Brookdale Senior Living Inc.
Form DEF 14A
August 14, 2017

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

SCHEDULE 14A
(Rule 14a-101)
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

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 Pursuant to §240.14a-12
Brookdale Senior Living Inc.
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
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(1) Amount Previously Paid:
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August 14, 2017

Dear Stockholder:

On behalf of the Board of Directors, I cordially invite you to attend the 2017 Annual Meeting of Stockholders of Brookdale Senior Living Inc., to be held on Monday, September 25, 2017 at 10:00 a.m., local time, at our principal executive office located at 111 Westwood Place, Brentwood, Tennessee.

Details of the business to be conducted at the Annual Meeting are given in the attached Notice of 2017 Annual Meeting of Stockholders and proxy statement.

In accordance with rules approved by the Securities and Exchange Commission, we are furnishing proxy materials to our stockholders over the Internet. On or about August 14, 2017, we mailed to our stockholders a notice of Internet availability of proxy materials containing instructions on how to access our proxy materials, including the proxy statement and our 2016 Annual Report, over the Internet, as well as how to vote online. The notice also includes instructions on how you can request, free of charge, a paper copy of our proxy materials and 2016 Annual Report by mail.

All stockholders are cordially invited to attend the meeting. Whether or not you expect to attend the meeting, it is important that your shares be represented and voted at the meeting. In addition to voting in person, stockholders of record may vote via a toll-free telephone number or over the Internet. Stockholders who received a paper copy of the proxy statement and 2016 Annual Report by mail may also vote by completing, signing and mailing the enclosed proxy card promptly in the return envelope provided.

FOR THE BOARD OF DIRECTORS OF
BROOKDALE SENIOR LIVING INC.

Daniel A. Decker
Executive Chairman of the Board of Directors

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on September 25, 2017: The Notice of 2017 Annual Meeting and Proxy Statement and the 2016 Annual Report are available at www.proxyvote.com.

BROOKDALE SENIOR LIVING INC.
111 Westwood Place, Suite 400
Brentwood, Tennessee 37027

NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MONDAY, SEPTEMBER 25, 2017

To the Stockholders:

The 2017 Annual Meeting of Stockholders of Brookdale Senior Living Inc. will be held on Monday, September 25, 2017 at 10:00 a.m., local time, at our principal executive office located at 111 Westwood Place, Brentwood, Tennessee, for the following purposes:

1. to elect three Class I directors to hold office for a term of three years and until their successors are duly elected and qualified;
2. to ratify the Audit Committee's appointment of Ernst & Young LLP as independent registered public accounting firm for the Company for the 2017 fiscal year;
3. to hold an advisory vote to approve named executive officer compensation;
4. to hold an advisory vote on the frequency of future advisory votes to approve named executive officer compensation;
5. to approve the Amended and Restated Brookdale Senior Living Inc. 2014 Omnibus Incentive Plan; and
6. to transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Stockholders of record at the close of business on August 1, 2017 are entitled to notice of, and to vote at, the Annual Meeting, including any adjournments and postponements thereof. Our stock transfer books will remain open for the transfer of our common stock. A list of all stockholders entitled to vote at the meeting will be available for examination at our principal executive office located at 111 Westwood Place, Suite 400, Brentwood, Tennessee 37027, for the ten days before the meeting between 9:00 A.M. and 5:00 P.M., local time, and at the place of the meeting during the meeting for any purpose germane to the meeting.

By Order of the Board of Directors

Chad C. White
Secretary

Brentwood, Tennessee
August 14, 2017

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AND VOTED AT THE MEETING. IN ADDITION TO VOTING IN PERSON, STOCKHOLDERS OF RECORD MAY VOTE VIA A TOLL-FREE TELEPHONE NUMBER OR OVER THE INTERNET. STOCKHOLDERS WHO RECEIVED A PAPER COPY OF THE PROXY STATEMENT AND 2016 ANNUAL REPORT BY MAIL MAY ALSO VOTE BY COMPLETING, SIGNING AND MAILING THE ENCLOSED PROXY CARD PROMPTLY IN THE RETURN ENVELOPE PROVIDED. NO POSTAGE NEED BE AFFIXED IF THE PROXY CARD IS MAILED WITHIN THE UNITED STATES. WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE VOTE BY ONE OF THESE THREE METHODS.

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BROOKDALE SENIOR LIVING INC.
111 Westwood Place, Suite 400
Brentwood, Tennessee 37027

PROXY STATEMENT
FOR THE 2017 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MONDAY, SEPTEMBER 25, 2017

General Information

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of Brookdale Senior Living Inc., a Delaware corporation ("Brookdale," the "Company," "we," "us" or "our"), for use at the 2017 Annual Meeting of Stockholders to be held on Monday, September 25, 2017, including any adjournments and postponements thereof (the "Annual Meeting").

Date, Time and Place of the Annual Meeting

The Annual Meeting will be held on Monday, September 25, 2017 at 10:00 a.m., local time, at our principal executive office located at 111 Westwood Place, Brentwood, Tennessee 37027. Our main telephone number is (615) 221-2250.

Matters to be Considered at the Annual Meeting

The items of business scheduled to be considered and voted on at the Annual Meeting are:

1. the election of three Class I directors to hold office for a term of three years and until their successors are duly elected and qualified;
2. the ratification of the Audit Committee's appointment of Ernst & Young LLP as independent registered public accounting firm for the Company for the 2017 fiscal year;
3. an advisory vote to approve named executive officer compensation;
4. an advisory vote on the frequency of future advisory votes to approve named executive officer compensation; and
5. the approval of the Amended and Restated Brookdale Senior Living Inc. 2014 Omnibus Incentive Plan.

We may also consider such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Important Notice Regarding the Availability of Proxy Materials

In accordance with rules approved by the Securities and Exchange Commission (the "SEC"), we are furnishing proxy materials to our stockholders over the Internet instead of mailing a printed copy of the proxy materials. On or about August 14, 2017, we mailed to our stockholders a notice of Internet availability of proxy materials containing instructions on how to access our proxy materials, including the proxy statement and our 2016 Annual Report, over the Internet, as well as how to vote online. If you received a notice and would like to receive a printed copy of our proxy materials and 2016 Annual Report, free of charge, you should follow the instructions for requesting such materials included in the notice. The Notice of 2017 Annual Meeting, this proxy statement and our 2016 Annual Report are also available on our website at www.brookdale.com/proxy.

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Stockholders Entitled to Vote

As of August 1, 2017, there were outstanding and entitled to vote 186,278,661 shares of our common stock, par value $0.01 per share (excludes unvested restricted shares with respect to which the holders have no voting rights). Each share of our common stock entitles the holder to one vote. Stockholders of record at the close of business on August 1, 2017 are entitled to vote at the Annual Meeting, including any adjournments and postponements thereof. A list of all stockholders entitled to vote at the Annual Meeting will be available for examination at our principal executive office located at 111 Westwood Place, Suite 400, Brentwood, Tennessee 37027, for the ten days before the Annual Meeting between 9:00 A.M. and 5:00 P.M., local time, and at the Annual Meeting for any purpose germane to the meeting.

Quorum

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the shares of our common stock issued and outstanding on August 1, 2017 will constitute a quorum for the transaction of business.

We will count abstentions and shares held in "street name" by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote the shares as to a particular matter ("broker non-votes") for the purpose of determining the presence of a quorum for the transaction of business at the Annual Meeting. If a quorum is not present, the Annual Meeting may be adjourned by the chairman of the meeting or by the vote of a majority of the shares represented at the Annual Meeting until a quorum has been obtained.

Required Vote

For the election of director nominees, the affirmative vote of a plurality of all the votes of the shares present in person or represented by proxy and entitled to vote on the election of directors at the Annual Meeting is sufficient to elect the nominee if a quorum is present, as provided in our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, each as amended to date. However, the Board has adopted a majority voting policy applicable to uncontested elections of directors, which is set forth in our Corporate Governance Guidelines. As required by the policy, each of the director nominees has submitted an irrevocable resignation, which will be effective contingent upon such nominee's not receiving a majority of the votes cast in the election of directors and acceptance of the resignation by the Board. If any such director nominee fails to receive more votes cast "for" than "against" such nominee in the election (with "abstentions" and "broker non-votes" not counted as a vote cast either "for" or "against" such director's election), the Nominating and Corporate Governance Committee will make a recommendation to the Board as to whether to accept or reject the resignation, or whether other action should be taken. See "Proposal 1—Election of Directors—Majority Voting for Directors" in this proxy statement for more information about the majority voting policy.

For each of Proposal 2 (ratification of the Audit Committee's appointment of Ernst & Young LLP as independent registered public accounting firm for the Company for the 2017 fiscal year), Proposal 3 (advisory vote to approve named executive officer compensation), Proposal 4 (advisory vote on the frequency of future advisory votes to approve named executive officer compensation), Proposal 5 (approval of the Amended and Restated Brookdale Senior Living Inc. 2014 Omnibus Incentive Plan) and any other business properly presented at the Annual Meeting, the affirmative vote of a majority of the shares of our common stock represented in person or by proxy at the Annual Meeting and entitled to vote on the matter is required for approval of the matter. Notwithstanding this vote standard, please be advised that Proposal 3 and Proposal 4 are advisory only and results of voting are not binding on the Company. With respect to Proposal 4, if no frequency option receives the affirmative vote of a majority of the shares entitled to vote on the matter, the Board will consider the option receiving the highest number of votes as the preferred option of our stockholders. The Board will consider the outcome of the vote on these non-binding matters in considering what action, if any, should be taken in response to the advisory votes by stockholders.

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If you properly sign and return your proxy card or complete your proxy via the telephone or Internet, your shares will be voted as you direct. If you sign and return your proxy but do not specify how you want your shares voted, the shares of common stock represented by the proxy will be voted as follows:

- FOR the election of the director nominees named herein;
- FOR the ratification of the Audit Committee's appointment of Ernst & Young LLP as independent registered public accounting firm for the Company for the 2017 fiscal year;
- FOR the approval of the compensation paid to the named executive officers, as disclosed in this proxy statement pursuant to the SEC's executive compensation disclosure rules (which disclosure includes the Compensation Discussion and Analysis, the compensation tables and the narrative discussion that accompanies the compensation tables);
- For the frequency of ONE YEAR on the advisory vote regarding the frequency of future advisory votes to approve named executive officer compensation;
- FOR the approval of the Amended and Restated Brookdale Senior Living Inc. 2014 Omnibus Incentive Plan; and

in accordance with the judgment of the proxy holders as to any other matters that may be properly brought before the Annual Meeting, including any adjournments and postponements thereof.

In the election of directors, abstentions will be disregarded and will have no effect on the outcome of the vote. For each of Proposal 2, Proposal 3, Proposal 4 and Proposal 5, abstentions from voting will have the same effect as voting against such matter.

If you hold your shares in street name through a brokerage account, you should have received access to this proxy material from your bank, broker or other holder of record with instructions on how to instruct the holder of record to vote your shares. If you do not submit voting instructions to your broker, your broker will not be authorized to vote your shares on any of the matters at the Annual Meeting, other than Proposal 2. If your broker exercises its discretion to vote on Proposal 2, your shares will be counted as present for the purpose of determining the presence of a quorum at the Annual Meeting and will be voted on Proposal 2, but your shares will constitute "broker non-votes" on each of the other proposals at the Annual Meeting. Broker non-votes will have no effect on the outcome of such other proposals.

Voting

You may vote on the Internet, by telephone, by mail, or in person at the Annual Meeting. To vote by Internet, go to www.proxyvote.com and follow the instructions there. You will need the 16 digit number included on your proxy card, voter instruction form or notice. To vote by telephone, registered stockholders should dial (800) 690-6903 and follow the instructions. Beneficial holders should dial the phone number listed on your voter instruction form. You will need the 16 digit number included on your proxy card, voter instruction form or notice.

If you received a notice and wish to vote by traditional proxy card, you can receive a full set of materials at no charge through one of the following methods:

- by Internet: www.proxyvote.com
- by phone: (800) 579-1639
- by email: sendmaterial@proxyvote.com (your email should contain the 16 digit number in the subject line).

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The deadline for voting by telephone or electronically is 11:59 p.m., Eastern Daylight Time, on September 24, 2017. If you are a registered stockholder and attend the meeting, you may deliver your completed proxy card in person. "Street name" stockholders who wish to vote at the meeting will need to obtain a proxy form from the institution that holds their shares. Submitting your vote by mail or via the Internet or telephone will not affect your right to vote in person should you decide to attend the Annual Meeting. For directions to the Annual Meeting, please contact our Investor Relations Department at (615) 221-2250.

Revocability of Proxy

Any stockholder giving a proxy has the power to revoke it at any time before it is exercised. You may revoke the proxy by filing an instrument of revocation or a duly executed proxy bearing a later date (including by means of a telephone or Internet vote) with our Secretary at 111 Westwood Place, Suite 400, Brentwood, Tennessee 37027. You may also revoke a proxy by attending the Annual Meeting and voting in person. If not revoked, we will vote the proxy at the Annual Meeting in accordance with your instructions.

Persons Making the Solicitation

This proxy statement is sent on behalf of, and the proxies are being solicited by, the Board. We will bear all costs of the solicitation of proxies. In addition to solicitations by mail, our directors, officers and regular employees, without additional remuneration, may solicit proxies in person or by telephone, email or other electronic means. We will request brokers, banks, custodians and other fiduciaries to forward proxy soliciting material to the beneficial owners of stock they hold of record. We will reimburse them for their reasonable out-of-pocket expenses incurred in connection with the distribution of the proxy materials.

Recommendations of the Board

The Board recommends a vote:

- FOR the election of the director nominees named herein;
- FOR the ratification of the Audit Committee's appointment of Ernst & Young LLP as independent registered public accounting firm for the Company for the 2017 fiscal year;
- FOR the approval of the compensation paid to the named executive officers, as disclosed in this proxy statement pursuant to the SEC's executive compensation disclosure rules (which disclosure includes the Compensation Discussion and Analysis, the compensation tables and the narrative discussion that accompanies the compensation tables);
- For the frequency of ONE YEAR on the advisory vote regarding the frequency of future advisory votes to approve named executive officer compensation; and
- FOR the approval of the Amended and Restated Brookdale Senior Living Inc. 2014 Omnibus Incentive Plan.

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PROPOSAL 1
ELECTION OF DIRECTORS

The first proposal is to elect three Class I directors to hold office for a term of three years and until their respective successors are duly elected and qualified. The Board is divided into three classes of directors. The current terms of the Class I, Class II and Class III directors will expire at the annual meetings of stockholders to be held in 2017, 2019 and 2018, respectively. The current Class I directors are Frank M. Bumstead, Daniel A. Decker and T. Andrew Smith, and the Board has proposed each of them as a nominee for re-election as a Class I director. If elected at the Annual Meeting, each of Messrs. Bumstead, Decker and Smith will hold office until the 2020 annual meeting of stockholders and until their respective successors are duly elected and qualified, subject to earlier retirement, resignation or removal. If any of the nominees becomes unavailable or unwilling to serve, an event that the Board does not presently expect, we will vote the shares represented by proxies for the election of directors for the election of such other person(s) as the Board may recommend.

Under our Corporate Governance Guidelines, the general policy of the Board is that no director who is 75 or older will be nominated for re-election to the Board, which policy may be waived in individual cases. In light of Mr. Bumstead's valuable contributions to the Board, his significant experience and his knowledge of the senior housing industry, the Nominating and Corporate Governance Committee recommended, and the Board approved, an exception to this policy for Mr. Bumstead.

The Board recommends that you vote FOR the election of Messrs. Bumstead, Decker and Smith to serve as Class I directors until the 2020 annual meeting of stockholders and until their successors are duly elected and qualified.

Unless otherwise instructed, we will vote all proxies we receive FOR the election of Messrs. Bumstead, Decker and Smith.

Information Concerning Directors and Director Nominees

Set forth below is certain biographical information for our directors. See "Security Ownership of Certain Beneficial Owners and Management" in this proxy statement for a description of securities beneficially owned by our directors.

Name	Age	Position with Brookdale	Class
Daniel A. Decker	64	Executive Chairman of the Board	Class I
T. Andrew Smith	57	President, Chief Executive Officer and Director	Class I
Marcus E. Bromley	68	Director	Class III
Frank M. Bumstead	75	Director	Class I
Jackie M. Clegg	55	Director	Class II
Jeffrey R. Leeds	71	Director	Class III
William G. Petty, Jr.	71	Director	Class II
James R. Seward	64	Director	Class II
Lee S. Wielansky	66	Director	Class III

Daniel A. Decker has been investing in the senior living industry for more than 25 years. He joined the Board in October 2015 as Non-Executive Chairman of the Board, and was appointed as Executive Chairman of the Board effective November 1, 2016. Mr. Decker is the President and owner of CoastWood Senior Housing Partners, LLC, an investment firm specializing in seniors housing and related services, which he founded in 2006. In January 2013, CoastWood joined with KKR and Beecken Petty O'Keefe & Company to acquire the operations of Sunrise Senior Living, one of the leading operators of assisted living properties in the United States. The group sold its interest in Sunrise in 2014. Prior to forming CoastWood, Mr. Decker was a partner from 1990 to 2006 at The Hampstead Group, LLC, a private equity firm with a focus on real estate related, operating intensive businesses such as lodging

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and seniors housing. Mr. Decker was an attorney at the law firm of Decker, Hardt, Kopf, Harr, Munsch & Dinan (now known as Munsch Hardt Kopf & Harr, P.C.) from 1985 to 1990, which he co-founded in 1985, and was an attorney at Winstead PC from 1980 to 1985. Mr. Decker served on the Boards of Directors of Sentio Healthcare Properties, Inc. (a public, non-listed REIT) from March 2013 until September 2015, during which time he served as a member of the Investment Committee, and Health Care REIT, Inc. from October 2011 until August 2012, during which time he served as a member of the Audit, Investment, Nominating/Corporate Governance and Planning Committees. Mr. Decker also has served on the boards of directors of several other public companies, including Omega Healthcare Investors, Inc. (where he served as Executive Chairman and then as Chairman of the Board), Bristol Hotel Company, Wyndham Hotel Company and the Forum Group. Mr. Decker earned his Bachelor of Science in Business Administration degree in economics from the University of Missouri-Columbia, and his J.D. from the University of Missouri-Kansas City. Mr. Decker's significant experience in the senior living and real estate industries, as well as his extensive strategic, investment and transactional experience, led to the conclusion that he should serve as a member of the Board.

T. Andrew Smith has over 25 years of experience in seniors housing, mergers and acquisitions, real estate and capital markets transactions, corporate finance and healthcare. Mr. Smith has served as our Chief Executive Officer since February 2013, as our President since March 2016, and as a member of the Board since June 2014. From October 2006 to February 2013, Mr. Smith served as our Executive Vice President, General Counsel and Secretary. In addition to his role in managing our legal affairs, Mr. Smith was responsible for the management and oversight of our corporate development functions (including acquisitions and expansion and development activity); corporate finance (including capital structure, debt and lease transactions and lender/lessor relations); strategic planning; and risk management. Prior to joining Brookdale, Mr. Smith served as a member of Bass, Berry & Sims PLC's corporate and securities group and as chair of the firm's healthcare group. During his tenure at Bass, Berry & Sims (1985 to 2006), Mr. Smith represented American Retirement Corporation as outside General Counsel. He currently serves as a member of the board of directors of the Nashville Health Care Council, Argentum and the National Investment Center for the Seniors Housing & Care Industry (NIC) and as a member of the executive board of the American Seniors Housing Association (ASHA). Mr. Smith's knowledge of the senior housing industry and his experience as our President and Chief Executive Officer, and previously as our Executive Vice President, General Counsel and Secretary, led to the conclusion that he should serve as a member of the Board.

Marcus E. Bromley joined Brookdale's Board in July 2017 as an independent director and brings more than 35 years of real estate industry leadership experience. He served as chairman of the board and chief executive officer of Gables Residential Trust from 1993 until 2000, and then as a member of its board until the company was acquired in 2005. Prior to joining Gables Residential Trust, Mr. Bromley was a division partner for the Southeast operation of Trammell Crow Residential Company. Mr. Bromley has served as a member of the board of Cole Credit Property Trust V, Inc., a non-listed real estate investment trust, since March 2015 and as its non-executive chairman since June 2015. Mr. Bromley also currently serves as a member of the advisory board of Nancy Creek Capital Management, LLC, a private mezzanine debt and equity investment firm. Previously, Mr. Bromley served as a member of the boards of Cole Corporate Income Trust, Inc. from January 2011 until January 2015, of Cole Credit Property Trust II, Inc. from 2005 until July 2013, and of Cole Credit Property Trust III, Inc. from 2008 until 2012, each of which was a non-listed real estate investment trust. Mr. Bromley holds a B.S. in Economics from Washington & Lee University and an M.B.A. from the University of North Carolina. Mr. Bromley's significant executive, leadership and advisory experience in the real estate industry led to the conclusion that he should serve as a member of the Board.

Frank M. Bumstead has over 40 years' experience in the field of business and investment management and financial and investment advisory services. He also has represented buyers and sellers in a number of merger and acquisition transactions, including the sale of CMT (now a nationwide cable network) from its previous owners to Gaylord Entertainment, Inc. Mr. Bumstead is the chairman and a principal shareholder of Flood, Bumstead, McCready & McCarthy, Inc., a business management firm that represents artists, songwriters and producers in the music industry as well as athletes and other high net worth clients. He has been with the firm since 1989. From 1993 to December 1998, Mr. Bumstead served as the Chairman and Chief Executive Officer of FBMS Financial, Inc., an investment advisor registered under the Investment Company Act of 1940. Mr. Bumstead joined the Board in August 2006 and is an independent director. Prior to our acquisition of ARC, Mr. Bumstead served as the Lead Director of

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ARC, where he had served as a member of the board of directors for 11 years. He served in 2015 as Chairman of the board of directors of the Country Music Association and is also Vice Chairman of the board of directors and Chairman of the Finance and Investment Committee of the Memorial Foundation, Inc., a charitable foundation. He also currently serves on the board of directors of Nashville Wire Products, Inc. Mr. Bumstead has also served as a director and as a member of the Audit Committee of Syntroleum Corporation. He also has previously served on the boards of the Dede Wallace Center, The American Red Cross, ECA, Inc., American Constructors, Inc., American Fine Wire, Inc., Junior Achievement of Nashville, and Watkins Institute. In addition, he previously served as a member of the board of advisors of United Supermarkets of Texas, LLC and was Chairman of its Finance and Audit Committee. Mr. Bumstead received a B.B.A. degree from Southern Methodist University and a Masters of Business Management from Vanderbilt University's Owen School of Management. Mr. Bumstead's experience in business management and as a director of several public companies, along with his knowledge of the senior housing industry (through his prior service as a director of ARC), led to the conclusion that he should serve as a member of the Board.

The Honorable Jackie M. Clegg brings robust transactional and financial experience, along with expertise in corporate governance and public policy, through her work as a strategic consultant, in government service and as a director of a number of public companies. Ms. Clegg joined the Board in November 2005 as an independent director. Ms. Clegg founded the strategic consulting firm Clegg International Consultants, LLC, and has served as its Managing Partner since 2001. Ms. Clegg was nominated by the President of the United States and confirmed by the U.S. Senate to serve as the Vice Chair of the Board of Directors and First Vice President of the Export-Import Bank of the United States, the official export credit institution of the United States of America, serving from June 1997 through July 2001, and served as Chief Operating Officer from January 1999 to September 2000. In her role with the Export-Import Bank, Ms. Clegg had direct supervisory responsibilities for the financial operations of the Export-Import Bank and was responsible for financing more than $50 billion in U.S. exports and a portfolio of $65 billion, budgeting decisions for the Export-Import Bank's operational and program budgets and opening Export-Import Bank programs in several countries. Ms. Clegg also served as chair of the Loan and Audit Committees of the Board of Directors and as chair of the Budget Task Force and the Technology and Pricing Committees of the Export-Import Bank. Ms. Clegg had previously served as the Chief of Staff and Special Assistant to the Chairman of the Export-Import Bank from April 1993 through June 1997. Prior to her Export-Import Bank service, Ms. Clegg worked in the U.S. Senate, focusing on international finance and monetary policy, national security and foreign affairs. She was the principal staff member on the U.S. Senate Committee on Banking, Housing and Urban Affairs Subcommittee on International Finance & Monetary Policy. She was responsible for developing strategy and for drafting legislation, including changes to the Export Administration Act, the Credit Reform Act, the Defense Production Act and Fair Trade in Financial Services legislation, among others. She also served as an associate staff member for the Senate Appropriations Committee for approximately ten years. Ms. Clegg also draws on her significant experience in service on the boards of directors of public companies and private organizations. She currently serves on the board of directors and chairs the Audit Committee of the Public Welfare Foundation. She has previously served as a director of IPC Holdings, Ltd., a company that provided property casualty catastrophe insurance coverage, and Blockbuster, Inc., which had over 6,500 retail locations. Additionally, she served as a director of CME Group Inc. (the parent company of the Chicago Mercantile Exchange), the Chicago Board of Trade, Cardiome Pharma Corp. and Javelin Pharmaceuticals, Inc. She previously chaired the Nominating and Corporate Governance Committees of Blockbuster, Inc., IPC Holdings, Ltd. and Cardiome Pharma Corp. and the Audit Committees of the IPC Holdings, Ltd., Chicago Board of Trade, Cardiome Pharma Corp. and Javelin Pharmaceuticals, Inc. She has also chaired and served on numerous special committees overseeing mergers, acquisitions, and financing transactions and has helped companies through the IPO process. Based on her current and former positions and directorships, Ms. Clegg has gained significant financial, corporate governance, public policy, infrastructure, and real estate experience. Ms. Clegg's extensive transactional and financial experience, as well as her experience in the public sector and as a director of numerous public companies (including her service as chairman of the foregoing standing and special committees) led to the conclusion that she should serve as a member of the Board.

Jeffrey R. Leeds is a financial services industry veteran with extensive experience in mergers, acquisitions and dispositions, capital markets and public company management. Mr. Leeds retired as Executive Vice President and

Chief Financial Officer of GreenPoint Financial Corporation and GreenPoint Bank in October 2004, having served since January 1999. Prior to that, he was Executive Vice President, Finance and Senior Vice President and Treasurer of GreenPoint. Prior to GreenPoint, Mr. Leeds was with Chemical Bank for 14 years, having held positions as Head

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of Asset and Liability Management, Proprietary Trading and Chief Money Market Economist. Mr. Leeds has been an independent member of the Board since November 2005 and served as Non-Executive Chairman of the Board from June 2012 through September 2015. He previously served as a director and chair of the Audit Committee of Och-Ziff Capital Management Group LLC and as a director and Audit Committee member of United Western Bancorp. Mr. Leeds received a B.A. in economics from the University of Michigan and an MBA and M.Ph. from Columbia University. Mr. Leeds' experience as an executive and principal financial officer, along with his extensive financial industry and transactional expertise, led to the conclusion that he should serve as a member of the Board.

William G. Petty, Jr. brings to Brookdale nearly 30 years of experience in the healthcare services industry, as well as extensive operational, investment and transactional experience in the senior living industry, and a robust background in finance. He joined the Board in December 2014 and is an independent director. Mr. Petty is a partner of Beecken Petty O'Keefe & Company, a private equity management firm he co-founded in 1996, which currently has approximately $1.3 billion under management. Mr. Petty's prior leadership experience includes service as Chairman of the Board of Directors of Sunrise Senior Living, Inc. from January 2013 to April 2014; as Chief Executive Officer of Alternative Living Services, Inc./Alterra Healthcare Corporation from 1993 to 1996 and as its Chairman from 1993 to 2000; as Chairman, President and Chief Executive Officer of Evergreen Healthcare, Inc. and as a director of that company's publicly-traded successors (GranCare, Inc. and Mariner Health Care Inc.); and as a director and member of the executive committee of Forum Group, Inc. In 1985, he co-founded Omega Capital Ltd., a private investment fund focused on the healthcare industry, which formed Omega Healthcare Investors, Inc., a healthcare REIT, during his tenure as managing director. In addition, he has served on the boards of directors of several Beecken Petty portfolio companies. Mr. Petty received a B.S. in Business Administration from the University of Illinois. Mr. Petty's significant executive experience in the senior living and healthcare services industries, as well as his extensive operational, investment and transactional experience, led to the conclusion that he should serve as a member of the Board.

James R. Seward has extensive experience in senior management and oversight in the investment sector, including significant experience in mergers and acquisitions and capital markets transactions. Mr. Seward is a Chartered Financial Analyst and, since 2000, has been a private investor. Previously, Mr. Seward was Executive Vice President, Chief Financial Officer, and director of Seafield Capital Corporation, a publicly-traded investment holding company. In that capacity, Mr. Seward also served as a director and as a member of the executive committee of LabOne, a provider of health screening and risk assessment services to life insurance companies and clinical diagnostic testing services to healthcare providers, until LabOne was sold to Quest Diagnostics in 2005. Mr. Seward also previously served as Chief Executive Officer and President of SLH Corporation, a spin-off of Seafield Capital Corporation. Mr. Seward joined the Board in November 2008 and is an independent director. He also currently serves as Chairman of the Board of Trustees and as a member of the Audit Committee of RBC Funds, a registered investment company. He previously served as a director of ARC and has also served as a member of the board of directors and Audit Committee of Syntroleum Corporation. Mr. Seward received a Bachelor of Arts degree from Baker University, a Masters in Public Administration, City Management from the University of Kansas and a Masters in Business Administration, Finance from the University of Kansas. Mr. Seward's experience and credentials in investing and finance, along with his knowledge of both the senior housing industry (through his prior service as a director of ARC) and the health care industry (through his prior service as a director of LabOne), led to the conclusion that he should serve as a member of the Board.

Lee S. Wielansky has more than 40 years of commercial real estate investment, management and development experience. Mr. Wielansky currently serves as Chairman and CEO of Midland Development Group, Inc., which was re-started in 2003 and focuses on the development of retail properties in the mid-west and southeast, and as Chairman and CEO of Opportunistic Equities, which specializes in low income housing. Mr. Wielansky was previously President and CEO of JDN Development Company, Inc., which was a wholly-owned subsidiary of JDN Realty Corporation, a publicly-traded REIT with more than $1 billion in assets that was acquired by Developers Diversified Realty Corporation. Before joining JDN, he served as Managing Director – Investments of Regency Centers Corporation, a publicly-traded REIT and a leading owner, operator and developer of shopping centers in the United States, which in 1998 acquired Midland Development Group, a retail properties development company co-founded by Mr. Wielansky in 1983. Mr. Wielansky joined the Board in April 2015 and is an independent director. He also serves as Lead Trustee of Acadia Realty Trust, a publicly-traded REIT focused on the ownership,

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acquisition, redevelopment and management of commercial retail properties in the United States, is a director of Isle of Capri Casinos, Inc., and served as a director of Pulaski Financial Corp. from 2005 to 2016. He also serves on the Foundation board of Barnes Jewish Hospital (BJC). Mr. Wielansky received a bachelor's degree in Business Administration, with a major in Real Estate and Finance, from the University of Missouri – Columbia, where he is currently a member of the Strategic Development Board of the college of business. Mr. Wielansky’s real estate investment, management and development experience, as well as his service as a director of several public companies, led to the conclusion that he should serve as a member of the Board.

Agreement with Respect to Marcus E. Bromley

On July 25, 2017, we entered into an agreement (the “Standstill Agreement”) with Land & Buildings Investment Management, LLC and certain affiliates thereof (collectively, “Land & Buildings”). On such date, Land & Buildings beneficially owned approximately 1.1% of our outstanding common stock. Pursuant to the Standstill Agreement, we agreed to cause the Board to appoint, and the Board did appoint, Mr. Bromley to the Board as a Class III director on July 25, 2017 to serve until the 2018 annual meeting of stockholders. Under the Standstill Agreement, if prior to the deadline for submission of stockholder nominations for the Annual Meeting we had received notice of a stockholder nomination of candidate(s) for election as director(s) at the Annual Meeting and the director candidate(s) proposed in such nomination was either (i) elected by stockholders at the Annual Meeting or (ii) appointed to the Board pursuant to a settlement agreement between us and the nominating stockholder, Mr. Bromley agreed to resign immediately from the Board and applicable committees thereof. We also agreed that effective upon Mr. Bromley's appointment to the Board, we would cause the Board to appoint, and the Board did appoint, Mr. Bromley to each of the Audit Committee and the Investment Committee of the Board. We also agreed to ensure that during the Standstill Period (as defined below), any new committee of the Board that may be established includes Mr. Bromley. Additionally, if, during the Standstill Period, Mr. Bromley is unable to serve as a director for any reason, resigns as a director or is removed as a director and at such time Land & Buildings beneficially owns at least 1% of our then outstanding common stock, then the Board and Land & Buildings will work together in good faith to identify and select a replacement director in accordance with the terms of the Standstill Agreement.

Under the terms of the Standstill Agreement, the Company also agreed to cause the Board and all applicable committees thereof to review and consult with Land & Buildings regarding the composition of the Board prior to the 2018 annual meeting of stockholders and to consider, if appropriate after such review and consultation with Land & Buildings, changing such Board composition, including by appointing or nominating a new member of the Board who meets the requisite qualifications and skill set needs of the Board.

Pursuant to the Standstill Agreement, Land & Buildings agreed that it will not, directly or indirectly, (i) nominate or recommend for nomination any person for election as a director at the Annual Meeting, (ii) submit any proposal for consideration at, or bring any other business before, the Annual Meeting, (iii) initiate, encourage or participate in any “withhold” or similar campaign with respect to the Annual Meeting or (iv) publicly or privately encourage or support any other current or future stockholder to take any of the actions set forth in the preceding clauses (i) through (iii).

Under the terms of the Standstill Agreement, during the period from July 25, 2017 until the earlier of (x) the date that is thirty (30) days prior to the deadline for the submission of stockholder nominations for the 2018 annual meeting of stockholders pursuant to our Amended and Restated Bylaws or (y) June 30, 2018 (the “Standstill Period”), Land & Buildings agreed, among other things, not to (i) engage in any solicitation of proxies or consents with respect to securities of the Company, (ii) seek representation on the Board or (iii) make any proposal, affirmatively solicit or publicly or privately encourage a third party to make or support an offer or proposal, engage in discussions with any person in connection with an offer or proposal or comment on any proposal (prior to such proposal becoming public) regarding any merger, acquisition, recapitalization, restructuring, reorganization, disposition or other business combination involving, or relating to, the Company, its business, operations or structure. In addition, at each annual or special meeting of stockholders held during the Standstill Period, Land & Buildings agreed to vote all of its shares of our common stock (i) in favor of the election of the slate of directors nominated by the Board, (ii) against the removal of any member of the Board and (iii) in accordance with the

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Board’s recommendation with respect to any other proposal presented at such annual or special meeting of the Company’s stockholders; provided, however, that if Institutional Shareholder Services Inc. (“ISS”) issues a recommendation with respect to any matter (other than a proposal relating to the election or removal of directors) that is different from the recommendation of the Board, Land & Buildings will have the right to vote in accordance with such ISS recommendation. Notwithstanding the foregoing, Land & Buildings may vote as it wishes on any proposed transaction that would result in a change of control or liquidation of the Company to the extent that the Board submits any such proposed transaction to our stockholders for approval. Each of the parties to the Standstill Agreement also agreed to mutual non-disparagement obligations.

Legal Proceedings Involving Directors, Officers or Affiliates

There are no legal proceedings ongoing as to which any director, officer or affiliate of the Company, any owner of record or beneficially of more than five percent of any class of voting securities of the Company, or any associate of any such director, officer, affiliate of the Company, or security holder is a party adverse to us or any of our subsidiaries or has a material interest adverse to us or any of our affiliates.

Director Independence

The Board has affirmatively determined that Ms. Clegg and Messrs. Bromley, Bumstead, Leeds, Petty, Seward and Wielansky are “independent” under Section 303A.02 of the listing standards of the NYSE, and that Mark J. Parrell was independent prior to his resignation from the Board effective on July 24, 2017. In each case, the Board affirmatively determined that none of such individuals had a material relationship with the Company. In making these determinations, the Board considered all relevant facts and circumstances, as required by applicable NYSE listing standards.

There were no transactions, relationships or arrangements not disclosed pursuant to Item 404(a) of Regulation S-K that were considered by the Board in making the required independence determinations. None of the directors that were deemed independent had any relationship with us (other than as a director or stockholder).

Compensation of Directors

The director compensation program for 2016 and currently in effect for 2017 available to each director who is not an employee or consultant of ours (other than Mr. Decker, whose compensation arrangements are described separately below) consists of (i) an annual cash retainer; (ii) an additional cash retainer for serving as Chair of the Audit, Compensation, Nominating and Corporate Governance or Investment Committees; (iii) an annual award of immediately vested common stock; and (iv) cash meeting fees. In addition, under this program each new independent director joining the Board is awarded shares of time-based restricted stock. Details regarding our non-

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employee director compensation program and the compensation arrangements available to Mr. Decker for his service as a Class I director and as Chairman of the Board are described below.

Non-Employee Director Compensation Program

During 2016, the Compensation Committee conducted its annual review of the non-employee director compensation program applicable to each non-employee director (other than Mr. Decker, whose compensation arrangements are described separately below), including receiving a report from F.W. Cook & Co, Inc. ("F.W. Cook") of the practices of the peer group utilized by the Committee when reviewing our executive compensation program. The Compensation Committee determined not to make any changes to the non-employee director compensation program. Our non-employee director compensation program consists of the following elements:

Non-Employee Director Compensation Program for 2016

Cash Fees	
Annual Retainer	$100,000
Annual Committee Chair Retainers:	
Audit	$20,000
Compensation/Nominating and Corporate Governance	$15,000
Investment	$10,000
Meeting Fees	
Per Board Meeting Attended	$3,000
Per Committee Meeting Attended	$2,000
Equity Awards	
Annual Grant of Immediately Vested Stock	$100,000
Initial Grant of Restricted Stock (for new directors)	$100,000

Cash Fees. All of the cash amounts are payable quarterly in arrears. Applicable cash retainers are pro-rated to reflect a partial year’s service for directors who serve on the Board or as Chair of a standing committee for less than the full year. Cash meeting fees are paid to a director or committee member for attendance in person or telephonically. Each director has the opportunity to elect to receive either immediately vested shares or restricted stock units in lieu of up to 50% of their quarterly cash compensation. The number of shares or restricted stock units to be issued is based on the closing price of our common stock on the date of issuance, or if such date is not a trading date, on the previous trading day’s closing price. Each restricted stock unit will be payable in the form of one share of our common stock following the director’s termination of service as a member of the Board. Immediately vested shares issued pursuant any such election are issued under the Director Stock Purchase Plan, and restricted stock units issued pursuant to any such election are issued under our 2014 Omnibus Incentive Plan.

Annual Grant of Immediately Vested Stock. Each non-employee director receives an award of immediately vested common stock with a grant date fair value of approximately $100,000 for the year just served, anticipated to be granted in February each year. Directors joining the Board during the year are eligible to receive a pro-rated award to reflect a partial year’s service. Directors are given the opportunity to elect to receive restricted stock units in lieu of immediately vested common stock under which the shares would be received upon their retirement from the Board. Our directors are generally eligible to receive stock grants under our 2014 Omnibus Incentive Plan, and the shares of immediately vested common stock or restricted stock units are granted under such plan.

Initial Grant of Restricted Stock. Each new non-employee director joining the Board is granted an award of shares of time-based restricted stock with a value of approximately $100,000 based on the closing price of our common stock on the date of grant. The shares will vest, subject to the director’s continued service, on the first anniversary of the date of grant. The shares are granted under our 2014 Omnibus Incentive Plan. During 2016, no new directors joined the Board and, therefore, no shares of restricted stock were granted to our non-employee directors during 2016.

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Compensation of Chairman of the Board

During 2016, Mr. Decker served as Non-Executive Chairman of the Board through October 31, 2016, and effective November 1, 2016, he was appointed as Executive Chairman of the Board. Compensation decisions regarding Mr. Decker's service as Non-Executive Chairman of the Board were made in connection with his appointment as a Class I director and as the Non-Executive Chairman of the Board in 2015. For his service through October 31, 2016, Mr. Decker received an annual cash retainer of $100,000 for his service as a non-employee director and cash meeting fees of $3,000 for each meeting of the Board and $2,000 for each meeting of the committees of the Board that he attended in person or by phone in his capacity as a member or Chairman of the Board, subject to a maximum of $75,000 of meeting fees each fiscal year. In addition, for his service as Non-Executive Chairman of the Board, Mr. Decker received an annual cash retainer of $250,000. Mr. Decker was also eligible to receive coverage for himself and his dependents under our group health plan on the terms generally applicable to other participants in such plan.

In connection with Mr. Decker's appointment as Executive Chairman of the Board, the Compensation Committee reviewed with F.W. Cook the compensation to be paid to Mr. Decker for his service in such additional executive capacity. Upon the recommendation of the Compensation Committee, the Board approved certain changes to Mr. Decker's previously existing compensation arrangements effective November 1, 2016. He will continue to receive an annual cash retainer of $100,000 for his service as a director and be entitled to cash meeting fees, subject to a maximum of $75,000 of meeting fees each fiscal year as described above. In addition, his annual cash retainer for service as Chairman of the Board was increased from $250,000 to $500,000 while he is serving as Executive Chairman of the Board. For Mr. Decker's service as Executive Chairman of the Board through 2017, on November 7, 2016, the Committee awarded 26,246 shares of time-based restricted stock and 26,245 shares of performance-based restricted stock under our 2014 Omnibus Incentive Plan.

The time-based shares will vest ratably in three annual installments, subject to his continued service as a director or employee, beginning on December 31, 2017. The performance-based shares will vest on December 31, 2017, subject to his continued service as a director or employee and dependent upon the level of achievement of performance goals established by the Committee, with any such shares that do not vest to be forfeited. The performance targets for such performance-based shares are based on our Total Shareholder Return, which will compare the closing price of our common stock on the date of grant, or $12.78, to the volume weighted average price per share of our common stock for the 15 consecutive trading days ending December 29, 2017, assuming any dividends or distributions paid during such period are reinvested in our common stock. Achievement of the threshold level of performance, or Total Shareholder Return of at least 10% but less than 20%, will result in the vesting of 50% of such shares, and achievement of the targeted level of performance (or above), or Total Shareholder Return of 20% or above, will result in the vesting of 100% of such shares. Vesting will not be interpolated between the threshold and target performance targets. The restricted stock agreements entitle Mr. Decker to receive dividends on unvested restricted shares, to the extent that any such dividends are declared in the future.

The restricted stock agreements for such time- and performance-based awards provide that upon the occurrence of a change in control (as defined in our 2014 Omnibus Incentive Plan), any unvested shares will immediately vest. The restricted stock agreement for the time-based award provides that if Mr. Decker's service as a director and employee is terminated by death or disability (as defined in our 2014 Omnibus Incentive Plan), then the restricted shares normally subject to vesting at the next vesting date will immediately vest and any remaining unvested restricted shares will be forfeited upon such date. The restricted stock agreement for the performance-based awards provide that if Mr. Decker's service as a director and employee is terminated by death or disability, then any outstanding unvested shares will immediately vest. Both restricted stock agreements provide that if Mr. Decker's service as a director has been terminated without cause (as defined in our 2014 Omnibus Incentive Plan) prior to December 31, 2017 and his service as an employee has been terminated by death or disability, by us without cause or by Mr. Decker for good reason (as defined in the restricted stock agreement), prior to December 31, 2017, then any outstanding unvested shares will immediately vest.

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Mr. Decker will also continue to be eligible to receive coverage for himself and his dependents under our group health plan on the terms generally applicable to other participants in such plan, and he will not participate in the Brookdale Senior Living Inc. Severance Pay Policy, Tier I, as amended, applicable to our other executive officers. In lieu thereof, we entered into a letter agreement with Mr. Decker pursuant to which he will be eligible to continue to receive the cash compensation that would have been payable to him through December 31, 2017 if his service as Executive Chairman of the Board is terminated without cause (as defined in our 2014 Omnibus Incentive Plan) prior to such date.

The cash retainers described above were prorated during 2016 to reflect Mr. Decker's appointment as Executive Chairman of the Board effective November 1, 2016. His cash retainers and meeting fees were paid quarterly in arrears during 2016. While he served as Non-Executive Chairman of the Board, Mr. Decker had the opportunity to elect to receive either immediately vested shares or restricted stock units in lieu of up to 50% of his quarterly cash compensation on the same terms as offered to the other non-employee directors.

Other Director Compensation Arrangements

Mr. Smith, our President and Chief Executive Officer, does not receive separate compensation for his service on the Board. Information regarding compensation awarded to, earned by or paid to Mr. Smith for his service as an executive officer is included in "Compensation of Executive Officers" below.

Director Compensation for 2016

The following table sets forth certain summary information for the year ended December 31, 2016 with respect to the compensation awarded to, earned by, or paid to our directors (other than Mr. Smith). Information regarding compensation awarded to, earned by or paid to Mr. Smith for his service as an executive officer is included in "Compensation of Executive Officers" below.

Name	Fees Earned or Paid in Cash	Stock Awards[(1)(2)]		All Other Compensation		Total
Frank M. Bumstead	$221,000	$99,995	(3)	—		$320,995
Jackie M. Clegg	$240,000[(4)]	$99,995	(3)	—		$339,995
Daniel A. Decker	$479,167[(5)]	$591,313	(6)	$11,685	(7)	$1,082,164
Jeffrey R. Leeds	$222,000	$99,995	(3)	—		$321,995
Mark J. Parrell[(8)]	$190,000	$69,306	(9)	—		$259,306
William G. Petty, Jr.	$209,000[(10)]	$99,995	(3)	—		$308,995
James R. Seward	$210,000	$99,995	(3)	—		$309,995
Lee S. Wielansky	$205,000	$69,306	(9)	—		$274,306

(1) Represents the aggregate grant date fair value of awards of immediately vested stock, restricted stock and/or restricted stock units computed in accordance with FASB Accounting Standards Codification ("ASC") Topic 718. See Note 13 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2016 for a summary of the assumptions made in the valuation of these awards.

(2) As of December 31, 2016: (i) none of the directors held any unvested stock awards, except that Mr. Decker held 42,913 shares of time-based restricted stock and 26,245 shares of performance-based restricted stock; and (ii) each of the following directors held the following number of vested restricted stock units: Ms. Clegg—6,850 and Mr. Decker—10,348.

(3) Represents the grant date fair value of 6,901 immediately vested shares awarded on February 26, 2016.

(4) Ms. Clegg elected to receive immediately vested shares in lieu of a portion of her cash compensation for 2016. The reported amount includes: 1,777 immediately vested shares issued on April 1, 2016 for service during the first quarter of 2016 with a grant date fair value of $27,863; 1,501 immediately vested shares issued on July 1, 2016 for service during the second

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quarter of 2016 with a grant date fair value of $23,866; 1,482 immediately vested shares issued on October 1, 2016 for service during the third quarter of 2016 with a grant date fair value of $25,861; and 3,411 immediately vested shares issued on January 1, 2017 for service during the fourth quarter of 2016 with a grant date fair value of $42,365.

(5) Mr. Decker elected to receive restricted stock units in lieu of a portion of his cash compensation for 2016. The reported amount includes: 3,651 restricted stock units issued on April 1, 2016 for service during the first quarter of 2016 with a grant date fair value of $57,248; 3,474 restricted stock units issued on July 1, 2016 for service during the second quarter of 2016 with a grant date fair value of $55,237; 3,223 restricted stock units issued on October 1, 2016 for service during the third quarter of 2016 with a grant date fair value of $56,241; and 5,199 restricted stock units issued on January 1, 2017 for service during the fourth quarter of 2016 with a grant date fair value of $64,572.

(6) Represents the grant date fair value of $335,424 with respect to 26,246 shares of time-based restricted stock and of $255,889 with respect to 26,245 shares of performance-based restricted stock, each awarded on November 7, 2016.

(7) Includes $10,243 of premiums paid by the Company in 2016 for continued group health plan coverage for Mr. Decker and his dependents during his service as Non-Executive Chairman of the Board through October 31, 2016, and amounts paid by the Company for Mr. Decker’s commuting to the Company’s Nashville headquarters during his service as Executive Chairman of the Board beginning November 1, 2016.

(8) Mr. Parrell resigned from the Board effective on July 24, 2017.

(9) Represents the grant date fair value of 4,783 immediately vested shares awarded on February 26, 2016.

(10) Mr. Petty elected to receive immediately vested shares in lieu of a portion of his cash compensation for 2016. The reported amount includes: 1,482 immediately vested shares issued on April 1, 2016 for service during the first quarter of 2016 with a grant date fair value of $23,238; 1,525 immediately vested shares issued on July 1, 2016 for service during the second quarter of 2016 with a grant date fair value of $24,248; 1,217 immediately vested shares issued on October 1, 2016 for service during the third quarter of 2016 with a grant date fair value of $21,237; and 2,878 immediately vested shares issued on January 1, 2017 for service during the fourth quarter of 2016 with a grant date fair value of $35,745.

Director Stock Ownership Guidelines

The Board has adopted Stock Ownership Guidelines that require each of our non-employee directors to maintain ownership of a number of shares of our common stock with a value equal to three times the non-employee director’s annual cash retainer for service on the Board, exclusive of any retainers for service as the Chairman of the Board or of any committee and any cash meeting fees. The Board has determined that Mr. Decker will continue to be subject to the stock ownership guidelines applicable to non-employee directors following his appointment as the Executive Chairman of the Board beginning November 1, 2016, rather than the guidelines applicable to our executive officers. The expected level of ownership may be met through stock purchased by the director or his or her spouse in the market and/or through stock received upon vesting of equity awards. Unvested equity awards do not generally count toward satisfaction of the guidelines unless elected to be received by the director in lieu of cash compensation.

Stock ownership levels are required to be achieved by the later of (i) February 5, 2019 (i.e., five years after their initial adoption) or (ii) the fifth anniversary of the director’s initial appointment or election to the Board. Until the expected ownership level is achieved, each director is expected to retain at least 50% of any shares obtained through our stock incentive plans.

As of August 1, 2017, each of our current independent directors and Mr. Decker held a number of shares in excess of the number required by the guidelines, except for Mr. Bromley, who was appointed to the Board on July 25, 2017. Mr. Bromley will be expected to retain at least 50% of any shares that he obtains through our stock incentive plans until he holds shares in excess of the number required by the guidelines.

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Meetings of the Board

The Board met 19 times in 2016. Each of our incumbent directors attended at least 75% of the total number of meetings of the Board and all committees of the Board on which he or she served during 2016.

Our "non-management" directors, i.e., those who are not executive officers, meet in regularly scheduled executive sessions without management. Any non-management director may request that additional executive sessions be scheduled. Under our Corporate Governance Guidelines, a non-management director designated by the non-management directors on the Board presides at such executive sessions, or in such director's absence, another non-management director designated by the lead non-management director presides at such executive sessions. If the Board has elected a director to serve as Non-Executive Chairman of the Board, such director will preside at such executive sessions under our Corporate Governance Guidelines.

The Board has not adopted a formal policy that requires directors to attend our annual stockholders' meetings, although they are invited and encouraged to attend. Eight of the then-incumbent members of the Board attended the 2016 annual meeting of stockholders.

Committees of the Board

Under our Corporate Governance Guidelines, the Board has four separate standing committees: the Audit Committee, the Compensation Committee, the Investment Committee and the Nominating and Corporate Governance Committee.

Audit Committee

We have a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Audit Committee's functions include:

- reviewing the audit plans and findings of the independent registered public accounting firm and our internal audit and risk review staff, as well as the results of regulatory examinations, and tracking management's corrective action plans where necessary;
- reviewing our financial statements (and related regulatory filings), including any significant financial items and/or changes in accounting policies, with our senior management and independent registered public accounting firm;
- reviewing our risk and control issues, compliance programs and significant tax and legal matters;
- having the sole discretion to appoint annually the independent registered public accounting firm and evaluating its independence and performance, as well as to set clear hiring policies for our hiring of employees or former employees of the independent registered public accounting firm; and
- reviewing our risk management processes.

The Audit Committee is currently chaired by Mr. Seward and also consists of Ms. Clegg and Messrs. Bromley and Leeds. All members are "independent" directors as defined under the listing standards of the NYSE and under section 10A(m)(3) of the Exchange Act. Mr. Parrell, a former director who served on the Audit Committee prior to his resignation from the Board effective on July 24, 2017, was "independent" as defined under such standards. The Board has determined that each of the current members of the Audit Committee is an "audit committee financial expert" as defined by the rules of the SEC. No member of the Audit Committee simultaneously serves on the audit committees of more than three public companies. In 2016, the Audit Committee held nine meetings. The report of the Audit Committee is included on page 58.

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The Board has adopted a written charter for the Audit Committee, and a current copy of this charter is available on our website, located at www.brookdale.com.

Compensation Committee

The Compensation Committee's functions include:

- reviewing and approving the restricted stock and other equity-related grants for our directors, officers, key employees and consultants;
- reviewing and approving corporate goals and objectives relevant to our Chief Executive Officer's and other executive officers' compensation, evaluating the Chief Executive Officer's and other executive officers' performance in light of those goals and objectives, and determining the Chief Executive Officer's and other executive officers' compensation based on that evaluation;
- recommending to the Board the compensation of our non-employee directors; and
- overseeing our compensation and employee benefit and incentive compensation plans and administering our Omnibus Stock Incentive Plan, 2014 Omnibus Incentive Plan and Associate Stock Purchase Plan.

The Compensation Committee is currently chaired by Mr. Bumstead and also consists of Ms. Clegg and Messrs. Leeds and Wielansky. All members are "independent" directors as defined under the listing standards of the NYSE. In 2016, the Compensation Committee held 15 meetings. The report of the Compensation Committee is included on page 41.

The Board has adopted a written charter for the Compensation Committee, and a current copy of this charter is available on our website, located at www.brookdale.com.

Investment Committee

The Investment Committee reviews and approves (or recommends that the Board approve, as applicable) certain investments and proposed transactions on behalf of the Board, reviews and evaluates (and makes recommendations to the Board regarding) our capital structure and financial strategies, our material capital allocation plans, and our dividend and share repurchase policies and programs, and performs such other responsibilities as may be delegated to it by the Board from time to time. The Committee is currently chaired by Mr. Petty and also consists of Messrs. Bromley, Decker, Seward and Wielansky. Mr. Parrell served on the Committee until his resignation from the Board effective on July 24, 2017. In 2016, the Investment Committee held 10 meetings.

A current copy of the written charter for the Investment Committee is available on our website, located at www.brookdale.com.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee's functions include:

- reviewing the performance of the Board and incumbent directors and making recommendations to the Board regarding the selection of candidates, qualification and competency requirements for service on the Board and the suitability of proposed nominees as directors;
- advising the Board with respect to our Corporate Governance Guidelines; and
- overseeing the evaluation of the Board and our management.

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The Nominating and Corporate Governance Committee is currently chaired by Ms. Clegg and also consists of Messrs. Leeds, Bumstead and Petty. All members are "independent" directors as defined under the listing standards of the NYSE. In 2016, the Nominating and Corporate Governance Committee held 12 meetings.

The Board has adopted a written charter for the Nominating and Corporate Governance Committee, and a current copy of this charter is available on our website, located at www.brookdale.com.

The Nominating and Corporate Governance Committee works with the Board to determine the appropriate and necessary characteristics, skills and experience of the Board, both as a whole and with respect to its individual members. The committee evaluates biographical and background information relating to potential candidates and interviews candidates selected by members of the committee and by the Board in making its decisions as to prospective candidates to the Board. While the committee does not specifically set forth any minimum skills that a candidate must have prior to consideration, the committee thoroughly examines a candidate's senior housing, real estate, finance, operations, marketing, healthcare, operations and other relevant experience, understanding of our business, professional and personal ethics, and educational and professional background. The committee evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of Brookdale's business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas. In determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board. The Nominating and Corporate Governance Committee identifies potential nominees by asking current directors and executive officers to notify the Nominating and Corporate Governance Committee if they become aware of suitable candidates. As described below, the Nominating and Corporate Governance Committee will also consider candidates recommended by stockholders. The Nominating and Corporate Governance Committee may engage firms that specialize in identifying director candidates.

In addition, our Corporate Governance Guidelines currently provide that the Nominating and Corporate Governance Committee also may seek to have the Board represent a diversity of backgrounds, experience, gender and race. While the Nominating and Corporate Governance Committee has not adopted a formal diversity policy with regard to the selection of director nominees, diversity is one of the factors that the committee considers in identifying director nominees. To that end, the committee's charter currently provides that, among the qualifications considered in the selection of candidates, the committee shall look at the following attributes and criteria of candidates: experience, skills, expertise, diversity, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, conflicts of interest and such other relevant factors that the committee considers appropriate in the context of the needs of the Board. The Board seeks directors who represent a mix of backgrounds and experiences that will enhance the quality of its deliberations and decisions. The committee considers diversity in its selection of nominees, utilizing a broad meaning to include not only factors such as race and gender, but also background, experience, skills, accomplishments, financial expertise, professional interests, personal qualities and other traits desirable in achieving an appropriate group of qualified individuals.

While the Nominating and Corporate Governance Committee's charter and our Corporate Governance Guidelines provide that the committee may, if it deems appropriate, establish procedures to be followed by stockholders in submitting recommendations for director candidates, the Nominating and Corporate Governance Committee has not, at this time, put in place a formal policy with regard to such procedures. This is because procedures are set forth in our Amended and Restated Bylaws which permit stockholders to submit recommendations for director candidates. The Board believes that it is appropriate not to adopt a specific policy since stockholders are always free to submit recommendations for director candidates, simply by following the procedures set forth in the Amended and Restated Bylaws, as described below.

A stockholder wishing to make a nomination for a board candidate must give timely notice of the nomination in proper written form to our Secretary. In the case of an annual meeting, to be timely the Secretary of Brookdale must have received proper notice from the stockholder not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders. As a result, nominations for the 2018 annual meeting of stockholders submitted pursuant to these provisions of our Amended and Restated Bylaws

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must be received no earlier than May 28, 2018 and no later than the close of business on June 27, 2018. If the 2018 annual meeting of stockholders is called for a date that is not within 25 days before or after September 25, 2018, the notice must be received by Brookdale not earlier than the close of business on the 90th day prior to the annual meeting and not later than the close of business on the later of the 60th day prior to the annual meeting or the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs. In the case of a special meeting called for the purpose of electing directors, to be timely the notice must be received by Brookdale not later than the close of business on the tenth day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

To be in proper form, the notice must set forth, as to each person whom the stockholder proposes to nominate for election as a director, the person's name, age, business and residence address, the person's principal occupation or employment, and the class or series and number of shares of capital stock of Brookdale that are owned beneficially or of record by the person. The notice must also set forth the name and record address of the stockholder, the class or series and number of shares of capital stock of Brookdale that the stockholder beneficially owns or owns of record, a description of all arrangements or understandings between the stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by the stockholder and a representation that the stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in the notice. In addition, the notice must include any other information relating to the stockholder or to the proposed nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors under Section 14 of the Exchange Act and the rules and regulations thereunder and must also be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. A person must own of record shares of Brookdale stock on the date that he or she sends the notice to Brookdale under the procedures above and on the record date for the determination of stockholders entitled to notice of and vote at such meeting. The notice should be mailed or delivered to "Brookdale Senior Living Inc. Nominating and Corporate Governance Committee c/o Secretary, Brookdale Senior Living Inc., 111 Westwood Place, Suite 400, Brentwood, Tennessee 37027". If the chairman of the annual meeting determines that a nomination was not made in accordance with the procedures set forth in our Amended and Restated Bylaws, the chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Provided that the required biographical and background material described above is provided for candidates recommended by stockholders, the Nominating and Corporate Governance Committee will evaluate those candidates by following substantially the same process, and applying substantially the same criteria, as for candidates submitted by members of the Board or management.

Corporate Governance

The role of the Board is to ensure that Brookdale is managed for the long-term benefit of our stockholders. To fulfill this role, the Board has adopted corporate governance principles designed to assure compliance with all applicable corporate governance standards. In addition, the Board is informed regarding Brookdale’s activities and periodically reviews, and advises management with respect to, Brookdale’s annual operating plans and strategic initiatives.

The Board has adopted Corporate Governance Guidelines. The Board has also adopted a Code of Business Conduct and Ethics that applies to all employees, directors and officers, including our principal executive officer, our principal financial officer, our principal accounting officer or controller, or persons performing similar functions, as well as a Code of Ethics for Chief Executive and Senior Financial Officers, which applies to our President and Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Treasurer and Controller. These guidelines and codes are available on our website at www.brookdale.com. Any amendment to, or waiver from, a provision of such codes of ethics granted to a principal executive officer, principal financial officer, principal accounting officer or controller, or person performing similar functions, or to any executive officer or director, will be posted on our website.

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Majority Voting for Directors

In 2015 the Board adopted an amendment to our Corporate Governance Guidelines to provide for a majority voting policy applicable to uncontested elections of directors, which became effective immediately following the conclusion of the 2015 annual meeting of stockholders. The Board believes this policy will better enable the Board to be responsive to stockholders who vote in the elections of directors.

Under the policy, in order for any person to be nominated by the Board for election as a director, such nominee must submit an irrevocable resignation, which will be effective contingent upon such nominee's not receiving a majority of the votes cast in an uncontested election of directors and acceptance of the resignation by the Board. If any such nominee fails to receive more votes cast "for" than "against" such nominee in an uncontested election of directors (with "abstentions" and "broker non-votes" not counted as a vote cast either "for" or "against" such director's election), the Nominating and Corporate Governance Committee will make a recommendation to the Board as to whether to accept or reject the resignation, or whether other action should be taken. The Board's decision and, if such resignation is rejected, the rationale behind the decision will be publicly disclosed within ninety days following certification of the election results. Any nominee who is an existing Board member and tenders his or her resignation pursuant to the policy will not participate in the committee's or Board's deliberations regarding whether to accept the resignation. An election will be considered a contested election under the policy if, as of the tenth day preceding the date the Company first mails its notice of the stockholders meeting to the Company's stockholders, the number of nominees exceeds the number of directors to be elected. If there is a contested election, the directors will be elected by a plurality of the votes cast as provided in our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, each as amended to date.

Each of the nominees for election as a Class I director has submitted the irrevocable resignation described above.

Board Leadership Structure

Our Corporate Governance Guidelines do not require the separation of the positions of Chairman of the Board and Chief Executive Officer and provide that the Board is free to choose its Chairman in any way that it deems best for the Company at any given time. However, since the date of our formation, the Board has separated the positions of Chairman and Chief Executive Officer in the belief that this structure improves management's accountability to the Board. Mr. Decker currently serves as Executive Chairman of the Board, and Mr. Smith serves as President, Chief Executive Officer and Director.

Risk Oversight

The business of the Company is managed with the oversight of the Board. As contemplated by the NYSE listing standards and as reflected in the charter of the Audit Committee, the Board has delegated to the Audit Committee the responsibility to discuss guidelines and policies governing the process by which our senior management and the relevant departments of the Company (including our Internal Audit Department) assess and manage our exposure to risk. To that end, the Audit Committee regularly reviews our processes for risk assessment and risk management, as well as our major financial risk exposures and the steps management has taken to monitor and control such exposures. In addition, the Board regularly receives reports from management regarding our risk exposures and monitors our risk management activities.

Communications from Stockholders

The Board has in place a process for security holders to send communications to the Board. Specifically, the Board will review and give appropriate attention to written communications submitted by stockholders and other interested parties, and will respond if and as appropriate. Absent unusual circumstances or as otherwise contemplated by committee charters, the Chairperson of the Nominating and Corporate Governance Committee will, with the assistance of our General Counsel, (1) be primarily responsible for monitoring communications from stockholders and (2) provide copies or summaries of such communications to the other directors as he or she considers appropriate. Communications will generally be forwarded to all directors if they relate to substantive matters and include suggestions or comments that the Chairperson of the Nominating and Corporate Governance Committee considers to be important for the directors to consider.

Stockholders and other interested parties who wish to send communications on any topic to the Board should address such communications to Chairperson of the Nominating and Corporate Governance Committee, c/o General Counsel, Brookdale Senior Living Inc., 111 Westwood Place, Suite 400, Brentwood, Tennessee 37027. Stockholders who wish to contact any non-management director, the presiding non-management director or the non-management directors as a group, should address such communications to the non-management director (or group of directors) they wish to contact (or if any, to "Any Non-Management Director"), c/o General Counsel, Brookdale Senior Living Inc., 111 Westwood Place, Suite 400, Brentwood, Tennessee 37027.

Executive Officers

The following table sets forth certain information concerning our executive officers:

Name	Age	Position
Daniel A. Decker	64	Executive Chairman of the Board
T. Andrew Smith	57	President, Chief Executive Officer and Director
Labeed S. Diab	47	Chief Operating Officer
Lucinda M. Baier	52	Chief Financial Officer
Bryan D. Richardson	58	Executive Vice President and Chief Administrative Officer
Cedric T. Coco	49	Executive Vice President and Chief People Officer
Mary Sue Patchett	54	Executive Vice President – Community Operations
H. Todd Kaestner	61	Executive Vice President – Corporate Development
George T. Hicks	59	Executive Vice President – Finance and Treasurer
Chad C. White	42	Senior Vice President, General Counsel and Secretary

Labeed S. Diab joined Brookdale as Chief Operating Officer in November 2015. Prior to joining Brookdale, Mr. Diab served in operational leadership roles for the Walmart US division of Wal-Mart Stores, Inc. since 2009, most recently serving as its President of Health and Wellness since 2014, its President of Midwest Division from 2011 to 2014, and its Vice President and General Manager from 2009 to 2011. Prior to that, Mr. Diab served as Regional Vice President of Aramark's Health Care Division from 2006 to 2009 and as Regional Vice President for Rite Aid Corporation from 2003 to 2006. Mr. Diab began his career as a Pharmacy Manager with American Stores Company and later in regional roles with CVS Caremark. Mr. Diab is a Registered Pharmacist. He currently serves as a member of the board of directors of Argentum.

Lucinda M. Baier joined Brookdale as Chief Financial Officer in December 2015. Ms. Baier has more than fifteen years of executive leadership experience in accounting, taxation, finance and treasury functions, having most recently served as Chief Financial Officer of Navigant Consulting, Inc., a specialized global expert services firm, since March 2013 and its Executive Vice President since February 2013. Prior to that, she was Executive Vice President, Chief Financial Officer and Chief Administrative Officer of Central Parking System, Inc., a leading firm in parking management and marketing, from August 2011 to October 2012, having previously served as its Senior Vice President and Chief Financial Officer since September 2010. Ms. Baier served from July 2008 to February 2010 as Executive Vice President and Chief Financial Officer of Movie Gallery, Inc., and served from 2006 until July 2008 as Chief Financial Officer of World Kitchen, LLC. In addition, Ms. Baier served as a member of the Board of Directors and Audit Committee of The Bon-Ton Stores, Inc. from 2007 until 2016. Ms. Baier is a Certified Public Accountant.

Bryan D. Richardson became our Executive Vice President in July 2006 and our Chief Administrative Officer in January 2008. Mr. Richardson also served as our Chief Accounting Officer from September 2006 through April 2008. Previously, Mr. Richardson served as Executive Vice President – Finance and Chief Financial Officer of ARC since April 2003 and previously served as its Senior Vice President – Finance since April 2000. Mr. Richardson was formerly with a national graphic arts company from 1984 to 1999 serving in various capacities, including Senior Vice President of Finance of a digital prepress division from May 1994 to October 1999, and Senior Vice President of Finance and Chief Financial Officer from 1989 to 1994. Mr. Richardson was previously with the national public accounting firm PricewaterhouseCoopers.

Cedric T. Coco joined Brookdale as Executive Vice President and Chief People Officer in October 2016 after serving in various human resources roles for Lowe's Companies Inc. since 2008, and most recently as Senior Vice President of

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Human Resources, where he led the human resources generalists for Lowe's stores, distribution centers and customer support centers, in addition to leading talent acquisition, employee relations, diversity, and succession planning. Prior to Lowe's, Mr. Coco gained nearly two decades of experience in human resources, learning and development and organization performance at Microsoft Corporation, KLA-Tencor Corporation and General Electric Company, where he held numerous leadership roles in engineering, business development, sales, general management and organizational learning.

Mary Sue Patchett became our Executive Vice President – Community Operations in November 2015 after having served as Division President since February 2013 and as Divisional Vice President since joining Brookdale in September 2011 in connection with our Horizon Bay acquisition. Ms. Patchett has over 30 years of senior care and housing experience serving in leadership roles. Previously, Ms. Patchett served as Chief Operating Officer of Horizon Bay from January 2011 through August 2011 and as Senior Vice President of Operations from March 2008 through December 2011. Prior to joining Horizon Bay, she was President and owner of Patchett & Associates, Inc., a management consulting firm for senior housing and other healthcare companies, from 2005 until March 2008. Ms. Patchett had previously served as Divisional Vice President for Alterra for over six years and started in senior living with nine years in numerous leadership positions at Sunrise Senior Living. Ms. Patchett has served on numerous industry boards and is serving on the advisory board of Florida Argentum as its past chair.

H. Todd Kaestner became our Executive Vice President – Corporate Development in July 2006. Previously, Mr. Kaestner served as Executive Vice President – Corporate Development of ARC since September 1993. Mr. Kaestner served in various capacities for ARC's predecessors since 1985, including Vice President – Development from 1988 to 1993 and Chief Financial Officer from 1985 to 1988.

George T. Hicks became our Executive Vice President – Finance in July 2006 and our Treasurer in January 2016. Prior to July 2006, Mr. Hicks served as Executive Vice President – Finance and Internal Audit, Secretary and Treasurer of ARC since September 1993. Mr. Hicks had served in various capacities for ARC's predecessors since 1985, including Chief Financial Officer from September 1993 to April 2003 and Vice President – Finance and Treasurer from November 1989 to September 1993.

Chad C. White joined Brookdale in February 2007 and has served as our Senior Vice President since July 2014, our General Counsel since March 2017 and our Secretary since March 2013. He previously served as our Senior Vice President and Co-General Counsel from July 2014 to March 2017, our Vice President and Co-General Counsel from March 2013 to July 2014, and our Associate General Counsel and Assistant Secretary prior to that. Before joining Brookdale, Mr. White served in legal roles with Dollar General Corporation and Bass, Berry & Sims PLC.

See "—Information Concerning Directors and Director Nominees" for biographical information for Messrs. Decker and Smith.

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COMPENSATION OF EXECUTIVE OFFICERS

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information about the compensation of the following named executive officers:

Named Executive Officers	
T. Andrew Smith	President and Chief Executive Officer
Labeed S. Diab	Chief Operating Officer
Lucinda M. Baier	Chief Financial Officer
Bryan D. Richardson	Executive Vice President and Chief Administrative Officer
Mary Sue Patchett	Executive Vice President, Community Operations
Mark W. Ohlendorf	Former President

Mr. Ohlendorf stepped down from his role as President effective March 18, 2016. On such date, Mr. Smith was appointed to the additional role of President. Mr. Ohlendorf's separation was considered to be a termination by us without cause pursuant to the terms of applicable compensatory plans and agreements.

Compensation Practices–Highlights

What We Do	What We Do Not
– Pay for Performance – A significant portion of our NEOs' target direct compensation is awarded in the form of variable, at-risk compensation.	– No Above Median Benchmarking – We do not benchmark target compensation above the median of our peer group.
– Caps on Payouts – We cap payouts under our annual cash incentive plan and long term incentive awards (no additional shares beyond target performance).	– No Excessive Guaranteed Compensation – Our annual cash incentive plan and our performance-based restricted stock awards do not have minimum guaranteed payout levels, and therefore this compensation is "at risk."
– Preserving Tax Deductibility – We structure incentive compensation opportunities with the intent that they will qualify as performance-based compensation under Section 162(m) of the Code to the extent possible.	– No Tax Gross Ups – We do not provide tax gross-ups, except in the limited circumstance of certain re-location expenses.
– Long-Term Equity – We promote retention of NEOs with 4-year time-based restricted stock and performance-based restricted stock with a 3-year and 4-year performance period.	– No Excessive Perquisites – We do not provide excessive perquisites or other benefits.
– Annual Say on Pay – We annually conduct a "say-on-pay" advisory vote (rather than on a less frequent basis) to solicit our stockholders' views on our executive compensation programs.	– No Defined Benefit Plans – We do not offer pensions or supplemental executive retirement plans (SERPs).
– Stock Ownership and Retention Guidelines – We maintain robust stock ownership and retention guidelines (5x base salary for the CEO; 4x base salary for the COO and CFO; 3x base salary/cash retainer for the other NEOs and directors).	– No Pledging or Hedging – Our insider trading policy prohibits executive officers and directors from pledging shares or engaging in short-sale, hedging, or other derivative transactions involving our securities.

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– Independent Committee and Consultant – The Committee is comprised solely of independent directors, and it retains F.W. Cook as its independent compensation consultant.

– No Stock Options – We have never granted stock options.

Overview of Compensation Process

The Compensation Committee (the "Committee") administers our executive compensation program, including overseeing our compensation plans and policies, performing an annual review of executive compensation plans, and reviewing and approving all decisions regarding the compensation of executive officers. At the request of the Committee, our Chief Executive Officer and certain of our other executive officers participate in Committee meetings (excluding executive sessions of the Committee and when their own compensation is determined) and assist the Committee by, for example, providing information to the Committee and making recommendations regarding our compensation program and levels. Our Chief Executive Officer recommends to the Committee the compensation of our other executive officers, subject to the Committee's ultimate authority and responsibility for determining the form and amount of executive compensation.

At our 2016 annual meeting of stockholders, 90% of the votes cast on the annual vote to approve the compensation of our named executive officers (referred to as "say-on-pay") supported our executive compensation program. The Committee believes this vote provided positive affirmation of our stockholders' support of our executive compensation approach and provided assurance that the program is reasonable and well-aligned with stockholder expectations. The Committee values the opinions expressed by stockholders in the annual say-on-pay vote and considers the outcomes of such votes when making executive compensation decisions.

Executive Officer Compensation Philosophy and Objectives

Our executive compensation program is designed to reward performance, align executives' interests with those of our stockholders, retain key executives responsible for our success and, as needed, attract new executives. To accomplish these objectives, we intend to provide compensation that is competitive externally, fair internally, and tied to performance.

Our executive compensation program consists of these key elements:

- Base Salary—To attract and retain our key executives, we provide a base salary that reflects the level and scope of responsibility, experience and skills of an executive, as well as competitive market practices.
- Annual Cash Incentive Opportunity—The purpose of the annual cash incentive opportunity is to motivate and reward executives for their contributions to our performance through the opportunity to receive annual cash compensation based on the achievement of company and individual performance objectives for the year. The Committee intends to set targets that are challenging, but generally based on the Company's business and operating plans so as to avoid encouraging excessive risk-taking.
- Long-Term Incentive Compensation—The purpose of long-term incentive compensation is to align executives' long-term goals with those of our stockholders. The Committee has utilized a mix of time- and performance-based restricted stock as the forms of long-term incentive compensation awarded to our executives. The Committee believes that the use of restricted stock appropriately aligns the interests of our executives with those of our stockholders and encourages employees to remain with the Company.

Market Data Review

Competitive market practices, including those of a self-selected peer group, are one of many factors the Committee considers in making executive compensation decisions. The Committee reviews market data to provide an external frame of reference on range and reasonableness of our compensation levels and practices, but not as a

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primary or determinative factor. The Committee's objective is, over the long-term, to target executive compensation at or slightly below the median of our peer group for comparable positions, with potential upside opportunity if supported by company financial and operating performance.

The Committee engaged F.W. Cook in 2016 to review and, if advisable, recommend updates to, the peer group used by the Committee for reviewing our executive compensation program, and to conduct an independent market analysis using that peer group. The peer group used for 2016 executive compensation decisions remained unchanged from the prior year and included 18 companies in the health care facilities, healthcare services, managed healthcare, healthcare REIT, hospitality and restaurant industries. The companies contained in the peer group were chosen to be reflective of our levels of revenue, market capitalization and enterprise value, and number of employees. The peer group was comprised of the following companies:

2016 Compensation Peer Group

Centene Corporation	Omnicare, Inc.
Community Health Systems, Inc.	Quest Diagnostics Incorporated
Darden Restaurants, Inc.	Select Medical Holdings Corporation
HealthSouth Corporation	Starwood Hotels & Resorts Worldwide, Inc.
Hyatt Hotels Corporation	Tenet Healthcare Corporation
Kindred Healthcare, Inc.	The Ensign Group, Inc.
Laboratory Corporation of America Holdings	Universal Health Services, Inc.
LifePoint Health, Inc.	Welltower Inc.
National HealthCare Corporation	Wyndham Worldwide Corporation

F.W. Cook reported directly to the Committee and did not provide any services to the Company other than services provided to the Committee. The Committee conducted a specific review of its relationship with F.W. Cook, and determined that its work for the Committee did not raise any conflicts of interest, consistent with the guidance provided under the Dodd-Frank Act of 2010 by the SEC and by the NYSE.

Annual Risk Assessment

In accordance with its charter, the Committee conducts an assessment annually of the relationship between our risk management policies and practices, corporate strategy and our compensation arrangements. As part of this assessment, the Committee evaluates whether any incentive and other forms of pay encourage unnecessary or excessive risk taking. For our 2016 executive compensation program, the Committee concluded that the program, including the performance goals and targets used for incentive compensation, is appropriately structured not to encourage unnecessary or excessive risk taking.

2016 Named Executive Officer Compensation Decisions

When considering our 2016 executive compensation program, the Committee indicated that it would continue to target executive compensation at or slightly below the median of our peer group for comparable positions, with potential upside opportunity if supported by company financial and operating performance. F.W. Cook completed a market analysis and reported that the increases to base salary and long-term incentive awards made in 2015 had brought the target total direct compensation for our named executive officers closer to the median of our peer group for similarly titled roles, though Mr. Smith's and Mr. Richardson's target total direct compensation was lower than the median of the peer group for comparable positions, primarily due to considerably lower target long-term incentive compensation. F.W. Cook also indicated that the design of our short-term incentive plan, including the performance criteria and amounts, and relative weighting thereof, were generally consistent with peer practices. Further, F.W. Cook advised on long-term incentive performance measures that are used in practice, including relative total shareholder return, which was not used by the peer companies for purposes of long-term incentive compensation.

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When evaluating base salaries and target short term incentive opportunities of the named executive officers, the Committee reviewed comparative market data presented by F.W. Cook. Mr. Smith requested that his base salary not be increased for 2016, and the Committee noted that Mr. Diab and Ms. Baier were hired in the fourth quarter of 2015, and that Ms. Patchett's base salary had been increased in connection with her promotion in the fourth quarter of 2015. As a result, the Committee determined not to increase the base salary of the named executive officers, with the exception of Mr. Richardson, whose base salary was increased by 2.5% for 2016. The Committee further determined that the target annual cash incentive opportunity for 2016 would remain at 125% of base salary for Mr. Smith and 100% of each of the other named executive officers. The Committee also determined under the annual cash incentive plan to continue to use the relative weighting of company and individual performance measures, and to begin using resident fee revenue as a performance measure in lieu of year-over-year same community senior housing net operating income growth used in prior years. When evaluating the individual objectives component of the annual cash incentive plan, the Committee determined to use a more rigorous process in setting goals, identifying achievement criteria and scoring goal achievement to improve the pay-for-performance nature of the individual objectives and to differentiate results among executives and their objectives.

The Committee reviewed comparative market data provided by F.W. Cook when setting target amounts of long-term incentive compensation, noting that Mr. Diab and Mses. Baier and Patchett were hired or promoted during the fourth quarter of 2015. In light of F.W. Cook's report showing that Mr. Smith's and Mr. Richardson's target total direct compensation amounts were below the median amounts of the peer group, primarily due to their target long-term incentive compensation being considerably lower than the peer group, the Committee determined to increase the grant date fair value of long-term incentive awards for Messrs. Smith and Richardson by 10%, or approximately $475,000 and $80,000, respectively. The Committee did not grant long-term incentive awards to Mr. Ohlendorf due to the timing of his termination without cause effective March 18, 2016.

The table below sets forth the target total direct compensation approved by the Committee for each of Messrs. Smith, Diab and Richardson and Mses. Baier and Patchett for 2016. Mr. Ohlendorf is not included due to his termination of employment effective March 18, 2016. Performance-based opportunities are presented at target and long-term incentive awards are presented at grant date fair value. The table below excludes amounts reported in the "All Other Compensation" column in the Summary Compensation Table for 2016, which generally include employer matching contributions to our 401(k) Plan, premiums on Company-provided life and disability insurance, and the incremental cost of relocation benefits for Mr. Diab and Ms. Baier.

2016 Target Total Direct Compensation

	Base Salary	Annual Cash Incentive	Performance-Based Long-Term Equity	Time-Based Long-Term Equity	Target Total Direct Compensation
T. Andrew Smith	$950,000	$1,187,500	$2,612,503	$2,612,503	$7,362,507
Labeed S. Diab	$585,000	$585,000	$750,002	$750,002	$2,670,005
Lucinda M. Baier	$550,000	$550,000	$750,002	$750,002	$2,600,005
Bryan D. Richardson	$430,500	$430,500	$440,003	$440,003	$1,741,007
Mary Sue Patchett	$425,000	$425,000	$352,498	$352,513	$1,555,011

Consistent with our compensation philosophy, the 2016 pay mix for our named executive officers is heavily weighted towards performance-based, at risk, compensation, as illustrated by the charts below that reflect target total direct compensation for Mr. Smith and the average for our other named executive officers as a group (other than Mr. Ohlendorf).

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2016 Target
Total Direct
Compensation
Mix
(% of Total)

2016 Realized Compensation and Summary of Compensation Results

So that our stockholders may better understand the results of our 2016 executive compensation program, the following table sets forth the amount of compensation actually realized by our named executive officers who served the full year 2016. The amount of realized compensation includes the actual salary earned, actual payments under our 2016 annual cash incentive plan, the value of restricted stock awards that vested during 2016 and the amount of all other compensation reported in the Summary Compensation Table for 2016 (other than $299,180 and $211,774 for relocation assistance for Mr. Diab and Ms. Baier, respectively, during 2016). The amounts realized are significantly lower than the target total direct compensation for 2016 as shown above, and also significantly lower than the amounts reported in the Summary Compensation Table for 2016 below, as calculated in accordance with SEC rules. For comparison purposes, the following table also sets forth the amount of compensation actually realized by our named executive officers for 2014 and 2015 who served a full year and were named executive officers during such years.

Realized Compensation

	Year	Salary	Annual Cash Incentive Earned	Value upon Vesting of Long-Term Incentive Awards	All Other Compensation (excluding relocation assistance)	Total Compensation Realized
T. Andrew Smith	2016	$953,654	$418,594	$1,258,572	$11,339	$2,642,159
	2015	$953,654	$276,094	$2,022,015	$8,929	$3,260,691
	2014	$841,216	$714,580	$1,622,198	$11,025	$3,189,019
Labeed S. Diab	2016	$587,250	$219,375	$371,177	$5,504	$1,183,307
Lucinda M. Baier	2016	$552,115	$222,750	$136,988	$5,723	$917,576
Bryan D. Richardson	2016	$432,115	$159,500	$384,391	$9,829	$985,836
	2015	$421,616	$124,110	$916,815	$8,534	$1,471,074
	2014	$367,631	$274,996	$981,541	$10,239	$1,634,407
Mary Sue Patchett	2016	$426,635	$145,350	$174,037	$7,811	$753,833

With respect to the annual cash incentive opportunity, during 2016 we failed to achieve the threshold level of performance of the Adjusted Cash From Facility Operations ("Adjusted CFFO") per share performance measure, and we achieved 105% of the target level of performance of the resident fee revenue performance measure. Mr. Smith achieved 78% of his individual performance goals, and the other named executive officers shown in the table

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achieved between 79% and 100% of their individual performance goals. As a result, Mr. Smith earned 35.3% and the other named executive officers shown in the table earned between 34.2% and 40.5% of their target annual cash incentive opportunity.

In addition, shares of performance-based restricted stock granted to the named executive officers in 2013 were eligible to vest on February 27, 2016, dependent on the level of achievement of performance targets based on our three-year compound annual growth rate ("CAGR") of Cash From Facility Operations ("CFFO") per share measured based on our CFFO per share in 2015 versus a 2012 base year. We failed to achieve the threshold performance for this measure, and as a result the shares eligible to vest on such date were forfeited (Mr. Smith—48,828 shares; Mr. Richardson—9,837 shares; and Ms. Patchett—5,026).

During 2016, the named executive officers realized the amounts shown in the table above upon the vesting of time-based restricted stock granted in 2012 through 2015 (Mr. Smith—53,829 shares; Mr. Diab—32,588 shares; Ms. Baier—12,027 shares; Mr. Richardson—21,906 shares; and Ms. Patchett—12,173 shares), and performance-based restricted stock. Shares of performance-based restricted stock granted in 2012 were eligible to vest on February 27, 2016 dependent upon the level of achievement of performance targets based on our 2015 return on investment ("ROI") on all Program Max projects approved in 2012 and completed prior to the end of 2013. Our actual ROI exceeded the target performance level and, therefore, each of the named executive officers vested with respect to 100% of the shares eligible to vest on such date (Mr. Smith—6,158 shares; Mr. Richardson—4,622 shares; and Ms. Patchett—677 shares). In addition, Mr. Smith's 26,871 shares of performance-based restricted stock granted during 2015 and eligible to vest on February 27, 2016 vested on such date upon the Committee's determination that the performance goals established by the Committee based on integration initiatives related to our acquisition of Emeritus had been met.

We believe the amount of compensation realized by our named executive officers demonstrates the pay-for-performance nature of our executive compensation program, as our actual level of performance for 2016 resulted in our paying significantly less to our named executive officers than the amounts targeted by the Committee and amounts reported in the Summary Compensation Table for 2016.

2016 Base Salaries

As described above, the Committee approved a base salary increase only for Mr. Richardson for 2016. The 2015 and 2016 base salaries were as follows:

Annual Base Salary

	2015	2016	Percent Change
T. Andrew Smith	$950,000	$950,000	–
Labeed S. Diab	$585,000	$585,000	–
Lucinda M. Baier	$550,000	$550,000	–
Bryan D. Richardson	$420,000	$430,500	2.5%
Mary Sue Patchett	$425,000	$425,000	–
Mark W. Ohlendorf	$540,000	$540,000	–

2016 Annual Cash Incentive Compensation

During 2016, each of the named executive officers participated in the annual cash incentive plan applicable to members of our senior management executive committee. Under this program, each of the named executive officers was eligible to receive cash incentive compensation based on company and individual performance during 2016. The cash incentive opportunities based on company and individual objectives were denominated as separate cash-settled performance awards under our 2014 Omnibus Incentive Plan, which was approved by our stockholders, so that amounts paid based on such objectives to individuals who are subject to the deduction limitation under Section

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162(m) of the Internal Revenue Code could qualify as performance-based compensation under Section 162(m). As approved by our stockholders, the aggregate maximum payout to an individual for the 2016 annual cash incentive plan was $2,000,000. The annual cash incentive opportunity and results under the annual cash incentive plan are described below.

2016 Annual Cash Incentive Opportunity

The 2016 target total cash incentive opportunity for each of our named executive officers, calculated as a percentage of 2016 base salary, was as follows:

2016 Target Total Annual Cash Incentive Opportunity

	Percentage of 2016 Base Salary	Amount
T. Andrew Smith	125%	$1,187,500
Labeed S. Diab	100%	$585,000
Lucinda M. Baier	100%	$550,000
Bryan D. Richardson	100%	$430,500
Mary Sue Patchett	100%	$425,000
Mark W. Ohlendorf	100%	$540,000

As a percentage of base salary, the 2016 target total cash incentive opportunity was the same for each of Messrs. Smith, Richardson, and Ohlendorf as the 2015 opportunity. Pursuant to their offer letters in connection with their hiring in the fourth quarter of 2015, each of Mr. Diab's and Ms. Baier's target total cash incentive opportunity was set at 100% of base salary. Ms. Patchett's target total cash incentive opportunity was increased from 80% in 2015 to 100% in 2016 as a percentage of her base salary, reflecting her membership on our senior management executive committee beginning in the fourth quarter of 2015.

The company performance components of the cash incentive opportunity were to be paid following the end of the fiscal year, dependent on our 2016 Adjusted CFFO per share and resident fee revenue. The company performance objectives applicable to our named executive officers were developed by management and approved by the Committee. The Committee determined to use Adjusted CFFO per share (which represents CFFO per share as adjusted for integration, transaction, transaction-related and strategic project costs) as the primary company performance objective for 2016 because the metric was used by management and the Board in its budgeting process, in the Company's forward-looking earnings guidance provided to the investment community, and in its evaluation of our financial and operating performance. The Committee determined to use 2016 resident fee revenue (which represents resident fee revenue less entry fee amortization) as an objective for the same reasons and because it provides a top-line measurement of the performance of our senior housing and ancillary services businesses.

The individual performance components of the annual cash incentive opportunity were to be paid following the end of the fiscal year, dependent on the level of achievement of certain objectives established for each individual for 2016. The individual performance objectives for each named executive officer other than Mr. Smith were recommended by Mr. Smith and approved by the Committee. Mr. Smith's individual performance objectives were approved by the Committee and reviewed with the Board.

The target annual cash incentive opportunities for the company and individual performance objectives weighted as a percentage of the target total annual cash incentive opportunity were as follows:

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2016 Target Annual Cash Incentive Weighting by Objective

	Adjusted CFFO per Share	Resident Fee Revenue	Individual Objectives
T. Andrew Smith	60%	15%	25%
Other NEOs	60%	10%	30%

Adjusted CFFO per Share. The targeted level of Adjusted CFFO per share for 2016 under the annual cash incentive plan was $2.59, which was consistent with our initial 2016 budget and business plan approved by the Board in January 2016 and significantly higher than our actual 2015 Adjusted CFFO per share results. Payouts as a percentage of target based on our 2016 Adjusted CFFO per share performance are shown below. Payout percentages were to be interpolated between the steps shown below.

2016 Adjusted CFFO per Share
Targets and Payout Percentages

Adjusted CFFO per Share Targets	Percentage Payout of Target Opportunity
$2.74 or more	200%
$2.72	190%
$2.70	180%
$2.68	170%
$2.66	160%
$2.64	150%
$2.63	140%
$2.62	130%
$2.61	120%
$2.60	110%
$2.59	100%
$2.49	90%
$2.48	80%
$2.46	60%
$2.44	40%
$2.42	20%
Below $2.42	0%

Resident Fee Revenue. For purposes of the cash incentive plan, resident fee revenue was to be based on our resident fee revenue less entrance fee amortization. The targeted level of resident fee revenue under the cash incentive plan represented year-over-year growth of 1.5% for 2016. The target level of resident fee revenue could be adjusted by the Committee to account for acquisitions and dispositions. Payouts as a percentage of target based on our resident fee revenue are shown below. Payout percentages were to be interpolated between the steps shown below.

2016 Resident Fee Revenue
Targets and Payout Percentages

Resident Fee Revenue Targets	Percentage Payout of Target Opportunity
$4,365,546,696 or more	200%

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$4,352,489,228	190%
$4,339,470,816	180%
$4,326,491,342	170%
$4,313,550,690	160%
$4,300,648,743	150%
$4,287,785,387	140%
$4,274,960,506	130%
$4,262,173,984	120%
$4,249,425,707	110%
$4,236,715,560	100%
$4,226,123,771	90%
$4,215,558,462	80%
$4,205,019,566	60%
$4,194,507,017	40%
$4,184,020,749	20%
Below $4,184,020,749	0%

Individual Objectives. The individual objectives for 2016 were intended to focus executives on key strategic initiatives supporting our business plan, based on their roles in achieving such initiatives. The objectives were designed to be reasonably achievable, but because they would require significant additional efforts on behalf of each of the executives, the cash incentive opportunity linked to individual performance was at risk. The level of achievement of the individual objectives for each named executive officer other than Mr. Smith was to be determined by the Committee following the end of the fiscal year upon the recommendation of Mr. Smith. The level of achievement of Mr. Smith's individual objectives was to be determined by the Committee and reviewed with the Board. Achievement of the targeted level of performance would have resulted in 100% of this component of the opportunity of the being paid, which represented the maximum amount payable to an executive with respect to the individual performance objectives of the 2016 cash incentive opportunity.

2016 Individual Objectives	
Mr. Smith	• Refine analysis of our portfolio and develop and execute on disposition plan by the end of 2016 and fully explore the range of possible alternatives for our ancillary services business to maximize intermediate and long-term shareholder value • Develop, gain the Board's consensus regarding, and deliver to the Board, a long-term strategic plan • Realize targeted merger-related cost synergies • Solidify our sales performance management system and performance by driving consistent and effective use of our sales playbooks, implementing improved, simplified and consistent sales management reporting and accountability processes, and ensuring full adoption of newly developed lead scoring tool • Strengthen our community teams through the reduction of turnover of key community-level leadership positions • Focus the company on the importance of net promoter score and improve net promoter scores across our consolidated communities

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Mr. Diab	• Implement our Brookdale Excellence Standards Tool (BEST) as a management tool, launch an audit format to standardize quality expectations and simplify the day-to-day community management and operations • Refocus our use of community quality system to have one system to document and follow-up on actions plans for BEST, site visits, and other program implementation tools • Solidify our sales performance management system and performance by driving consistent and effective use of our sales playbooks, implementing improved, simplified and consistent sales management reporting and accountability processes, and ensuring full adoption of newly developed lead scoring tool • Develop a plan for a new streamlined organizational structure, implement a quarterly talent management review and develop a mentorship program • Strengthen our community teams through the reduction of turnover of key community-level leadership positions • Focus the company on the importance of net promoter score and improve net promoter scores across our consolidated communities
Ms. Baier	• Benchmark best practices for finance processes with peer companies and identify and develop plan to capitalize on priorities, and implement plan for budgeted general and administrative expense savings in 2017 • Restructure our finance organization and create pricing team and complete pricing pilot • Create, and obtain Board approval of, our capital allocation strategy and articulate that strategy to the market • Maintain appropriate controls with no significant deficiencies or material weaknesses • Provide support for improving operations, including through driving cost reduction initiatives where appropriate, creating and delivering standardized management reports, and providing models to improve the effectiveness of our sales team
Mr. Richardson	• Realize targeted merger-related cost synergies • Benchmark capital expenditures with peer companies, reduce 2016 capital expenditures versus budget at a specified amount, and develop a multi-year capital expenditure plan to normalize per-unit capital expenditures • Implement customer relationship management and website project, develop and implement a process to solicit and compile cost savings and best practices from the organization, and develop projects for 2017 to generate cost savings at a specified amount • Restructure our information technology group, with success measured based on improvements to customer satisfaction, technology simplification and cost savings, improved security, completion of integration activity and increased allocation of resources to support strategic initiatives and innovation
Ms. Patchett	• Implement BEST as a management tool, launch an audit format to standardize quality expectations and simplify the day-to-day community management and operations • Refocus our use of community quality system to have one system to document and follow-up on actions plans for BEST, site visits, and other program implementation tools • Strengthen our community teams through the reduction of turnover of key community-level leadership positions • Focus the company on the importance of net promoter score and improve net promoter scores across our consolidated communities • Re-establish brand recognition for our Clare Bridge programming and ensure implementation of Clare Bridge standards in all programs, measured by the increase in average occupancy for memory care units • Restructure operations oversight in select communities

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Mr. Ohlendorf	• Develop, gain the Board's consensus regarding, and deliver to the Board, a long-term strategic plan

2016 Annual Cash Incentive Results

The results and payouts under the company and individual objectives for the 2016 annual cash incentive plan are described below. The total payment to each of our named executive officers under the 2016 annual cash incentive plan was as follows:

Actual 2016 Total Payment under 2016 Annual Cash Incentive Plan

	Actual Payment	Target Opportunity	Actual Payment as a Percentage of Target Opportunity
T. Andrew Smith	$418,594	$1,187,500	35.3%
Labeed S. Diab	$219,375	$585,000	37.5%
Lucinda M. Baier	$222,750	$550,000	40.5%
Bryan D. Richardson	$159,500	$430,500	37.0%
Mary Sue Patchett	$145,350	$425,000	34.2%
Mark W. Ohlendorf	$47,206	$116,557	40.5%

As a result of his termination without cause during 2016, Mr. Ohlendorf was eligible to receive payment under the 2016 annual cash incentive plan (to the extent earned), pro-rated based on the number of days he was employed. The amounts of Mr. Ohlendorf's actual payment and target opportunity reflect his service through the effective date of his termination, or March 18, 2016.

Adjusted CFFO per Share. We achieved Adjusted CFFO per share of $2.33 for 2016, which was below the threshold performance of $2.42 per share. Accordingly, the Committee determined that no portion of the opportunity based on Adjusted CFFO per share performance would be paid, as shown below. Mr. Ohlendorf's target amount reflects his service through March 18, 2016.

Actual CFFO per Share Objective Payment

	Target Amount	Achievement	Payment
T. Andrew Smith	$712,500	0%	–
Labeed S. Diab	$351,000	0%	–
Lucinda M. Baier	$330,000	0%	–
Bryan D. Richardson	$258,300	0%	–
Mary Sue Patchett	$255,000	0%	–
Mark W. Ohlendorf	$69,934	0%	–

Adjusted CFFO per share is a financial measure that is not calculated in accordance with generally accepted accounting principles, or GAAP, and should not be considered in isolation from, as superior to or as a substitute for net income (loss), income (loss) from operations, cash flows provided by or used in operations, or other financial measures determined in accordance with GAAP. During 2016, we ceased presenting Adjusted CFFO per share in our earnings releases, documents filed with the SEC and other investor relations materials, and we ceased to include within our definition of CFFO our proportionate share of CFFO of our unconsolidated ventures. The following reconciliation shows how we calculated Adjusted CFFO per share for 2016, and it reflects the aggregate of our reported 2016 Adjusted CFFO and our proportionate share of CFFO of unconsolidated ventures, divided by the weighted average number of shares outstanding.

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(in thousands, except per share data)	Year Ended December 31, 2016
Net cash provided by operating activities	$365,732
Changes in operating assets and liabilities	76,252
Proceeds from refundable entrance fees	3,083
Refunds of entrance fees	(3,984)
Lease financing debt amortization with fair market value or no purchase options	(57,502)
Loss on facility lease termination	11,113
Distribution from unconsolidated ventures from cumulative share of net earnings	(23,544)
Recurring capital expenditures, net	(58,583)
Integration, transaction, transaction-related and strategic project costs	62,131
Adjusted CFFO	$374,698
Brookdale's proportionate share of CFFO of unconsolidated ventures	58,000
Adjusted CFFO	$432,698
Weighted average shares used in computing basic net income (loss) per share	185,653
Adjusted CFFO per share	$2.33

Resident Fee Revenue. We achieved resident fee revenue, excluding entrance fee amortization, of $4,164 million for 2016, which was below the threshold level of performance for this component of the annual cash incentive plan. However, due to the impact of dispositions and contributions of communities to unconsolidated ventures of 85 communities completed prior to the end of fiscal 2016, including those associated with our portfolio optimization initiative, the Committee exercised its discretion under our 2014 Omnibus Incentive Plan to equitably adjust the targets to exclude $197.3 million of 2015 resident fee revenue attributable to such communities. The Committee further equitably adjusted the payout based on our 2016 resident fee revenue to reflect our actual 2016 results excluding $124.1 million of 2016 resident fee revenue attributable to such communities. As a result, our 2015 resident fee revenue as adjusted for dispositions (and excluding entrance fee amortization) was $3,977 million, and the adjusted target level of 2016 resident fee revenue was $4,036 million, which represented 1.5% growth over the 2015 adjusted amount, and the other performance targets were likewise adjusted. For 2016 we achieved resident fee revenue as adjusted for dispositions (and excluding entrance fee amortization) of $4,042 million, representing year-over-year growth of 1.65%. This level of performance corresponded to the 105% level of performance compared to the adjusted targets. Accordingly, the Committee determined to pay 105% of the target opportunity based on such performance, as shown below. The target and payment amounts for Mr. Ohlendorf reflect his service through March 18, 2016.

Actual Resident Fee Revenue Objective Payment

	Target Amount	Achievement	Payment
T. Andrew Smith	$178,125	105%	$187,031
Labeed S. Diab	$58,500	105%	$61,425
Lucinda M. Baier	$55,000	105%	$57,750
Bryan D. Richardson	$43,050	105%	$45,203
Mary Sue Patchett	$42,500	105%	$44,625
Mark W. Ohlendorf	$11,656	105%	$12,239

Individual Objectives. Following the conclusion of the 2016 fiscal year, the Committee determined that Mr. Smith had achieved 78% of his individual performance objectives. In addition, based upon Mr. Smith’s

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recommendation and the Committee's own evaluation of each named executive officer's performance against the individual performance objectives that had been previously established, the Committee determined the level of achievement of the other named executive officers. The level of achievement of the named executive officers' individual performance objectives and associated payouts are shown below. The target and payment amounts for Mr. Ohlendorf reflect his service through March 18, 2016.

Actual Individual Objectives Bonus Payment

	Target Amount	Achievement	Payment
T. Andrew Smith	$296,875	78.0%	$231,563
Labeed S. Diab	$175,500	90.0%	$157,950
Lucinda M. Baier	$165,000	100.0%	$165,000
Bryan D. Richardson	$129,150	88.5%	$114,298
Mary Sue Patchett	$127,500	79.0%	$100,725
Mark W. Ohlendorf	$34,967	100.0%	$34,967

2016 Long-Term Incentive Awards

The grant date fair value (calculated in accordance with ASC 718) of the long-term incentive awards granted to our named executive officers in 2016 were as follows (other than Mr. Ohlendorf, who did not receive long-term incentive awards due to the timing of his termination without cause effective March 18, 2016). The number of shares of restricted stock granted to each named executive officer was based on $14.49, the closing price of our common stock on February 26, 2016, the date of grant.

2016 Long-Term Incentive Awards

	Annual Grant of Time-Based Restricted Stock	Annual Grant of Performance-Based Restricted Stock	Total
T. Andrew Smith	$2,612,503	$2,612,503	$5,225,007
Labeed S. Diab	$750,002	$750,002	$1,500,005
Lucinda M. Baier	$750,002	$750,002	$1,500,005
Bryan D. Richardson	$440,003	$440,003	$880,007
Mary Sue Patchett	$352,513	$352,498	$705,011

The restricted share agreements associated with such long-term incentive awards contain non-competition, non-solicitation, non-disparagement and confidentiality covenants. With respect to any termination of a named executive officer's employment, treatment of the restricted stock awards will be as provided in the applicable award agreement governing such awards, as described under "Potential Payments Upon Termination or Change in Control." Each of the named executive officers will also be entitled to receive dividends on unvested shares, to the extent that any such dividends are declared in the future.

Annual Awards of Time-Based Restricted Stock. The annual awards of time-based restricted stock vested or will vest ratably in four annual installments beginning on February 27, 2017, subject to continued employment.

Annual Awards of Performance-Based Restricted Stock. Seventy-five percent (75%) of the annual awards of performance-based restricted stock are scheduled to vest on February 27, 2019 and twenty-five percent (25%) are scheduled to vest on February 27, 2020, in each case subject to continued employment and dependent upon the level of achievement of performance goals established for each tranche by the Committee. Any performance-based shares which do not vest in either tranche will be forfeited. Management viewed the performance targets to be challenging.

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The performance targets for the shares eligible to vest in 2019 are based on our three-year CAGR of Adjusted CFFO per share, with results to be measured based on our Adjusted CFFO per share in 2018 compared to our Adjusted CFFO per share in 2015. For purposes of the calculation, Adjusted CFFO per share will exclude federal income taxes to the extent that we become a federal income taxpayer in future periods. Achievement of the threshold level of performance will result in the vesting of 20% of the shares eligible to vest in 2019, and achievement of the targeted level of performance (or above) will result in the vesting of 100% of such shares, which is the maximum that may be earned.

The performance targets for the shares eligible to vest in 2020 are based on our calendar year 2019 ROI on all Program Max projects either (i) approved in 2016 and completed prior to the end of 2017 or (ii) approved prior to 2016 and completed during 2017. Our Program Max initiative is a capital expenditure program through which we expand, renovate, redevelop and reposition certain of our existing communities where economically advantageous. Achievement of the threshold level of performance will result in the vesting of 20% of the shares eligible to vest in 2020, and achievement of the targeted level of performance (or above) will result in the vesting of 100% of such shares, which is the maximum that may be earned.

Results of 2013 Performance-Based Long-Term Incentive Awards

During 2013, the Committee granted performance-based restricted stock awards to each of the named executive officers, other than Mr. Diab and Ms. Baier who joined the Company in 2015. Seventy-five percent (75%) of the shares were eligible to vest on February 27, 2016 and twenty-five percent (25%) were eligible to vest on February 27, 2017, in each case subject to continued employment and dependent upon the level of achievement of performance goals established for each tranche by the Committee. With respect to each tranche of awards, achievement of the threshold level of performance would result in the vesting of 40% of the shares in that tranche. Achievement of the targeted level of performance (or above) would result in the vesting of 100% of the shares in that tranche. Any shares which do not vest in either tranche would be forfeited.

As previously disclosed, vesting of the shares eligible to vest on February 27, 2016 was dependent on the level of achievement of performance targets based on our three-year CAGR of CFFO per share, which measured our CFFO per share for 2015 versus a 2012 base year, and all of the shares eligible to vest on February 27, 2016 were forfeited based on our actual results.

The vesting of the shares eligible to vest on February 27, 2017 was dependent upon the level of achievement of performance targets based on our 2016 ROI on all Program Max projects approved in 2013 and completed prior to the end of 2014. The table below shows the percentage of such tranche that would vest based on our actual 2016 ROI on such Program Max projects. Vesting percentages were to be interpolated between the steps shown below.

2013 Performance-Based Restricted Stock –
2016 Program Max ROI Targets

ROI Target	Percentage of Tranche that Would Vest
14% or above	100%
12%	75%
11%	55%
10%	40%
Below 10%	No vesting

Pursuant to the terms of Mr. Ohlendorf’s restricted share agreement, as a result of his termination without cause on March 18, 2016, all of his shares eligible to vest on February 27, 2017, or 4,369 shares, remained outstanding and eligible to vest based on (and subject to) our 2016 ROI on such Program Max projects.

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Based on our actual ROI on such Program Max projects of 15.9% for 2016, all of the shares vested on February 27, 2017. The number of shares that vested on February 27, 2017 for each of our named executive officers is as follows:

Vesting of 2013 Performance-Based Restricted Stock Awards

	Shares Vested on February 27, 2017
T. Andrew Smith	16,276
Bryan D. Richardson	3,279
Mary Sue Patchett	1,677
Mark W. Ohlendorf	4,369

Results of 2014 Performance-Based Long-Term Incentive Awards

During 2014, the Committee granted annual awards of performance-based restricted stock to each of the named executive officers, other than Mr. Diab and Ms. Baier who joined the Company in 2015. Seventy-five percent (75%) of the shares were eligible to vest on February 27, 2017 and twenty-five percent (25%) are eligible to vest on February 27, 2018, in each case subject to continued employment and dependent upon the level of achievement of performance goals established for each tranche by the Committee. With respect to each tranche of awards, achievement of the threshold level of performance would result in the vesting of 20% of the shares in that tranche. Achievement of the targeted level of performance (or above) would result in the vesting of 100% of the shares in that tranche. Any shares which do not vest in either tranche would be forfeited.

The performance targets for the shares eligible to vest on February 27, 2017 were based on our three year CAGR of CFFO per share, which measured our CFFO per share for 2016 versus a 2013 base year. For purposes of the calculation, CFFO per share excluded acquisition, integration and other transaction costs and federal income taxes to the extent that we became a federal income taxpayer during the performance period. The table below shows the percentage of such shares that would vest based on our actual CFFO per share in 2016. Vesting percentages were to be interpolated between the steps shown below.

2014 Performance-Based Restricted Stock – 2016 CFFO per Share Targets

CAGR of CFFO (2013 Base Year)	2016 CFFO per Share	Percentage of Tranche that Would Vest
10% or above	$3.33 or above	100%
8%	$3.15	80%
6%	$2.99	60%
5%	$2.89	40%
4%	$2.81	20%
Below 4%	Below $2.81	No vesting

Pursuant to the terms of Mr. Ohlendorf's restricted share agreement, as a result of his termination without cause on March 18, 2016, all of his shares eligible to vest on February 27, 2017, or 13,041 shares, remained outstanding and eligible to vest based on (and subject to) our 2016 CFFO per share performance.

We failed to achieve the threshold level of CFFO per share for 2016, and, as a result, all of the shares of our named executive officers eligible to vest on February 27, 2017 were forfeited. The number of shares that were eligible to vest in February 2017 and were forfeited by each of our named executive officers was as follows:

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Forfeitures of 2014 Performance-Based Restricted Stock Awards

	Shares Forfeited on February 27, 2017
T. Andrew Smith	45,122
Bryan D. Richardson	9,789
Mary Sue Patchett	4,998
Mark W. Ohlendorf	13,041

The performance targets for the shares eligible to vest on February 27, 2018 are based on our 2017 ROI on all Program Max projects approved in 2014 and completed prior to the end of 2015. Pursuant to the terms of Mr. Ohlendorf's restricted share agreement, upon his termination without cause on March 18, 2016, the shares eligible to vest on February 27, 2018, or 4,348 shares, were forfeited.

Results of Mr. Smith's 2015 Additional Performance-Based Long-Term Incentive Award

During 2015, the Committee granted an award of 53,742 shares of performance-based restricted stock to Mr. Smith in addition to his annual grant of restricted stock. Such shares vested in equal installments on February 27, 2016 and February 27, 2017, in each case subject to continued employment and dependent on the level of achievement of performance goals established for each tranche by the Committee. As previously disclosed, the performance goals established by the Committee for the 26,871 shares eligible to vest on February 27, 2016 were based on integration initiatives related to our acquisition of Emeritus, and the shares vested on such date upon the Committee's determination that the performance criteria had been met. The performance goals set by the Committee for the 26,871 shares eligible to vest on February 27, 2017 were based on substantial completion by December 31, 2016 of the integration of purchasing systems and processes related to the Emeritus integration to enable realization of cost synergies in the merged company through combined purchasing. Substantial completion was measured by migration of at least 85% of the post-merger combined communities to a common accounts payable, eProcurement, and purchasing card system by December 31, 2016; and migration of at least 85% of the post-merger combined communities to a purchasing program utilizing a common approved vendor pool for national procurement contracts by December 31, 2016. In February 2017, the Committee determined that the foregoing performance criteria had been met and approved the vesting of all such shares eligible to vest on February 27, 2017.

Section 162(m) Limits on Deductibility

Section 162(m) of the Internal Revenue Code places a limit of $1,000,000 on the amount of compensation that a company may deduct in any one year with respect to its chief executive officer and each of its next three most highly paid executive officers other than the chief financial officer. To maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, the Committee has not adopted a policy that all compensation must be deductible, although (as noted below) we structure our annual cash incentive plan and performance-based restricted stock awards to qualify as performance-based compensation under Section 162(m). Certain performance-based compensation approved by stockholders is not subject to the compensation deduction limit. For the 2016 annual cash incentive plan, the cash incentive opportunities were denominated as separate cash-settled performance awards under our 2014 Omnibus Incentive Plan, which was approved by our stockholders, so that amounts paid based on such objectives to individuals who are subject to the deduction limitation under Section 162(m) of the Internal Revenue Code could qualify as performance-based compensation under Section 162(m). In addition, performance-based restricted stock we have issued under our 2014 Omnibus Incentive Plan can qualify as performance-based compensation under Section 162(m).

Stock Ownership and Retention Guidelines

Since 2007, we have maintained stock ownership and retention guidelines applicable to certain of our officers, including our named executive officers, to further align the interests of our executives with the interests of our stockholders. Our named executive officers are expected to hold a number of shares with a minimum market value

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expressed as a multiple of the named executive officer's base salary. The expected levels of ownership of our named executive officers under our guidelines are as follows:

Stock Ownership and Retention Guidelines—
Expected Level of Ownership

	Multiple of Base Salary
Chief Executive Officer	5.0x
Chief Financial or Chief Operating Officer	4.0x
Chief Administrative Officer	3.0x
Executive Vice President	3.0x

The expected level of ownership may be met through stock purchased by the officer or his or her spouse in the market and/or through stock received upon vesting of equity awards. Unvested equity awards do not count toward the expected level of ownership, except that under the guidelines the estimated number of after-tax time-based restricted shares that are scheduled to vest within 90 days will count towards the expected level of ownership.

The expected level of ownership must be achieved by the later of (i) May 9, 2012 (i.e., five years after the initial adoption of the guidelines) or (ii) the fifth anniversary of such officer's becoming subject to the guidelines as a result of being hired or promoted into a position covered by the guidelines. Until the expected ownership level is achieved, each officer is expected to retain at least 50% of after-tax shares obtained through our equity compensation plans, and an officer will be deemed to be in compliance with the guidelines if he or she has retained at least 50% of such after-tax shares. In addition, if an officer has achieved the expected stock ownership level and subsequent changes in the market price of our stock or the amount of such officer's base salary result in such officer's failure to maintain the expected stock ownership level, such officer will be expected to retain at least 50% of after-tax shares obtained through our equity compensation plans until the expected stock ownership level is again achieved.

As of August 1, 2017, each of our named executive officers was in compliance with our stock ownership and retention guidelines. Each of Messrs. Smith and Richardson held shares with a market value in excess of such named executive officer's applicable multiple of base salary. Mr. Diab and Ms. Baier, who joined the Company in 2015, and Ms. Patchett, who was promoted to the Executive Vice President position in 2015, are expected to retain at least 50% of their after-tax shares obtained through our equity compensation plans until they meet such applicable multiple of base salary.

Policy on Hedging and Pledging

Our insider trading policy provides that no one subject to the policy may engage in short sales, puts, calls or other derivative transactions involving our securities. It further provides that none of our directors or executive officers may engage in hedging or monetization transactions involving our securities, pledge our securities as collateral for a loan, or hold our securities in a margin account.

Clawback Policy

We have not adopted a separate executive compensation clawback policy. However, our 2014 Omnibus Incentive Plan provides that any award thereunder that is subject to recovery under any law, government regulation or stock exchange listing requirement will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement or as may be required pursuant to any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement.

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Employment Agreement and Severance Policies Applicable to Named Executive Officers

We are party to an employment agreement with Mr. Smith dated February 11, 2013, as amended on April 23, 2015. We entered into the employment agreement with Mr. Smith in connection with his appointment as Chief Executive Officer in February 2013, and the agreement superseded and replaced the severance pay policy letter agreement, dated as of August 6, 2010, between us and Mr. Smith. The employment agreement has a three year term, subject to automatic extensions for additional one year periods, unless either we or Mr. Smith give written notice to the other no less than 90 days prior to the expiration of the term that the term will not be so extended. Mr. Smith's initial base salary was $480,000 per year, which was increased to $825,000 per year as of the date that his service as Chief Executive Officer began. In addition, Mr. Smith is eligible to receive an annual cash incentive opportunity targeted at 125% of base salary, subject to the terms of our incentive compensation plan for senior executive officers. Mr. Smith is eligible to participate in various benefit plans that we make available to our senior executive officers. In addition, we provide Mr. Smith with basic term life insurance benefits of at least 100% of his base salary, at no cost to Mr. Smith. Under his employment agreement, Mr. Smith is entitled to severance payments if his employment is terminated by us without cause or if he terminates employment for good reason. Such severance payments in connection with a change in control are "double trigger," which require the occurrence of a change in control followed by termination of employment within 12 months of the change in control by us without cause or by Mr. Smith for good reason. Under Mr. Smith's employment agreement, any payments that are not deductible by us under Section 280G of the Internal Revenue Code will be cut back only to the extent that the cutback results in a better after tax position for Mr. Smith.

Our other named executive officers do not have employment agreements, but are eligible to participate in the Brookdale Senior Living Inc. Severance Pay Policy, Tier I, as amended (the "Severance Policy"), which provides severance benefits for terminations of employment. In addition, each of Mr. Richardson and Ms. Patchett is, and Mr. Ohlendorf was, a party to a letter agreement with us that provides for additional severance benefits in certain circumstances. The severance payments under the Severance Policy and these letter agreements applicable in connection with a change in control are "double trigger," which require the occurrence of a change in control followed by termination of employment by us without cause or by the named executive officer for good reason. In January 2017, after consultation with F.W. Cook, the Committee amended the Severance Policy to extend the time period during which such named executive officers would be eligible to receive payments resulting from a termination by us without cause or by the named executive officer for good reason following the occurrence of a change in control from a time period of within 12 months following the change of control to a time period of within 18 months following a change in control, and to provide that in the event of such a termination by an "Other Eligible Employee" (which includes Ms. Patchett) in such circumstance, the Other Eligible Employee will receive an annual bonus for the year of separation from service (to the extent earned under the terms of the bonus plan), pro-rated based on the number of days such Other Eligible Employee was employed and payable when such bonus would otherwise be due. The Severance Policy had been amended in 2015 to provide such pro-rata bonus to "Designated Officers" (which include Messrs. Diab and Richardson and Ms. Baier and included Mr. Ohlendorf). If payments pursuant to the Severance Policy and other arrangements are not deductible by us under Section 280G of the Internal Revenue Code, such payments shall be reduced (or repaid) in order to ensure our deduction of payments in connection with a change in control.

A detailed description of severance payments pursuant to Mr. Smith's employment agreement, the Severance Policy and such other letter agreements, as well as the effect of certain terminations and/or change in control pursuant to our restricted share agreements, is set forth under "Potential Payments Upon Termination or Change in Control" below.

Relocation Benefits

In connection with hiring Mr. Diab and Ms. Baier in the fourth quarter of 2015, the Committee approved certain relocation assistance for each of the executives to move to the Nashville area, including moving costs, brokerage commissions and closing costs for the sale of each of the executive's home and purchase of a home in the Nashville area, and temporary housing in the Nashville area for up to 12 months. We further agreed to reimburse Mr. Diab and Ms. Baier for their reasonable costs associated with traveling to and from Nashville during temporary living and

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during the move of household goods. In April 2016, based on our business needs, we entered into an addendum to each of Mr. Diab's and Ms. Baier's initial offer letter pursuant to which we agreed to enhance the available relocation benefits to include the provision of home sale assistance to facilitate an accelerated move to the Nashville area. Pursuant to the home sale assistance benefit, we would engage a third-party provider of relocation services to assist with the sale of such executive's primary residence. The home sale assistance program included marketing support and, if elected by the executive, facilitation of the purchase of the executive's primary residence on our behalf by the third-party provider at a price determined by averaging multiple independent current fair market value appraisals, with the third-party provider subsequently marketing and reselling the property on our behalf. Consistent with their initial offer letters, if Mr. Diab or Ms. Baier were to voluntarily terminate employment or withdraw from full-time status prior to 18 months or 12 months, respectively, of the executive's start date, the executive would be required to reimburse us for all costs and expenses incurred by us in connection with the relocation benefits and assistance provided to such executive. A portion of these relocation expenses were incurred in 2015 and 2016 and are reported in the Summary Compensation Table for such years.

2017 Compensation Decisions

Base Salary and Annual Cash Incentive Opportunity. The base salaries and target annual cash incentive opportunity of our current named executive officers for 2017 remained the same as 2016. The 2017 annual cash incentive opportunity will continue to be based on company and individual performance objectives. The company and individual performance objectives, and their relative weight as a percentage of the target total annual cash incentive opportunity, are as follows:

2017 Target Annual Cash Incentive Weighting by Objective

	Combined Adjusted Free Cash Flow	Resident Fee Revenue	Senior Housing and Ancillary Services Operating Income	Individual Objectives
T. Andrew Smith	40%	15%	20%	25%
Other Current NEOs	40%	10%	20%	30%

For purposes of the annual cash incentive plan, combined Adjusted Free Cash Flow is defined as the sum of our Adjusted Free Cash Flow for 2017 and our proportionate share of Adjusted Free Cash Flow of our unconsolidated ventures for 2017, in each case as reported and defined in our public releases and/or filings, and will exclude transaction, transaction-related and severance costs in a manner consistent with the methodology used in our public releases and/or filings. Resident fee revenue is defined as our 2017 consolidated resident fee revenue, and senior housing and ancillary services operating income is defined as our 2017 consolidated resident fee revenue less facility operating expense. At the discretion of the Committee, the combined Adjusted Free Cash Flow performance criteria may be equitably adjusted to reflect capital expenditures associated with catastrophic casualty losses and to reflect changes in business plans and budgets imposed by our joint venture partners, and each of the company level performance criteria may be equitably adjusted to reflect transaction activity (including acquisitions, dispositions, lease restructurings, lease terminations, and venture transactions). Achievement of the threshold or target level of each company performance objective will result in 20% or 100%, respectively, of the component of the opportunity being paid. Achievement in excess of the targeted level of performance will result in a payout up to a maximum of 200% of the component of the opportunity being paid, subject to a maximum aggregate payout to a named executive officer under the 2017 annual cash incentive plan of $2,000,000 (as required by our 2014 Omnibus Incentive Plan). Achievement of the targeted level of performance for the individual goals will result in 100% of this component being paid, which represents the maximum amount payable to an executive with respect to the individual performance objectives.

Long-Term Incentive Awards. Each of the current named executive officers received long-term incentive awards on February 13, 2017 with grant date fair values consistent with the awards made in 2016, with the exception

of Mr. Smith. The Committee was prepared to make annual grants of time- and performance-based restricted stock to Mr. Smith consistent with the grant date fair values of his 2016 awards. However, Mr. Smith unilaterally requested that the Committee not consider him for the 2017 awards. The Committee accepted Mr. Smith's request, and Mr. Smith waived any rights to such awards and any rights resulting from the Committee's failure to make such awards and confirmed that failure to receive such awards would not entitle him to terminate his employment agreement for "good reason."

One-half of the long-term incentive awards are shares of time-based restricted stock that generally vest ratably in four annual installments beginning on February 27, 2018, subject to continued employment. The other one-half of such awards are shares of performance-based restricted stock, 75% of which will generally vest on February 27, 2020 and 25% of which will generally vest on February 27, 2021, in each case subject to continued employment and dependent upon the level of achievement of performance goals established for each tranche by the Committee. Achievement of the target or higher level of performance for a performance-based tranche will result in the vesting of 100% of the shares in such tranche, and achievement of the threshold level of performance for a performance-based tranche will result in the vesting of 20% of the shares in such tranche.

The performance targets for the performance-based shares vesting in 2020 are based on our three-year CAGR of Combined Adjusted Free Cash Flow, with results to be measured based on our Combined Adjusted Free Cash Flow in 2019 compared to our Combined Adjusted Free Cash Flow for 2016. For purposes of the calculation, Combined Adjusted Free Cash Flow means the sum of our Adjusted Free Cash Flow for such year and our proportionate share of Adjusted Free Cash Flow of unconsolidated ventures for such year, in each case as reported and defined in our public releases and/or filings, and such measure will exclude transaction, transaction-related and severance costs and federal income taxes to the extent that we become a federal income taxpayer in future periods. The performance targets for the performance-based shares vesting in 2021 are based on our 2020 ROI on all Program Max projects either (i) approved in 2017 and completed prior to the end of 2018 or (ii) approved prior to 2017 and completed during 2018.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the disclosure set forth above under the heading "Compensation Discussion and Analysis" with management and, based on the review and discussions, it has recommended to the Board that the "Compensation Discussion and Analysis" be included herein.

Respectfully submitted by the Compensation Committee of the Board,

COMPENSATION COMMITTEE

Frank M. Bumstead, Chairman

Jackie M. Clegg

Jeffrey R. Leeds

Lee S. Wielansky

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Summary Compensation Table for 2016

The following summary compensation table sets forth information concerning the compensation earned by, awarded to or paid to our named executive officers for the periods indicated.

Name and Principal Position	Year	Salary ($)	Bonus ($)[1]	Stock Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)[3]	All Other Compensation ($)[4]	Total ($)
T. Andrew Smith,	2016	953,654	—	5,225,007	418,594	11,339	6,608,593
President and	2015	953,654	—	7,536,779	276,094	8,929	8,775,455
Chief Executive Officer[5]	2014	841,216	—	3,412,525	714,580	11,025	4,979,346
Labeed S. Diab,	2016	587,250	—	1,500,005	219,375	304,685	2,611,314
Chief Operating Officer[5]	2015	76,500	1,000,000	2,100,014	—	17,833	3,194,347
Lucinda M. Baier,	2016	552,115	—	1,500,005	222,750	217,497	2,492,367
Chief Financial Officer[5]	2015	48,654	1,000,000	775,020	—	11,982	1,835,656
Bryan D. Richardson,	2016	432,115	—	880,007	159,500	9,829	1,481,452
Executive Vice President and	2015	421,616	—	1,580,298	124,110	8,534	2,134,558
Chief Administrative Officer	2014	367,631	—	740,399	274,996	10,239	1,393,265
Mary Sue Patchett, Executive Vice President, Community Operations	2016	426,635	—	705,011	145,350	7,811	1,284,807
Mark W. Ohlendorf,	2016	116,308	—	—	—	1,307,402	1,423,709
Former President and	2015	542,077	—	2,168,853	158,436	8,898	2,878,263
Chief Financial Officer[5]	2014	499,538	—	986,351	364,820	10,731	1,861,440

(1) Represents a cash sign-on bonus.

(2) Represents the aggregate grant date fair value of time-based and performance-based restricted stock awards computed in accordance with ASC Topic 718. See Note 13 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2016 for a summary of the assumptions made in the valuation of these awards.

(3) Represents the payout of each named executive officer’s annual cash incentive opportunity with respect to performance in 2014, 2015 and 2016, as applicable. Mr. Ohlendorf's pro-rata portion of his 2016 annual cash incentive opportunity for his service through March 18, 2016 is included in All Other Compensation.

(4) For each of the named executive officers, the 2016 amount includes the employer matching contribution to our 401(k) Plan and premiums on Company-provided life and disability insurance. For Mr. Diab, the 2016 amount also includes the incremental cost to the Company of $299,180 for relocation assistance provided to Mr. Diab, including moving and storage costs, home sale assistance (including brokerage commissions and closing costs for the sale of his former home), temporary housing in the Nashville area, reimbursement for travel to and from Nashville during temporary living, and associated tax gross ups of $62,769. For Ms. Baier, the 2016 amount also includes the incremental cost to the Company of $211,774 for relocation assistance provided to Ms. Baier, including moving and storage costs, brokerage commissions and closing costs for Ms. Baier’s purchase of a home in the Nashville area, temporary housing in the Nashville area, acquisition costs related to the purchase by a third party on our behalf of Ms. Baier’s former home at the average of multiple independent fair market value appraisals, holding costs associated with our marketing of Ms. Baier’s former home, reimbursement for travel to and from Nashville during temporary living, and associated tax gross ups of $32,220. For Mr. Ohlendorf, the 2016 amount

also includes $1,207,895 of severance pay, $47,206 representing a pro-rata portion of his 2016 annual cash incentive opportunity for his service through March 18, 2016, $41,538 representing the payout of his accrued paid time off and $9,638 representing the employer portion of continuation of health coverage.

(5) Mr. Smith served as Chief Executive Officer at all times presented and additionally became our President on March 18, 2016. Mr. Diab and Ms. Baier joined Brookdale on November 16, 2015 and December 1, 2015, respectively. Mr. Ohlendorf served as Chief Financial Officer until December 1, 2015, and as President until March 18, 2016.

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Grants of Plan-Based Awards for 2016

The following table summarizes grants of plan-based awards made to our named executive officers in 2016. All of our named executive officers are eligible to receive dividends on unvested shares of stock that have been granted to them (to the extent that dividends are declared on our shares of common stock).

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Possible Payouts Under Equity Incentive Plan Awards[1]			All Other Stock Awards: Number of Shares of Stock or Units (#)[2]	Grant Date Fair Value of Stock Awards ($)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)		
T. Andrew Smith	—	142,500 [3]	712,500 [3]	1,425,000 [3]	—	—	—	—	—
	—	35,625 [4]	178,125 [4]	356,250 [4]	—	—	—	—	—
	—	— [5]	296,875 [5]	296,875 [5]	—	—	—	—	—
	2/26/2016	—	—	—	36,060	180,297	180,297	—	2,612,504
	2/26/2016	—	—	—	—	—	—	180,297	2,612,504
Labeed S. Diab	—	70,200 [3]	351,000 [3]	702,000 [3]	—	—	—	—	—
	—	11,700 [4]	58,500 [4]	117,000 [4]	—	—	—	—	—
	—	— [5]	175,500 [5]	175,500 [5]	—	—	—	—	—
	2/26/2016	—	—	—	10,352	51,760	51,760	—	750,002
	2/26/2016	—	—	—	—	—	—	51,760	750,002
Lucinda M. Baier	—	66,000 [3]	330,000 [3]	660,000 [3]	—	—	—	—	—
	—	11,000 [4]	55,000 [4]	110,000 [4]	—	—	—	—	—
	—	— [5]	165,000 [5]	165,000 [5]	—	—	—	—	—
	2/26/2016	—	—	—	10,352	51,760	51,760	—	750,002
	2/26/2016	—	—	—	—	—	—	51,760	750,002
Bryan D. Richardson	—	51,660 [3]	258,300 [3]	516,600 [3]	—	—	—	—	—
	—	8,610 [4]	43,050 [4]	86,100 [4]	—	—	—	—	—
	—	— [5]	129,150 [5]	129,150 [5]	—	—	—	—	—
	2/26/2016	—	—	—	6,074	30,366	30,366	—	440,003
	2/26/2016	—	—	—	—	—	—	30,366	440,003
Mary Sue Patchett	—	51,000 [3]	255,000 [3]	510,000 [3]	—	—	—	—	—
	—	8,500 [4]	42,500 [4]	85,000 [4]	—	—	—	—	—
	—	— [5]	127,500 [5]	127,500 [5]	—	—	—	—	—
	2/26/2016	—	—	—	4,866	24,327	24,327	—	352,498
	2/26/2016	—	—	—	—	—	—	24,328	352,513