Gaming & Leisure Properties, Inc.
Form PRE 14A
April 13, 2018
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:
Preliminary Proxy Statement
**Confidential,for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material under §240.14a-12

**Gaming and Leisure Properties, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
Payment of Filing Fee (Check the appropriate box):
No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount
on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION**

## Notice of Annual Meeting of Shareholders of

## Gaming and Leisure Properties, Inc.

The 2018 Annual Meeting of Shareholders of Gaming and Leisure Properties, Inc. (the Company or GLPI ) will be held:

**June 14, 2018**

**10:00 a.m. Eastern Time**

At the offices of Ballard Spahr LLP

1735 Market Street, 48th Floor

Philadelphia, Pennsylvania 19103

**The items of business are:**

1. To elect David A. Handler, Joseph W. Marshall, III, James B. Perry, Barry F. Schwartz, Earl C. Shanks and E. Scott Urdang as directors to hold office until the 2019 Annual Meeting of Shareholders and until their respective successors have been duly elected and qualified.
2. To ratify the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm for the current fiscal year.
3. To approve, on a non-binding advisory basis, the Company s executive compensation.
4. To approve an amendment and restatement of the Company s Articles of Incorporation to adopt a majority voting standard in uncontested director elections.
5. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Shareholders of record of the Company s common stock (NASDAQ: GLPI) as of the close of business on April 12, 2018 are entitled to vote at the meeting and any postponements or adjournments of the meeting.

By order of the Board of Directors,

Peter M. Carlino

Chairman of the Board of Directors

Wyomissing, Pennsylvania

April 26, 2018

**Your Vote is Important**

Please vote as promptly as possible by using the Internet or telephone or by signing, dating and returning the Proxy Card mailed to those who receive paper copies of this Proxy Statement.

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on June 14, 2018: The Notice of Annual Meeting, Proxy Statement, and Annual Report to Shareholders for the year ended December 31, 2017 are available at www.proxydocs.com/glpi.**

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## PROXY SUMMARY

*This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider and you should read the entire Proxy Statement before voting. For more complete information regarding the Company s 2017 performance, please review the Company s Annual Report to Shareholders for the year ended December 31, 2017.*

### ANNUAL MEETING OF SHAREHOLDERS

***Time and Date***
10:00 a.m. Eastern Time

June 14, 2018

***Place***

Ballard Spahr LLP

1735 Market Street, 48th Floor

Philadelphia, PA 19103

***Record Date***
April 12, 2018

***Number of Common Shares Eligible to Vote at the Meeting as of the Record Date:***

213,856,522

### VOTING MATTERS

| Matter | Board Recommendation | Page Reference (for more detail) |
|---|---|---|
| Election of Directors | FOR each director nominee | 9 |
| Ratification of Appointment of Deloitte & Touche LLP | FOR | 51 |
| Non-Binding Advisory Vote to Approve Executive Compensation | FOR | 52 |
| Amendment and Restatement of the Company s Articles of Incorporation to Adopt Majority Voting in Uncontested Director Elections | FOR | 53 |

### BOARD NOMINEES

The following table provides summary information about the director nominees. Directors are elected by a plurality of votes cast.

**Director**

| Name, Age | Since | Principal Occupation | Committee Memberships* AC | NG | C | Other Public Company Boards |
|---|---|---|---|---|---|---|
| David A. Handler, 53 | 2013 | Partner, Centerview Partners | | | | Penn National Gaming, Inc. |
| Joseph W. Marshall, III, 65 | 2013 | Vice Chairman of Stevens & Lee, PC, and Vice Chairman of Griffin Holdings, LLC | (F) | | | SIGA Technologies, Inc., |
| James B. Perry, 68 | 2017 | Retired. Former Chairman and Chief Executive Officer of Isle of Capri Casinos, Inc. | | | | |
| Barry F. Schwartz, 68 | 2017 | Vice Chairman of MacAndrews & Forbes Inc. | | | | Revlon, Inc.<br>Scientific Games Corporation |
| Earl C. Shanks, 61 | 2017 | Retired, Former Chief Financial Officer of Essendant, Inc. | (F) | | | Verint Systems Inc. |
| E. Scott Urdang, 68 | 2013 | Retired. Former Founder, Chairman, and Chief Executive Officer of Center Square Capital Management, Inc. | | | | |

* AC Audit and Compliance Committee

C Compensation Committee
NG Nominating and Corporate Governance Committee
(F) Audit Committee Financial Expert

Chair of the Committee

## 2017 PERFORMANCE HIGHLIGHTS

### Top Performance

**Total Shareholder Return[1] vs. CEO Total Direct Compensation[2]**

(1) Total shareholder return (TSR) assumes $100 invested at the close of trading on December 31, 2014 and the reinvestment of dividends

(2) Total direct compensation refers to total compensation disclosed in the Summary Compensation Table minus the amount displayed in all other compensation. We exclude this amount because it does not reflect Compensation Committee decisions based on Company or individual performance.

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*Consistent Results*

The Company has produced consistent increases in dividends and adjusted funds from operations ( AFFO ) since the spin-off from Penn National Gaming, Inc. in 2013.

(1) December 31, 2014 excludes one-time dividends paid to shareholders of $11.84 and $0.40 per share paid on February 18, 2014 and December 19, 2014, respectively.

(2) AFFO and AFFO per share are non-GAAP financial measures. AFFO per share is calculated using the Company s outstanding number of shares on a fully diluted basis. AFFO is FFO as defined by the National Association of Real Estate Investment Trusts (net income, excluding gains or losses from sales of property and real estate depreciation) excluding stock based compensation expense, debt issuance costs amortization, other depreciation, amortization of land rights, straight-line rent adjustments and direct financing lease adjustments, reduced by maintenance capital expenditures. For a complete discussion of our financial performance in 2017 and additional information on non-GAAP financial measures presented in this Proxy Statement, please see our Annual Report on Form 10-K for the year ended December 31, 2017, a copy of which is included in the Annual Report to Shareholders made available to shareholders in connection with this Proxy Statement.

## EXECUTIVE COMPENSATION

*GLPI Created the Unique Gaming REIT Segment*

On November 1, 2013, GLPI emerged as a publicly traded company through a tax-free spin-off from Penn National Gaming, Inc. GLPI was the first triple-net REIT focused entirely on the ownership and leasing of gaming properties, establishing a new category of gaming REITs. This innovative approach ignited a wave of conversions that included some of the largest gaming companies in the industry MGM Resorts International, Caesars Entertainment and Pinnacle Entertainment, Inc. Today, there are three publicly traded gaming REITs, including GLPI.

GLPI differs from more traditional REITs in several key aspects:

| | |
|---|---|
| Long-Term, Stable Master Leases | Our master leases are long-term leases (up to 35 years) with established, profitable gaming operators as our tenants. Our master leases are also unitary leases that do not provide our tenants the ability to pick and choose locations on renewals or remove properties during the |

| | |
|---|---|
| | term. The result is dependable cash flow, stable dividends and very high occupancy rates. |
| Significant Regulatory Oversight | As a gaming REIT, we are subject to the jurisdiction and licensing of gaming regulatory agencies in several states. This has two significant impacts on our business: (1) licensing of officers, directors and entities is an onerous and intrusive process; and (2) acquisitions require approval by gaming regulators, which can take up to a year. |
| Complex Transactions | Gaming companies are typically held in corporate structures that require separation of assets into OpCo/PropCo structures in a manner that minimizes tax leakage and maximizes value. To do so in a manner that is accretive to shareholders requires solving complex accounting, tax and legal issues, as well as a thorough understanding of the underlying gaming business to avoid overpaying for assets that may under-perform in the long-term and adversely impact rent. |
| Tenants Lack Alternative Locations | The strict gaming regulatory structure makes it is difficult in most states, and impossible in others, for our tenants to relocate to a different location. In states where gaming regulators would permit the relocation of an existing gaming facility, the construction of new gaming facilities and in many cases, horse racing facilities is a capital intensive and time-consuming process. More importantly, at lease termination, tenants are required to sell operating assets to a licensed operator entering into a new long-term lease for the facilities rather than simply moving assets to another location. |
| Limited Development Opportunities | Many states limit the number of casino licenses. As a result, our ability to develop new properties is very limited. |
| Operation of Gaming Facilities | We operate two gaming facilities in Baton Rouge, Louisiana and Perryville, Maryland with over 700 employees operating in a highly regulated industry. |

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Success in this segment of the REIT industry requires a unique blend of gaming experience and the ability to solve complex accounting, legal and tax issues. The Compensation Committee has determined that compensating management using a REIT Global Industry Classification Standard (GICS) code is not applicable given the unique nature of GLPI s operations and the talent required to support the complex and unique nature of our business. The Compensation Committee designed the executive compensation program to attract and retain executive talent with the necessary experience in, and understanding of, gaming assets while recognizing that performance metrics should reflect the Company s operation as a triple-net REIT.

Here is how we have implemented this two-pronged approach:

(1) offer base salaries competitive with the Company s gaming peers to attract and retain the unique skill sets necessary to appropriately value properties with revenues primarily derived from gaming operations; and

(2) offer performance-based compensation designed to drive shareholder value in the competitive REIT market.

By focusing on the Company s gaming peers in establishing base salary and the Company s REIT peers in structuring performance incentives, we believe the compensation program is successful in attracting and retaining executive talent and driving shareholder value.

## 2017 Named Executive Officer Compensation

In 2017, the total potential compensation opportunity of the Company s CEO and other named executive officers ( NEOs ) consisted of the following:

The base salary of the Company s Chief Executive Officer, Peter M. Carlino, is competitive with the Company s gaming peers and has not been increased since 2012, which is the same salary he received as the Chief Executive Officer of Penn National Gaming, Inc. It is the Compensation Committee s intention to continue with the policy of not increasing Mr. Carlino s base salary for the foreseeable future.

(1) Base salary for the Company s Gaming Peers is for 2016 based on public disclosures in 2017 and the Company s CEO base salary is for 2017.

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## RESPONSIVE TO SHAREHOLDER CONCERNS

We have a strong track-record of responding to shareholder concerns. Since 2015, the Company s Board of Directors and Committees have taken shareholder concerns seriously and responded promptly.

| Shareholder Concern | Our Response |
|---|---|
| | **2015** |
| **Classified Board Structure** | Company proposal in 2016 to declassify the Board of Directors |
| | **2016** |
| **Performance Goals Not Focused on Triple-Net REITs** | Performance-Based Restricted Stock Awards granted after January 1, 2017 bifurcated with 50% measured against US MSCI REIT Index and 50% against triple-net REITs |
| **Peer Group lacks triple-net REIT peers** | Peer group revised in 2017 to include a focus on triple-net REIT peers and gaming peers |

| | **2017** |
|---|---|
| **Plurality Voting Standard** | Company proposal in 2018 to implement majority voting with a resignation policy in uncontested director elections |
| **Single Trigger Change of Control** | Amended the Company s 2013 Long-Term Incentive Compensation Plan to provide for double trigger acceleration of future awards in the event of a change of control |
| **Potential to Earn Maximum Awards with Negative TSR** | Performance-Based Restricted Stock Awards issued in 2018 are capped at target in the event of negative TSR for the performance period |
| **Relative TSR Target Vesting at the 40$^{th}$ Percentile** | Revised our performance-based restricted stock award program to provide for relative TSR target vesting at the 50$^{th}$ percentile TSR level with minimum vesting at the 25$^{th}$ percentile, maximum vesting at the 75$^{th}$ percentile and linear vesting |
| **No Stock Ownership Guidelines** | Implementation of stock ownership guidelines for named executive officers and non-employee directors |
| **Limited Role of Lead Independent Director** | Role of the Lead Independent Director expanded in 2018 |

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## PROXY STATEMENT

### FOR 2018 ANNUAL MEETING OF SHAREHOLDERS

### TO BE HELD ON JUNE 14, 2018

This Proxy Statement is furnished to you in connection with the solicitation of proxies for the Annual Meeting of Shareholders of Gaming and Leisure Properties, Inc. to be held on June 14, 2018 (the Annual Meeting ), and any postponement or adjournment of the meeting.

The Annual Meeting will be held at the offices of Ballard Spahr LLP, 1735 Market Street, 48th Floor, Philadelphia, Pennsylvania 19103 at 10:00 a.m. Eastern Time.

On or about April 26, 2018, we will mail to each of our shareholders (other than those who previously requested electronic delivery or to whom we are mailing a paper copy) a Notice of Internet Availability of Proxy Materials containing instructions on how to access and review the proxy materials via the Internet and how to submit a proxy electronically using the Internet.

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## PROPOSAL 1    ELECTION OF DIRECTORS

At our Annual Meeting, shareholders will elect six (6) directors to hold office until our 2019 Annual Meeting of Shareholders. The nominees were recommended and approved for nomination by our Nominating and Corporate Governance Committee. The directors will serve until their successors have been duly elected and qualified or until such director s earlier resignation or removal. Proxies cannot be voted for a greater number of persons than the number of nominees named. If you sign and return the accompanying proxy, your shares will be voted for the election of the nominees recommended by our Board of Directors, unless you mark the proxy in such a manner as to withhold authority to vote. If any of the nominees for any reason are unable to serve or will not serve, the proxies may be voted for such substitute nominees as the proxy holder may determine. We are not aware of any reason that the nominees will be unable to serve as a director.

David A. Handler, Joseph W. Marshall, III, James B. Perry, Earl C. Shanks, Barry F. Schwartz and E. Scott Urdang are being nominated for election to our Board of Directors to serve for a term through the 2019 Annual Meeting of Shareholders. We did not pay a fee to any third party to identify or evaluate any potential nominees.

### Required Vote

Under the plurality voting standard, once a quorum has been established, each of the nominees receiving the highest number of affirmative votes of the shares entitled to be voted for him or her will be elected as a director to serve until the 2019 Annual Meeting of Shareholders and until his or her successor is duly elected and qualified. Votes withheld shall have no legal effect. At the Annual Meeting, proxies cannot be voted for more than the six (6) nominees named in this Proxy Statement. As a Pennsylvania corporation, the Company s directors are currently elected under a plurality voting standard. If Proposal No. 4 is approved by shareholders, the plurality voting standard will be changed to a majority voting standard with a resignation policy for future uncontested elections.

Brokers are not permitted to vote your shares for the election of directors absent instruction from you. Therefore, we urge you to give voting instructions to your broker on the proposal so that your votes may be counted on this important matter.

### Our Directors

Our directors serve subject to the requirements of our charter and bylaws, including the requirement that directors not be unsuitable persons. Gaming laws require our directors to obtain licenses from gaming authorities. Licenses typically require a determination that the applicant qualifies or is suitable to hold the license. If one of our directors were to be determined to be an unsuitable person within the meaning of our charter, he or she would be subject to removal for cause by the remaining members of the Board of Directors or by shareholders with a vote of 75% of the votes cast at a shareholders meeting.

There are no family relationships among any of our directors or executive officers.

The following biographical information is furnished as to the nominees for election as a director and each of the continuing directors.

**Nominees for Election to the Board of Directors for a One-year Term Expiring at the 2019 Annual Meeting**

| | |
|---|---|
| **David A. Handler**<br><br>**AGE:**<br>53<br><br>**DIRECTOR SINCE:**<br>2013<br><br>**OTHER CURRENT PUBLIC BOARDS:**<br>Penn National Gaming, Inc. | David A. Handler has served as a member of our Board of Directors since October 2013. Mr. Handler has also served as a director of Penn since 1994. In August 2008, Mr. Handler joined Centerview Partners, an independent financial advisory and private equity firm, as a Partner. From April 2006 to August 2008, he was a Managing Director at UBS Investment Bank. Prior to becoming a Managing Director at UBS Investment Bank, he was a Senior Managing Director at Bear Stearns & Co., Inc.<br><br>**Mr. Handler brings to our Board of Directors experience in investment banking and capital markets that has included a focus on mergers and acquisitions and other significant transactions. The Board of Directors supports and approves Mr. Handler s nomination and continued service on our Board of Directors because his background is an invaluable asset to us, particularly in connection with evaluating potential acquisition and financing opportunities.** |

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**Joseph W. Marshall, III**

**AGE:**

65

**DIRECTOR SINCE:**

2013

**OTHER CURRENT PUBLIC BOARDS:**

SIGA Technologies, Inc.

Joseph W. Marshall, III has served as a member of our Board of Directors since October 2013. Mr. Marshall has also served as the Vice Chairman of the law firm Stevens & Lee, PC and Vice Chairman of Griffin Holdings, LLC since February 2010. In addition to a number of other boards, including the Cancer Treatment Centers of American-Eastern Regional Medical Center and First Bank of Delaware, Mr. Marshall has served on the Board of Directors of SIGA Technologies, Inc. (NASDAQ) since 2009. From 2001 to 2008, Mr. Marshall served as the Chairman and CEO of Temple University Health System, one of the largest health care organizations in Pennsylvania. Mr. Marshall served as director of Health Partners, a provider-owned Medicaid/Medicare Health Maintenance Organization operating in Greater Philadelphia, from 2003 to 2008. Mr. Marshall also previously served on the Pennsylvania Gaming Control Board, Pennsylvania Ethics Commission and the Medicaid Commission created by Congress and established by the Honorable Michael O. Leavitt, Secretary of the U.S. Department of Health & Human Services. In addition, Mr. Marshall is a member of the Board of Trustees of Temple University and Salus University.

**The Board of Directors supports and approves Mr. Marshall s nomination and continued service on our Board of Directors because of his extensive experience and knowledge of gaming regulation and his significant experience as a director and an executive in both the private and public sectors.**

**James B. Perry**

**AGE:**

68

**DIRECTOR SINCE:**

2017

James B. Perry was appointed to our Board of Directors in March 2017. Mr. Perry served on the Board of Directors of Isle of Capri Casinos, Inc. ( Isle ) from 2007 to 2014 and was named Chairman of the Board of Directors and Executive Chairman of the Board of Directors in 2009 and 2011, respectively. From March 2008 to April 2011, he served as Isle s Chief Executive Officer. Prior to being named Chairman, Mr. Perry was Executive Vice Chairman from March 2008 to August 2009 and Vice Chairman from July 2007 to March 2008. Mr. Perry served as a Class III Director on the board of Trump Entertainment Resorts, Inc. from May 2005 until July 2007. From July 2005 to July 2007, Mr. Perry served as Chief Executive Officer and President of Trump Entertainment Resorts, Inc., which filed for Chapter 11 bankruptcy in February 2009. Mr. Perry was President of Argosy Gaming Company from April 1997 through July 2002 and Chief Executive Officer of Argosy Gaming Company from April 1997 through May 2003. Mr. Perry also served as a member of the Board of Directors of Argosy Gaming Company from 2000 to July 2005.

**The Board of Directors supports and approves Mr. Perry s nomination because he brings more than 30 years of gaming industry experience to the Board of Directors. He also has extensive experience in executive management, corporate governance and strategic planning.**

**Earl C. Shanks**

**AGE:**

61

**DIRECTOR SINCE:**

2017

**OTHER CURRENT PUBLIC BOARDS:**

Verint Systems Inc.

Earl C. Shanks was appointed to our Board of Directors in March 2017. Mr. Shanks served as Chief Financial Officer of Essendant Inc., a leading supplier of workplace essentials, from November 2015 through May 2017. Previously, Mr. Shanks served as the Chief Financial Officer at Convergys Corporation from 2003 until 2012. Prior to that, Mr. Shanks held various financial leadership roles with NCR Corporation, ultimately serving as the Chief Financial Officer, where he oversaw treasury, finance, real estate and tax. Additionally, Mr. Shanks has served as a director of Verint Systems Inc. since July 2012.

**The Board of Directors supports and approves Mr. Shanks nomination because of his financial expertise and significant public company experience as both a Chief Financial Officer and director.**

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| | |
|---|---|
| **Barry F. Schwartz**<br><br>**AGE:**<br>68<br><br>**DIRECTOR SINCE:**<br>2017<br><br>**OTHER CURRENT PUBLIC BOARDS:**<br>Revlon, Inc.<br>Scientific Games Corporation | Barry F. Schwartz was appointed to our Board of Directors in May 2017. Mr. Schwartz has been Vice Chairman of MacAndrews & Forbes Incorporated and various affiliates since December 2015. Mr. Schwartz was Executive Vice Chairman of MacAndrews & Forbes Incorporated and various affiliates from October 2007 to December 2016. Prior to that, Mr. Schwartz was Executive Vice President and General Counsel of MacAndrews & Forbes Incorporated and various affiliates since 1993 and Senior Vice President of MacAndrews & Forbes Incorporated and various affiliates from 1989 to 1993. Mr. Schwartz is a director of Revlon, Inc., Revlon Consumer Products Corporation and Scientific Games Corporation. During the past five years, Mr. Schwartz also served as a director of Harland Clarke Holdings Corp. and M & F Worldwide Corp. Mr. Schwartz is a Trustee Emeritus and a former Chairman of the Board of Trustees at Kenyon College and formerly a member of the Georgetown University Law Center Board of Visitors. He also serves as the Vice Chairman of the Board of Trustees at the City University of New York (CUNY) and a trustee of the NYU Langone Medical Center, Jazz at Lincoln Center and the Perelman Performing Arts Center at The World Trade Center.<br><br>**The Board of Directors supports and approves Mr. Schwartz s nomination and continued service on our Board of Directors because of his extensive experience in the areas of mergers and acquisitions, legal and compliance through his service as a senior executive in a large, diversified holding company. Additionally, in connection with his role at MacAndrews & Forbes, Mr. Schwartz serves as a director of several public and private portfolio companies, which offers valuable alternative perspectives.** |
| **E. Scott Urdang**<br><br>**AGE:**<br>68 | E. Scott Urdang has served as a member of our Board of Directors since October 2013. Mr. Urdang, who retired in 2012, was the founder, Chief Executive Officer and Chairman of Urdang Capital Management (now Center Square Capital Management, Inc.), a wholly-owned subsidiary of BNY Mellon. Center Square Capital Management is an investment management company that manages and participates in public, private, global, and |

**DIRECTOR SINCE:**

2013

US-only real estate investment strategies. Mr. Urdang founded the company in 1987 and at the time of his retirement it had in excess of $5 billion under management. From 1984 to 1987, Mr. Urdang was a Partner at Laventhol and Horwath, a national consulting and accounting firm, where he served as regional partner in charge of real estate consulting with national responsibility for its pension consulting practice. Mr. Urdang also has experience as a Vice-President of Finance of a large regional development company that was involved in residential subdivisions, office buildings, apartments and shopping centers. Mr. Urdang has 20 years of experience teaching both undergraduate and graduate courses in economics, corporate finance, and real estate finance and investment analysis at the Wharton School of the University of Pennsylvania.

**The Board of Directors supports and approves Mr. Urdang s nomination and continued service on our Board of Directors because of his extensive experience, comprehensive knowledge and strong record of success in the real estate industry as an investor, developer, entrepreneur, and professor.**

**The Board of Directors Recommends a Vote for the Election of the Nominated Directors.**

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**Member of the Board of Directors Continuing in Office for a Term Expiring at the 2019 Annual Meeting**

| | |
|---|---|
| **Peter M. Carlino**<br><br>**AGE:**<br>71<br><br>**DIRECTOR SINCE:**<br>2013 | Peter M. Carlino has been the Chairman of our Board of Directors and our Chief Executive Officer since our inception in February 2013. Mr. Carlino has served as the Chairman of the Board of Directors of Penn since April 1994 and served as Chief Executive Officer of Penn from 1994 until October 2013. Since 1976, Mr. Carlino has served in an executive capacity for Carlino Capital Management Corp. and is currently the Chairman of the Board and Chief Executive Officer. Carlino Capital Management Corp. is a holding company that owns and operates various Carlino family businesses, and Mr. Carlino has been continuously active in its strategic planning and monitoring the operations. Having served as the Chairman of Penn s Board of Directors since 1994 and as Chief Executive Officer for Penn, and now the Company, collectively for over 20 years, |
| **OTHER CURRENT PUBLIC BOARDS:**<br><br>Penn National Gaming, Inc. | **Mr. Carlino brings to our Board of Directors extensive management experience, critical knowledge of our properties and knowledge and understanding of the gaming industry in general. Moreover, as one of the largest beneficial owners of our common stock, his interests are significantly aligned with our efforts to enhance long-term shareholder value.** |

## BOARD COMPOSITION

Our business and affairs are managed under the direction of our Board of Directors, which currently consists of seven (7) members. Our bylaws provide that our Board of Directors will consist of a number of directors to be fixed exclusively by resolution of the Board of Directors. The size of our board is currently set at seven directors.

In 2016, shareholders approved a declassification of the Company s Board of Directors. As a result, beginning with the 2017 annual meeting of shareholders, all directors are elected for one-year terms. Each director s term continues until the election and qualification of his successor, or his earlier death, resignation, retirement, disqualification or removal. Newly created directorships resulting from any increase in the number of directors and any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause will be filled generally by the majority vote of the remaining directors in office, even if less than a quorum is present. A director may be removed by the Board of Directors only with cause or by the shareholders only with cause and only by the vote of 75% of the shares entitled to vote.

## DIRECTOR INDEPENDENCE

Our Board of Directors observes all applicable criteria for independence established by The NASDAQ Stock Market LLC ( NASDAQ ) and other governing laws and applicable regulations. No director will be deemed to be independent unless our Board of Directors determines that the director has no relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our Board of Directors has determined that each of our directors, other than Mr. Carlino, is independent as defined under the corporate governance rules of NASDAQ and, with respect to the committees on which they serve, the applicable rules and regulations of the Securities and Exchange Commission ( SEC ) and NASDAQ.

## BOARD LEADERSHIP STRUCTURE AND BOARD S ROLE IN RISK OVERSIGHT

Our Board of Directors has no policy with respect to the separation of the offices of Chief Executive Officer and Chairman of the Board of Directors. It is the Board of Directors view that rather than having a rigid policy, the Board of Directors, with the advice and assistance of the Nominating and Corporate Governance Committee, and upon consideration of all relevant factors and circumstances, will determine, as and when appropriate, whether the two offices should be separate. Currently, our Chief Executive Officer also serves as the Chairman of the Board. The Board believes this is appropriate because of the Chairman s role in leading the Company and his proven track record of generating significant shareholder value for Penn over the years prior to the spin-off transaction, which led to the creation of the Company. Moreover, the Board believes that the Chairman s substantial beneficial ownership of the Company s equity has strongly aligned his interests with the interests of shareholders. Because we have selected to have Mr. Carlino serve in both the roles of Chairman and Chief Executive Officer, we have appointed Mr. Marshall to be our Lead Independent Director. As Lead Independent Director, Mr. Marshall s responsibilities include (i) consulting with the Chairman of the Board, as appropriate, regarding the information, agendas and schedules of Board and Board committee meetings, including the ability to add items to the agendas for any meeting; (ii) scheduling, setting the agenda for and serving as chair of meetings of independent directors; (iii) serving as principal liaison between the independent directors and the Chairman of the Board and between the independent directors and senior management; (iv) presiding at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the independent directors; (v) in the event of the death, incapacity, resignation or removal of the Chairman of the Board, becoming the acting Chairman of the Board until a new Chairman is selected; and (vi) ensuring that he is available for consultation and direct communications on behalf of the independent directors with major shareholders as appropriate.

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Our Board of Directors plays an active role in the oversight of risks impacting our Company and the management team is charged with managing such risks. Our Board of Directors works closely with management to ensure that integrity and accountability are integrated into our operations. Our Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements. Our Audit and Compliance Committee oversees management of financial risks. The Nominating and Corporate Governance Committee is responsible for overseeing the risks associated with the independence of the Board of Directors. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, our full Board of Directors is regularly informed regarding such risks through committee reports and otherwise.

## MEETINGS AND ATTENDANCE

During 2017, the Board of Directors met six (6) times, the Audit and Compliance Committee met eight (8) times and the Compensation and Governance Committee met four (4) times. Each director attended 75% or more of the aggregate of all

meetings of the Board and the Committee on which he served in 2017.

Each of our directors attended last year s Annual Meeting of Shareholders. Our Board of Directors generally expects its members to attend the Annual Meeting of Shareholders and we believe that all of our directors will attend this year s Annual Meeting.

## COMMITTEES OF THE BOARD OF DIRECTORS

Our Board of Directors has established the following committees for 2017: the Audit and Compliance Committee and the Compensation and Governance Committee. In 2018, the Board of Directors established a new committee, the Nominating and Corporate Governance Committee, and realigned committee memberships. The Compensation and Governance Committee was renamed as the Compensation Committee. The composition of each Board committee satisfies the independence requirements and current standards of the SEC and the rules of NASDAQ (as applicable). Current copies of the charters for each of the current committees are available on our website, www.glpropinc.com, under the About section.

### 2017 Committee Membership

| NAME | AUDIT AND COMPLIANCE | COMPENSATION AND GOVERNANCE |
|---|---|---|
| Peter M. Carlino | | |
| David A. Handler | | Chair |
| Joseph W. Marshall, III | Chair | |
| E. Scott Urdang | | |

| | | |
|---|---|---|
| Earl C. Shanks | | |
| James B. Perry | | |
| Barry F. Schwartz | | |
| **Number of Committee Meetings Held in 2017** | **8** | **4** |

## 2018 Audit and Compliance Committee

The duties and responsibilities of the Audit and Compliance Committee are set forth in its charter, which is available on our website, and include the following:

- to oversee the quality and integrity of our financial statements and our accounting and financial reporting processes;
- to prepare the Audit and Compliance Committee report required by the SEC in our annual proxy statements;
- to review and discuss with management and the independent registered public accounting firm our annual and quarterly financial statements;
- to review and discuss with management and the independent registered public accounting firm our earnings press releases;
- to appoint, compensate and oversee our independent registered public accounting firm, and pre-approve all auditing services and non-audit services to be provided to us by our independent registered public accounting firm;
- to review the qualifications, performance and independence of our independent registered public accounting firm;
- to establish procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters;
- to review and approve related person transactions that would be required to be disclosed in our SEC reports; and
- to oversee the Company s compliance program.

Our current Audit and Compliance Committee is comprised of Joseph W. Marshall, III (chair), Earl C. Shanks and Barry F. Schwartz. Our Board of Directors has determined that each

member meets the heightened independence standards for service on the Audit and Compliance Committee and satisfies the financial literacy and other requirements for audit committee members under applicable NASDAQ rules and that each of Mr. Marshall and Mr. Shanks is an audit committee financial expert as that term is defined in Item 407(d)(5) of Regulation S-K of the Securities Exchange Act of 1934, as amended (the Exchange Act ).

### Compensation Committee

The duties and responsibilities of the Compensation Committee are set forth in its charter, which is available on our website, and include the following:

- to determine the compensation of our Chief Executive Officer and other executive officers;
- to establish, review and evaluate employee compensation, plans policies and procedures;
- to review and approve any employment contracts or similar arrangement between the Company and any executive officer of the Company;
- to review and discuss with management the relationship between the Company s policies and practices for compensating employees, risk-taking incentives and risk management;
- to review, monitor, and make recommendations concerning incentive compensation plans;
- to oversee shareholder engagement with respect to executive compensation matters; and
- to recommend the compensation of directors.

Our Compensation Committee is comprised of David A. Handler (chair), E. Scott Urdang and James B. Perry. The Compensation Committee has the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Compensation Committee may deem appropriate in its sole discretion.

### Nominating and Corporate Governance Committee

The duties and responsibilities of the Nominating and Corporate Governance Committee are set forth in its charter, which is available on our website, and include the following:

- recommend to our Board of Directors proposed nominees for election to the Board of Directors by the shareholders at annual meetings, including an annual review as to the renominations of incumbents and proposed nominees for election by the Board of Directors to fill vacancies that occur between shareholder meetings;
- make recommendations to the Board of Directors regarding corporate governance matters and practices;
- oversee shareholder engagement with respect to corporate governance matters;
- review and assess succession planning;
- oversee Board and committee evaluation; and
- recommend members for each committee of the Board of Directors.

Our Nominating and Corporate Governance Committee is comprised of E. Scott Urdang (chair), Joseph W. Marshall, III and David A. Handler. The Compensation and Governance Committee has the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Nominating and Corporate Governance Committee may deem appropriate in its sole discretion.

### Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serves, or in 2017 served, as a member of the Board of Directors or compensation committee of any entity that has one or more executive officers serving on our Board of Directors or our Compensation Committee.

## DIRECTOR COMPENSATION

The Company paid director compensation in 2017 to each director who is not an employee of the Company as shown in the table below.

**Schedule of Director Compensation for 2017**

| | |
|---|---|
| **Annual Cash Retainer** | $100,000 |
| **Annual Restricted Stock Award** | Restricted Stock valued at $175,000 |
| **Committee Chair Retainer** | $30,000 for the Audit and Compliance Committee |

| | |
|---|---|
| | $25,000 for the Compensation and Governance Committee |
| **Committee Member Retainer** | $15,000 for the Audit and Compliance Committee |
| | $12,500 for the Compensation and Governance Committee |

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The following table sets forth information on the compensation of all our non-employee directors for 2017:

| 2017 Compensation | | | | | |
|---|---|---|---|---|---|
| Name | Fees Earned or Paid in Cash ($)(1) | Stock Awards (#)(2) | Stock Awards ($)(2) | Total Compensation ($) | Unvested Stock Awards (#)(3) |
| David A. Handler | 140,000 | 5,716 | 175,024 | 320,740 | 11,017 |
| Joseph W. Marshall, III | 130,000 | 5,716 | 175,024 | 310,740 | 11,017 |
| E. Scott Urdang | 127,500 | 5,716 | 175,024 | 308,240 | 11,017 |
| Earl C. Shanks(4) | 83,333 | 5,647 | 175,001 | 258,334 | 5,647 |
| James B. Perry(4) | 75,000 | 5,201 | 175,014 | 250,014 | 5,201 |
| Barry F. Schwartz(4) | 58,333 | 4,804 | 175,010 | 233,343 | 4,804 |

(1) Cash fees include annual director s retainer and, where applicable, committee fees.
(2) The amounts listed above are calculated based on the closing price on the day prior to grant date.
(3) Represents unvested restricted stock awards outstanding as of December 31, 2017 for grants 2017 and prior.
(4) Mr. Shanks, Mr. Perry and Mr. Schwartz were appointed to the Company s Board of Directors and received pro-rated compensation for 2017.

## COMMUNICATIONS WITH THE BOARD OF DIRECTORS

The Board believes it is important for shareholders and others to have a process to send communications to the Board. Shareholders who wish to communicate with directors should do so by writing to Gaming and Leisure Properties, Inc., 845 Berkshire Boulevard, Suite 200, Wyomissing, PA 19610, Attention: Secretary. The Secretary of the Company reviews all such correspondence and forwards to the Board of Directors a summary of all such correspondence and copies of all correspondence that, in the opinion of the Secretary, deals with the functions of the Board of Directors or Board committees or that he otherwise determines requires their attention. Directors may at any time review a log of all correspondence received by the Company that is addressed to members of the Board of Directors and request copies of any such correspondence. Concerns relating to accounting, internal controls or auditing matters will be brought to the attention of the Company s Audit and Compliance Committee.

## DIRECTOR NOMINATION PROCESS

### Minimum Qualifications of Directors

The Nominating and Corporate Governance Committee of the Board of Directors is responsible for evaluating and recommending candidates for membership on our Board, including director nominees suggested by, among others, other Board members, management and shareholders. Our Nominating and Corporate Governance Committee may also retain professional search firms to identify candidates.

The Nominating and Corporate Governance Committee seeks to identify, as candidates for director, persons with gaming and/or real estate industry knowledge, senior management experience, diversity of viewpoints, business acumen, strength of character, integrity and mature judgment. The Nominating and Corporate Governance Committee will also consider a candidate s background and skills, including financial literacy,

independence, and the contribution he or she would make in light of the Company s business strategy; a candidate s ability to meet the suitability requirements of all relevant regulatory authorities; a candidate s ability to represent the interests of the shareholders; a candidate s ability to work constructively with the Company s management and other directors; and a candidate s availability, including the number of other boards on which the candidate serves, and his or her ability to dedicate sufficient time and energy to his or her board duties among other considerations set forth in the Company s Corporate Governance Guidelines, available on our website, www.glpropinc.com, under the About section.

## Shareholder Nominations of Directors and Other Business

Shareholders who (a) are not Unsuitable Persons, as that term is defined in our charter, (b) have beneficially owned at least 1% of the Company s common stock for a continuous period of not less than 12 months before making such recommendation and (c) are entitled to vote at the Annual Meeting, may submit director nominations and proposals for other business for consideration by the Board of Directors and the Nominating and Corporate Governance Committee, as applicable, to be raised from the floor at our Annual Meeting, provided that such recommendations are in proper written form and timely received by the Secretary of the Company. To be timely, a shareholder s notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Company not less than 120 nor more than 150 days prior to the anniversary date of the immediately preceding annual meeting of shareholders. The requirements set forth in this section do not relate to shareholder proposals intended to be included in our Proxy Statement and submitted pursuant to Rule 14a-8 promulgated under the Exchange Act.

With respect to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the recommendation for nomination or proposal is made, all notices must include the following information as further outlined in our Amended and Restated Bylaws:

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- the name and address of such shareholder, as they appear on the Company s books, the telephone number of such shareholder, and the name, address and telephone number of such beneficial owner, if any;

- a statement or SEC filing from the record holder of the shares, derivative instruments or other interests verifying the holdings of the beneficial owner and indicating the length of time the shares, derivative instruments or other interests have been held by such beneficial owner and any other information relating to such shareholder and beneficial owner, if any, 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, as applicable, the proposal and/or the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, including, but not limited to, voting arrangements, rights to dividends or performance related fees associated with any securities held, material legal proceedings involving the Company, its directors, officers or affiliates, and any material interest in any material contract or agreement with the Company, its affiliates or any principal competitors;

- a representation that such shareholder and beneficial owner, if any, intend to be present in person at the meeting;

- a representation that such shareholder and such beneficial owner, if any, intend to continue to hold the reported shares, derivative instruments or other interests through the date of the Company s next annual meeting of shareholders; and

- a completed and signed questionnaire, multi-jurisdictional personal disclosure form, representations, agreement and consent to provide additional information and to submit to a background check prepared with respect to and signed by such shareholder and beneficial owner, and such additional information, documents, instruments, agreements and consents as may be deemed useful to the Board of Directors to evaluate whether such shareholder or beneficial owner is an unsuitable person.

Any notice pertaining to a shareholder recommendation for nomination for election or re-election as a director, must also include the following information:

- all information relating to the recommended nominee that is 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 in an election contest, or is otherwise required, in each case pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder (including such person s written consent to being named in the proxy statement as a nominee and to serving as a director, if elected);

- a description of all direct and indirect compensation, economic interests and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each recommended nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the shareholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the registrant for purposes of such rule and the recommended nominee were a director or executive officer of such registrant;

a description of all relationships between the proposed nominee and the recommending shareholder and the beneficial owner, if any, and of any agreements, arrangements and understandings between the recommending shareholder and the beneficial owner, if any, and the recommended nominee regarding the nomination;

a description of all relationships between the recommended nominee and any of the Company s competitors, customers, suppliers, labor unions (if any) and any other persons with special interests regarding the Company;

a completed and signed questionnaire, multi-jurisdictional personal disclosure form, representations, agreement and consent to provide additional information and to submit to a background check prepared with respect to and signed by the recommended nominee, and such additional information, documents, instruments, agreements and consents as may be deemed useful to the Board of Directors to evaluate whether such nominee is an Unsuitable Person; and

the written representation and agreement (in the form provided by the Secretary upon written request) of the recommended nominee that he or she (1) is not and will not become a party to voting commitment that has not been disclosed to the Company or that could limit or interfere with such person s ability to comply, if elected as a director of the Company, with such person s fiduciary duties under applicable law, (2) is not and will not become a party to any compensation arrangement with any person or entity in connection with service or action as a director that has not been disclosed, and (3) in such person s individual capacity, and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Company, and will comply with all applicable publicly disclosed corporate governance and other policies and guidelines of the Company.

Any notice as to any business other than a recommendation for nomination of a director or directors that the shareholder proposes to bring before the meeting, must also set forth (1) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such shareholder and beneficial owner, if any, in such business, (2) a description of all contracts, arrangements, understandings and relationships between such shareholder and beneficial owner, if any, on the one hand, and any other person or persons (including their names), on the other hand, in connection with the proposal of such business by such shareholder and (3) the text of the proposal or business (including the text of any resolutions proposed for consideration).

## CODE OF BUSINESS CONDUCT AND ETHICS

Our code of business conduct and ethics applies to all of our employees, officers and directors, including those officers responsible for financial reporting. Disclosure regarding any amendments to the code, or any waivers of its requirements, will be included in a current report on Form 8-K within four business days following the date of the amendment or waiver, unless posting such information on our website will then satisfy the rules of the SEC and NASDAQ. A copy of our code of business conduct and ethics is available on our website, www.glpropinc.com, under the About section.

## CORPORATE GOVERNANCE GUIDELINES

Our Board of Directors has adopted corporate governance guidelines that serve as a flexible framework within which our Board of Directors and its committees operate. These guidelines cover a number of areas including the size and composition of our Board of Directors, board membership criteria and director qualifications, director responsibilities, roles of the Chairman of the Board of Directors and Chief Executive Officer, meetings and roles of independent directors, committee responsibilities and assignments, stock ownership guidelines, the role of our Lead Independent Director, board member access to management and independent advisors and direct communications with third parties. A copy of our Corporate Governance Guidelines, is available on our website, www.glpropinc.com, under the About section.

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# EXECUTIVE COMPENSATION

## COMPENSATION DISCUSSION AND ANALYSIS

The Compensation and Governance Committee, which was reorganized as the Compensation Committee effective March 9, 2018, is responsible for the Company s executive compensation program. For purposes of the following Compensation Discussion and Analysis, the terms Committee or we or our refer to the Compensation and Governance Committee of the Board.

The following Compensation Discussion and Analysis ( CD&A ) describes our compensation philosophy, objectives and policies and how these are reflected in the compensation program for our named executive officers. Our named executive officers for 2017 were:

| Name | Title |
|---|---|
| Peter M. Carlino | Chairman, Chief Executive Officer and President |
| William J. Clifford | Senior Vice President, Chief Financial Officer and Treasurer |
| Steven T. Snyder | Senior Vice President, Corporate Development |
| Brandon J. Moore | Senior Vice President, General Counsel and Secretary |
| Desiree A. Burke | Senior Vice President and Chief Accounting Officer |

### CD&A Quick Reference Guide

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## Executive Summary

*Unique Nature of Gaming REITs*

On November 1, 2013, GLPI emerged as a publicly traded company through a tax-free spin-off from Penn National Gaming, Inc. ( Penn ). GLPI was the first triple-net REIT focused entirely on the ownership and leasing of gaming properties, establishing a new category of gaming REITs that now consists of three public companies. As gaming companies have recognized the tremendous value created by the concept of a gaming REIT, GLPI has grown from 21 properties at the time of our spin-off from Penn, to 38 properties in 14 states today.

The Company s high quality, geographically-diversified portfolio of gaming properties as well as stable and predictable cash flow from long-term triple-net master leases with significant fixed components, create a business model that is unique in comparison to other publicly-traded REITs.

*Our Competitors and Our Talent Pool*

GLPI is structured as a REIT focused on the acquisition and leasing of gaming properties. The management of our Company requires a specialized skill set with specific knowledge of the gaming industry. Due to the unique nature of our business among REITs, it is difficult to determine the Company s direct competitors. There is a disconnect between the companies with whom our stock trades REITs and the companies with whom we compete for talent and assets gaming companies. The Committee has determined that compensating management using a REIT Global Industry Classification Standard (GICS) code is not applicable given the unique nature of GLPI s operations and the talent required to support the complex and unique nature of our business. The Compensation Committee designed the executive compensation program to attract and retain executive talent with the necessary experience in, and understanding of, gaming assets while recognizing that performance metrics should reflect the Company s operation as a triple-net REIT.

As a result, using a more holistic view of our business, we define our competitors as the companies with whom we compete for talent and assets gaming operators and the companies with whom we compete for investors gaming REITs and triple-net lease REITs.

While Gaming REITs are considered our most direct competitor, there are only three gaming REITs: (1) GLPI; (2) MGM Growth Properties (created by MGM Resorts International); and (3) VICI Properties (emerged from the Caesars Entertainment bankruptcy). MGM Growth Properties and VICI Properties each have unique aspects that make comparison difficult:

| | GLPI | MGP | VICI |
|---|---|---|---|
| **Independent Ownership from Tenant(s)** | | × | |
| **No Reliance on Tenant for Services** | | × | |

| | | |
|---|---|---|
| **Manages Casino Operations** | × | × |
| **Multiple Tenants** | × | × |
| **Multiple Years of Operating History** | | × |

*How Our Compensation Program is Aligned with Our Unique Business Model*

We are focused on attracting and retaining executives with the knowledge and experience to grow shareholder value in our unique structure and operating environment and to lead the Company in an increasingly competitive business. With this as our goal, the Committee carefully designed the Company s compensation program with the assistance of our compensation consultant, FTI Consulting, Inc., to attract and retain the talent necessary to drive growth in a REIT structure through the acquisition of gaming assets.

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Focusing on the need to retain executives with experience in, and understanding of, gaming assets, the Committee has aligned the current named executive officers base pay with their peers in the gaming industry. The base compensation of our Chief Executive Officer is competitive among our gaming peers:

(1) Base salary for the Company s gaming peers is for 2016 based on public disclosures in 2017 and the Company s CEO base salary is for 2017.

Recognizing that the Company s stock performance is strongly correlated with REITs, the Committee established performance goals for our cash bonus program and performance-based restricted stock awards designed to drive shareholder value, including:

- a cash bonus program primarily tied to the stability and growth of AFFO, dividends and acquisition goals; and

- performance-based restricted stock awards tied to the Company s performance measured against the broad US MSCI REIT index generally and triple-net REITs specifically.

These two components of at risk compensation represent a significant portion of management s total compensation opportunity:

By focusing on the Company s gaming peers in establishing base salary and the Company s REIT peers in establishing performance goals, we believe the compensation program is successful in attracting and retaining a talented management team capable of driving shareholder value.

*Executive Compensation Highlights*

In structuring the Company s executive compensation program for 2017 and 2018, the Committee s primary objective was to align pay with performance while taking into consideration the performance of the Company over the past two years, the complicated structuring and tax issues encountered in acquiring gaming assets, shareholder feedback, industry and general market trends in compensation practices, as well as the advice and recommendations of our independent compensation consultant.

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Highlights of our overall executive compensation program are outlined below, with details of the overall executive compensation program discussed more fully throughout the CD&A:

| | |
|---|---|
| **Meaningful Shareholder Outreach** | Our shareholder outreach efforts have resulted in numerous changes to our compensation program and corporate governance structure in response to concerns, including:<br>Amending the equity plan to provide for double trigger vesting acceleration upon change in control<br>Capping performance-based stock awards if TSR is negative for the performance period<br>Substituting linear vesting for vesting tranches and setting target payout at the 50th percentile for performance-based stock awards<br>Adding stock ownership guidelines for named executive officers and non-employee directors |
| **Use of Formulaic Incentive Compensation** | 90% of annual performance cash bonus payments are tied to the achievement of pre-determined quantitative performance goals, including AFFO, dividends and acquisitions<br>80% of stock awards granted for equity compensation continue to be at-risk and are contingent upon the Company achieving rigorous total shareholder return hurdles over a three-year performance period |
| **Pay for Performance** | Rigorous performance goals for cash bonus require exceptional results for maximum payment. Executives have not earned maximum payments in any year since the spin-off despite top quartile performance<br>90% of cash bonus and 80% of total equity awards are tied to performance goals<br>Maximum payout for performance-based equity awards requires top quartile performance over a three-year period |
| **Robust Governance Practices** | Cash bonus subject to maximum cap based on percentage of base salary<br>Share ownership guidelines for executive officers and non-employee directors<br>Clawback policy to recover incentive compensation under certain circumstances<br>Anti-hedging policy that prohibits trading in puts, calls, options or other derivative instruments derived from the value of the Company s stock |

*Shareholder Outreach*

The Company s shareholder base has changed dramatically since its spin-off from Penn in 2013 when shareholders were predominately gaming investors. Today, the Company s largest shareholders are REIT and index-oriented institutional investors. With the change in the composition of our shareholders, the concerns of shareholders have changed and the Company has listened and responded.

In 2016, the Company voluntarily changed the frequency of our say-on-pay advisory vote to be conducted annually. Accordingly, the Company presented a shareholder advisory vote on executive compensation at GLPI s 2017 Annual Meeting of Shareholders with 73.7% of the voted shares approving such advisory vote. We engage in periodic discussions with our shareholders throughout the year and during 2017 made meaningful changes to our corporate governance structure and compensation programs as a result. Our 2017 shareholder outreach efforts are summarized below:

*Spring 2017* In connection with the distribution of the proxy materials for the 2017 Annual Meeting of Shareholders, we reached out to our top 20 shareholders to discuss questions and concerns related to specific proposals presented in the Company s proxy materials. Members of management and directors were offered as participants.

*Fall 2017* We broadened our outreach efforts to include not only the top 20 shareholders, but also significant shareholders that either withheld votes or voted against the recommendations of the Board. The Board believes that it is important to understand the reasons why shareholders choose not to support certain of the Board s recommendations and to discuss the Company s governance structure and initiatives that shareholders would like the Board to consider in the upcoming year. Members of management and directors were offered as participants.

*General 2017* Our Chief Executive Officer and Chief Financial Officer participated in both REIT and gaming investor conferences and meetings throughout 2017.

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*Our Responses to Shareholder Feedback*

As a result of discussions with shareholders, we made the following changes to our corporate governance and executive compensation programs for 2018:

| Shareholder Concern | Our Response |
|---|---|
| | **Corporate Governance** |
| **Plurality Voting Standard** | Company proposal to implement majority voting with a resignation policy in uncontested director elections to be presented at 2018 Annual Meeting |
| **Single Trigger Change of Control** | Amended the Company s 2013 Long-Term Incentive Compensation Plan to provide for double trigger acceleration of awards in the event of a change of control |
| **No Stock Ownership Guidelines** | Implementation of stock ownership guidelines for named executive officers and non-employee directors, including requirement that CEO hold 5 times base salary, which is in excess of $9 million |
| **Limited Role of Lead Independent Director** | Role of the Lead Independent Director expanded in 2018 |
| | **Compensation** |
| **Potential to Earn Maximum Awards with Negative TSR** | Performance-Based Restricted Stock Awards issued in 2018 are capped at target in the event of negative TSR for the performance period |
| **Relative TSR Target Vesting at 40% Percentile** | Revised our performance-based restricted stock award program to provide for relative TSR target vesting at the 50th percentile TSR with minimum vesting at 25th percentile, maximum vesting at 75th percentile |
| **Vesting Tranches for Performance-Based Restricted Stock Awards** | Revised our performance-based restricted stock award program to calculate payout based on linear interpolation for performance in between each payout level |

*2017 Highlights*

GLPI s disciplined approach to acquisitions and careful capital management led to increased shareholder value and continued strong financial performance in 2017.

| | One-Year TSR | Three-Year TSR |
|---|---|---|
| **GLPI** | 29.67% | 56.59% |
| **MSCI US REIT (RMS)** | 5.07% | 16.98% |
| **Triple Net Lease REITs** | 5.95% | 31.88% |

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(1) December 31, 2014 excludes one-time dividends paid to shareholders of $11.84 and $0.40 per share paid on February 18, 2014 and December 19, 2014, respectively.

(2) AFFO and AFFO per share are non-GAAP financial measures. AFFO per share is calculated using the Company s outstanding number of shares on a fully diluted basis. AFFO is FFO as defined by the National Association of Real Estate Investment Trusts (net income, excluding gains or losses from sales of property and real estate depreciation) excluding stock based compensation expense, debt issuance costs amortization, other depreciation, amortization of land rights, straight-line rent adjustments and direct financing lease adjustments, reduced by maintenance capital expenditures. For a complete discussion of our financial performance in 2017 and additional information on non-GAAP financial measures presented in this Proxy Statement, please see our Annual Report on Form 10-K for the year ended December 31, 2017, a copy of which is included in the Annual Report to Shareholders made available to shareholders in connection with this Proxy Statement.

*Executive Pay vs. Company Performance*

Following the spin-off from Penn in 2013, the Company s named executive officers transitioned to the Company at the same base pay in effect at the time of the spin-off. The Committee recognized at the time that while base salaries were in line with gaming company peers, they were elevated compared to triple-net REIT peers. With the exception of the Company s Senior Vice President and Chief Accounting Officer and the Senior Vice President, General Counsel and Secretary, the named executive officers have not received an increase in base pay since the Company s inception. Additionally, legacy Penn National Gaming compensation items that over-stated named executive officer compensation have ended and going forward the compensation rates will be more normalized. As a result, the total realizable pay for the Company s Chief Executive Officer has remained relatively flat over the last three years despite a significant increase in AFFO.

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Despite the Company s significant achievements described above, the executives have not earned their maximum potential bonus in any year since the spin-off. The following table reflects the CEO s cash bonus based on the maximum potential payout that could be earned under the program during the past four years. The Company uses rigorous performance hurdles that have resulted in a payout between 53% and 91% of his potential payout.

| Performance Year | Potential Maximum Cash Bonus | Actual Payout Amount | Actual Payout % of Potential Maximum |
|---|---|---|---|
| 2017 | $ 3,616,936 | $ 3,194,958 | 88% |
| 2016 | $ 3,616,936 | $ 2,531,854 | 70% |
| 2015 | $ 3,616,936 | $ 3,279,763 | 91% |
| 2014 | $ 3,616,936 | $ 1,910,683 | 53% |

Performance awards are tied to multi-year performance goals in order to tie incentive compensation to long-term results. The performance goals established by the Committee require exceptional results to achieve maximum payout. The first three-year performance-based restricted stock award concluded at the end of 2016 with no value. The following table shows the status of the performance awards granted in each of 2014 through 2017.

| Program | Performance Period | Performance Metric | Actual Performance | Status (as of 12/31/17) |
|---|---|---|---|---|
| **2017 Performance Awards** | January 2017 - December 2019 | Relative TSR vs. MSCI US REIT Index and Select Triple-Net Lease REITs | Matures 12/31/2019 | **Tracking to earn at least 100% of the target award** |
| **2016 Performance Awards** | January 2016 - December 2018 | Relative TSR vs. MSCI US REIT Index | Matures 12/31/2018 | **Tracking to earn at least 100% of the target award** |
| **2015 Performance Awards** | January 2015 - December 2017 | Relative TSR vs. MSCI US REIT Index | Above 80th Percentile | **200% of the target award was earned** |
| **2014 Performance Awards** | January 2014 - December 2016 | Relative TSR vs. MSCI US REIT Index | Below 25th Percentile | **0% of the target award was earned** |

## Compensation Philosophy and Objectives

*Objectives of Compensation Program*

The overall objective of the Company s executive compensation program is to compensate members of management in a manner that most effectively incentivizes them to maximize shareholder value without taking undue financial risks. At the same time, the executive compensation program is intended to enable the Company to attract and retain the executive talent needed to grow and further its strategic initiatives. This cannot be understated. The acquisition of real property assets by a REIT from a taxable corporation presents unique and complex tax, accounting, legal and structural issues. Unfortunately, gaming assets are generally owned by corporations and a failure of the Company s management team to identify latent tax, accounting and legal issues can result in a transaction that appears to be accretive on the surface, potentially reducing AFFO and dividend distributions. It is imperative that the Company s management team have the experience and skills necessary to recognize and solve these problems. With these goals in mind, the Company s compensation objectives are to:

- offer a competitive and balanced compensation program to compensate executives for the unique experience required of our management team, taking into consideration the total compensation opportunity offered by other REITs and gaming companies;

- utilize a mix of fixed and performance-based compensation designed to closely align the interests of management with those of the Company s shareholders; and

- attract and retain the best possible management team for the Company to increase shareholder value and maintain the Company s credibility in, and access to, the capital markets.

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*Compensation Philosophy*

To support the Company s compensation program objectives, we have adopted and annually review and confirm a compensation philosophy that serves as the guide for all executive compensation decisions. Our compensation philosophy is as follows:

*The Company intends to maintain an executive compensation program that will help it attract and retain the executive talent needed to grow and further the strategic interests of the business. To this end, the Company provides a compensation and benefits program that will be sufficiently attractive to provide talented executives with good reason to remain with the Company and continue in their efforts to improve shareholder value. The Company s program is designed to motivate and reward executives to achieve and exceed targeted results. Pay received by the executives will be commensurate with the performance of the Company and their own individual contributions.*

We believe that it is in the long-term best interests of the Company to provide a significant portion of each executive s compensation in the form of equity incentive awards. However, we also believe that it is important to provide base salaries that do not motivate or encourage executives to take excessive risks to ensure future financial security, particularly in light of the complex tax, accounting and legal issues inherent in the Company s transactions. To balance these goals, we believe that the appropriate compensation program includes (a) fixed and performance-based cash and (b) service and performance-based equity incentive awards. We focused on the appropriate balance of each of these components in developing our 2017 executive compensation program.

### Key Compensation Practices

The Committee, in consultation with our independent compensation consultant and management team, continually evaluates and considers compensation practices identified as best practices by various market constituents. We incorporated into our compensation program the practices we believe will most effectively support the Company s continuing efforts to create shareholder value, including:

- no agreements or arrangements containing tax gross-ups or other similar tax indemnification provisions;
- compensation largely based on multiple performance metrics, including dividends, adjusted funds from operations, relative total shareholder return and acquisition activity;
- compensation that includes a combination of variable and fixed incentive opportunities;
- double trigger acceleration of incentive awards in the event of a change of control; and
- established maximum bonus opportunities.

We will continue to evaluate and consider input from our shareholders and emerging best practices to ensure that our compensation program contains the features necessary to properly align the interests of our executives with the interests of our shareholders without encouraging undue risk.

We have also taken steps to protect shareholder interests and promote shareholder value in both the design and in the administration of the Company s equity compensation program. Under the terms of our 2013 Long-Term Incentive Compensation Plan (the Plan ), awards to employees are administered by the Committee and will generally include vesting schedules designed to encourage employees to focus on the long-term success of the Company by requiring employees to remain with the Company for a number of years before all of their awards may be settled. Further, the Plan neither permits the exercise price of outstanding stock options or stock appreciation rights to be reduced nor permits the grant of discounted stock options or stock appreciation rights.

## Annual Review and Approval Process

*Role of the Committee*

Our Committee annually reviews and approves the executive compensation packages for the Chief Executive Officer and each of the other executive officers as well as confirms and approves performance-based awards earned for the most recently completed year. In establishing compensation packages, we consider numerous factors and data, including:

- the experience necessary to identify and solve the significant tax, accounting, legal and structural complexities inherent in the types of transactions conducted by the Company;
- compensation packages of gaming peers with whom the Company competes for talent and assets;
- the dividend payout for the previous fiscal year and projected dividends for the current year;

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- the ability to enter into definitive acquisition agreements for properties that will be accretive to the Company s AFFO and dividend;

- the Company s performance relative to its REIT peers;

- the performance of the Company s properties in Perryville, Maryland and Baton Rouge, Louisiana;

- the individual performance of the executives and their total compensation relative to similarly situated gaming executives;

- a breakdown of the various components of each executive officer s compensation package;

- compensation structure and performance goals of our REIT peers;

- perquisites and other benefits, if any, offered to each executive; and

- the performance of previous compensation awards.

The Committee reviews this information with its compensation consultant and certain members of the executive management team to revise or confirm the compensation packages for each executive officer. One of our goals is to ensure that base salaries and total compensation packages are appropriate to attract and retain executives with the gaming and real estate experience necessary to create long-term shareholder value. We will also alter performance measures and/or the mix of cash and long-term equity incentive awards as necessary to ensure that management incentives continue to be aligned with shareholders.

*Role of Management*

The Company s Chief Executive Officer and Chief Financial Officer work closely with the Committee to analyze relevant peer data and to determine the appropriate base salary, cash bonus and incentive award levels for each member of the executive management team. However, while the Committee values the judgment and input from the CEO and CFO, and considers their recommendations, the Committee ultimately retains sole discretion to approve the compensation packages for each named executive officer.

*Role of Compensation Consultant*

We retained FTI Consulting, Inc. ( FTI ), an independent compensation consultant, to advise the Committee on compensation-related matters. The Committee selected FTI because of its experience in assisting other REITs in determining the optimal type and balance of cash and incentive award components in a manner intended to align the interests of management and shareholders while being competitive. In addition to other tasks, FTI worked with management and the Committee to develop a peer group for use in structuring the Company s executive compensation program. FTI and the Company review the peer group annually to ensure that it provides an accurate representation of the Company s structure and operations. A description of the process and rationale utilized for selecting our peer group is described below.

The Committee has determined that no conflict of interest exists between FTI and the Company (including the Company s Board of Directors and the Company s management) pursuant to Item 407(e)(3)(iv) of SEC Regulation S-K. Neither FTI nor any affiliate provided additional services to the Company or its affiliates in excess of $120,000 during 2017.

FTI reviews the current compensation of each executive officer on several levels, including consideration of (a) cash versus equity-based incentive awards; (b) fixed versus variable compensation, (c) service-based vesting versus performance-based vesting and (d) short-term awards versus long-term incentive awards. In addition, FTI provides the Committee with information regarding the compensation levels of executive officers in our selected peer group, as well as, current compensation best practices and trends in the REIT and gaming industries. Based on all of the available information and discussions with the Chief Executive Officer and Chief Financial Officer, FTI provides its recommendation to the Committee as to the appropriate compensation of each executive officer or confirms for the Committee that the suggested compensation packages are reasonable.

*Peer Group*

In selecting and reviewing the Company s peer group, FTI and the Company utilize a set of criteria that they believe captures the key areas of the Company s business and the experience necessary for its executives. FTI and the Company revisited the peer group at the end of 2017 to ensure that it reflects the realities of the environment in which the Company generates its revenue and competes for talent and assets. As a result, the criteria used to select the peer group were refined and the peer group was revised for 2018. The criteria are as follows:

- gaming companies comparable to the Company in terms of its asset portfolio and the knowledge and skills necessary by the executive team to effectively evaluate opportunities and to manage the Company s operating properties;

- gaming companies with whom the Company competes for talent; and

- triple-net REITs with revenues primarily derived from triple-net leases.

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Applying these criteria, FTI recommended, and the Committee approved, the following peer group for 2017:

| Gaming Companies | Triple-Net REITs |
|---|---|
| Boyd Gaming Corporation | Alexandria Real Estate Equities, Inc. |
| Caesars Entertainment Corporation | EPR Properties |
| MGM Resorts International | Gramercy Property Trust, Inc. |
| Penn National Gaming, Inc. | MGM Growth Properties LLC |
| Pinnacle Entertainment, Inc. | National Retail Properties, Inc. |
| Wynn Resorts, Limited | Omega Healthcare Investors, Inc. |
| | Realty Income Corporation |
| | Spirit Realty Capital, Inc. |
| | STORE Capital Corporation |
| | Uniti Group, Inc. |
| | VEREIT, Inc. |

*Risk Assessment*

In establishing and reviewing our executive compensation program, we consider, among other things, whether the program properly motivates executives to focus on the creation of shareholder value without encouraging unnecessary or excessive risk taking. To this end, the Committee carefully reviews the principal components of executive compensation. Base salaries are reviewed annually and are fixed in amount. Annual incentive pay is focused on achievement of certain specific overall financial goals and is determined using multiple performance criteria with established maximum payouts. The other major component of our executive officers compensation is long-term incentives through restricted stock, which we believe is important to help further align executives interests with those of our shareholders. We believe that these cash and incentive awards, especially when combined with the compensation clawback policy, described in this Proxy Statement under the heading Other Compensation Policies, appropriately balance risk, payment for performance and align executive compensation with the interests of shareholders without encouraging unnecessary or excessive risk taking.

## Overview of 2017 Compensation

*Elements of Compensation*

The compensation program is weighted towards performance-based compensation utilizing several different performance metrics. The mix of cash versus equity-based incentive awards, fixed versus variable compensation, and service-based vesting versus performance-based vesting of equity incentive awards is designed to ensure that management is, and remains, appropriately incentivized across a number of different business and economic environments. In addition, our program includes both internal performance measures as well as external performance metrics to ensure that our executives are focused both on the Company s goals as well as its position in the market. The following is a summary of the key elements (a more detailed description of each element is provided below):

| Component | Description | Objective | Strategic Rationale |
|---|---|---|---|
| Base Salary | Fixed cash compensation | Provide competitive fixed compensation considering the job responsibilities, individual performance, skills and experience | Designed to attract and retain executives with the experience to implement the Company s growth strategy |
| Annual Performance Cash Awards | Cash compensation with 90% tied to achievement of pre-determined quantitative performance goals and 10% tied to qualitative performance | Provide incentives for executives to enter into accretive transactions that result in growing dividend distributions and AFFO | Aligns executive and shareholder interests |
| Long-Term Fixed Equity Awards | Annual equity awards with time-based vesting equally over a three-year period | Supplement fixed compensation with long-term compensation to enhance retention and encourage long-term growth | Aligns executive and shareholder interests and rewards long-term stock performance |

| | | | |
|---|---|---|---|
| Long-Term Performance-Based Equity Awards | Annual equity award with three-year cliff vesting based on total shareholder return measured against the US MSCI Index and, for awards granted after January 1, 2017, triple-net REIT peers | Provide a significant portion of total potential compensation tied to long-term stock performance | Aligns executive and shareholder interests and rewards long-term stock performance with no payout for under-performance |

In 2017, the total potential compensation opportunity of the Company s named executive officers consisted of approximately 75% of performance-based and/or at risk compensation and approximately 25% of fixed compensation (of which approximately 13% was base salary and 12% service-based restricted stock awards).

*Base Salary*

The base salaries of our executives are designed to compensate them for services rendered during the fiscal year and, consistent with our pay for performance philosophy, executives receive a significant portion of their overall targeted compensation in a form other than a fixed base salary. Although the Company does not generally benchmark against any particular percentile of base salaries of comparable executives within the Company s peer group, we set salaries that are competitive in the gaming industry, recognizing that our Company seeks to attract and retain executives with experience in the gaming industry. In addition, we recognize that it is critical that executives have the experience necessary to identify and resolve the complex tax, accounting and legal issues inherent in the type of transactions engaged in by the Company. Base salaries are then further adjusted for certain qualitative factors, including: specific position duties and responsibilities; tenure with the Company; individual contributions; and value to the Company and the overall reasonableness of an executive s compensation.

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Set forth below are the 2017 base salaries for each of the named executive officers.

| Executive | 2017 Salary | Change |
|---|---|---|
| Chairman, Chief Executive Officer and President | $ 1,808,468 | No Change Since 2012 |
| Senior Vice President, Chief Financial Officer and Treasurer | $ 1,166,990 | No Change Since 2012 |
| Senior Vice President, Corporate Development | $ 519,841 | No Change Since 2012 |
| Senior Vice President, General Counsel and Secretary | $ 425,000 | No Change Since 2015 |
| Senior Vice President and Chief Accounting Officer | $ 400,000 | No Change Since 2015 |

*Annual Performance Cash Awards*

For 2017, the Committee continued the performance-based annual cash incentive bonus program designed to motivate the executive officers and other members of the management team to achieve certain Company growth objectives that we believe were most likely to increase shareholder value. The program was based on the achievement of a number of specific performance criteria focused on the Company s annual strategic goals and business plan. For 2017, the annual cash bonus for each named executive officer was comprised of four components:

- 40% based on the Company s achievement of established AFFO per share targets;
- 20% based on the Company s achievement of established dividend targets;
- 30% based on the achievement of established additional AFFO targets resulting from acquisitions; and
- 10% discretionary based on the qualitative factors indicated above.

With respect to the AFFO and dividend components, a cash bonus could have been earned at three different achievement levels: Threshold; Target; and Maximum. The acquisition goal was measured on a scale of 0-100% with annual target being the maximum and zero being the minimum. The achievement levels established by the Committee for 2017 are set forth below.

| Component | Threshold | Target | Maximum |
|---|---|---|---|
| AFFO Growth | Annual AFFO per share of $2.98 | Annual AFFO per share of $3.09 | Annual AFFO per share of $3.18 |
| Dividend Growth | Fourth quarter dividend per share of $0.60 | Fourth quarter dividend per share of $0.62 | Fourth quarter dividend per share of $0.64 |
| Acquisition Growth | Payout determined based on the percentage of maximum target achieved | | Annual effect on AFFO per share $0.13 |

In 2017, the Company achieved annual AFFO of $3.15 per share and paid $0.63 per share in fourth quarter dividends. The named executive officers were also awarded the maximum discretionary bonus primarily as a result of successfully (i) closing the acquisition of the real estate assets of Bally s Casino Tunica and Resorts Casino Tunica and (ii) negotiating transactions to permit the transfer of certain assets to a new lease with Boyd Gaming Corporation in connection with Penn s intent to acquire Pinnacle Entertainment, Inc. (the Tenant Merger ). The agreements to accommodate the proposed Tenant Merger also resulted in maximum bonus payment earned for the acquisition growth component. As a result, the cash bonus paid to the named executive officers for 2017 was 88% of the maximum.

We set the ranges of bonuses payable pursuant to the cash bonus measure for each executive as a percentage of annual base salary, as set forth below. In order to help manage total potential compensation payouts, annual cash bonus opportunities are capped at a maximum bonus level, regardless of the extent to which performance exceeds targeted levels.

| Executive | Threshold | Target | Maximum |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Chairman, Chief Executive Officer and President | 50% | 100% | 200% |
| Senior Vice President, Chief Financial Officer and Treasurer | 50% | 100% | 200% |
| Senior Vice President, Corporate Development | 50% | 100% | 200% |
| Senior Vice President, General Counsel and Secretary | 25% | 50% | 100% |
| Senior Vice President and Chief Accounting Officer | 25% | 50% | 100% |

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The following table indicates the actual amount paid to each named executive officer as a percentage of annual base salary for 2017 for the annual performance cash awards described above:

| Executive | Actual Bonus Percent of Base Salary | Actual Payment ($) |
|---|---|---|
| Chairman, Chief Executive Officer and President | 177% | 3,194,958 |
| Senior Vice President, Chief Financial Officer and Treasurer | 177% | 2,061,682 |
| Senior Vice President, Corporate Development | 177% | 918,386 |
| Senior Vice President, General Counsel and Secretary | 88% | 375,417 |
| Senior Vice President and Chief Accounting Officer | 88% | 353,333 |

*Long-Term Performance-Based Equity Awards*

While the annual cash bonus program was designed to incentivize the Company s management team to achieve specific near-term internal Company growth goals, the long-term performance equity award program was designed to focus management on the Company s long-term performance in relation to the broader REIT indices. We believe that a high degree of equity compensation motivates executives to increase the long-term value of the Company by aligning a significant portion of their total compensation with the interests of the Company s shareholders. We also believe that equity compensation is a critical tool in attracting and retaining executives with the type of entrepreneurial spirit that we believe is integral to the Company s success.

The Committee believes that the long-term performance-based equity award program has been effective in focusing management on the Company s long-term performance in relation to its peer group and provides an effective balance against the short-term Company growth goals reflected in the cash bonus program. Awards have three-year cliff vesting with the amount of restricted shares vested at the end of the three-year period determined based on the Company s performance during such period measured against its peers. More specifically, for awards issued after January 1, 2017, the percentage of shares vesting at the end of the measurement period are based on the Company s three-year total shareholder return ranking among the three-year return of the companies included in the MSCI US REIT index and in the triple-net REIT group set forth above, in equal amounts (see Overview of Compensation Program for 2018 of the Compensation Discussion and Analysis for certain changes in the performance-based restricted stock award program for 2018). The number of shares vesting at each performance achievement level for each named executive officer are set forth below.

| Executive | Below 25th Percentile | 25th to less than 40th Percentile | &nb |
| --- | --- | --- | --- |