 are:

231-room Residence Inn by Marriott Silicon Valley #1 Sunnyvale, California

248-room Residence Inn by Marriott Silicon Valley #2 Sunnyvale, California

160-room Residence Inn by Marriott San Mateo, California

112-room Residence Inn by Marriott Mountain View, California

194-room Hyatt Place Denver/Cherry Creek, Colorado

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179-room Hilton Garden Inn Burlington, Massachusetts

176-room Courtyard by Marriott Dallas (Addison), Texas

120-room Residence Inn by Marriott West University Houston, Texas

100-room Courtyard by Marriott West University Houston, Texas

In January 2014, we marketed for sale the former Innkeepers USA joint venture acquired with Cerberus Capital Management. In June 2014, we acquired the joint venture with affiliates of NorthStar. As a result of the sale, the Company earned a significant promoted interest, realizing a gain of approximately \$80 million on our original \$37 million investment in 2011. Additionally, we were able to roll our gain tax-free into the new joint venture with NorthStar and into the acquisition of the four aforementioned Silicon Valley hotels.

In November 2014, the Company formed another joint venture with affiliates of NorthStar to acquire a 48-hotel portfolio with 6,976 rooms from Inland American Real Estate Trust, Inc. (Inland American) and, in the process, we acquired from Inland American four additional hotels with 575 rooms for approximately \$107 million.

In the first quarter of 2014, the Company implemented a \$50 million at-the-market equity offering plan (the ATM Plan). During 2014, the Company issued 880,820 shares under the ATM Plan at a weighted-average price per share of \$23.54.

Also in the first quarter of 2014, the Company instituted a \$25 million dividend reinvestment plan and direct share purchase plan (the DRSSP) to provide shareholders with a simple and convenient method of reinvesting cash dividends and purchasing common shares. During 2014, the Company issued 2,083 shares under the DRSSP at a weighted-average price per share of \$24.38.

Compensation Committee Interlocks and Insider Participation

None of the trustees serving on our Compensation Committee is or has ever been one of our officers or employees, nor have any of our trustees serving on our Compensation Committee entered into any transaction with us with a value in excess of \$120,000. None of our executive officers, and no trustee serving on our Compensation Committee, serve as a member of the board of trustees (or board of directors) or compensation committee of any entity that has one or more executive officers serving on our Board of Trustees.

Trustee Compensation

For 2014 service to the Company, each of our independent trustees was paid a trustee's fee of \$75,000 per year. The trustees who serve as our lead trustee, Audit Committee chairman, Compensation Committee chairman and Nominating and Corporate Governance Committee chairman were paid an additional cash fee of \$10,000, \$10,000, \$7,500 and \$5,000, respectively. Trustees' fees, other than the additional fees paid for service as the lead trustee or chairman of one of our committees, are paid one-half in cash and one-half in our common shares, although each trustee may elect to receive up to all of such fees in the form of our common shares. In January 2014, common share grants were made to each independent trustee for the share component of their 2013 annual compensation. Trustees who are employees receive no additional compensation as trustees. In addition, we reimburse all trustees for reasonable out-of-pocket expenses incurred in connection with their services on the Board of Trustees. In light of the performance of the Company, its rapid growth, and the competition among public companies seeking trustees or directors who are as qualified and experienced as the members of the Board of Trustees, the Compensation Committee recommended and the Board approved an increase in 2015 of the amounts we pay to our trustees for their service to us. Effective as of January 1, 2015, each of our independent trustees will be paid an annual trustee's fee of \$100,000 per year, and trustees who serve as our lead trustee, Audit Committee Chairman, Compensation Committee Chairman, and Nominating and Corporate Governance Committee Chairman will be paid an additional cash fee of \$10,000, \$10,000, \$7,500 and \$5,000, respectively.

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The following table sets forth information with respect to the compensation of our independent trustees for 2014.

Name ⁽¹⁾	Fees Earned or Paid in Cash (\$) ⁽²⁾	Share Awards (\$) ⁽³⁾	Total
Miles Berger	47,500	37,500	85,000
Thomas J. Crocker	42,500	37,500	80,000
Jack P. DeBoer	37,500	37,500	75,000
Glen R. Gilbert	47,500	37,500	85,000
C. Gerald Goldsmith	45,000	37,500	82,500
Robert Perlmutter		75,000	75,000
Rolf E. Ruhfus	37,500	37,500	75,000
Joel F. Zemans	37,500	37,500	75,000

- (1) Mr. Fisher, our Chairman, President and Chief Executive Officer, is not included in this table as he is an employee of the Company and does not receive additional compensation for his service as a trustee. All of the compensation paid to Mr. Fisher for the services he provides to us is reflected in the Summary Compensation Table located elsewhere in this proxy statement.
- (2) Reflects cash payments of \$37,500 to each of our independent trustees as one-half of the trustee's annual fee, except for Mr. Perlmutter who elected to receive his entire trustee fee in common shares, as well as additional cash fees of (i) \$10,000 to Mr. Berger for service as our lead independent trustee, (ii) \$10,000 to Mr. Gilbert for service as the chairman of our Audit Committee, (iii) \$7,500 to Mr. Goldsmith for service as the chairman of our Compensation Committee and (iv) \$5,000 to Mr. Crocker for service as the chairman of our Nominating and Corporate Governance Committee.
- (3) Amounts reflect the full grant date fair value of common shares granted during 2014, calculated in accordance with ASC 718. Under our 2011 compensation plan, as amended and restated in 2013 (our Equity Incentive Plan), we granted 1,838 common shares in January 2014 to each of our independent trustees as one-half of the trustee's annual fee and 3,676 common shares to Mr. Perlmutter who elected to receive his entire trustee fee in common shares. See Trustee Compensation above.

Narrative Disclosure to Trustee Compensation Table

Our compensation policies and practices for our independent trustees are described above under Trustee Compensation.

Shareholder Communications to the Board

Shareholders may contact an individual trustee, the Board as a group, or a specified Board committee or group, including the non-employee trustees as a group, at the following address: Corporate Secretary, Chatham Lodging Trust, 50 Cocoanut Row, Suite 211, Palm Beach, FL 33480 Attn: Board of Trustees. The Company will receive and process communications before forwarding them to the addressee. Trustees generally will not be forwarded shareholder communications that are primarily commercial in nature, relate to improper or irrelevant topics, or request general information about the Company.

Meeting Attendance

During the Company's last fiscal year, the Company's Board of Trustees met ten times. All members of the Board attended 75% or more of the Board meetings and meetings of the committees on which he served either in person or by conference call. As set forth in our Corporate Governance Guidelines, trustees are invited and encouraged to attend meetings of shareholders. Eight of our trustees attended last year's annual meeting of shareholders in person and the other trustee attended telephonically.

Leadership Structure and Risk Oversight

Management is responsible for the day-to-day management of risks we face. The Board of Trustees has overall responsibility for overseeing risk management with a focus on the more significant risks facing the Company. Our Audit Committee oversees risk policies and processes related to our financial statements, financial reporting processes and liquidity risks, our Nominating and Corporate Governance Committee oversees corporate governance risks and our Compensation Committee oversees risks relating to remuneration of our officers and employees. The Compensation Committee does not believe that the compensation programs which are in place give rise to any risk that is reasonably likely to have a material adverse effect on us.

At each quarterly meeting of the Audit Committee, a portion of the meeting is devoted to reviewing material credit risks, our loan portfolio, status of foreclosure and similar proceedings, status of the properties in our real estate portfolio and other matters which might have a material adverse impact on current or future operations, and, as required, the Audit Committee reviews risks arising from related party transactions. In addition, at each meeting of the Audit Committee, our Chief Financial Officer, as well as the independent accounting firm reviewing or auditing, as the case may be, our financial statements, reports to the committee with respect to compliance by our employees with our internal control policies in order to ascertain that no failures of a material nature have occurred. This process assists the Audit Committee in overseeing the risks related to our financial statements and the financial reporting process. At each meeting of the Board of Trustees, a portion of the meeting is dedicated to reviewing and discussing significant risk issues reviewed by the Audit Committee.

Mr. Fisher serves as both our Chairman and our Chief Executive Officer. Mr. Berger has been appointed lead independent trustee. We believe that it is in the best interests of our shareholders for Mr. Fisher to serve as both our Chairman and our Chief Executive Officer because of his unique insight into the Company as well as the lodging industry and his excellent reputation among institutional investors. We also believe that appointing an independent trustee to serve as lead independent trustee, to preside over executive sessions of the Board and providing the opportunity for all trustees to add items to the agenda of meetings of the Board and its committees mitigates the risk that having our Chief Executive Officer also serve as our Chairman may cause management to have undue influence on our Board of Trustees. As lead independent trustee, Mr. Berger presides at all meetings of the Board of Trustees at which the Chairman of the Board is not present, has the authority to call meetings of the independent trustees and has such other duties as the Board of Trustees may determine from time to time.

The Board of Trustees takes an active and informed role in the Company's risk management policies and strategies. At least annually, the Company's executive officers who are responsible for the Company's day-to-day risk management practices present to the Board of Trustees a comprehensive report on the material risks to the Company, including credit risk, liquidity risk and operational risk. At that time, the management team also reviews with the Board of Trustees the Company's risk mitigation policies and strategies specific to each risk that is identified. If necessary, the Board of Trustees may delegate specific risk management tasks to management or a committee. Throughout the year, management monitors the Company's risk profile and updates the Board of Trustees as new material risks are identified or the aspects of a risk previously presented to the Board of Trustees materially change. The Audit Committee also actively monitors risks to the Company throughout the year, and with the aid of management, identifies any additional risks that need to be elevated for the full Board's consideration.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our common shares as of March 31, 2015 by (i) each of our trustees, (ii) each of our named executive officers, (iii) each holder known to us to own 5% or more of our common shares based upon filings made with the SEC and (iv) all of our trustees and executive officers as a group. Unless otherwise indicated, all shares are owned directly and the indicated person has sole voting and investment power. In accordance with SEC rules, each listed person's beneficial ownership includes: