POTLATCHDELTIC CORP
Form DEF 14A
March 30, 2018
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 Pursuant to § 240.14a-12	

POTLATCHDELTIC CORPORATION

(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:
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4) Proposed maximum aggregate value of transaction:
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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

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3) Filing Party:
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POTLATCHDELTIC CORPORATION

ANNUAL MEETING OF STOCKHOLDERS

MAY 7, 2018

NOTICE OF ANNUAL MEETING

AND

PROXY STATEMENT

March 30, 2018

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of PotlatchDeltic Corporation will be held at the PotlatchDeltic Corporation Corporate Offices, 601 West First Ave., Suite 1600, Spokane, Washington 99201, on Monday, May 7, 2018, at 9:00 a.m. local time.

We are holding this meeting to:

- elect four directors to PotlatchDeltic Corporation's Board of Directors;
- ratify the appointment of KPMG LLP as our independent auditors for 2018;
- approve, by an advisory vote, executive compensation; and
- transact any other business that properly comes before the meeting.

Your Board of Directors has selected March 15, 2018 as the record date for determining stockholders entitled to notice of the meeting and to vote at the meeting and at any adjournment or postponement.

PotlatchDeltic Corporation's proxy statement, Notice of Meeting, proxy card, and 2017 Annual Report, are being distributed to stockholders on or about March 30, 2018. Your vote is important, so please vote your shares promptly. To vote your shares, please refer to the instructions on the enclosed proxy card or voting instruction form, or review the section titled “Annual Meeting Information - Voting” of the accompanying proxy statement.

By Order of the Board of Directors,

Lorrie D. Scott

Vice President, General Counsel & Corporate
Secretary

Important Notice Regarding the Availability of Proxy Materials for
the Company's Annual Meeting of Stockholders on May 7, 2018

The PotlatchDeltic Corporation Proxy Statement and 2017 Annual Report to Stockholders
are available online at www.proxyvote.com and www.potlatchdeltic.com

PotlatchDeltic Corporation
601 West First Avenue, Suite 1600
Spokane, WA 99201-0603 WWW.POTLATCHDELTIC.COM

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ANNUAL MEETING INFORMATION

This proxy statement and the enclosed proxy card are being furnished to stockholders of PotlatchDeltic Corporation in connection with the solicitation of proxies by our Board of Directors for use at the 2018 Annual Meeting of Stockholders, which is described below. We expect to mail this proxy statement, the Notice of Meeting, and the form of proxy enclosed, on or about March 30, 2018.

Date, time and place of the meeting

The 2018 Annual Meeting of Stockholders (the “Annual Meeting”) will be held on Monday, May 7, 2018, at 9:00 a.m., local time, at the PotlatchDeltic Corporation Corporate Offices, 601 West First Ave., Suite 1600, Spokane, Washington 99201.

Purpose of the meeting

The purpose of the meeting is to vote upon three proposals. These proposals and the vote required for approval of each proposal are as follows:

Election of Directors. The first proposal requests the election of four directors to our Board. Because this is an uncontested election, the affirmative vote of a majority of the common stock present in person or by proxy at the Annual Meeting and entitled to vote is required to elect each of the nominees for director.

Independent Auditor. The second proposal requests the ratification of the appointment of KPMG LLP as our independent auditors for 2018. The affirmative vote of a majority of the common stock present in person or by proxy at the Annual Meeting and entitled to vote is required to ratify the appointment of our independent auditors.

Executive Compensation. The third proposal requests a non-binding, advisory vote to approve executive compensation. The affirmative vote of a majority of the common stock present in person or by proxy at the Annual Meeting and entitled to vote is required to approve, by an advisory vote, executive compensation.

The inspector of election will tabulate affirmative and negative votes, abstentions and broker non-votes. Abstentions will have the same effect as negative votes. Broker non-votes (described below under the heading "Shares" held in "street" or "nominee" name) will not be counted in determining the number of votes necessary for approval.

Recommendation of the Board of Directors

Our Board unanimously recommends that you vote

FOR each director nominee

FOR the ratification of the appointment of KPMG LLP as our independent auditors for 2018

FOR advisory approval of our executive compensation

Who may vote

Stockholders who owned common stock at the close of business on March 15, 2018, the record date for the Annual Meeting, may vote at the meeting. For each share of common stock held, stockholders are entitled to one vote for as many separate nominees as there are directors to be elected and one vote on any other matter presented.

Quorum

On March 15, 2018, the record date, we had 62,754,579 shares of common stock outstanding. Voting can take place at the Annual Meeting only if stockholders owning a majority of the total number of shares outstanding on the record date are present either in person or by proxy. Abstentions and broker non-votes will both be treated as present for purposes of determining the existence of a quorum.

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Proxy solicitation

Certain of our directors, officers and employees and our proxy solicitor, Broadridge Investor Communication Solutions, Inc. (Broadridge), also may solicit proxies on our behalf by mail, phone, fax, email or in person. We will bear the cost of the solicitation of proxies, including Broadridge's fee of $52,788 plus out-of-pocket expenses, and we will reimburse banks, brokers, custodians, nominees and fiduciaries for their reasonable charges and expenses to forward our proxy materials to the beneficial owners of PotlatchDeltic stock. No additional compensation will be paid to our directors, officers or employees who may be involved in the solicitation of proxies.

Tabulation of votes—Inspector of Election

We will act as the inspector of election at the Annual Meeting.

Voting

You may vote your shares in one of several ways, depending upon how you own your shares.

Shares registered directly with PotlatchDeltic (in your name):

- Via Internet. Go to www.proxyvote.com and follow the instructions. You will need to enter the Control Number by following the instructions provided with your proxy materials and on your proxy card or voting instruction card.
- By Telephone. Call toll-free 1-800-690-6903 and follow the instructions. You will need to enter the Control Number by following the instructions provided with your proxy materials and on your proxy card or voting instruction card.
- In Writing. If you received printed proxy materials in the mail and wish to vote by mail, sign, date your proxy card, and return it in the postage paid envelope that was provided to you to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY, 11717, or provide it or a ballot distributed at the Annual Meeting directly to the Inspector of Election at the Annual Meeting when instructed.

Shares held in a PotlatchDeltic 401(k) Savings Plan (through Empower):

- Via Internet. If you are a participant in the PotlatchDeltic Hourly 401(k) Plan or the PotlatchDeltic Salaried 401(k) Plan, go to www.proxyvote.com and follow the instructions. You will need to enter the Control Number printed on the voting instruction form you received.
- By Telephone. Call toll free 1-800-690-6903 and follow the instructions. You will need to enter the Control Number printed on the voting instruction form you received.
- In Writing. Complete, sign, and date the proxy card that was mailed to you, and return it in the envelope that was provided to you or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY, 11717.

IMPORTANT NOTE TO 401(k) SAVINGS PLANS PARTICIPANTS: Broadridge, our proxy agent, must receive your voting instructions by 11:59 p.m., Eastern Daylight Time, on May 4, 2018 in order to tabulate the voting instructions of 401(k) Savings Plans participants who have voted and communicate those instructions to the 401(k) Savings Plans trustee, who will ultimately vote your shares. If you do not provide voting instructions, the trustee will vote your 401(k) Plan shares in the same proportion as the 401(k) Plan shares of other participants for which the trustee has received proper voting instructions.

Shares held in a PotlatchDeltic Thrift Plan (through Sun Trust Bank)

- Via Internet. If you are a participant in the PotlatchDeltic Thrift Plan, go to www.proxyvote.com and follow the instructions. You will need to enter the Control Number printed on the voting instruction form you received.
- By Telephone. Call toll free 1-800-690-6903 and follow the instructions. You will need to enter the Control Number printed on the voting instruction form you received.

• In Writing. Complete, sign, and date the proxy card that was mailed to you, and return it in the envelope that was provided to you or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY, 11717.

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IMPORTANT NOTE TO THRIFT PLAN PARTICIPANTS: Broadridge, our proxy agent, must receive your voting instructions by 11:59 p.m., Eastern Daylight Time, on May 4, 2018 in order to tabulate the voting instructions of Thrift Plan participants who have voted and communicate those instructions to the Thrift Plan trustee, who will ultimately vote your shares. If you do not provide voting instructions, the trustee will vote your Thrift Plan shares in the same proportion as the Thrift Plan shares of other participants for which the trustee has received proper voting instructions.

Shares held in “street” or “nominee” name (through a bank, broker or other nominee):

- You may receive a separate voting instruction form with this proxy statement from your bank, broker or nominee, or you may need to contact your bank, broker or nominee to determine whether you will be able to vote electronically using the Internet or telephone. To vote in person at the Annual Meeting, you must obtain a proxy, executed in your favor, from the holder of record.
- If you are the beneficial owner of shares held in “street name” by a broker, then the broker must vote those shares in accordance with your instructions. If you do not give specific voting instructions to the broker, under Nasdaq rules your broker cannot vote your shares on “non-discretionary” items. On “non-discretionary” items for which you do not give voting instructions, the votes will be considered “broker non-votes.”
- The election of directors is a “non-discretionary” item. This means that the election of directors may not be voted upon by your broker if you do not give voting instructions for the shares held on your behalf.
- The advisory vote to approve executive compensation is also a “non-discretionary” item and may not be voted upon by your broker if you do not give voting instructions for the shares held on your behalf.
- The ratification of the appointment of KPMG LLP as our independent auditors for 2018 is a “discretionary” item. This means that this proposal may be voted upon by your broker if you do not give voting instructions for the shares held on your behalf.

If you return your proxy card by mail or vote via the Internet or by telephone but do not select a voting preference, the individuals named as proxies on the enclosed proxy card or voting instruction form will vote your shares FOR the election of the four nominees for director identified in this proxy statement, FOR the ratification of the appointment of KPMG LLP as our independent auditors for 2018, and FOR advisory approval of our executive compensation. If you have any questions or need assistance in voting your shares, please contact Broadridge toll-free at 1-800-690-6903.

Revoking your proxy

If you are a stockholder of record, you may revoke your proxy at any time before the Annual Meeting by giving our Corporate Secretary written notice of your revocation or by submitting a later-dated proxy, and you may revoke your proxy at the Annual Meeting by voting by ballot. Attendance at the meeting, by itself, will not revoke a proxy. If shares are registered in your name, you may revoke your proxy by telephone by calling 1-800-690-6903 and following the instructions or via the Internet by going to www.proxyvote.com and following the instructions.

If your shares are held in a PotlatchDeltic 401(k) Savings Plan (through Empower), you may revoke your proxy by telephone by calling 1-800-690-6903 and following the instructions or via the Internet by going to www.proxyvote.com and following the instructions. If your shares are held in a PotlatchDeltic Thrift Plan (through SunTrust Bank) you may revoke your proxy by telephone by calling 1-800-690-6903 and following the instructions or via the Internet by going to www.proxyvote.com and following the instructions.

If you are a stockholder whose shares are held in “street” or “nominee” name, you may revoke your voting instructions by informing the bank, broker or other nominee in accordance with that entity’s procedures for revoking your voting instructions.

Annual Meeting attendance

We cordially invite and encourage all of our stockholders to attend the Annual Meeting. Persons who are not stockholders may attend only if invited by us. If you own shares in “street” or “nominee” name, you must bring proof of ownership (for example, a current broker’s statement or a legal proxy that can be obtained from the broker or bank) in order to be admitted to the meeting.

Other matters presented at the Annual Meeting

We do not expect any matters, other than those included in this proxy statement, to be presented at the Annual Meeting. If other matters are presented, the individuals named as proxies on the enclosed proxy card will have discretionary authority to vote your shares on such matters.

Directions to the Annual Meeting

If you need directions to the Annual Meeting, please contact Broadridge toll-free at 1-800-690-6903.

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PROPOSAL 1 – ELECTION OF DIRECTORS

We recommend a vote FOR each nominee.

Our Board of Directors is divided into three classes serving staggered three-year terms. Each of the nominees listed below has been nominated unanimously by our Board of Directors at the recommendation of our Nominating and Corporate Governance Committee in accordance with the Committee's Director Nomination Policy and our Corporate Governance Guidelines.

The individuals named as proxies on the enclosed proxy card will vote FOR the election of all nominees unless you direct them to vote against any nominee or abstain from voting for any nominee. Mr. William L. Driscoll, Mr. Eric J. Cremers, Mr. D. Mark Leland and Ms. Lenore M. Sullivan are now members of the Board. If any nominee becomes unable to serve as a director before the meeting (or decides not to serve), the individuals named as proxies may vote for a substitute nominee proposed by the Board or we may reduce the number of members of the Board. We recommend a vote FOR each nominee listed below.

Nominees for Election at the Annual Meeting for a Term Expiring in 2021

William L. Driscoll

Age 55, a director since January 2004

Eric J. Cremers

Age 54, a director since March 2013

D. Mark Leland

Age 56, a director since February 2018

Lenore M. Sullivan

Age 60, a director since February 2018

The affirmative vote of a majority of the shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to elect each of the nominees for director listed in Proposal 1.

BOARD OF DIRECTORS

Our Board of Directors is divided into three classes serving staggered three-year terms. The Board of Directors is authorized to fix the number of directors within the range of 7 to 15 members, and, effective upon the merger of Deltic Timber Corporation ("Deltic") with our wholly-owned subsidiary on February 20, 2018, has fixed the number at 12. At the Annual Meeting, you and the other stockholders will elect four individuals to serve as directors until the 2021 Annual Meeting. See "Proposal No. 1—Election of Directors." Our Bylaws require our directors to be elected by a majority vote of the shares of common stock present or represented by proxy and entitled to vote at the Annual Meeting.

Below are the names and ages of our twelve directors as of the date of this proxy statement, the year each of them became a director, their principal occupation or employment for at least the past five years, and certain of their other directorships. In addition, set forth below for each director is a description of the particular experience, qualifications, attributes or skills that led the Board to conclude that the person should serve as a director for the company. Four of the directors, the Rev. Dr. Christoph Keller, III, Mr. R. Hunter Pierson, Jr., Mr. D. Mark Leland and Ms. Lenore M. Sullivan, were appointed as directors by our Board effective February 20, 2018 in connection with the Deltic merger. If you do not select a voting preference, the persons named as proxies in the accompanying proxy will vote for the election of the nominees listed below. We have no reason to believe that any of these nominees will be unable to serve as a director.

Nominees for Election at this Meeting for a Term Expiring in 2021 (Class I)

William L. Driscoll (age 54) has been a director since January 2004. He is currently a partner with Lincoln Park Partners, a private commercial real estate and management company. Mr. Driscoll was a partner with Pointe Group Management Company, a private commercial real estate and management company from 2007 until it was sold to Colliers International in 2015. Mr. Driscoll has served on the board of Topia Technology, a data security company, since June 2013 and as Chairman of Clearwater Management Company, a registered investment adviser since June, 2016.

Mr. Driscoll has extensive experience with evaluating, establishing and managing major commercial relationships such as joint ventures, with particular skills in real estate and commercial property management. In addition, Mr. Driscoll has strong strategic planning and financial analysis skills, including global purchase and supply chain management skills. He also has experience operating in the domestic and international forest and wood products industries.

Eric J. Cremers (age 54) has been a director since March 2013 and our President and Chief Operating Officer since March 2013. Mr. Cremers also served as Chief Financial Officer from March 2013 through August 2013, and Executive Vice President and Chief Financial Officer from February 2012 to March 2013. Mr. Cremers joined the company in 2007 as Vice President and Chief Financial Officer.

Mr. Cremers has strong strategic planning and financial analysis skills, including evaluating investment opportunities and mergers and acquisitions. He also has experience operating in the domestic forest and wood products industries. As our President and Chief Operating Officer, and former Chief Financial Officer, Mr. Cremers has a deep understanding of all aspects of our business and operations. In addition, Mr. Cremers has experience managing a REIT, with an operational understanding of the requirements associated with maintaining REIT status.

D. Mark Leland (age 56) has been a director since February 20, 2018, the date of the Deltic merger. Mr. Leland had been a director of Deltic since June 2016 and served as Deltic's Interim President and Chief Executive Officer from October 10, 2016 through March 8, 2017. Mr. Leland has served on the board of directors of the general partner of

Rice Midstream Partners, a publicly traded energy company since December 2014 and the board of directors of Kayne Anderson Acquisition Corp., a publicly traded blank check company since March, 2017. Mr. Leland served on the board of directors of the general partner of Oiltanking Partners, L.P. a publicly traded tank storage company from June 2012 until its merger with Enterprise Products in February 2015 and on the board of directors of KiOR, Inc. a publicly traded renewable fuels company from June 2013 to March 2015. Mr. Leland served as Executive Vice President of El Paso Corporation and President of El Paso's midstream business unit from October 2009 to May 2012, and as Director of El Paso Pipeline Partners, L.P. from its formation in 2007 to May 2012. Mr. Leland also previously served as Executive Vice President and Chief Financial Officer of El Paso Corporation from August 2005 to October 2009. He served as Executive Vice President of El Paso Exploration & Production Company from January 2004 to August 2005, and as Chief Financial Officer from April 2004 to August 2005. Mr. Leland served as Senior Vice President and Chief Operating Officer of the general partner of GulfTerra Energy Partners, L.P. from January 2003 to December 2003, and as

Senior Vice President and Controller from July 2000 to January 2003. Mr. Leland’s extensive executive, operational, and financial experience including his certifications as an Internal Auditor and Management Accountant, as well as his prior service as Deltic’s Interim President and CEO, provides invaluable insight to the Board in its oversight of Deltic’s assets and operations.

Lenore M. Sullivan (60) has been a director since February 20, 2018, the date of the Deltic merger. Ms. Sullivan had been director of Deltic since June 2015. Ms. Sullivan is a retired partner from Perella Weinberg Partners where she served as portfolio manager for the firm’s Agility Real Return Asset Fund from June, 2007 to October, 2009. She currently serves on the Investment Advisory Committee of the Employee Retirement System of Texas and previously served as the Associate Director for the Real Estate and Finance and Investment Center at the University of Texas at Austin from 2002 to 2007. From 2000 to 2002, she was Vice President of Hunt Private Equity Group, Inc. and from 1992 to 2000 she was President and co-owner of Stonegate Advisors, a private equity firm. From 1995 to 1996, Ms. Sullivan was Chief Financial Officer of Canizaro Interests and from 1990 to 1992 she was a Vice President, Treasurer and acting Chief Financial Officer of Wyndham Hotel Group. Ms. Sullivan also holds a Master of Business Administration from Harvard University. Ms. Sullivan has served on the board of HFF, Inc., a publicly traded real estate financial services company from 2007 to the present and RREEF America II REIT, a non-publicly traded REIT from July 2015 to the present. Ms. Sullivan also serves on the board of RREEF’s Core Plus Industrial Fund, which was started in 2017. Ms. Sullivan served on the board of Parkway Properties, Inc., a formerly public traded REIT from July 2003 until August 2011.

Ms. Sullivan’s extensive knowledge of real estate, financing and related capital markets as well as her corporate financial experience in analyzing and evaluating financial statements and her executive experience supplements the Board’s extensive collective expertise in these areas.

Directors Continuing in Office until 2020 (Class III)

John S. Moody (age 69) has been a director since September 2006. Since 2010, Mr. Moody has served as President of Parkside Capital, LLC in Houston, which is the general partner and manager of Parkside Capital Land Fund, LTD, a Texas real estate private equity firm. Mr. Moody is also a director and Chairman of the Board of Four Corners Property Trust, Inc., a publicly traded REIT that owns and leases restaurant properties. He has also served as a director of Huron Consulting Group, a publicly held integrated strategic services provider since 2005, and Hines Global REIT, Inc., a commercial real estate REIT since 2009. From 2007 through 2009, he served as President of Proterra Management LLC in Houston, which is the general partner and manager of Proterra Realty Fund, LTD, a Texas real estate private equity firm.

Mr. Moody has substantial real estate and real estate services experience, including evaluating investment opportunities, advising on real estate acquisitions and dispositions, and managing and overseeing real estate development and properties. Mr. Moody also has extensive experience with publicly traded REITs, through his service in executive and board roles at REITs.

Lawrence S. Peiros (age 62) has been a director since February 2003. Mr. Peiros served as Executive Vice President and Chief Operating Officer of The Clorox Company, a publicly traded household consumer products company, from 2011 until his retirement on April 1, 2013. Previously, he served as Executive Vice President and Chief Operating Officer for North America from 2007 to 2011, and as Group Vice President of The Clorox Company, a position he held from February 1999 to 2007. Mr. Peiros has served as a director of Ross Stores, Inc., a publicly traded clothing retailer since 2013. Mr. Peiros served as a director of Annie's, Inc., a natural food company formerly traded on NYSE, from 2013 until it was acquired by General Mills, Inc. in October 2014.

Mr. Peiros has significant leadership, operational and risk oversight skills, as well as extensive sales, marketing, product supply and research and development experience. Having served as a senior executive at a major consumer products company, Mr. Peiros also has experience overseeing global operating divisions. Mr. Peiros' service on the boards of two other public companies has provided him with additional corporate governance, leadership and oversight experience.

Linda M. Breard (age 47) has been director since October 2015. Ms. Breard served as Executive Vice President and Chief Financial Officer of Kaiser Foundation Health Plan of Washington, a registered health maintenance organization from February 2017 to July 2017. Previously, Ms. Breard served as Executive Vice President and Chief Financial Officer of Group Health Cooperative from February 2016 until it was acquired by Kaiser Permanente in February 2017. Prior to that, Ms. Breard, a CPA, served as Chief Financial Officer of Quantum Corp., a publicly traded data storage company. Ms. Breard joined Quantum in 2006 when Quantum acquired Advanced Digital Information Corp., where she was Vice President of Global Accounting and Finance. Ms. Breard also served as Senior Vice President of Finance, IT and Facilities at Quantum from 2009 to 2016, and as Senior Vice President of Human Resources and Corporate Communications from 2012 to 2016. Since February 2018, Ms. Breard has served on the Board of Directors of Insight Enterprise a publicly traded global technology company.

Through her service as Chief Financial Officer and Senior Vice President of Quantum and Executive Vice President and Chief Financial Officer of Group Health Cooperative and Kaiser Permanente Washington, Ms. Breard has substantial capital markets and financial reporting expertise as well as an understanding of internal controls. She also has significant oversight and executive-level management experience having been responsible for IT, facilities, human resources and communications and supply chain.

The Very Reverend Dr. Christoph Keller, III (age 63) has been a director since February 20, 2018, the date of the Deltic merger. Reverend Keller had been a director of Deltic since December 1996, and as a result, is intimately familiar with Deltic’s history and operations since its spin-off from Murphy Oil. Reverend Keller has been an Episcopal priest since 1982 has served as the Dean Rector of Trinity Episcopal Cathedral in Little Rock, Arkansas since January 2014. He was the founding pastor of St. Margaret’s Episcopal Church in Little Rock, Arkansas, serving from 1991 to 1998. In that role, he was in charge of all business operations of the church including budgeting, accounting and auditing. He is a past member of the Board of Trustees of General Theological Seminary in New York City, and from 2002 to 2004 he served as a board member of the Episcopal Church Building Fund, in Chicago. Reverend Keller has served as manager of Keller Enterprises, L.L.C., a firm with farming operations and real estate and venture capital investments (1998-2008), has served on its board and currently chairs its Executive Compensation Committee. Reverend Keller served on the board of Murphy USA Inc., a publicly traded company operating retail gas stations, from August, 2013 until his retirement on February 8, 2018.

Reverend Keller’s farming operations and real estate experience, combined with his other public company board service, provides highly relevant insights for the Board’s timberland management and real estate development strategies and for its governance and compensation duties. Reverend Keller’s theological background provides a unique perspective for the Board committees upon which he serves. Reverend Keller’s knowledge of Deltic, acquired through years of service to the company, combined with his professional experience, provides valuable insight into the operation of the former Deltic assets.

Directors Continuing in Office until 2019 (Class II)

Michael J. Covey (age 60) has been a director since February 2006. Our Chief Executive Officer since February 2006 and President and Chief Executive Officer from 2006 to 2013, Mr. Covey has been Chairman since January 1, 2007. Prior to joining PotlatchDeltic in February 2006, he was employed for 23 years by Plum Creek Timber Company, Inc., a REIT formerly traded on NYSE until it was acquired by Weyerhaeuser Company in February 2016, where he served as Executive Vice President from August 2001 until shortly before joining PotlatchDeltic in February 2006. Mr. Covey has served as a director of Esterline Corporation, a publicly traded aerospace manufacturing company since 2017.

As our Chief Executive Officer, Mr. Covey has a deep understanding of all aspects of our business and operations. Mr. Covey has a strong background in timberlands, real estate and forest products, with extensive executive-level experience in financial and operational management of timberlands and wood products and other manufacturing facilities. In addition, Mr. Covey has experience managing a REIT, with an operational understanding of the requirements associated with maintaining REIT status. We believe Mr. Covey's deep knowledge of our industry, his deep understanding of our business and operations and his service on another public company's board enable him to facilitate the Board's oversight role.

Charles P. Grenier (age 68) has been a director since May 2013. Mr. Grenier retired in 2000 from Plum Creek Timber Company, Inc., a REIT formerly traded on NYSE until it was acquired by Weyerhaeuser Company in February 2016. Mr. Grenier served as Executive Vice President of Plum Creek from 1994 to 2000, as a director from 1995 to 2000, as Vice President, Rocky Mountain Region from 1989 to 1994, and Vice President of Manufacturing from 1986 to 1989. He served as a director of the IX Ranch Company, a large, privately held cattle ranch in Big Sandy, Montana from 2002 to 2011, as a director of Winter Sports, Inc., dba The Big Mountain Resort, formerly a publicly traded company, from 1998 to 2005, and from 2003 to 2009 as a director and member of the audit committee of Semitool, Inc., a manufacturer of tools for the production of electronic chips formerly traded on Nasdaq until it was acquired by Applied Materials, Inc. in 2010.

Having served for ten years as a member of the board of directors of publicly traded timber REITs, six years as Executive Vice President and eight years as Vice President, of a large, publicly traded timber REIT, Mr. Grenier has a strong background in timberlands, real estate and forest products, with extensive executive-level experience in publicly traded REITs, financial and operational management of timberlands and wood products and other manufacturing facilities. We believe Mr. Grenier's deep knowledge of our industry and his deep understanding of our business and operations contributes greatly to our Board's oversight of the company. Mr. Grenier's service on the boards of two other public companies has provided him with additional corporate governance, leadership and oversight experience.

Gregory L. Quesnel (age 69) has been a director since September 2000. Mr. Quesnel retired in 2004 from CNF, Inc., a supply chain logistics management company formerly traded on NYSE until it was acquired by XPO Logistics Inc. in October 2015. Mr. Quesnel served as President, Chief Executive Officer and a director of CNF, Inc. from 1998 to 2004, and as Executive Vice President and Chief Financial Officer from 1994 to 1998, and Senior Vice President and Chief Financial Officer from 1991 to 1994. He has served as a director of Synnex Corporation, a publicly traded business process services company, since 2005 and as a director for Ross Stores, Inc., a publicly traded clothing retailer, since 2009.

Having served for six years as Chief Executive Officer and a member of the board of directors, and seven years as Chief Financial Officer, of a global supply chain management company, Mr. Quesnel has extensive operational and oversight experience with regard to corporate strategic planning, mergers and acquisitions, risk management, finance, accounting, administration, technology, investor relations and procurement. Mr. Quesnel’s service on the boards of two other public companies provides him additional corporate governance, leadership and oversight experience.

R. Hunter Pierson, Jr. (age 66) has been a director since February 20, 2018, the date of the merger with Deltic . Mr. Pierson had been a member of the Deltic board of directors since December 1999 and, as a result, is intimately familiar with Deltic’s history and operations since its spin-off from Murphy Oil Corporation. Following ten years as a commercial lending officer serving large private and public companies at First National Bank of Commerce, which is now JP Morgan Chase, Mr. Pierson has been engaged since 1981 in private investments, including timberlands, commercial real estate development, and securities. Mr. Pierson has served on the Board of Tulane University since September, 2009.

Mr. Pierson’s career in banking, which included analyzing financial statements and analyzing credit risks, as well as his investment experience in timberlands and commercial real estate development, provides a broad base of relevant financial and operations experience to our Board. Mr. Pierson’s knowledge of Deltic acquired through years of service to the company provides invaluable insight to the Board in its oversight of Deltic’s assets and operations.

CORPORATE GOVERNANCE

PotlatchDeltic Corporation is committed to sound principles of corporate governance and high ethical standards. Our Board reevaluates our policies on an ongoing basis to ensure they address our company's needs. Information is provided below regarding certain key corporate governance and ethics policies and practices which we believe enable us to manage our business in accordance with sound principles of corporate governance and high ethical standards and in the best interests of our stockholders. Copies of our corporate governance documents and policies are available for downloading or printing by going to our public web site at www.potlatchdeltic.com, and selecting "Investor Resources," then "Corporate Governance," and then selecting the appropriate link. You may also obtain a printed copy of any of the materials referred to below by contacting us at the following address:

PotlatchDeltic Corporation

Attention: Corporate Secretary

601 West First Ave., Suite 1600

Spokane, Washington 99201

Telephone: (509) 835-1500

Corporate Governance Guidelines; Corporate Conduct and Ethics Code

Our Board of Directors and management operate within our comprehensive plan of corporate governance that defines our Board's and executives' responsibilities, sets high standards for their professional and personal conduct and provides for monitoring of their compliance with those responsibilities and other legal standards. Our Board has adopted Corporate Governance Guidelines, or Governance Guidelines, which provide standards and practices of corporate governance that we have designed to help contribute to our success and to assure public confidence in our company. In addition, all committees of the Board operate under charters that describe the responsibilities and practices of each committee.

We have adopted a Corporate Conduct and Ethics Code, or Ethics Code, which provides ethical standards and policies that apply to all of our directors, officers and employees. Our Ethics Code requires that our directors, officers and employees avoid conflicts of interest, comply with laws and other legal requirements, conduct business honestly and ethically, provide full and accurate reporting to us and otherwise act with integrity and in our best interests. We have also established procedures so that complaints regarding our accounting and auditing matters, conflicts of interests, securities violations and other matters can be submitted confidentially and anonymously. See "Communications with Directors" below.

Copies of the Ethics Code and the Governance Guidelines are available for downloading or printing by going to our public web site at www.potlatchdeltic.com, and selecting "Investor Resources," then "Corporate Governance," and then selecting the appropriate link.

Majority Voting in Director Elections

We have adopted majority voting procedures for the election of directors in uncontested elections. In an uncontested election, each nominee is elected by the vote of a majority of the voting power of the capital stock issued and outstanding, present in person or by proxy and entitled to vote for the election of directors. As provided in our Bylaws, an "uncontested election" is one in which the number of nominees equals the number of directors to be elected in such election. The Board may nominate or elect as a director only persons who agree to tender, promptly following his or her election or re-election to the Board, an irrevocable resignation that will be effective upon (i) the failure of the candidate to receive the required vote at the next annual meeting at which he or she faces re-election and (ii) the acceptance by the Board of such resignation. If an incumbent director fails to receive the required vote for re-election in an uncontested election, the Nominating and Corporate Governance Committee determines whether such director’s resignation should be accepted and makes a recommendation to the Board, which makes the final determination whether to accept the resignation. The Board must publicly disclose its decision within 90 days from the date of certification of the election results. If a director’s resignation is accepted by the Board, then the Board may fill the resulting vacancy or may decrease the size of the Board.

Nominees for Director

Our Nominating and Corporate Governance Committee, or Nominating Committee, is responsible for identifying, evaluating, recruiting and recommending qualified candidates to our Board for nomination or election. The Board nominates directors for election at each annual meeting of stockholders and elects new directors to fill vacancies if they occur. Our Board strives to find directors who are experienced and dedicated individuals with diverse backgrounds, perspectives and skills. Our Governance Guidelines contain membership criteria that call for candidates to be selected for their ability to act on behalf of all stockholders and their character, judgment, business acumen and diversity of experience, backgrounds, perspective and skills. In addition, we expect each director to be committed to enhancing stockholder value and to have sufficient time to effectively carry out his or her duties as a director. Our Nominating Committee also seeks to ensure that a majority of our Board members are independent under Nasdaq rules, as required by our Governance Guidelines, and that at least one Board member meets the criteria for an “audit committee financial expert” under Securities and Exchange Commission, or SEC, rules.

The Nominating Committee periodically consults with the Board to establish, modify and affirm a specific set of skills, professional or business experience and attributes that should be represented on the Board of Directors and recommends to the Board any changes deemed appropriate by the Committee. Annually, in connection with the Board and Committee performance evaluation, and when retirements or other changes are expected to occur, the Nominating Committee reviews a written matrix that illustrates these desired qualities and matches them with individual members of the Board to assess how well these qualities are currently represented on the Board or if there are any gaps. From time to time when the Nominating Committee concludes that one or more gaps exist, it will seek to find a director candidate who would bring the desired trait to the Board. This process led to the election of two new board members during the five years preceding the Deltic merger.

Currently the Committee's director skill matrix sets forth the following desired backgrounds that should be represented on the Board by at least one director:

- active or retired publicly traded company chief executive officer;
- member of boards of directors of other public companies;
- forest products industry experience;
- real estate investment and development experience;
- management and business strategy expertise;
- capital markets experience;
- human resource, compensation and benefits experience; and
- financial reporting and audit experience.

While our Board has no formal policy regarding racial, ethnic or gender diversity, our Board values diversity and seeks to have a diverse group of directors after giving primary consideration to the selection criteria discussed above.

Prior to each annual meeting of stockholders, our Nominating Committee identifies director nominees first by evaluating the current directors whose terms will expire at the annual meeting and who are willing to continue in service. These candidates are evaluated based on the criteria described above, the candidate’s prior service as a director, and the needs of the Board for any particular talents and experience. If a director no longer wants to continue in service, the Nominating Committee decides not to re-nominate the director, or if a vacancy is created on the Board because of a resignation or an increase in the size of the Board or other event, then the Nominating Committee considers various candidates for Board membership, including those suggested by the Nominating Committee members, by other Board members, by any director search firm engaged by the Nominating Committee and by our stockholders.

The Director Nomination Policy adopted by the Nominating Committee and our Bylaws set forth the process for nomination of directors by stockholders. A stockholder who wishes to recommend a prospective nominee to the Board for consideration by the Nominating Committee should notify our Corporate Secretary in writing at our principal office. Such notice must be delivered to our office by the deadline set forth in our Bylaws. Each notice must include the information about the stockholder and the prospective nominee, which must be updated as necessary, as would be required if the stockholder were nominating a person to the Board under our Bylaws, including the following information:

- the name and address of the stockholder;
- the shares of PotlatchDeltic common stock owned by the stockholder or the prospective nominee, and a description of any derivative or short positions or similar hedging transactions with respect to PotlatchDeltic's common stock held by the stockholder;
- a description of any arrangements to which the stockholder is a party with respect to the nomination of the prospective nominee;
- the name, age, business address and residence address of the prospective nominee;
- the principal occupation of the prospective nominee;
- a statement whether the prospective nominee, if elected, intends to tender an irrevocable resignation effective upon (i) his or her failure to receive the required vote for re-election and (ii) acceptance of such resignation by the Board;
- a description of all compensation and other relationships during the past three years between the stockholder and the prospective nominee;
- any other information relating to the prospective nominee or stockholder required to be disclosed pursuant to Section 14 of the Securities and Exchange Act of 1934, as amended, or Exchange Act; and
- the prospective nominee's written consent to serve as a director if elected.

The company may require any prospective nominee recommended by a stockholder to furnish such other information as may reasonably be required by the company to determine the eligibility of such person to serve as an independent director or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such person.

The foregoing is only a summary of the detailed requirements set forth in our Director Nomination Policy and Bylaws regarding director nominations by stockholders. Copies of our Director Nomination Policy and Bylaws are available for downloading or printing by going to our public web site at www.potlatchdeltic.com, and selecting "Investor Resources," and then "Corporate Governance."

Director Independence

The role of our Board is to oversee and provide policy guidance on our business and affairs. The Board believes that it will best serve our stockholders if the majority of its members are independent. As of March 15, 2018, all but two of our Board members are outside (non-employee) directors. Our remaining members are Michael J. Covey, who serves as our Chairman and Chief Executive Officer, and Eric J. Cremers, who serves as our President and Chief Operating Officer.

With the exception of Mr. Covey and Mr. Cremers, the Board has determined that all of our directors are independent within the meaning of applicable Nasdaq corporate governance listing rules and our Director Independence Policy, a copy of which is available for downloading or printing by going to our public website at www.potlatchdeltic.com, and selecting "Investor Resources," and then "Corporate Governance." Each of the following committees is composed entirely of independent directors: the Audit Committee, the Nominating and Corporate Governance Committee, and the Executive Compensation and Personnel Policies Committee.

Board Leadership Structure

Mr. Covey is our Chief Executive Officer, and also serves as Chairman of our Board. John S. Moody is the Lead Director and Vice Chair of our Board and acts as lead independent director of the independent Board members. The Board has structured the role of our lead independent director to strike an appropriate balance to the combined chairman and chief executive officer role and to fulfill the important requirements of independent leadership on the Board. The lead independent director’s principal responsibility is to contribute to the independence of the Board in the discharge of its responsibilities including risk oversight. As lead independent director, Mr. Moody:

- presides at all meetings of the Board at which the Chairman is not present;
- presides at executive sessions of the independent directors;
- may call special meetings of the Board;
- consults with the Chairman in the development of meeting agendas;
- acts as a facilitator in effectively communicating director concerns, agenda items and issues to management;
- coordinates communications between the independent directors and stockholders and other interested parties;
- works with the Chairman of the Board and the Committee Chairs in developing and monitoring the Board’s overall approach to governance issues; and
- coordinates the annual performance evaluation of the Board.

Our Board has determined that the leadership structure of the Board, in particular having Mr. Covey serve as the Chairman and Mr. Moody serve as the lead independent director, is appropriate and in the best interests of the company because it allows the Board’s meeting agendas to be established, in consultation with a lead independent director, by an individual with a deep understanding of our business and operations. Given the size of the Board and the scope of our business, Mr. Covey’s insight into our business relative to his role as Chairman enables him to facilitate the Board’s oversight role, while Mr. Moody’s participation in the agenda setting process, together with his presiding over executive sessions, contributes to the independence of the Board in the discharge of its responsibilities.

At each of its in-person meetings and, as necessary, telephonic meetings, the Board meets in executive session without members of management present. Each committee of the Board, except for the Finance Committee, also schedules an executive session without members of management present for every in-person meeting and, as necessary, at telephonic meetings.

Risk Oversight

Our company has an enterprise risk management program overseen by senior management. The Board oversees the company’s business, the risks associated with its business and the steps that senior management is taking to manage and mitigate those risks. This oversight is supported by the Board’s leadership structure which provides for oversight of strategic risks by the full Board under the leadership of the Chairman and the lead independent director, and oversight and evaluation of discrete risks in committees.

Each year, the Board of Directors receives a report on risk management, including management’s assessment of risk exposures (including risks related to liquidity, credit, operations and regulatory compliance, among others), and the processes in place to monitor and control such exposures. The Board may also receive updates between meetings from the Chairman and Chief Executive Officer relating to risk oversight matters. The Audit Committee, composed entirely of independent directors, also reports periodically to the Board on risk management matters related to financial reporting, and legal and regulatory compliance. In accordance with Nasdaq requirements and pursuant to its charter, the Audit Committee provides oversight on matters relating to accounting, financial reporting, internal controls, auditing, and legal and regulatory compliance activities, including monitoring our compliance with the tax and other rules pertaining to REITs, and other matters as the Board deems appropriate. In carrying out its responsibilities, the Audit Committee oversees the appointment or replacement and compensation of personnel involved in the internal audit function to provide ongoing assessments of the company's risk management processes and system of internal controls. The Internal Audit Director reports to the Audit Committee. The Audit Committee reviews with the Internal Audit Director the scope and plan of the work to be done by the internal audit function and the results of such work.

The Audit Committee also:

- establishes procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;
- establishes procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- discusses with the company's General Counsel any significant legal, compliance or regulatory matters that may have a material effect on the company's financial statements or the company's business or compliance policies, including material notices to, or inquiries received from, governmental agencies;
- discusses the company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including discussing the guidelines and policies to govern the process by which management assesses and manages the company's exposure to financial risk; and
- reviews with the Board any issues that arise with respect to the quality or integrity of the company's financial statements, the company's compliance with legal or regulatory requirements, the performance and independence of the company's independent auditors, or the performance of the internal audit function.

The Audit Committee meets at least quarterly with the Internal Audit Director and other members of management.

The Executive Compensation and Personnel Policies Committee periodically reviews risks associated with our executive compensation program. See "Compensation Discussion and Analysis – Risk Assessment." Based upon a comprehensive review of the company's executive compensation program by the Executive Compensation and Personnel Policies Committee's independent compensation consultant, see "Compensation Discussion and Analysis – Compensation Consultants," and the assessment of the company's compensation programs for all employees by management, which is shared with the Committee, management does not believe that the risks arising from our compensation policies and practices are reasonably likely to have a material adverse effect on our company.

Transactions with Related Persons

Securities laws require us to disclose certain business transactions that are considered related person transactions. In order to comply with these requirements, our Audit Committee has adopted a Related Person Transactions Policy that applies to any director or executive officer of the company, any nominee for director, any beneficial owner of more than 5% of our voting stock, any immediate family member of any of the foregoing persons, and any entity that employs any of the foregoing persons, or in which any of the foregoing persons is a general partner, principal or 10% or greater beneficial owner. Transactions covered by this policy are those in which (a) we or any of our subsidiaries participate, (b) the amount involved exceeds $120,000, and (c) any related person had, has or will have a direct or indirect material interest, as defined in the policy.

Any proposed related person transaction is reviewed by our Audit Committee at its next regularly scheduled meeting, unless our Corporate Secretary determines that it is not practicable or desirable to wait until the next scheduled meeting for review of a particular transaction, in which case the Chair of the Audit Committee has the authority to review and consider the proposed transaction. Only those transactions determined to be fair and in our best interests are approved, after taking into account all factors deemed relevant by the Audit Committee, or its Chair, as the case may be. If the Chair approves any related person transaction, then that approval is reported to the Audit Committee at its next regularly scheduled meeting. The entire Related Persons Transaction Policy can be viewed by going to our public web site at www.potlatchdeltic.com, and selecting "Investor Resources," then "Corporate Governance."

There were no transactions with related persons in 2017 that required disclosure in this proxy statement or that required approval by the Audit Committee pursuant to the policy described above.

Mr. Pierson is the spouse of a first cousin of Rev. Keller.

Board Meetings

During 2017, our Board met seven times. None of our directors attended less than 75% of all meetings of the Board and Committees on which such director served that were held while the director was a member of the Board. The Board does not

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have a policy requiring director attendance at annual meetings of the stockholders. Two of our directors attended the 2017 Annual Meeting of Stockholders.

Committees of the Board

Our Board currently has four standing committees, as described below. The current charters of each of these committees are available on our public web site at www.potlatchdeltic.com, by selecting "Investor Resources," and then "Corporate Governance."

The following table shows the membership of each Committee as of March 15, 2018:

Name	Audit Committee	Executive Compensation and Personnel Policies Committee	Finance Committee	Nominating and Corporate Governance Committee
Linda M. Breard	X (Chair)			
Michael J. Covey			X	
Eric J. Cremers			X	
William L. Driscoll			X	X (Chair)
Charles S. Grenier	X	X	X	
John S. Moody		X	X	X
Lawrence S. Peiros	X	X (Chair)		X
Gregory L. Quesnel	X	X	X(Chair)	X

Directors D. Mark Leland, Lenore M. Sullivan, Reverend Christoph Keller and R. Hunter Pierson were appointed to the Board effective February 20, 2018 in connection with the Deltic merger and as of March 15, 2018 do not serve on any committees.

Audit Committee

Our Audit Committee is responsible for assisting the Board in its oversight of our accounting, financial reporting, internal controls, auditing, legal and regulatory compliance activities, including monitoring our compliance with the tax and other rules pertaining to REITs, and other matters as the Board deems appropriate. In accordance with Nasdaq requirements and pursuant to its charter, the Audit Committee also provides risk oversight as described above under the heading "Risk Oversight." The Audit Committee has sole authority to retain, compensate and terminate our independent registered public accounting firm and our Internal Audit Director. In addition, the Audit Committee oversees and administers our Related Person Transactions Policy described above under the heading "Transactions with Related Persons." The Committee has appointed KPMG LLP as our independent registered public accounting firm and pre-approves its audit fees and non-audit services and fees in accordance with criteria adopted by the Committee.

Our Board has determined that all members of our Audit Committee are independent within the meaning of applicable Nasdaq listing rules and our Director Independence Policy, and that all members are “financially literate.” The Board also has determined that Committee Chair Linda M. Breard is an “audit committee financial expert” as defined by Securities and Exchange Commission (SEC) rules.

Our Audit Committee met eight times in 2017. See “Audit Committee Report” in this proxy statement for a description of the Committee’s activities during 2017.

Executive Compensation and Personnel Policies Committee

Our Executive Compensation and Personnel Policies Committee, or Compensation Committee, oversees our executive compensation and benefits programs and general personnel policies and practices for our executives. See "Compensation Discussion and Analysis" for a discussion of the Committee's role in setting executive compensation and the role of compensation consultants. The Compensation Committee also helps determine our management succession planning and annually reviews the performance of our Chief Executive Officer. In addition, the Compensation Committee reviews the “Compensation Discussion and Analysis” contained in this proxy statement and recommends its inclusion in the proxy statement to the full Board for approval. Our Board has determined that all members of our Compensation Committee are independent within the meaning of applicable Nasdaq listing rules and our Director Independence Policy. Our Executive Compensation and Personnel Policies Committee met four times in 2017.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee, or Nominating Committee, is responsible for identifying, evaluating, recruiting and recommending to the Board nominees for election as directors, as described under the heading "Nominees for Director," and for developing and recommending to the Board corporate governance principles and related policies. It also oversees our compensation and benefits paid to our directors. The Board has determined that all members of our Nominating Committee are independent within the meaning of applicable Nasdaq listing rules and our Director Independence Policy. Our Nominating Committee met four times in 2017.

Finance Committee

Our Finance Committee reviews and makes recommendations to the Board with respect to financings and other financial matters, reviews and approves the company's use of uncleared interest rate and commodity swaps and acts based on the Board's delegation of authority with respect to specific financing transactions. The Committee consists of six directors - four independent directors and our Chairman, Michael J. Covey, who is the Chief Executive Officer of the company and Eric J. Cremers, President and Chief Operating Officer of the company. Our Finance Committee met twice in 2017.

Compensation Committee Interlocks and Insider Participation

Lawrence S. Peiros, Gregory L. Quesnel, John S. Moody and Charles P. Grenier served as members of our Compensation Committee during 2017. None of the members of the Compensation Committee is or has ever been an officer or employee of the company or its subsidiaries. During 2017, none of the members of the Compensation Committee was an executive officer of a business entity for which an executive officer of the company served as a member of the compensation committee or as a director.

Communications with Directors

Stockholders may contact our non-management directors by email or by regular mail, as follows:

Email:	non-managementdirectors@potlatchdeltic.com
Mail:	Lead Director or Non-Management Directors
	c/o Corporate Secretary
	PotlatchDeltic Corporation
	601 West First Ave., Suite 1600
	Spokane, WA 99201

All communications received will be processed by our Corporate Secretary. We forward all communications to the intended non-management director or directors. The lead independent director of the Board of Directors is responsible for facilitating an appropriate response. These procedures can also be viewed by going to our public web site at www.potlatchdeltic.com, and selecting "Investor Resources," then "Corporate Governance," and then "Board of Directors."

Our Audit Committee has established procedures to address complaints and concerns about our accounting, internal controls and auditing matters for two different groups: (a) employees, who receive confidential and anonymous treatment, and (b) third parties (such as competitors, vendors and customers), who are not entitled to confidential and anonymous treatment. All complaints and concerns are directed through an independent, third-party hotline provider and are routed directly to the Chair of the Audit Committee. The procedures and hotline numbers are available by going to our public web site at www.potlatchdeltic.com, and selecting “About Us,” and then “Hotlines.”

COMPENSATION OF NON-EMPLOYEE DIRECTORS

Our Nominating Committee reviews and makes recommendations to our Board regarding non-employee director compensation. Our philosophy regarding directors' compensation is to provide our directors a fair compensation package that is tied to the services they perform and is comparable to director compensation levels of companies of our size. Our key objectives are to recruit and retain the best directors that we can and to align our directors' interests with those of our stockholders.

The Nominating Committee has retained Semler Brossy Consulting Group, LLC (Semler Brossy) to advise the Committee on director compensation. At the direction of the Nominating Committee, Semler Brossy analyzed the competitive position of the company's director compensation program against companies of comparable size to our company, using data from a 2016/2017 study by the National Association of Corporate Directors. The consultant's analysis concluded that our company's director pay levels were generally on a par with companies of similar size. The consultant recommended an increase in the retainer fees and changes to the directors’ equity compensation program. The Board approved the recommendations of the Nominating Committee's consultant.

The following table sets forth certain information with respect to 2017 compensation for each of the company's non-employee directors.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)(4)	All Other Compensation ($)(3)	Total ($)(5)
Linda M. Breard	77,000	25,000	158	102,158
Boh A. Dickey	—	1,160,991	—	1,160,991
William L. Driscoll	62,500(6)	25,000	158	117,658
Charles P. Grenier	72,000	25,000	158	97,158
John S. Moody	85,000	25,000	158	140,158
Lawrence S. Peiros	84,500	25,000	158	139,658
Gregory L. Quesnel	82,000	25,000	158	107,158

(1) Represents annual retainer fees, as well as any amounts earned for service as Lead Director or Committee Chair.

(2) This column shows the aggregate grant date fair value, computed in accordance with FASB Topic 718 of stock units granted in 2017. In accordance with FASB Topic 718, the grant date fair value reported for all stock units was computed by multiplying the number of stock units by the closing price of our stock on the grant date. As of December 31, 2017, Ms. Breard had 4,262 stock units, Mr. Driscoll had 38,391 stock units, Mr. Grenier had 7,894 stock units, Mr. Moody had 27,312 stock units, Mr. Peiros had 32,296 and Mr. Quesnel had 30,654 stock units. The aggregate number for each director includes stock units that have been credited to the director over the years for service as a director and stock units credited as a result of reinvestment of dividend equivalents.

(3) Consists of premiums paid for accidental death and dismemberment insurance.

(4) Mr. Dickey retired from our Board of Directors on December 31, 2016 and pursuant to our Deferred Compensation Plan for Directors II, or Directors Plan, Mr. Dickey received shares of company common stock in January, 2017 equal to the number of stock units he had as of December 31, 2016 in settlement of his stock awards under the

Directors Plan.

(5) Four current directors, D. Mark Leland, Lenore M. Sullivan, Reverend Christoph Keller and R. Hunter Pierson, were appointed to the board effective February 20, 2018 in connection with the Deltic Merger and, accordingly, did not receive director compensation from the company in 2017.

(6) The amounts shown include fees deferred in 2017 pursuant to our Directors Plan. Mr. Driscoll elected to defer his fees into stock units and we credited 1,275 stock units to Mr. Driscoll's account for fees deferred in 2017. Such amounts were determined separately for each fee payment and quarterly pro-rata payments of the director's annual retainer fee and supplemental retainer fees, by dividing the fee amount due by the appropriate per share closing stock price pursuant to the plan.

During 2017, two of our directors, Michael J. Covey and Eric J. Cremers were also employees of the company. As a result, Mr. Covey, Chairman and Chief Executive Officer, and Mr. Cremers, President and Chief Operating Officer, did not receive compensation for their services as directors during 2017. For compensation received by Mr. Covey and Mr. Cremers as named executive officers of the company please see “Executive Compensation Tables-2017 Compensation- 2017 Summary Compensation Table.”

Retainer and Fees. Our non-employee directors were paid at the following rates:

Annual Retainer Fee	$50,000
Supplemental annual retainer fee for Lead Director	$20,000
Supplemental annual retainer fee for Audit Committee Member	$12,000
Supplemental annual retainer fee for Audit Committee Chair	$15,000
Supplemental annual retainer fee for Exec. Comp. & Personnel Policies Committee Member	$7,500
Supplemental annual retainer fee for Exec. Comp. & Personnel Policies Committee Chair	$10,000
Supplemental annual retainer fee for Nominating and Corp. Governance Committee Member	$5,000
Supplemental annual retainer fee for Nominating and Corp. Governance Committee Chair	$5,000
Supplemental annual retainer fee for Finance Committee Member	$2,500
Supplemental annual retainer fee for Finance Committee Chair	$5,000

For 2017 the annual retainer fee was increased from $40,000 to $50,000. During 2017, we paid our non-employee directors, or deferred on their behalf, an aggregate total of $463,000 in fees. Directors may defer receiving all or any portion of their fees under the terms of our Directors Plan. When a director elects to defer fees, he or she elects to have those fees converted into common stock units or, if not converted, then credited with annual interest at 120% of the applicable long-term federal rate, with quarterly compounding. The common stock units are credited with amounts in common stock units equal in value to the distributions that are paid on the same amount of common stock. During 2017, we also reimbursed directors for their reasonable out-of-pocket expenses for attending Board and committee meetings and educational seminars and conferences in accordance with our Director Education Program.

Long-Term Incentive Awards. In December 2017, each of the non-employee directors serving after December 31, 2017 was granted an award, consisting of a credit to an account established on behalf of each non-employee director under the Directors Plan in the amount of $25,000, decreased from $65,000 in 2016, for an aggregate amount of $150,000. Under the terms of the award, 484 common stock units were credited to each director's account based on the price of the common stock on the date of the grant. These common stock units are then credited with amounts in common stock units equal in value to the distributions that are paid on the same amount of common stock. Upon separation from service as a director, the director will receive shares of company common stock equal to the number of common stock units held by the director in his or her deferred account. At the Board’s annual meeting in May 7, 2018, directors will receive restricted stock units with an aggregate value of $75,000 which vest on the one-year anniversary of the grant unless the director ceases to serve on the Board for any reason.

Other Benefits. We provide coverage for directors under our Director and Officer Liability Insurance Policy and Accidental Death and Dismemberment Insurance Policy. Directors may, at their own expense, purchase coverage for their spouses under the Accidental Death and Dismemberment Insurance Policy. Directors are eligible to participate in our Matching Gifts to Education Program, available to all company employees, which matches contributions of up to $1,500 per year to eligible educational institutions. We made no donations on behalf of any of our directors to organizations with which any director was affiliated as an executive officer or director in excess of the amounts matched by us under this program.

Director Stock Ownership Guidelines. In order to promote and increase equity ownership by our directors and to further align their interests with those of our stockholders, the Board has adopted stock ownership guidelines that require each non-employee director to own beneficially company shares with a value of at least $250,000 including common stock units granted under the Directors Plan, by the fifth anniversary of his or her election as a director. As of December 31, 2017, all non-employee directors met the guidelines on an incremental basis.

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SECURITY OWNERSHIP

Security Ownership of More than 5% Stockholders

This table shows the number of shares beneficially owned as of December 31, 2017, by each owner of more than 5% of our common stock. The number of shares reported is based on data provided to us by the beneficial owners of the shares. The percentage ownership data is based on 40,611,991 shares of our common stock outstanding as of December 31, 2017. Under SEC rules, beneficial ownership includes shares over which the indicated beneficial owner exercises voting or investment power. Except as noted, each owner has sole voting and investment power over the shares shown in this table.

	Number of Shares Beneficially Owned (#)	Right to Acquire (#)	Total Shares Beneficially Owned (#)	Percent of Class (%)
Stockholders Owning More than 5%				
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	5,067,179	n/a	5,067,179	12.5
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	3,579,221(2)	n/a	3,579,221	8.8
Renaissance Technologies, LLC 800 Third Avenue New York, New York 10022	2,113,953(3)	n/a	2,113,953	5.2
FMR LLC 245 Summer Street Boston, MA 02210	2,153,640(4)	n/a	2,153,640	5.3

(1) Based upon the Schedule 13G/A filed with the SEC on January 19, 2018 by BlackRock, Inc. as a parent holding company/control person of the following affiliates: BlackRock (Netherland) B.V., BlackRock Advisors, LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Asset Management Schweiz AG, BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., BlackRock Investment Management (Australia) Limited, Blackrock Investment Management (UK) Ltd., BlackRock International Limited, BlackRock (Luxembourg) S.A. and BlackRock Investment Management, LLC. BlackRock, Inc., has sole voting power over 4,974,847 shares and sole dispositive power over 5,067,179.

(2)

Based upon the Schedule 13G/A filed with the SEC on February 12, 2018 by The Vanguard Group. The Vanguard Group has sole voting power over 78,440 shares, shared voting power over 6,400 shares, sole dispositive power over 3,497,094 shares and shared dispositive power over 82,127 shares.

(3) Based upon the Schedule 13G/A filed with the SEC on February 14, 2018 by Renaissance Technologies, LLC. Renaissance Technologies, LLC has sole voting power over 2,018,266 shares and sole dispositive power over 2,052,965, and shared dispositive power over 60,988 shares.

(4) Based upon the Schedule 13G/A filed with the SEC on February 13, 2018 by FMR LLC. FMR LLC has sole voting power over 470,232 shares and sole dispositive power over 2,153,640 shares.

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Security Ownership of Directors and Executive Officers

This table shows the number of shares beneficially owned as of March 1, 2018, by each of our directors, each executive officer for whom compensation is reported in this proxy statement, and all directors and executive officers as a group. The number of shares reported is based on data provided to us by the beneficial owners of the shares. The percentage ownership data is based on 62,791,978 shares of our common stock outstanding as of March 1, 2018. Under SEC rules, beneficial ownership includes shares over which the indicated beneficial owner exercises voting or investment power. Except as noted, and subject to applicable community property laws, each owner has sole voting and investment power over the shares shown in this table.

Directors and Named Executive Officers	Number of Shares Beneficially Owned (#)	Right to Acquire (1)	Total Shares Beneficially Owned (#)	Percent of Class (%)	Common Stock Units (#)(2)
Linda M. Breard	—	—	—	*	4,297
Michael J. Covey	161,116(3)	66,861	227,977	*	30,030
Eric J. Cremers	79,849	—	79,849	*	—
William L. Driscoll	238,802(4)	—	238,802	*	39,007
Charles P. Grenier	2,000	—	2,000	*	7,957
Christoph Keller, III	420,376(5)		420,376	*	—
John S. Moody	—	—	—	*	27,531
D. Mark Leland	7,941		7,941	*	—
Lawrence S. Peiros	8,750(6)	—	8,750	*	32,554
R. Hunter Pierson	707,890(7)	—	707,890	1	—
Gregory L. Quesnel	2,888(8)	—	2,888	*	30,900
Jerald W. Richards	24,925(9)	—	24,925	*	—
Lorrie D. Scott	24,566(10)	—	24,566	*	—
Lenore M. Sullivan	7,036	—	7,036	*	—
Thomas J. Temple	41,754(11)	—	41,754	*	—
Directors and Executive Officers as a group (20 persons)	1,727,893(12)	66,861	1,794,754	3	172,276

*Less than 1%

(1) Amounts for Mr. Covey represent shares of common stock issuable under restricted stock units that are currently vested, have been deferred and will be paid out to Mr. Covey upon his separation from the company.

(2) Represents common stock units as of March 1, 2018. These stock units are not actual shares of common stock and have no voting power. In the case of our directors, these stock units are credited, along with accrued dividend equivalents, on a one-for-one basis with our common stock pursuant to our Director Plan (see “Compensation of Non-Employee Directors”). The units represent deferred director's fees for Mr. Driscoll and Mr. Peiros, and annual stock unit awards granted in December 2004-2017 to all outside directors. For Mr. Covey the units represent deferred annual incentive plan award payments. Mr. Covey's units are converted into cash and paid according to an election Mr. Covey made prior to deferring fees or incentives. Mr. Driscoll's and Mr. Peiros’ units representing

deferred director fees will be paid in shares of company common stock according to the elections made by Mr. Driscoll and Mr. Peiros, respectively, prior to deferring fees. The annual deferred awards granted to the outside (non-employee) directors are paid in shares of company common stock upon separation from service as a director.

(3) Comprised of the following: (i) 61,996 shares held directly by Mr. Covey; (ii) 98,939 shares of common stock held in a trust, of which Mr. Covey has sole voting and investment power; and (iii) 181 shares of common stock held for Mr. Covey's individual account under our 401(k) employee savings plan.

(4) Includes 58,725 shares held directly by Mr. Driscoll, 127,477 shares held by trusts of which Mr. Driscoll is a trustee and shares voting power, 34,710 shares held by trusts of which Mr. Driscoll is a trustee and shares voting and investment power. Also includes 4,900 shares held by a limited liability company of which Mr. Driscoll is manager with both voting and dispositive powers. Mr. Driscoll disclaims beneficial ownership of all shares except those held directly by him. Mr. Driscoll has the power to substitute other assets for 12,990 PotlatchDeltic Corporation shares in a trust that he has created over which he currently has no voting or investment power.

(5) Includes 105,173 shares held directly by Reverend Keller, 115,164 shares held by trusts under which Reverend Keller is a beneficiary, and as to 30,380 shares, also the trustee, and 200,039 shares held by family trusts for which Reverend Keller is trustee or co-trustee and as to which Reverend Keller disclaims beneficial ownership.
(6) These shares are held in a trust under which Mr. Peiros shares voting and investment power with his spouse.
(7) Includes 78,945 shares held directly by Mr. Pierson, 193,415 shares directly owned by Mr. Pierson’s spouse as beneficiary of trust(s), and 435,529 shares over which Mr. Pierson’s spouse is a trustee for others and/or are owned by a corporation or other organization of which Mr. Pierson’s spouse is an officer, director, partner or member and has sole or shared investment power. Mr. Pierson disclaims beneficial ownership of all shares except those held directly by him.
(8) These shares are held in a trust under which Mr. Quesnel shares voting and investment power with his spouse.
(9) Includes 4,163 shares of common stock held for Mr. Richard's individual account under our 401(k) employee savings plan.
(10) Includes 6,999 shares of common stock held for Ms. Scott's individual account under our 401(k) employee savings plan.
(11) Includes 3,627 shares of common stock held for Mr. Temple's individual account under our 401(k) employee savings plan.
(12) Includes an aggregate of 24,424 shares of common stock held for the executive officers' benefit under our 401(k) employee savings plan.

Section 16(a) Beneficial Ownership Reporting Compliance

Under U.S. securities laws, directors, certain executive officers and any person holding more than 10% of our common stock must report their initial ownership of the common stock and any changes in that ownership to the SEC. The SEC has designated specific due dates for these reports and we must identify in this proxy statement those persons who did not file these reports when due. Based solely on our review of copies of the reports filed with the SEC and written representations of our directors and executive officers, we believe all persons subject to reporting filed the required reports on time in 2017.

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors is composed of four outside (non-employee) directors, all of whom meet Nasdaq listing standards for audit committee independence. The Audit Committee is an “audit committee” for purposes of Section 3(a)(58) of the Securities Exchange Act of 1934. The Committee’s charter is reviewed periodically by the Audit Committee, which recommends appropriate changes to the Board of Directors.

The Committee is responsible for providing oversight on matters relating to PotlatchDeltic’s accounting, financial reporting, internal controls, auditing, legal and regulatory compliance and financial risk management. In performing its functions, the Committee acts only in an oversight capacity and necessarily relies on the work and assurances of management, which has the primary responsibility for financial statements and reports, and the reports of the independent registered public accounting firm, who, in its reports, expresses an opinion on the conformity of the company’s annual financial statements to generally accepted accounting principles in the United States and an opinion on the effectiveness of internal control over financial reporting. During fiscal year 2017, the Committee met eight times.

In connection with the audit process, the Committee has received from our independent registered public accounting firm, KPMG LLP, or KPMG, the written disclosures and the letter required by the Public Company Accounting Oversight Board (PCAOB) regarding KPMG’s communications with the Audit Committee concerning independence, and has discussed with KPMG its independence. The Committee also discussed the quality and adequacy of the company’s internal controls with management, the Internal Audit Director and the independent registered public accounting firm. The Committee reviewed with KPMG and the Internal Audit Director their respective audit plans, audit scope and identification of audit risks, and reviewed and discussed the results of the internal audit examinations with the Internal Audit Director.

The Committee reviewed and discussed the audited consolidated financial statements for the fiscal year ended December 31, 2017, with management and with KPMG outside the presence of management. The Committee also discussed with KPMG the matters required to be discussed by PCAOB Auditing Standard No. 1301, "Communications with Audit Committees."

Based on these reviews and discussions with management, KPMG and the Internal Audit Director, the Committee recommended to the Board that the company’s audited consolidated financial statements be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2017, for filing with the Securities and Exchange Commission.

The Audit Committee Members

Linda M. Breard (Chair)
Charles P. Grenier
Lawrence S. Peiros
Gregory L. Quesnel

Fees Paid to Independent Registered Public Accounting Firm in 2017 and 2016

The Audit Committee has considered and determined that the services provided by KPMG in fiscal year 2017 are compatible with the auditor independence requirements. The following table shows fees for professional services rendered by KPMG for audit services for the years ended December 31, 2017 and 2016, and fees billed for other services rendered by KPMG during each of these years.

Year	Audit Fees ($)(1)	Audit-Related Fees ($)(2)	Tax Fees ($)(3)	All Other Fees ($)
2017	925,725	—	—	—
2016	694,600	46,150	106,461	—

(1) Audit Fees represent fees for the audit of our annual financial statements, the audit of our internal control over financial reporting and reviews of the quarterly financial statements.

(2) Audit related fees were for services rendered in connection with the refinancing of $65.7 million of revenue bonds.

(3) Tax fees relate to assisting management with performing a study for research and development tax credits.

The Audit Committee is required to pre-approve the audit, audit related, tax and all other services provided by our independent registered public accounting firm in order to assure that the provision of such services does not impair the auditor's independence. The Audit Committee pre-approved all such services in 2017 and concluded that such services performed by KPMG LLP were compatible with the maintenance of their independence in the performance of its auditing functions. The Audit Committee Policy for Pre-Approval of Independent Auditor Services and Fees provides for pre-approval of audit, audit-related, tax and other services specifically described by the Policy on an annual basis. A copy of the Policy can be found on our public web site by going to www.potlatchdeltic.com, and selecting "Investor Resources," then "Corporate Governance," and then "Audit Committee Pre-Approval Policy." Under the terms of the Policy, unless a type of service to be provided by the independent registered public accounting firm has received general pre-approval, it will require specific pre-approval by the Audit Committee. In addition, any proposed services anticipated to exceed pre-approved cost levels must be separately approved. The Policy authorizes the Audit Committee to delegate to one or more of its members pre-approval authority with respect to permitted services. The member or members to whom such authority has been delegated must report any pre-approval decisions to our Audit Committee at its next scheduled meeting.

PROPOSAL 2 – RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT AUDITORS FOR 2018

We recommend a vote FOR this proposal.

KPMG LLP, a registered public accounting firm, currently serves as our independent registered public accounting firm and has conducted the audit of our consolidated financial statements and internal control over financial reporting for fiscal year 2017. A summary of the fees paid by us to KPMG in connection with its audits for 2017 and 2016 can be found in the section titled, "Fees Paid to Independent Registered Public Accounting Firm in 2017 and 2016" in this proxy statement.

Based upon its review of KPMG's qualifications, independence and performance, the Audit Committee of the Board of Directors has appointed KPMG to serve as our independent registered public accounting firm for 2018.

The appointment of our independent registered public accounting firm is not required to be submitted for ratification by the stockholders. The listing standards of the Nasdaq Global Select Market provide that the Audit Committee is solely responsible for the appointment, compensation, evaluation and oversight of our independent registered public accounting firm. However, as a matter of good corporate governance, the Audit Committee is submitting its appointment of KPMG as independent registered public accounting firm for 2018 for ratification by the stockholders.

If the stockholders fail to ratify the appointment of KPMG, the Audit Committee may reconsider whether to retain KPMG, and may continue to retain that firm or appoint another firm without resubmitting the matter to the stockholders. Even if the stockholders ratify the appointment of KPMG, the Audit Committee may, in its discretion, appoint a different independent registered public accounting firm if it determines that such a change would be in the best interests of our company and our stockholders.

The affirmative vote of a majority of the common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the appointment of KPMG LLP as our independent auditors for 2018.

Representatives of KPMG are expected to attend the Annual Meeting, will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the compensation policies and decisions of the Executive Compensation and Personnel Policies Committee with respect to our senior executives, including the officers named in the Summary Compensation Table for 2017 (the "named executive officers"). For 2017 our named executive officers and the offices they held were:

- Michael J. Covey, Chairman and Chief Executive Officer
- Eric J. Cremers, President and Chief Operating Officer
- Jerald W. Richards, Vice President and Chief Financial Officer
- Lorrie D. Scott, Vice President, General Counsel and Corporate Secretary
- Thomas J. Temple, Vice President, Wood Products

Executive Summary

Summary of 2017 Results

2017 was a strong year for the company with strong lumber prices, record Idaho sawlog prices and solid execution by each of the company’s three business segments: Real Estate, Resource and Wood Products. We generated $86.5 million of net income or $103.6 million before special items, on revenues of $678.6 million. Our net cash from operations for the year was $162.7 million. In October 2017 we entered into an Agreement and Plan of Merger with Deltic Timber Corporation pursuant to which Deltic would merge into a wholly-owned subsidiary of Potlatch. We completed the merger on February 20, 2018. During 2017 our Resource segment harvested 4 million tons. Our sawmills set production records in 2017 and did so with some of the best safety performance that we have recorded. We lowered net debt almost $50 million, finished the year with $120 million of cash and successfully closed $22 million of bolt-on timberland acquisitions. We also returned $62 million to shareholders in 2017 in the form of dividends and we increased our dividend 7% in the fourth quarter of 2017.

A summary of the company's 2017 performance compared to the company’s financial performance targets is set forth below.

	Performance Metric	2017 Actual ($ in millions)	2017 Target ($ in millions)	% of Target
Company	FFO	134.1	86.6	155
Real Estate	EBITDDA	25.7	27.7	93
Resource	EBITDDA	126.6	94.7	134
Wood Products	EBITDDA	79.5	33.0	241

The company's total shareholder return (“TRS”) during the three-year period from 2015 to 2017 exceeded the median of the group of six forest products companies that we refer to as our “peer group” by over 2.0% and ranked 69.5% in the NAREIT All Equity REIT Index Companies. (See “2017 Long-Term Equity Incentive Awards – Peer Group” below).

Summary of Key 2017 Compensation Decisions

2017 Base Salary After considering company performance and competitive pay practices, the Committee approved base salary increases of 2.68% for Mr. Covey and 3.0% for Mr. Cremers, Mr. Richards and Ms. Scott, and 10.0% for Mr. Temple.

2017 Annual Incentive Award The company's FFO for 2017 was $134.1 million or 154.7% of the budgeted target of $86.6 million which resulted in a calculated multiplier of 3.0, which was capped at 2.0 in accordance with the company’s Annual Incentive Plan. See "2017 Annual Cash Incentive Awards" below.

2015-2017 Long-Term Equity Incentives The company's annualized TSR for the 2015-2017 performance period was 11.1%, which ranked the company approximately 2% above the median performance of the company's forest products industry peers during the performance period, and the company’s aggregate TSR for the 2015-2017 performance period was 37.2%, which ranked the company at 69.5% compared to the NAREIT All Equity REITS Index Companies, resulting in the vesting of 137.6% of the 2015-2017 Performance Shares awarded to participants under the company's long-term incentive program, including named executive officers, plus dividends credited pursuant to the terms of the award. See "2017 Long-Term Equity Incentive Awards - PotlatchDeltic Corporation TSR Comparison" below.

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Advisory Shareholder Vote Our stockholders approved the compensation of our named executive officers as described in our 2017 proxy statement with an approval rate of approximately 99%. See “2017 Stockholder Advisory Vote to approve Executive Compensation” below.

Summary of Executive Compensation Program and Practices

The Compensation Committee, working with company management, has adopted compensation policies and procedures that represent strong corporate governance, including the following:

- Independent Compensation Committee. The Compensation Committee is composed solely of independent directors within the meaning of Nasdaq listing rules relating to compensation committees.
- Independent Compensation Consultant. In 2017 the Compensation Committee was advised by Semler Brossy, an independent compensation consultant that provides no other services to the company and has no prior relationship with any of the named executive officers.
- Competitive Market Assessments. The Compensation Committee requests that its independent consultant conduct a review of the company's executive compensation program at least every two years to evaluate whether it is comparable to compensation programs of companies of similar size.
- Peer Group Review. The competitive market and the peer group of companies used for benchmarking company TSR is carefully reviewed annually by the Compensation Committee with input from its independent consultant. Changes to the peer group require Compensation Committee approval.
- Annual Stockholder Advisory Vote. The company seeks an annual stockholder advisory vote to approve executive compensation, the results of which are considered by the Compensation Committee in determining executive compensation.
- Compensation Risk Assessment. Company management completes a risk assessment of the company's executive compensation programs annually to evaluate whether they are designed and administered in a manner that discourages undue risk-taking by employees. The company's assessment is reviewed by the Compensation Committee.
- Double-Trigger Acceleration. A “double trigger” is required before severance benefits are paid and equity awards vest in connection with a change in control event.
- Limited Perquisites. The company does not provide perquisites or other personal benefits to officers or senior employees, such as aircraft for personal use, paid parking spaces, or company cars, with the exception of payment of premiums for accidental death and dismemberment insurance. The company's health care and other medical insurance programs and its salaried employee 401(k) Plan are the same for all salaried employees, including officers.
- Executive Stock Ownership Guidelines. The company has a robust stock ownership policy. The company's Chief Executive Officer and President and Chief Operating Officer are required to achieve minimum stock ownership that is five times their respective base salaries and the other named executive officers are required to achieve minimum stock ownership that is two times their respective base salaries.
- Clawback Policy. The company has an incentive compensation recovery policy to recover compensation earned as a result of fraudulent or illegal conduct.
- Hedging Policy. Under the company's insider trading policy, directors, officers and employees are prohibited from speculating in company securities or engaging in transactions designed to hedge their ownership interests.
- Pledging Policy. Under the company's insider trading policy, directors and executive officers are prohibited from pledging company securities as collateral except under limited circumstances and with approval by the Compensation Committee.

2017 Stockholder Advisory Vote to approve Executive Compensation

At our annual meeting of stockholders in May 2017, we held our annual stockholder advisory vote to approve the compensation of our named executive officers (say-on-pay). Our stockholders approved the compensation of our named executive officers as described in our 2017 proxy statement with an approval rate of approximately 99% (calculated based on the number of shares voted "For" this proposal divided by the number of shares voted "For" and "Against" this proposal). As we evaluated our compensation practices throughout 2017, we considered the strong support our stockholders expressed for our executive compensation program. As a result, the Compensation Committee decided to retain our general approach to executive compensation. In addition, when determining how often to hold a stockholder advisory to approve executive compensation, the Board took into account the strong preference for an annual vote expressed by our stockholders at our 2017 annual meeting. Accordingly, the Board determined that we will hold an annual advisory stockholder vote on the compensation of our named executive officers until the next say-on-pay frequency vote.

Compensation Consultants

Pursuant to its charter, the Compensation Committee has the sole authority to retain, terminate and approve the fees and other retention terms of compensation consultants and other advisers to assist it in its ongoing development and evaluation of company compensation policies and practices and the Committee's determination of compensation awards. For 2017, the Committee engaged Semler Brossy as its independent compensation consultant. The Compensation Committee's independent compensation consultant reports directly to the Committee and not to management. Semler Brossy is independent from our company, has not provided any services to our company other than to the Compensation Committee and Nominating Committee and receives compensation from our company only for services provided to the Committees. The Compensation Committee has assessed the independence of Semler Brossy pursuant to SEC rules and has concluded that Semler Brossy's work has not raised any conflict of interest. The Compensation Committee's independent compensation consultant:

- attends Committee meetings upon request;
- meets with the Committee without management present;
- provides third-party data, advice and expertise on proposed executive compensation and executive compensation plan designs;
- reviews briefing materials prepared by management and outside advisers to management and advises the Committee on the matters included in these materials, including the consistency of proposals with the Committee's compensation philosophy, risks inherent in proposals and comparisons to programs at other companies;
- prepares for the Committee at least every two years an assessment of the company's compensation programs, including positioning of the programs in the competitive market, to assist the Committee in its analysis of each component of each of our executive officers' compensation packages to assess the proper balance and competitiveness of the tools used to accomplish the objective of each compensation component;
- reviews drafts of the Compensation Discussion and Analysis; and
- advises the Nominating Committee on director compensation.

All of the decisions with respect to determining the amount and form of executive compensation under our compensation programs are ultimately made by the Compensation Committee and may reflect factors and considerations other than the information and advice provided by the Committee's independent compensation consultant.

The company has retained Mercer (U.S.) Inc. (Mercer) to advise company management on compensation plan design and performance measures for incentive compensation. In addition to advising company management on Health and Welfare benefits and compensation matters, Mercer provides investment advice to the company's investment committee that oversees pension investments. Mercer recommendations related to executive compensation are reviewed for the Committee by the Committee's independent compensation consultant.

Competitive Market Assessments

As part of determining compensation levels for named executive officers, the Committee reviews information regarding the median compensation paid by other companies of comparable size both in our industry and generally. At least every two years the Committee asks its independent compensation consultant to provide it with a market assessment that utilizes blended market data from the most relevant compensation surveys available. In its most recent review in December 2016, the consultant referenced the Forest Products Industry Compensation Association Survey for industry-specific market data and surveys from Mercer for general industry market data representing similarly-sized companies. The Committee also reviews compensation data from companies within our performance peer group (see "2017 Long-Term Equity Awards - Peer Group").

Competitive compensation survey data is gathered by the Committee's compensation consultant and analyzed to most closely reflect competitive pay levels for companies of comparable size and, where possible, similar business focus to our company.

Management Input

Each year, the company's Chief Executive Officer, President and Chief Operating Officer, and Vice President, Human Resources, recommend to the Compensation Committee changes to base salaries and target amounts for annual cash incentive awards and long-term equity incentive awards for each named executive officer, except the Chief Executive Officer. These recommendations are based on the principal duties and responsibilities of each executive officer, competitor pay levels within our industry, pay levels for comparable companies of similar size within regional and national markets, internal pay equity, and individual performance. In addition, each year our Vice President, Human Resources provides the Committee with a detailed review of the actual results of the company's corporate and operating divisions compared to the performance goals established at the beginning of the year under our annual incentive plan, and the resulting awards proposed to be made to the named executive officers. Our Chief Executive Officer and our President and Chief Operating Officer present evaluations of executives who report to them and make recommendations to the Committee regarding executive base salary and annual cash incentive compensation and long-term equity compensation for executive officers, and compensation packages for executives being hired or promoted. Our Chief Executive Officer and our President and Chief Operating Officer also recommend performance targets for the upcoming year for the Compensation Committee to consider.

The Compensation Committee determines any change to the base salary, annual cash bonus and equity awards for the Chief Executive Officer based upon its evaluation of the Chief Executive Officer's performance and advice from the Committee's independent compensation consultant.

Risk Assessment

Company management provides ongoing information to the Compensation Committee regarding aspects of our executive compensation program that could mitigate or encourage excessive risk-taking by company executives. In addition, the Committee periodically requests that its independent compensation consultant provide an assessment of the company's executive compensation program along with recommended modifications, if any. Among the attributes of our executive compensation program that management and the Committee take into consideration in assessing the risks arising from our compensation policies and procedures are:

- the balance between annual and long-term incentives;
- the existence of caps on annual and long-term incentive awards;
- the use of different metrics for annual and long-term incentive awards;
-

the use of rolling performance periods and laddered equity vesting to reduce pressure on any one performance period or vesting date;

- the ability of company management and the Committee to consider non-financial and other qualitative performance factors such as safety and environmental performance in determining actual compensation packages;
- stock ownership guidelines that are reasonable and align our executives' interests with those of our stockholders;
- the company's insider trading policy that prohibits employees from speculating in company securities or engaging in transactions designed to hedge their ownership interests; and
- the company's Incentive Compensation Recovery Policy.

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Compensation Objectives and Elements of Compensation

Compensation Philosophy and Objectives. Our compensation philosophy is to provide all of our executives a fair and competitive incentive-based compensation package that is tied to the performance of both the individual and the company. We also believe that a significant portion of total compensation for our senior executives should be at risk and dependent on the achievement of target levels of performance. In addition, we believe that in order to maintain fiscal discipline, incentive compensation should be subject to thresholds and caps. The key objectives of our compensation program are aimed at helping us to recruit, motivate and retain talented and experienced executives, ensure our incentive compensation is aligned with short-term and long-term company performance and to align our employees' interests with those of our stockholders.

Compensation Components. We balance our executives' compensation packages among three components:

- base salary;
- annual cash incentives; and
- long-term equity incentives.

Salaries are provided to employees as compensation for basic services to the company and to meet the objective of attracting and retaining the talent needed to run our business. Our annual cash incentives reward employees for helping us achieve annual financial targets, and our long-term equity incentives reward employees for helping us to perform at a level of total stockholder return that exceeds that of our peers and to achieve the company's overall long-term business objectives. We compensate executives with higher levels of responsibility with a higher proportion of at-risk incentive compensation and equity compensation, so their interests are closely aligned with those of our stockholders. Depending upon an executive officer's pay grade, approximately 55%-75%% of the officer's compensation is composed of a combination of annual cash incentive awards based on operational performance goals, and long-term equity incentive grants. Seventy-five percent of our 2017 long-term incentive awards to our named executive officers vest based on performance, which is measured based on achievement of relative TSR over a three-year period. See “Summary Comparison of 2017 Target and Actual Compensation” below for each named executive officer's specific compensation mix for 2017.

To ensure fiscal discipline, we set threshold performance levels so that no incentive awards are made if performance results fall below threshold levels, and we set caps on the aggregate amount of incentive compensation that we pay, regardless of actual performance results.

2017 Base Salary

As part of determining executive base salaries, the Compensation Committee reviews information regarding median base salaries for companies of comparable size, both in our industry and generally, and also considers the individual executive's job performance, long-term potential and tenure. Base salary ranges are established for each pay grade of salaried employees, including our Chief Executive Officer. We determine an executive's rate of pay within the salary range for his or her position based upon the executive's level of experience and performance relative to his or her individual written performance plan. Each executive's individual performance plan contains operational and financial objectives determined by the executive together with his or her supervisor. Our Chief Executive Officer's base salary is set by the Committee in its sole discretion after consultation with its independent compensation consultant and the Committee approves the base salaries of the other named executive officers after discussions with the Chief Executive Officer and President and Chief Operating Officer.

In 2017, the Compensation Committee approved base salary increases of 2.68% for Mr. Covey, and 3.0% for Mr. Cremers, Mr. Richards, Ms. Scott, and 10.0% for Mr. Temple based in part upon its review of competitive market data and, in the case of Mr. Temple, benchmarking of his compensation against his peers, based upon the December 2016 review by the committee's compensation consultant.

Name	Base Salary Increase (% Increase)	Base Salary 2017 ($)	Base Salary 2016 ($)
Michael J. Covey	2.68	842,000	820,000
Eric J. Cremers	3.00	562,760	546,370
Jerald W. Richards	3.00	365,790	355,140
Lorrie D. Scott	3.00	309,630	300,610
Thomas J. Temple	10.00	339,700	308,820

2017 Annual Cash Incentive Awards

Pursuant to the terms of the company's Annual Incentive Plan, each year the Compensation Committee establishes target annual bonuses for our executive officers as a percentage of base salary, corresponding to the pay grade of each officer's position, based in part on the recommendations of management and the Committee's independent compensation consultant after a review of the compensation practices of companies of comparable size both in our industry and generally. These targets are set forth below under "Summary Comparison of 2017 Target and Actual Compensation."

Annual bonuses are subject to adjustment based on corporate and operating division financial performance. At the beginning of each year the Committee, with input from our Chief Executive Officer and our President and Chief Operating Officer, approves a scale of modifiers for our executive officers based on a range of possible financial performance outcomes. At the end of the year, actual financial performance is compared to the Committee's pre-approved performance scale to determine the modifiers to apply to the target awards. Awards may be further adjusted based on the results of the individual employee's annual performance review, the operating division's performance, the company's overall performance or unusual, extraordinary or infrequently occurring items. The Committee also considers safety performance, environmental performance and other factors when approving awards. Under the Annual Incentive Plan, the Committee also has discretionary authority to reduce awards to executive officers to zero or increase awards to executive officers up to 200% of target.

In order to reflect both our REIT structure and our wood products operations, we used the following performance measures for purposes of the 2017 annual cash incentive awards:

- Funds from operations, or FFO, measured at the corporate level against a pre-defined target; and
- Earnings before interest, taxes, depreciation, depletion and amortization, or EBITDDA, measured at each operating division against pre-defined targets.

We define FFO as net income, plus depletion, depreciation and amortization, basis of real estate sold, and net, non-cash asset impairment and eliminations. The use of this measure is intended to focus eligible employees on generating profits by both increasing revenues and controlling costs. In addition, FFO is the primary measure used by the investment community to measure REIT performance. We believe that profitable growth reflected in our FFO and EBITDDA measures will drive stockholder value over time. Furthermore, the Committee believes that at the division level, measuring EBITDDA rather than FFO is a simpler approach and provides more transparency to employees, as the divisions do not make capital allocation decisions.

Pursuant to our Annual Incentive Plan, at the beginning of 2017, a target incentive pool value was calculated based on the sum of the target annual incentive amounts for each participant in the plan. Based upon the company's 2017 budget approved by our Board and on the input and recommendations of management, the Committee approved the following FFO performance scale and the corresponding incentive pool modifiers for 2017:

Performance Level	2017 FFO Performance (Versus 2016 FFO Budgeted Target)	Incentive Pool Multiplier (Multiple of Target Pool)
Threshold	80% of $86.6 million FFO Budget, or $69.3 million FFO	0.25 x Target Pool
Target	100% of $86.6 million FFO Budget	1.00 x Target Pool
Maximum	126.7% of $86.6 million FFO Budget,	2.00 x Target Pool

or $109.7 million FFO

The incentive pool multiplier for FFO performance proportionately increases or decreases between threshold and target levels and between target and maximum levels. The incentive pool is not funded for FFO performance below threshold level. The funding scale is determined each year with consideration to the ration of incentive dollars to FFO dollars above threshold and up to maximum.

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The company's actual 2017 FFO can be calculated from the audited consolidated statements of cash flows included in our 2017 Annual Report Form 10-K. At the end of 2017, the company's actual FFO was $134.1 million, or 154.7% of the budgeted target of $86.6 million, which resulted in a calculated incentive pool multiplier of 3.00, which was capped at 2.00 in accordance with our Annual Incentive Plan.

The overall funded incentive pool was allocated to create incentive pools for corporate and operating divisions based on the following:

- Corporate: corporate FFO performance, modified based on the achievement of measurable strategic objectives; and
- Operating Divisions: operating division EBITDDA performance (weighted 75%) and corporate FFO performance (weighted 25%).

The operating division allocation is based in part on corporate FFO performance to motivate a division to maximize its contribution to company FFO in the event that for reasons beyond the division’s control (e.g., a market downturn) division EBITDDA goals cannot be met. The Committee has discretion to adjust FFO and EBITDDA calculations for extraordinary items, as appropriate, and to reduce or increase awards.

The actual 2017 EBITDDA performance for each operating division relative to the target 2017 EBITDDA performance was as follows:

	Actual 2017 EBITDDA	Target 2017 EBITDDA	Percent of Target Achieved
Operating Division	($ in millions)(1)	($ in millions)	(%)
Real Estate	25.7	27.7	92.7
Resource	126.6	94.7	133.7
Wood Products	79.5	33.0	240.9

(1) Each of our operating division’s actual 2017 EBITDDA can be calculated from the amounts shown in Note 17 to the audited consolidated financial statements included in our 2017 Annual report on Form 10-K. Actual 2017 EBITDDA for each of the Resource and Wood Products divisions can be calculated by taking the division’s operating income and adding depreciation, depletion and amortization. Actual 2017 EBITDDA for the Real Estate division can be calculated by taking the division’s operating income and adding the basis of real estate sold before eliminations and adjustments plus depreciation.

Executive officer annual bonuses are also subjected to further limits on allowable bonus amounts. For the executive officers, the maximum annual bonus allowable is calculated based upon a bonus pool equal to 76.34% of annual net income for the year which is defined as net income for external financial reporting purposes as reflected in the company’s 2017 Annual Report on Form 10-K. The maximum annual bonus amount for each executive officer equals the lesser of an assigned percentage of this bonus pool and a maximum dollar amount. The executive officers will not receive any annual bonus payments unless the company has positive annual net income, and may not receive any annual bonus payments that exceed specified individual maximums.

Determination of 2017 Annual Incentive Award Payment. The Compensation Committee made awards from the applicable funded incentive pool to our named executive officers based on recommendations from the Chief Executive Officer and President and Chief Operating Officer, competitive data provided by independent compensation consultant and the results of individual performance reviews.

In determining the Chief Executive Officer's award, the Committee considered its evaluation of Mr. Covey's performance against his financial, operational and strategic goals of 2017. The Committee discussed this evaluation in executive session without Mr. Covey being present. The Committee noted that under Mr. Covey's leadership, the company successfully negotiated a merger with Deltic. The company's business segments exhibited strong performance including record lumber production in 2017 resulting in net income of $86.5 million compared to $47.6 million in 2016. The company had a year-end cash balance of $120 million, and a dividend increase of 7% in the fourth quarter and accomplished these results with strong safety and environmental performance.

The recommendations of the Chief Executive Officer and the President and Chief Operating Officer to the Committee concerning the payment of awards for each of the other executive officers were based on the individual performance evaluations of those officers. These evaluations took into account objective criteria in the form of operating results against budget, and subjective criteria such as performance against strategic goals which involve the exercise of discretion and judgment in assessing performance attainment.

In determining Mr. Cremers' annual incentive award, the Committee noted Mr. Cremer's skill and leadership with the merger transaction with Deltic, the strong performance of the Idaho Resource Division and the outstanding performance of the Wood Products and Real Estate Divisions.

In determining Ms. Scott's annual incentive award, the Committee noted her skill and leadership in negotiating the settlement of the Avery Landing claim and the negotiation and execution of a merger agreement with Deltic.

Mr. Richards' annual incentive award reflected his skill and leadership in the merger transaction with Deltic.

Mr. Temple's annual incentive award reflected the excellent performance of our Wood Product Division in 2017 and strong safety and environmental performance by the Division.

2017 Long-Term Equity Incentive Awards

Our long-term incentive program is intended to link compensation to long-term company performance. Under our long-term incentive program we grant two types of equity awards:

- performance shares, which reward employees for company performance over a three-year period that exceeds the applicable peer group, encourage employees to focus on the creation of long-term stockholder value and align the interests of employees with those of our stockholders; and
- restricted stock units, which vest on December 31 immediately preceding the third anniversary of the grant date, and aid in the recruitment and retention of key employees.

The effective grant date for equity awards is the day of the Compensation Committee meeting at which the awards are approved, typically in February of each year. These meetings are scheduled well in advance of the actual meeting date and are not coordinated with the release of any material, non-public information. Equity grants to executive officers who are hired during the year are generally effective upon the executive's start date.

Long-Term Equity Incentive Award Guidelines. The Compensation Committee has approved "guideline" long-term incentive values for each executive pay grade eligible for long-term equity incentive awards other than the Chief Executive Officer. These guideline values initially were established at the median of competitive practice, based on a 2016 assessment of compensation programs of comparably sized companies by the Committee's independent compensation consultant. The assessment shows that our guidelines currently continue to align closely with competitive medians. Guideline values were converted to performance shares and restricted stock units in a given year by dividing the values by an amount equal to the closing price of company common stock on the grant date. The actual number of equity awards granted to eligible employees is further subject to an increase or decrease from the guideline value at the Committee's discretion, based upon management's assessment of an individual employee's past contributions and potential future contributions to the company. In the case of the company's Chief Executive Officer, the Committee determines in its sole discretion the number of equity awards to be granted based on a review by the Committee's independent compensation consultant of competitive practice and the Committee's evaluation of the Chief Executive Officer's performance.

Restricted Stock Units. Restricted stock units vest on December 31 immediately preceding the third anniversary of the grant date unless the officer's employment with the company is terminated for any reason other than death, disability or retirement. See "Potential Payments upon Termination or Termination Following a Change in Control." We have also granted restricted stock units to newly hired executives to replace the value of equity awards that were forfeited when they left their prior employer and to align the interests of new executives to those of our stockholders.

Performance Shares. Performance shares are earned based on the company's TSR over a three-year performance period relative to the median TSR of six forest product companies (weighted 50%) and the company's TSR percentile ranking relative to all companies within the NAREIT All Equity REITs Index (of which we are a member) (weighted 50%) over such

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performance period. TSR is calculated based on stock price appreciation plus cash and share distributions. See "2017 Long-Term Equity Incentive Awards Peer Group."

Threshold, Target and Maximum. The Compensation Committee believes that for purposes of measuring company performance for awarding performance shares:

- performance measures should be subject to thresholds so that an executive officer's compensation should be at risk if minimal performance is not achieved;
- performance measures at which 100% of target amounts are earned should be established at median levels, consistent with our philosophy of compensating executives at or near the median compensation paid by companies of comparable size; and
- performance-based compensation should be capped at 200% of target amounts in order to maintain fiscal discipline and reduce risk-taking.

2017 Long-Term Equity Incentive Awards. In 2017, the Compensation Committee approved long-term incentive awards for all eligible employees consisting of performance shares (75%) and restricted stock units (25%).

The performance shares granted to the Chief Executive Officer, the President and Chief Operating Officer and other employees are earned based upon company performance over a three-year period ending December 31, 2019. For the 2017-2019 performance period the Compensation Committee determined to continue to measure company performance based on two factors, each of which is weighted 50% (i) company TSR, relative to the median TSR of six forest product companies and (ii) the company's TSR percentile ranking relative to all companies within the NAREIT All Equity REITs Index. The following table sets forth the relative TSR performance scale and the corresponding number of shares earned as a percentage of the weighted targets that were set by the Committee. The percentage of performance shares earned is the sum of the percentage multiple in each column divided by two.

POTLATCHDELTIC CORPORATION TSR COMPARISON

Median TSR of Six Forest Products Companies	Percent of Shares Issued (%)	TSR Percentile Ranking NAREIT All Equity REITS Index	Percent of Shares Issued (%)
(weighted 50%)		(weighted 50%)	
Below Threshold	—	Below Threshold	—
Threshold (Median - 5%)	25	Threshold (33rd percentile)	25
Target (Median)	100	Target (50th percentile)	100
Maximum (Median + 10%)	200	Maximum (85th percentile)	200

The number of performance shares earned for each factor proportionately increases or decreases between threshold and target levels for the factor and between target and maximum levels for the factor. The Committee continues to believe that no performance shares should be earned with respect to a performance factor for performance below the applicable threshold performance level.

Adjustments to Performance Share Awards. The Compensation Committee reserves the right to reduce or eliminate any performance share award to an executive, or to all executives as a group for any reason. The Committee did not exercise this authority for 2017.

Peer Group. As a specialized REIT, we consider our peer companies for purposes of TSR comparisons to consist of “pure play” timber REITs and other forest product companies. Six forest product companies are used for benchmarking our TSR when determining performance share outcomes. The six forest product companies used for benchmarking in 2017 are as follows:

Company (1)	Annual Revenue ($)(2)	Market Capitalization ($)(3)	GICS Sub Industry
Weyerhaeuser	7,196	26,161	Specialized REITs
Universal Forest Products	3,941	2,011	Building Products
Rayonier	820	4,360	Specialized REITs
St. Joe	99	1,167	Real Estate Mgmt. & Dev.
Catchmark Timber Trust	91	568	Specialized REITs
PotlatchDeltic Corporation	679	3,171	Specialized REITs

(1) Deltic Timber Corporation was included in the six forest product companies used for benchmarking in 2017, but was dropped effective upon the closing of the Deltic merger, as provided in the plan.

(2) In millions, for the 2017 fiscal year, based on publicly available information.

(3) In millions as of March 1, 2018, except as otherwise noted.

As the number of publicly-traded forest products companies has declined, we supplemented our peer group starting in 2015 with the NAREIT All Equity REIT Index.

Summary Comparison of 2017 Target and Actual Compensation

The following table shows the target and the actual amounts for salary and annual and long-term incentive awards for our named executive officers, along with the 2017 percentage of total direct compensation represented by the amount of each component (i.e., the mix of pay).

Name	TARGET 2017 TOTAL DIRECT COMPENSATION(1)			ACTUAL 2017 TOTAL DIRECT COMPENSATION(1)		
	Salary ($) (% of Total)	Target short-term incentive award	Guideline long-term incentive grant value	Salary ($)(3) (% of Total)	Actual short-term incentive award	Actual long-term incentive grant value

		($)(cash) (% of Total)	($)(equity)(2) (% of Total)		($)(cash) (% of Total)	($)(equity) (% of Total)
Michael J. Covey	842,000 25.0	842,000 25.0	1,684,000 50.0	838,615 19.4	1,684,000 39.0	1,800,000 41.6
Eric J. Cremers	562,760 36.1	393,932 25.3	602,700 38.6	560,239 28.7	787,900 40.4	602,700 30.9
Jerald W. Richards	365,790 40.8	182,895 20.4	347,700 38.7	364,152 33.8	365,800 33.9	347,700 32.3
Lorrie D. Scott	309,630 45.8	139,334 20.6	227,100 33.5	308,242 37.9	278,700 34.2	227,100 27.9
Thomas J. Temple	339,700 44.1	152,865 19.8	278,200 36.09	334,949 36.5	305,700 33.3	278,200 30.3

(1) Total direct compensation is the sum of base salary, annual cash incentives and long-term equity incentives.

(2) These amounts represent the dollar value of the restricted stock unit award granted in February 2017, and the target value of the performance shares granted in February 2017 for the performance period 2017-2019, in each case computed by multiplying the guideline value by the individual performance modifier. Such amounts may or may not be paid out depending on the company's performance or the executive's continued employment, as applicable, over the three-year vesting and performance period. See "2017 Long-Term Equity Incentive Awards" for a description of performance measures and threshold, target and maximum goals for performance share awards.

(3) This column includes salary paid for the full or partial year the employee worked. Actual salaries differ from target due to timing of merit increase fulfillment.

Other Elements of the Executive Compensation Program

We do not provide perquisites or other personal benefits to our named executive officers, such as aircraft for personal use, paid parking spaces, or company cars, with the exception of payment of insurance premiums for accidental death and dismemberment insurance. The company reimburses named executive officers for certain relocation expenses pursuant to a relocation program. Pursuant to the company's relocation program, reimbursement of the employee's loss on sale of his or her home is capped and the relocating employee's home is only purchased if not sold within 90 days and then only at a purchase price equal to the average of two independent appraisals of fair market value. Our health care and other medical insurance programs, as well as our 401(k) Plan, are the same for all salaried employees, including officers.

Salaried Retirement Plan. Our Salaried Retirement Plan provides a pension to our salaried and certain other eligible employees who were participants in the plan before January 1, 2011, including certain of our named executive officers. We believe this plan is competitive with our peers and is intended to provide a source of income for our salaried and certain other eligible employees following retirement. This plan is discussed in detail on page 46. Effective January 1, 2011 our Salaried Retirement Plan was closed to new entrants.

Supplemental Plan II. Our Salaried Supplemental Benefit Plan II (Supplemental Plan) provides retirement benefits to our eligible salaried employees including our named executive officers, based upon the benefit formula of our Salaried Retirement Plan and our Salaried 401(k) Plan but without regard to the IRS compensation and benefit limitations applicable to these tax-qualified plans. We believe this plan is competitive with our peers and companies of comparable size, and is intended to provide a retirement benefit commensurate with participant compensation, as we do for other employees. This plan is discussed in detail on pages 45 to 47.

401(k) Plans. Our Salaried 401(k) Plan permits our salaried and certain other eligible employees, including our named executive officers, to make voluntary pre-tax and after-tax contributions to the plan, subject to applicable tax limitations. We match $0.70 for every $1.00 that a participant contributes to our Salaried 401(k) Plan, up to the first 6% of his or her eligible compensation, subject to applicable tax limitations. Eligible employees who elect to participate in the plan are 100% vested in the matching contributions upon completion of two years of service. In connection with the closure of our Salaried Retirement Plan to new employees in 2011, we amended our Salaried 401(k) Plan to provide for annual company contributions equal to 3% of eligible compensation for employees hired between January 1, 2011 and June 1, 2015, in addition to the company match. Employees hired after June 1, 2015 only receive the company match.

Health and Welfare Benefits. All full-time employees, including our named executive officers, may participate in our health and welfare benefit programs, including medical, dental and vision care coverage, disability insurance and life insurance.

Post-Termination Severance Benefits. The company maintains a severance program that provides severance benefits to our named executive officers and certain other officers and executive employees. Benefits are payable under the severance program both in connection with a termination of the executive officer's employment with us and in connection with a separation of employment following a change in control. The Committee believes the severance program is competitive with those of our peer companies and serves our recruitment and retention efforts. The section entitled "Potential Payments Upon Termination or Termination Following a Change in Control" provides additional information regarding the severance program and the estimated potential incremental benefits under the program for the named executive officers.

Officer Stock Ownership Guidelines

In the interest of promoting and increasing equity ownership by our senior executives and to further align our executives' long-term interests with those of our stockholders, we have adopted the following stock ownership guidelines:

Chief Executive Officer	Value of Shares = 5 x Base Salary
President and Chief Operating Officer	Value of Shares = 5 x Base Salary
Chief Financial Officer	Value of Shares = 2 x Base Salary
Vice President	Value of Shares = 2 x Base Salary

Each executive must acquire within five years of his or her becoming an executive officer subject to the stock ownership guidelines, a minimum number of shares based on the applicable value shown above. To meet the requirements, an executive must increase his or her stock holdings each year by at least 20% of the required amount until the minimum number is acquired. Shares held in a brokerage account, an account with our transfer agent or in our 401(k) Plan, common stock units owned as a result of deferred awards paid under our annual incentive program and any vested restricted stock units all count towards the ownership requirement. Shares subject to unvested restricted stock units or unearned performance shares, however, do not count toward the ownership guidelines. If an executive does not meet the incremental stock ownership requirement in any of the five years, or the ownership requirement is not maintained after it is initially met, incentive awards made to the executive under our annual incentive program will be paid 50% in cash and 50% in stock, and any shares issued upon settlement of performance share awards must be retained to the extent necessary to meet the stock ownership guidelines.

As of December 31, 2017, all of our named executive officers met their incremental stock ownership requirements. See “Security Ownership of Directors and Executive Officers.”

A copy of our officers' stock ownership guidelines is available by going to our public web site at www.potlatchdeltic.com, and selecting “Investor Resources,” then “Corporate Governance,” and “Officer Stock Ownership Guidelines."

Prohibition on Hedging and Pledging

The company's insider trading policy prohibits directors, officers and employees from speculating in company securities or engaging in transactions designed to hedge their ownership interests. The policy also prohibits directors and executive officers from pledging company securities except under limited circumstances and with the approval of the Compensation Committee.

A copy of our insider trading policy is available by going to our public web site at www.potlatchdeltic.com, and selecting “Investor Resources,” then “Corporate Governance,” and “Securities Law Compliance and Insider Trading Policy.”

Recovery of Incentive Compensation

In 2009, the Compensation Committee approved a “clawback” policy, which was amended and restated on February 13, 2014. The policy provides that all incentive awards granted to executive officers after December 31, 2009 will provide our Board of Directors the discretion to require that the executive officer reimburse the company if:

- payment was predicated upon the achievement of specific financial results that were subsequently the subject of a material financial restatement;
- in the Board's view, a company employee engaged in fraud or misconduct that caused or partially caused the need for such material financial restatement by the company; and
- lower payment, settlement, grant or vesting would have occurred based upon the restated financial results.

The amount to be reimbursed is the amount by which any incentive awards previously paid, settled, granted or vested on the basis of previously stated financial results within the two year period preceding the date of disclosure of the material financial restatement, exceeded the lower amounts that would have been paid, settled, granted or vested based on the restated financial results.

A copy of our Incentive Compensation Recovery Policy is available by going to our public web site at www.potlatchdeltic.com, and selecting “Investor Resources,” then “Corporate Governance,” and “Incentive Compensation Recovery Policy.”

Tax Considerations

Section 162(m) of the Internal Revenue Code generally places a $1 million limit on the amount of compensation a company can deduct in any one year for certain executive officers. While the Compensation Committee considers the deductibility of awards as one factor in determining executive compensation, the Compensation Committee also looks at other factors in making its decisions, as noted above, and retains the flexibility to award compensation that it determines to be consistent with the goals of our executive compensation program even if the awards are not deductible by the company for tax purposes.

The 2017 annual cash incentive opportunities, RSUs and performance share awards granted to our executive officers were designed in a manner intended to be exempt from the deduction limitation of Section 162(m) because they are paid based on the achievement of pre-determined performance goals established by the Compensation Committee pursuant to our shareholder-approved equity incentive plan.

Base salaries are not exempt from Section 162(m), and therefore will not be deductible to the extent the $1 million limit of Section 162(m) is exceeded.

The exemption from Section 162(m)'s deduction limit for performance-based compensation has been repealed, effective for taxable years beginning after December 31, 2017, such that compensation paid to our covered executive officers in excess of $1 million will not be deductible unless it qualifies for transition relief applicable to certain arrangements in place as of November 2, 2017 and not modified.

Despite the Compensation Committee's efforts to structure the executive team annual cash incentives, RSUs and performance share awards in a manner intended to be exempt from Section 162(m) and therefore not subject to its deduction limits, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and the regulations issued thereunder, including the uncertain scope of the transition relief under the legislation repealing Section 162(m)'s exemption from the deduction limit, no assurance can be given that compensation intended to satisfy the requirements for exemption from Section 162(m) in fact will. Further, the Compensation Committee reserves the right to modify compensation that was initially intended to be exempt from Section 162(m) if it determines that such modifications are consistent with the company's business needs.

REPORT OF THE EXECUTIVE COMPENSATION AND PERSONNEL POLICIES COMMITTEE

The Executive Compensation and Personnel Policies Committee of the Board of Directors has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into our 2017 Annual Report on Form 10-K.

The Committee Members

Lawrence S. Peiros, Chair
Charles P. Grenier
Gregory L. Quesnel
John S. Moody

EXECUTIVE COMPENSATION TABLES

2017 Compensation

2017 Summary Compensation Table

The table below sets forth information regarding the compensation for each of our named executive officers for the years 2017, 2016 and 2015. The information contained in the Summary Compensation Table should be viewed together with the "2017 Grants of Plan-Based Awards" table, which includes target levels for annual incentive awards and long-term performance share awards, to obtain the most accurate representation of annual and long-term incentive compensation elements and the total compensation provided to our named executive officers.

Name and Principal Position	Year	Salary ($)(1)	Stock Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(4)	All Other Compensation ($)(5)	Total ($)
Michael J. Covey	2017	838,615	2,117,353	1,684,000	782,572	77,946	5,500,486
Chairman and Chief Executive	2016	816,923	1,834,572	1,013,520	176,778	34,472	3,876,265
Officer	2015	825,962	1,501,300	—	—	67,399	2,394,661
Eric J. Cremers	2017	560,239	708,945	787,900	370,385	43,540	2,471,009
President and Chief Operating	2016	543,921	645,227	472,700	294,774	23,005	1,979,627
Officer	2015	547,881	649,462	—	113,893	38,991	1,350,227
Jerald W. Richards	2017	364,152	409,015	365,800	—	40,859	1,179,826
Vice President and Chief Financial	2016	353,548	372,180	201,200	—	17,666	944,594
Officer	2015	356,120	312,194	—	—	29,703	698,017
Lorrie D. Scott	2017	308,242	267,159	278,700	126,315	20,419	1,000,835
Vice President, General Counsel and	2016	299,262	243,064	174,200	153,365	12,730	882,621
Corporate Secretary	2015	301,440	203,913	—	99,463	18,413	623,229
Thomas J. Temple	2017	334,949	327,268	305,700	178,878	21,860	1,168,655
Vice President,	2016	307,888	297,897	181,800			