

Gaming & Leisure Properties, Inc.
Form PRE 14A
April 13, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Gaming and Leisure Properties, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

**Notice of Annual Meeting of Shareholders of
Gaming and Leisure Properties, Inc.**

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

June 14, 2018

10:00 a.m. Eastern Time

At the offices of Ballard Spahr LLP

1735 Market Street, 48th Floor

Philadelphia, Pennsylvania 19103

The items of business are:

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

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

By order of the Board of Directors,

Peter M. Carlino

Chairman of the Board of Directors

Wyomissing, Pennsylvania

April 26, 2018

Your Vote is Important

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

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

2018 Notice of Annual Meeting of Shareholders and Proxy Statement | 1

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

ANNUAL MEETING OF SHAREHOLDERS***Time and Date***

10:00 a.m. Eastern Time

June 14, 2018

Place

Ballard Spahr LLP

1735 Market Street, 48th Floor

Philadelphia, PA 19103

VOTING MATTERS***Record Date***

April 12, 2018

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

213,856,522

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

BOARD NOMINEES

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

Director

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

* AC Audit and Compliance Committee

C Compensation Committee

NG Nominating and Corporate Governance Committee

(F) Audit Committee Financial Expert

Chair of the Committee

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2017 PERFORMANCE HIGHLIGHTS

Top Performance

Total Shareholder Return⁽¹⁾ vs. CEO Total Direct Compensation⁽²⁾

- (1) Total shareholder return (TSR) assumes \$100 invested at the close of trading on December 31, 2014 and the reinvestment of dividends
- (2) Total direct compensation refers to total compensation disclosed in the Summary Compensation Table minus the amount displayed in all other compensation. We exclude this amount because it does not reflect Compensation Committee decisions based on Company or individual performance.

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Consistent Results

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

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

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

EXECUTIVE COMPENSATION

GLPI Created the Unique Gaming REIT Segment

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

GLPI differs from more traditional REITs in several key aspects:

**Long-Term, Stable
Master Leases**

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

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

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

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

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

(2) offer performance-based compensation designed to drive shareholder value in the competitive REIT market. By focusing on the Company's gaming peers in establishing base salary and the Company's REIT peers in structuring performance incentives, we believe the compensation program is successful in attracting and retaining executive talent and driving shareholder value.

2017 Named Executive Officer Compensation

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

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

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

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RESPONSIVE TO SHAREHOLDER CONCERNS

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

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

2017

Plurality Voting Standard

Company proposal in 2018 to implement majority voting with a resignation policy in uncontested director elections

Single Trigger Change of Control

Amended the Company's 2013 Long-Term Incentive Compensation Plan to provide for double trigger acceleration of future awards in the event of a change of control

Potential to Earn Maximum

Awards with Negative TSR

Performance-Based Restricted Stock Awards issued in 2018 are capped at target in the event of negative TSR for the performance period

Relative TSR Target Vesting at the 40th Percentile

Revised our performance-based restricted stock award program to provide for relative TSR target vesting at the 50th percentile TSR level with minimum vesting at the 25th percentile, maximum vesting at the 75th percentile and linear vesting

No Stock Ownership Guidelines

Implementation of stock ownership guidelines for named executive officers and non-employee directors

Limited Role of Lead Independent Director

Role of the Lead Independent Director expanded in 2018

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PROXY STATEMENT

FOR 2018 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 14, 2018

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

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

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

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PROPOSAL 1 ELECTION OF DIRECTORS

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

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

Required Vote

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

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

Our Directors

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

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

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

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

David A. Handler

David A. Handler has served as a member of our Board of Directors since October 2013. Mr. Handler has also served as a director of Penn since 1994. In August 2008, Mr. Handler joined Centerview Partners, an independent financial advisory and private equity firm, as a Partner. From April 2006 to August 2008, he was a Managing Director at UBS Investment Bank. Prior to becoming a Managing Director at UBS Investment Bank, he was a Senior Managing Director at Bear Stearns & Co., Inc.

AGE:

53

DIRECTOR

SINCE:

2013

Mr. Handler brings to our Board of Directors experience in investment banking and capital markets that has included a focus on mergers and acquisitions and other significant transactions. The Board of Directors supports and approves Mr. Handler's nomination and continued service on our Board of Directors because his background is an invaluable asset to us, particularly in connection with evaluating potential acquisition and financing opportunities.

**OTHER
CURRENT**

PUBLIC BOARDS:

Penn National
Gaming, Inc.

Table of Contents**Joseph W. Marshall, III****AGE:**

65

DIRECTOR SINCE:

2013

OTHER CURRENT

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

PUBLIC BOARDS:

SIGA Technologies,
Inc.

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

James B. Perry**AGE:**

68

DIRECTOR SINCE:

2017

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

member of the Board of Directors of Argosy Gaming Company from 2000 to July 2005.

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

Earl C. Shanks

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

AGE:

61

**DIRECTOR
SINCE:**

2017

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

**OTHER
CURRENT**

PUBLIC BOARDS:

Verint Systems Inc.

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Barry F. Schwartz

Barry F. Schwartz was appointed to our Board of Directors in May 2017. Mr. Schwartz has been Vice Chairman of MacAndrews & Forbes Incorporated and various affiliates since December 2015. Mr. Schwartz was Executive Vice Chairman of MacAndrews & Forbes Incorporated and various affiliates from October 2007 to December 2016. Prior to that, Mr. Schwartz was Executive Vice President and General Counsel of MacAndrews & Forbes Incorporated and various affiliates since 1993 and Senior Vice President of MacAndrews & Forbes Incorporated and various affiliates from 1989 to 1993. Mr. Schwartz is a director of Revlon, Inc., Revlon Consumer Products Corporation and Scientific Games Corporation. During the past five years, Mr. Schwartz also served as a director of Harland Clarke Holdings Corp. and M & F Worldwide Corp. Mr. Schwartz is a Trustee Emeritus and a former Chairman of the Board of Trustees at Kenyon College and formerly a member of the Georgetown University Law Center Board of Visitors. He also serves as the Vice Chairman of the Board of Trustees at the City University of New York (CUNY) and a trustee of the NYU Langone Medical Center, Jazz at Lincoln Center and the Perelman Performing Arts Center at The World Trade Center.

AGE: 68

DIRECTOR SINCE: 2017

OTHER CURRENT PUBLIC BOARDS:
 Revlon, Inc.
 Scientific Games Corporation

The Board of Directors supports and approves Mr. Schwartz's nomination and continued service on our Board of Directors because of his extensive experience in the areas of mergers and acquisitions, legal and compliance through his service as a senior executive in a large, diversified holding company. Additionally, in connection with his role at MacAndrews & Forbes, Mr. Schwartz serves as a director of several public and private portfolio companies, which offers valuable alternative perspectives.

E. Scott Urdang

E. Scott Urdang has served as a member of our Board of Directors since October 2013. Mr. Urdang, who retired in 2012, was the founder, Chief Executive Officer and Chairman of Urdang Capital Management (now Center Square Capital Management, Inc.), a wholly-owned subsidiary of BNY Mellon. Center Square Capital Management is an investment management company that manages and participates in public, private, global, and

AGE: 68

DIRECTOR SINCE:

2013

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

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

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

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

Peter M. Carlino

Peter M. Carlino has been the Chairman of our Board of Directors and our Chief Executive Officer since our inception in February 2013. Mr. Carlino has served as the Chairman of the Board of Directors of Penn since April 1994 and served as Chief Executive Officer of Penn from 1994 until October 2013. Since 1976, Mr. Carlino has served in an executive capacity for Carlino Capital Management Corp. and is currently the Chairman of the Board and Chief Executive Officer. Carlino Capital Management Corp. is a holding company that owns and operates various Carlino family businesses, and Mr. Carlino has been continuously active in its strategic planning and monitoring the operations. Having served as the Chairman of Penn's Board of Directors since 1994 and as Chief Executive Officer for Penn, and now the Company, collectively for over 20 years,

AGE:

71

**DIRECTOR
SINCE:**

2013

**OTHER
CURRENT**

Mr. Carlino brings to our Board of Directors extensive management experience, critical knowledge of our properties and knowledge and understanding of the gaming industry in general. Moreover, as one of the largest beneficial owners of our common stock, his interests are significantly aligned with our efforts to enhance long-term shareholder value.

PUBLIC BOARDS:

Penn National
Gaming, Inc.

BOARD COMPOSITION

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

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

DIRECTOR INDEPENDENCE

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

BOARD LEADERSHIP STRUCTURE AND BOARD S ROLE IN RISK OVERSIGHT

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

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

MEETINGS AND ATTENDANCE

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

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

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

COMMITTEES OF THE BOARD OF DIRECTORS

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

2017 Committee Membership

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

Earl C. Shanks

James B. Perry

Barry F. Schwartz

Number of Committee Meetings Held in 2017

8

4

2018 Audit and Compliance Committee

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

to oversee the quality and integrity of our financial statements and our accounting and financial reporting processes;

to prepare the Audit and Compliance Committee report required by the SEC in our annual proxy statements;

to review and discuss with management and the independent registered public accounting firm our annual and quarterly financial statements;

to review and discuss with management and the independent registered public accounting firm our earnings press releases;

to appoint, compensate and oversee our independent registered public accounting firm, and pre-approve all auditing services and non-audit services to be provided to us by our independent registered public accounting firm;

to review the qualifications, performance and independence of our independent registered public accounting firm;

to establish procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters;

to review and approve related person transactions that would be required to be disclosed in our SEC reports; and

to oversee the Company's compliance program.

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

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

Compensation Committee

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

to determine the compensation of our Chief Executive Officer and other executive officers;

to establish, review and evaluate employee compensation, plans policies and procedures;

to review and approve any employment contracts or similar arrangement between the Company and any executive officer of the Company;

to review and discuss with management the relationship between the Company's policies and practices for compensating employees, risk-taking incentives and risk management;

to review, monitor, and make recommendations concerning incentive compensation plans;

to oversee shareholder engagement with respect to executive compensation matters; and

to recommend the compensation of directors.

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

Nominating and Corporate Governance Committee

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

recommend to our Board of Directors proposed nominees for election to the Board of Directors by the shareholders at annual meetings, including an annual review as to the renominations of incumbents and proposed nominees for election by the Board of Directors to fill vacancies that occur between shareholder meetings;

make recommendations to the Board of Directors regarding corporate governance matters and practices;

oversee shareholder engagement with respect to corporate governance matters;

review and assess succession planning;

oversee Board and committee evaluation; and

recommend members for each committee of the Board of Directors.

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

Compensation Committee Interlocks and Insider Participation

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

DIRECTOR COMPENSATION

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

Schedule of Director Compensation for 2017

Annual Cash Retainer	\$100,000
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Annual Restricted Stock Award	Restricted Stock valued at \$175,000
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Committee Chair Retainer	\$30,000 for the Audit and Compliance Committee
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\$25,000 for the Compensation and Governance Committee

Committee Member Retainer \$15,000 for the Audit and Compliance Committee

\$12,500 for the Compensation and Governance Committee

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

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

(1) Cash fees include annual director's retainer and, where applicable, committee fees.

(2) The amounts listed above are calculated based on the closing price on the day prior to grant date.

(3) Represents unvested restricted stock awards outstanding as of December 31, 2017 for grants 2017 and prior.

(4) Mr. Shanks, Mr. Perry and Mr. Schwartz were appointed to the Company's Board of Directors and received pro-rated compensation for 2017.

COMMUNICATIONS WITH THE BOARD OF DIRECTORS

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

DIRECTOR NOMINATION PROCESS**Minimum Qualifications of Directors**

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

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

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

Shareholder Nominations of Directors and Other Business

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

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

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

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

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

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

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

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

all information relating to the recommended nominee that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director, if elected);

a description of all direct and indirect compensation, economic interests and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and beneficial owner, if any, and their respective affiliates and associates, or

others acting in concert therewith, on the one hand, and each recommended nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the shareholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the registrant for purposes of such rule and the recommended nominee were a director or executive officer of such registrant;

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

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

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

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

Any notice as to any business other than a recommendation for nomination of a director or directors that the shareholder proposes to bring before the meeting, must also set forth (1) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such shareholder and beneficial owner, if any, in such business, (2) a description of all contracts, arrangements, understandings and relationships

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between such shareholder and beneficial owner, if any, on the one hand, and any other person or persons (including their names), on the other hand, in connection with the proposal of such business by such shareholder and (3) the text of the proposal or business (including the text of any resolutions proposed for consideration).

CODE OF BUSINESS CONDUCT AND ETHICS

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

CORPORATE GOVERNANCE GUIDELINES

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

Table of Contents**EXECUTIVE COMPENSATION****COMPENSATION DISCUSSION AND ANALYSIS**

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

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

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

CD&A Quick Reference Guide

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Table of Contents**Executive Summary***Unique Nature of Gaming REITs*

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

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

Our Competitors and Our Talent Pool

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

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

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

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

Manages Casino Operations	×	×
Multiple Tenants	×	×
Multiple Years of Operating History		×

How Our Compensation Program is Aligned with Our Unique Business Model

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

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

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

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

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

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

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

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

Executive Compensation Highlights

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

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

<p>Meaningful Shareholder Outreach</p>	<p>Our shareholder outreach efforts have resulted in numerous changes to our compensation program and corporate governance structure in response to concerns, including:</p> <p style="padding-left: 40px;">Amending the equity plan to provide for double trigger vesting acceleration upon change in control</p> <p style="padding-left: 40px;">Capping performance-based stock awards if TSR is negative for the performance period</p> <p style="padding-left: 40px;">Substituting linear vesting for vesting tranches and setting target payout at the 50 percentile for performance-based stock awards</p>
<p>Use of Formulaic Incentive Compensation Pay for Performance</p>	<p>Adding stock ownership guidelines for named executive officers and non-employee directors</p> <p style="padding-left: 40px;">90% of annual performance cash bonus payments are tied to the achievement of pre-determined quantitative performance goals, including AFFO, dividends and acquisitions</p> <p style="padding-left: 40px;">80% of stock awards granted for equity compensation continue to be at-risk and are contingent upon the Company achieving rigorous total shareholder return hurdles over a three-year performance period</p> <p style="padding-left: 40px;">Rigorous performance goals for cash bonus require exceptional results for maximum payment. Executives have not earned maximum payments in any year since the spin-off despite top quartile performance</p> <p style="padding-left: 40px;">90% of cash bonus and 80% of total equity awards are tied to performance goals</p> <p style="padding-left: 40px;">Maximum payout for performance-based equity awards requires</p>