

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

SCHEDULE 14A INFORMATION

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

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under Rule 14a-12

Pebblebrook Hotel Trust

(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)(4) 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:



March 31, 2021

Dear Shareholder:

Our 2021 Annual Meeting of Shareholders will be held on Wednesday, May 19, 2021, at 9:00 a.m. Eastern Time, at the offices of Hunton Andrews Kurth LLP, 8405 Greensboro Drive, Suite 140, Tysons, Virginia 22102.

The attached Notice of 2021 Annual Meeting of Shareholders and proxy statement provide important information about the Annual Meeting and the business to be conducted there, and at any adjournment or postponement thereof. At the Annual Meeting we will ask you to elect our nominees to the Board of Trustees, to ratify the appointment of our independent registered public accountants, to approve executive compensation and to approve an amendment to the 2009 Equity Incentive Plan. These proposals are described in detail in the attached Notice and proxy statement.

Your vote is important to us. We urge you to read these documents carefully. Whether or not you plan to attend, you can ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone, by Internet or by completing, signing, dating and returning your proxy card. Instructions for these convenient ways to vote are set forth on the enclosed proxy card.

Thank you for your continued support.

Sincerely,

Jon E. Bortz

President, Chief Executive Officer and Chairman of the Board



4747 Bethesda Avenue, Suite 1100
Bethesda, Maryland 20814

NOTICE OF 2021 ANNUAL MEETING OF SHAREHOLDERS

DATE:	Wednesday, May 19, 2021
TIME:	9:00 a.m. Eastern
PLACE:	Hunton Andrews Kurth LLP, 8405 Greensboro Drive, Suite 140, Tysons, Virginia 22102*
RECORD DATE:	March 22, 2021

ITEMS OF BUSINESS:	• Election of Trustees to serve until our 2022 Annual Meeting of Shareholders and until their successors are duly elected and qualified • Ratification of the appointment of KPMG LLP as our independent registered public accountants for the year ending December 31, 2021 • Advisory vote approving the compensation of our named executive officers • Approve an amendment to the 2009 Equity Incentive Plan • Consider and act upon any other business that may be properly brought before the annual meeting
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BY ORDER OF THE BOARD OF TRUSTEES:

Raymond D. Martz
Secretary
March 31, 2021

* If we decide, as part of our precautions regarding COVID-19, that the Annual Meeting should be held solely by remote communication, we will announce that decision in advance and provide details on how to participate at www.pebblebrookhotels.com.

HOW TO VOTE

Your vote is important to us. You are eligible to vote and receive notice of the Annual Meeting if you were a shareholder of record of our common shares of beneficial interest ("Common Shares") at the close of business on the record date of March 22, 2021. A majority of the Common Shares entitled to vote at the Annual Meeting must be present in person or by proxy for us to proceed with the Annual Meeting. You can vote either in person at the Annual Meeting or by proxy as follows:

- If your shares are held by a broker, bank or other nominee (i.e., in "street name"), you will receive instructions from your broker, bank or other nominee which you must follow in order to have your Common Shares voted by proxy.
- If your shares are owned directly with our transfer agent, Equiniti Trust Company, you are a registered shareholder and may vote by proxy through one of the following methods:



By Internet

Visit www.proxyvote.com to vote prior to 11:59 P.M. Eastern Time the day before the meeting.



By Telephone

Call 1-800-690-6903 to vote prior to 11:59 P.M. Eastern Time the day before the meeting.



By Mail

Complete and mail your proxy card so that it is received before the meeting date.

You may revoke your proxy at any time before it is voted at the Annual Meeting by notifying the Secretary in writing, submitting a proxy dated later than your original proxy or attending the Annual Meeting and voting in person.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING. Our 2021 Proxy Statement and our 2020 Annual Report to Shareholders are available at www.pebblebrookhotels.com. On or about March 31, 2021, we expect to provide to our shareholders a Notice of Internet Availability of Proxy Materials (the "Notice"), which will indicate how to access our proxy materials on the Internet. If you received the Notice and would like to receive a printed copy of our proxy materials, please follow the instructions for requesting such materials included in the Notice.

PROXY STATEMENT

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ABOUT PEBBLEBROOK HOTEL TRUST

Pebblebrook Hotel Trust is a publicly traded real estate investment trust (“REIT”) organized to opportunistically acquire and invest primarily in upper upscale, full-service hotels located in urban markets in major gateway cities. As of March 26, 2021, we owned 53 hotels, totaling approximately 13,200 guest rooms, located in 14 urban and resort markets, including: Del Mar, California; Los Angeles, California (Beverly Hills, Santa Monica and West Hollywood); San Diego, California; San Francisco, California; Santa Cruz, California; Washington, DC; Coral Gables, Florida; Key West, Florida; Naples, Florida; Chicago, Illinois; Boston, Massachusetts; New York, New York; Portland, Oregon; Philadelphia, Pennsylvania; Columbia River Gorge, Washington; and Seattle, Washington.

Throughout this Proxy Statement, we use the terms “Pebblebrook,” “Company,” “we,” “our” and “us” to refer to Pebblebrook Hotel Trust.

ANNUAL MEETING INFORMATION

We are providing these proxy materials in connection with the 2021 Annual Meeting of Shareholders (the “Annual Meeting”). These materials will assist you in voting your Common Shares by providing information on matters that will be presented at the Annual Meeting.

Meeting Date	Wednesday, May 19, 2021
Meeting Time	9:00 a.m. Eastern
Meeting Location	Hunton Andrews Kurth LLP, 8405 Greensboro Drive, Suite 140, Tysons, Virginia 22102
Record Date	March 22, 2021

The following matters are being presented for a vote at the Annual Meeting:

<i>Proposal</i>	<i>Board Recommendation</i>	<i>Vote Required For Approval</i>
1 – Election of Trustees	FOR <i>each nominee</i>	Majority of votes cast
2 – Ratification of Appointment of Independent Registered Public Accountants	FOR	Majority of votes cast
3 – Advisory Vote on the Compensation of Our Named Executive Officers	FOR	Majority of votes cast
4 – Approval of an Amendment to the 2009 Equity Incentive Plan	FOR	Majority of votes cast (if > 50% of votes entitled to be cast are cast)

NOTICE OF ELECTRONIC AVAILABILITY OF PROXY MATERIALS

We are furnishing proxy materials including this Proxy Statement and our 2020 Annual Report to Shareholders, which includes our Annual Report on Form 10-K for the year ended December 31, 2020 (“Annual Report”), to you by providing access to such documents on the Internet instead of mailing printed copies unless you previously requested to receive these materials by mail or e-mail. On or about March 31, 2021, we mailed to our shareholders who have not previously requested to receive these materials by mail or e-mail a “Notice of Internet Availability of Proxy Materials” (“Notice”) containing instructions on how to access and review this Proxy Statement and our Annual Report and how to submit your vote on the Internet or by telephone. You cannot vote by marking the Notice and returning it. If you received the Notice by mail, you will not automatically receive a printed copy of our proxy materials or Annual Report unless you follow the instructions for requesting these materials included in the Notice.

PROPOSALS

PROPOSAL 1: ELECTION OF TRUSTEES

The Board of Trustees of the Company (the “Board”) currently has seven Trustees, all of whom have been nominated to stand for election at the 2021 Annual Meeting. All trustees elected at the meeting will hold office until the 2022 Annual Meeting of Shareholders and until their successors have been duly elected and qualified. You are entitled to cast one vote per Common Share for each of the seven nominees. Each proxy may not be voted for more than seven nominees.

Information about each Trustee nominee and his or her qualifications to serve as a Trustee appears under “Trustee Information—Trustee Nominees” in this Proxy Statement.

Our Bylaws provide that in uncontested elections such as this one, a nominee must receive a majority of votes cast in order to be elected. An “abstention” or “broker non-vote” will have no effect on the outcome of the vote for this proposal.



The Board of Trustees recommends that you vote “FOR” each of the nominees.

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee of the Board has selected the accounting firm of KPMG LLP (“KPMG”) to serve as the independent registered public accountants of the Company for the year ending December 31, 2021, and the Board is asking shareholders to ratify this appointment. Although current laws, rules and regulations, as well as the Audit Committee charter, require the Company’s independent auditor to be engaged, retained and supervised by the Audit Committee, the Board considers the appointment of the independent auditor to be an important matter for shareholders and is submitting the appointment of KPMG for ratification by shareholders as a matter of good corporate practice. KPMG has served as the Company’s independent registered public accountants since the Company’s formation in October 2009 and is considered by management of the Company to be well qualified.

We expect that a representative of KPMG will be present at the Annual Meeting, will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

The Audit Committee has considered whether, and has determined that, the provision by KPMG of the services described under “Audit-Related Fees,” “Tax Fees” and “Other Fees” in “Audit Information—Fee Disclosure” in this Proxy Statement is compatible with maintaining KPMG’s independence from management and the Company.

Information about KPMG’s services to the Company and the Audit Committee’s report appear under “Audit Information” in this Proxy Statement.

The affirmative vote of a majority of votes cast at the Annual Meeting, in person or by proxy, is required to approve this proposal. An “abstention” or “broker non-vote” will have no effect on the outcome of the vote for this proposal.



The Board of Trustees recommends that you vote “FOR” Proposal 2 – Ratification of Appointment of Independent Registered Public Accountants.

PROPOSAL 3: ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

The Board has determined that we will hold annually a non-binding, advisory vote on the compensation paid to our three named executive officers (“NEOs”).

Accordingly, we are asking you to approve the following resolution in respect of the compensation of our NEOs as described in the Compensation Discussion and Analysis (“CD&A”), compensation tables and related narrative discussion in this Proxy Statement:

NOW, THEREFORE, BE IT RESOLVED, that the shareholders of the Company approve, on an advisory basis, the compensation of the Company's named executive officers as described in the Compensation Discussion and Analysis, compensation tables and related narrative discussion in the proxy statement relating to the Company's 2021 Annual Meeting of Shareholders.

This is an opportunity to express your opinion regarding the decisions made by the Compensation Committee on the compensation of our NEOs for 2020; however, it will not affect any compensation already paid or awarded for 2020 and will not be binding on the Compensation Committee, the Board or the Company. The Board and our Compensation Committee value the opinions of our shareholders and will review the results of this vote and take those results into consideration in addressing future compensation policies and decisions.

The Company's primary business objective is to deliver attractive, risk-adjusted long-term total returns to shareholders through appreciation in the value of Common Shares and by providing income to shareholders through distributions from distributable cash flow. The Compensation Committee has developed and maintained a compensation program that is intended to reward performance and encourage actions that drive success in our primary business objective, based on the following key principles:

- Compensation should reinforce business objectives and Company values.
- Executive officers should be retained and motivated.
- A significant percentage of compensation for executive officers should be based on performance.
- Compensation should align the interests of executive officers with those of shareholders.
- Compensation should be competitive.

Shareholders have overwhelmingly approved the say-on-pay proposal at previous annual meetings. The average approval rate since inception of this advisory proposal is approximately 96%. In 2020, shareholders continued their significant support with approximately 97% of the votes cast for approval of the "say on pay" proposal at the 2020 annual meeting of shareholders.

The Compensation Committee and the Board, after considering these results, believe this strong level of support reflects a high degree of shareholder confidence that the Company's compensation program is rewarding our executives appropriately and made no changes to the program's basic design for 2020.

Since 2012, our executive compensation program has consisted of three main components: (i) annual cash base salaries, (ii) annual cash incentive bonuses based on performance against the one-year business objectives established at the beginning of the year and (iii) long-term equity-based awards (in the form of time-based vesting awards and performance-based vesting awards). We discuss each of these three components in more detail under "Compensation Discussion and Analysis — Compensation and Compensation Components."

Information about our executive officers and the 2020 compensation program, as well as the CD&A, compensation tables and related narrative discussion, appear under "Executive Officer and Compensation Information" in this Proxy Statement.

The affirmative vote of a majority of votes cast at the Annual Meeting, in person or by proxy, is required to approve this proposal. An "abstention" or "broker non-vote" will have no effect on the outcome of the vote for this proposal.



The Board of Trustees recommends that you vote "FOR" Proposal 3 – Advisory Vote on the Compensation of Our Named Executive Officers.

PROPOSAL 4: APPROVAL OF AN AMENDMENT TO THE 2009 EQUITY INCENTIVE PLAN

We currently have in effect the 2009 Equity Incentive Plan, as amended and restated and approved by our shareholders on July 10, 2012 and as further amended and approved by our shareholders on June 14, 2016, (as amended, the "2009 Equity Incentive Plan"). The 2009 Equity Incentive Plan permits the grant of share awards, performance units, options, share appreciation rights and other equity-based awards.

The Board of Trustees believes that the 2009 Equity Incentive Plan has benefited the Company by (i) assisting in recruiting and retaining the services of individuals with high ability and initiative, (ii) providing greater incentives for employees and other individuals who provide valuable services to the Company and its affiliates and (iii) associating the interests of those persons with the Company and its shareholders.

As of December 31, 2020, approximately 581,342 Common Shares remained available for issuance under the 2009 Equity Incentive Plan, and following the settlement of the 2020 annual cash incentive bonus in Common Shares and the equity-

incentive awards granted in February 2021, no Common Shares remain available for issuance under the 2009 Equity Incentive Plan. In order to continue to have the ability to provide the incentive compensation opportunities available under the 2009 Equity Incentive Plan, the Board of Trustees believes that it is in the Company's best interest to increase the limit on the aggregate number of Common Shares that may be issued under the 2009 Equity Incentive Plan. Therefore, on March 26, 2021, the Board of Trustees adopted an amendment to the 2009 Equity Incentive Plan to increase the share authorization (the "Amendment"), subject to the approval of shareholders.

If the Amendment does not receive the required shareholder approval at the Annual Meeting, the 2009 Equity Incentive Plan, as currently in effect and without regard to the Amendment, will remain in effect. In addition, if the Amendment does not receive the required approval and the share authorization of the 2009 Equity Incentive Plan is exhausted, the Company may need to provide greater cash incentive opportunities in order to provide appropriate and competitive compensation for its named executive officers and other key employees.

The Board of Trustees also believes that increasing the number of Common Shares that may be issued under the 2009 Equity Incentive Plan is critical to support the Company's emphasis on motivating and compensating its executive officers and its other employees with equity-based compensation to maintain and strengthen the alignment of their interests with those of the Company and the shareholders. The Company currently expects the duration of the increased number of Common Shares available under the 2009 Equity Incentive Plan, as amended by the Amendment, will be sufficient for the next four to five years.

The Amendment increases the number of Common Shares that may be issued under the 2009 Equity Incentive Plan by 1,675,000 shares.

The affirmative vote of a majority of votes cast at the Annual Meeting, in person or by proxy, is required to approve this proposal. An "abstention" or "broker non-vote" will have no effect on the outcome of the vote for this proposal.



The Board of Trustees recommends that you vote "FOR" Proposal 4 – Approval of an amendment to the 2009 Equity Incentive Plan.

CORPORATE GOVERNANCE AND ESG INFORMATION

The Board is responsible for providing governance and oversight of the strategy, operations and management of the Company on behalf of our shareholders. In addition to our Declaration of Trust, the Board has adopted the following key documents that form the governance framework for the Company. We review each of these documents periodically and update them as needed to comply with current regulatory and governance requirements.

- Corporate Governance Guidelines;
- Code of Business Conduct and Ethics;
- Charters of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee; and
- Bylaws.

We make these documents available under the Investors Relations/Corporate Governance section of our website at www.pebblebrookhotels.com. Printed copies of these documents are also available free of charge upon written request to Investor Relations at investors@pebblebrookhotels.com or by phone at (240) 507-1306.

CORPORATE GOVERNANCE HIGHLIGHTS

We have a history of supporting and implementing strong, sound corporate governance practices and policies that best serve the interests of our shareholders, and we remain committed to that effort. Throughout each year, our management team meets with shareholders responsible for over 80% of the Common Shares, discussing our governance practices and hearing shareholders' perspectives. Our practices and policies include, among other things, the following:

	<i>Governance Practice, Policy</i>	<i>Description</i>
	Shareholder Right to Proxy Access ("3/3/20/20")	• A shareholder (or group of up to 20) owning at least 3% of outstanding Common Shares for at least 3 years may submit trustee nominees (up to 20% of the Board, rounded down) for inclusion in our proxy statement • Adopted in 2016 after extensive conversations with shareholders holding over 75% of outstanding Common Shares
	Shareholder Right to Amend Bylaws ("3/3/20/20")	• A shareholder (or group of up to 20) owning at least 3% of outstanding Common Shares for at least 3 years may make binding proposals to adopt, alter or repeal our Bylaws, or to make new bylaws, for inclusion in our proxy statement • Adopted in 2016 after extensive conversations with shareholders holding over 75% of outstanding Common Shares
	Annual Election of Trustees	Each Trustee serves only a one-year term
	Non-Classified Board; Shareholder Approval Required to Classify	The Board is not classified, and we cannot classify without shareholder approval (i.e., we opted out of the Maryland Unsolicited Takeovers Act)
	Majority Voting for Trustees	In uncontested elections, each trustee nominee must receive a majority of votes cast to be elected to the Board
	Trustee Resignation Policy	Trustee nominees who receive more votes against than votes for must submit his or her written resignation to the Board
	No Shareholders Rights Plan	We do not have a poison pill
	Independent Majority of Board	All of our Trustees other than our Chief Executive Officer are independent (86%)
	Independent Board Committees	All committees of the Board have only independent Trustees as members
	Lead Trustee	Phillip M. Miller, an independent Trustee, is the Lead Trustee and presides over the Board's executive sessions and meetings when the Chairman is absent

Governance Practice, Policy		Description
✓	Regular Executive Sessions	Our independent Trustees meet regularly without the presence of any of our officers or employees at least every quarter
✓	Robust Annual Board Self-Assessment	The Nominating and Corporate Governance Committee conducts an annual evaluation of the Board and each trustee to elicit and deliver feedback
✓	Open Communication	• We encourage and have open communication and strong working relationships among the Lead Trustee, Chairman and other Trustees • Our Trustees regularly meet with management and with employees
✓	Equity Ownership Guidelines: Senior Executives (5x - 3x) Trustees (3x)	• Recommended ownership of Company equity by our executive officers: a value of at least 5 times (CEO) or 3 times (other NEOs) annual base salary • Recommended ownership of Company equity by our Trustees with a value of at least 3 times annual compensation (including chairperson fees) • Each person has 5 years after becoming an executive officer or Trustee (or after an increase of compensation levels) to attain the recommended level of ownership
✓	Compensation Clawback Policy	If the Company is required to prepare an accounting restatement of its previously filed financial statements due to material noncompliance with any financial reporting requirement under federal securities laws, the Board will require reimbursement or forfeiture of any incentive compensation that has been paid but that would not have been paid based on the subsequently restated financial statements, even if fraud, intentional misconduct or illegal behavior were not involved in such noncompliance
✓	Prohibition on Hedging	Our insider trading policy prohibits officers, Trustees and all employees from, among other activities, engaging in short-term or speculative transactions in the Company's securities or that may lead to inadvertent violations of insider-trading laws. We prohibit short sales of the Company's securities and transactions in publicly traded options on the Company's securities, such as puts, calls and other derivative securities, on an exchange or in any other market
✓	Diversity of Board	• Gender: 29% female (two Trustees) • Race: 14% African-American/Black (one Trustee)
✓	Tenure of Board	• ≥ 10 years: 86% (six Trustees) • > 5 years and < 10 years: 0% • ≤ 5 years: 14% (one Trustee)

FOCUS ON SHAREHOLDER RIGHTS

Shareholder Right to Proxy Access

In 2016, we were one of the first lodging REITs to provide our shareholders with a right to submit trustee nominees for inclusion in our proxy statement if both the shareholder proponents and the trustee nominees satisfy the requirements specified in our Bylaws. This right is commonly known as "proxy access."

After extensive conversations throughout 2016 with shareholders holding over 75% of the outstanding Common Shares, we adopted a "3/3/20/20" model for proxy access. A shareholder (or a group of up to 20 shareholders) owning at least 3% (0.1% for each group member) of the outstanding Common Shares for at least 3 years may submit trustee nominees (up to 20% of the Board, rounded down) for inclusion in our proxy statement by satisfying the requirements specified in Sections 11 and 12 of Article II of our Bylaws.

Shareholder Right to Amend Bylaws

In 2016, we were one of the first lodging REITs to provide our shareholders with the right to make binding proposals to amend our Bylaws by the affirmative vote of the holders of a majority of the Common Shares then outstanding and entitled to vote.

After extensive conversations with many of our largest investors, several of whom have owned Common Shares since the IPO, we adopted a “3/3/20” model for bylaws amendments proposals. A shareholder (or a group of up to 20 shareholders) owning at least 3% (0.1% for each group member) of the outstanding Common Shares for at least 3 years may make binding proposals to adopt, alter or repeal our Bylaws, or to make new bylaws, for inclusion in our proxy statement by satisfying the requirements specified in Sections 11 and 12 of Article II of our Bylaws.

INDEPENDENCE OF TRUSTEES

Our Corporate Governance Guidelines require that a majority of our trustees be independent. The Board has adopted the categorical standards prescribed by the NYSE to assist the Board in evaluating the independence of each Trustee. The categorical standards describe various types of relationships that could potentially exist between a Trustee and the Company and sets thresholds at which such relationships would be deemed material. Provided that no relationship or transaction exists that would disqualify a Trustee under the categorical standards and the Board determines, taking into account all facts and circumstances, that no other material relationship between the Company and the Trustee exists of a type not specifically mentioned in the categorical standards, the Board will deem such person to be independent.

Under these criteria, the Board has determined that the following six members, or 86%, of the Board are independent: Cydney C. Donnell, Ron E. Jackson, Phillip M. Miller, Michael J. Schall, Bonny W. Simi and Earl E. Webb.

BOARD MEETINGS

The Board holds regularly scheduled meetings, in person when possible, four times each year and, if needed, also holds special meetings. Prior to the COVID-19 pandemic, the Board held its regularly scheduled meetings in person. During 2020, the Board held two special meetings and four regular meetings, one of which was held in person, and the independent Trustees held an executive session at each of the four regular meetings. Mr. Miller, the Lead Trustee, presided over all of the executive sessions. Each Trustee attended 100% of the meetings of the Board. The Board does not have a policy with respect to Trustees’ attendance at annual meetings of shareholders, and, because of the routine nature of the meetings and historical and anticipated low levels of in-person shareholder participation at the meetings, Trustees are not expected to attend the Annual Meeting. None of the Trustees attended our annual meeting of shareholders in 2020.

BOARD LEADERSHIP STRUCTURE

Lead Trustee

Mr. Miller serves as the Lead Trustee in addition to serving as the Chairperson of the Nominating and Corporate Governance Committee. The Lead Trustee presides over executive sessions of the independent Trustees and meetings of the full Board when our Chairman is absent, in each case coordinating the agenda and moderating the discussion. The Lead Trustee may also, as needed, call meetings of the independent Trustees. The Lead Trustee also serves as principal liaison between the independent Trustees and our Chief Executive Officer in discussing issues from the Board’s executive sessions and other meetings of the independent Trustees.

Chairman of the Board

Mr. Bortz serves as both our Chairman of the Board and our Chief Executive Officer. We believe that it is in the best interests of the Company and our shareholders for Mr. Bortz to serve as our Chairman, because of his unique insight into the Company as well as the lodging industry and his excellent reputation among institutional investors. We believe that regular meetings of independent Trustees, without management present, and permitting all trustees to add items to the agenda of meetings of the Board and its committees mitigates the risk that having our Chief Executive Officer serve as our Chairman may cause management to have undue influence on the Board.

ENVIRONMENTAL SUSTAINABILITY AND SOCIAL RESPONSIBILITY HIGHLIGHTS (ESG)

In 2020, our continued commitment to delivering long-term, industry-leading total shareholder returns combined with the quickly evolving social and environmental fabric of society led us to broaden and further develop our Environmental, Social & Governance (ESG) strategy. The global challenges caused by COVID-19 have motivated our team to enhance our environmental responsibility values, social engagement and inclusivity initiatives and our ethical approach to corporate governance. We are committed to taking aggressive actions to mitigate the impact of this pandemic on our business, hotel associates, and guests, as we support our operating partners in establishing and updating our health and safety practices.

Since 2016, we have invested over \$14,000,000 in sustainability projects, targeted at energy conservation, greenhouse gas emission reduction, water conservation and waste reduction, to create a sustainable environment for our employees, vendors,

and surrounding communities. In the past year, we tested shower timers to reduce water consumption, implemented renewable energy systems, and completed our first solar energy project. Our investments have resulted in significant portfolio-wide reductions in energy consumption and water consumption over the past few years. While we necessarily must rely on our major branded hotel operators to drive sustainability in hotels that we own, we continue to undertake a more proactive approach to supporting our independent and third-party operators in many initiatives to position our Company as an ESG leader in the U.S. lodging sector.

In addition to our climate-related initiatives, we are also deeply committed to honoring the sociocultural fabric of the communities in which our hotels and resorts operate. In 2020, we launched Hotel Zena Washington DC, the first hospitality establishment solely dedicated to celebrating the accomplishments of women. Furthermore, we have expanded our support of charities and community activities, including donations of over \$120,000 in 2019 to registered charities and an active collaboration with Community of Hope, a local organization dedicated to improving health and ending family homelessness in the nearby community of Washington, DC.

Pebblebrook is an active member of both National Association of Real Estate Investment Trusts (NAREIT) and the American Hotel & Lodging Association (AHLA), both of whom have focused on fighting sex trafficking, harassment, forced labor, minimum wage, and other material ESG matters. Pebblebrook is committed to AHLA's 5-star promise on sexual assault, and in 2020, the Company provided all hotel employees with safety devices. As Chair of the Board of AHLA last year, our Chief Executive Officer, Jon Bortz, has taken an active role in some of the educational campaigns for these social issues. In addition, our Chief Financial Officer, Raymond D. Martz, co-chairs the Global Finance Committee (GFC), a league of financial leaders from the U.S. and international hotel brands, operators and owners, that are presently commissioned with the revision of the 11th Edition of the Uniform Systems of Accounts for the Lodging Industry (USALI), which plans to incorporate Energy, Water and Waste metrics into financial reporting.

In 2020, Pebblebrook launched a Racial Equity Team to ensure that systemic injustices are not brushed aside at our Company, and that diversity is welcomed, fought for, and celebrated. Our ESG Committee, which reports to the Nominating and Corporate Governance Committee of the Board, exemplifies our commitment to diversity, as it is chaired by the Lead Trustee, Mr. Miller, and also includes two of our other independent Trustees, Ms. Donnell and Ms. Simi. Mr. Martz and four other employees comprise the committee, which is charged with creating relevant ESG policies, setting baselines, engaging stakeholders and encouraging continuous monitoring and improvement.

Please read our second annual Environmental Sustainability and Social Responsibility Report for more information about our program, including highlights of the investments we have made and their environmental and social benefits.

Please see the sections of this Proxy Statement under the caption "Corporate Governance and ESG Information," most particularly the sections under the captions "—Corporate Governance Highlights" and "—Focus on Shareholder Rights," for information about our strong, sound corporate governance practices and policies that best serve the interests of our shareholders and our communications with shareholders holding the vast majority of our shares to discuss our governance practices and hear our shareholders' perspectives.

The charter of the ESG Committee, our Environmental Sustainability Policy and our second annual Environmental Sustainability and Social Responsibility Report are available on our website at www.pebblebrookhotels.com.

BOARD COMMITTEES

The Board has three standing committees – the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Each committee operates under a written charter which is available in the Investors Relations section of our website at www.pebblebrookhotels.com. Each committee member meets the independence, experience and, with respect to the Audit Committee, the financial literacy requirements, of the NYSE, the SEC and our Corporate Governance Guidelines. Information about each of these committees is included in the table below:

<i>Committee/Membership</i>	<i>Committee's Primary Responsibilities</i>	<i># of 2020 Meetings</i>
Audit Committee		
Cydney C. Donnell ⁽¹⁾⁽²⁾ Phillip M. Miller Michael J. Schall ⁽²⁾ Earl E. Webb	• Selecting our independent registered public accountants and approving and overseeing their work • Overseeing our financial reporting, including reviewing results with management and our independent registered public accountants • Overseeing our internal accounting controls • Monitoring our REIT compliance procedures	4
Compensation Committee		
Michael J. Schall ⁽¹⁾ Cydney C. Donnell Ron E. Jackson Bonny W. Simi	• Reviewing and recommending compensation for our senior officers • Administering and making awards under our long-term incentive award plans • Retaining and terminating compensation consultants • Administering other benefit programs of the Company	5
Nominating and Corporate Governance Committee		
Phillip M. Miller ⁽¹⁾ Ron E. Jackson Bonny W. Simi Earl E. Webb	• Recommending individuals to stand for election to the Board • Recommending Board committee composition • Overseeing our corporate governance policies and procedures, including Board and Trustee evaluations	4

(1) Committee chairperson.

(2) Determined by the Board to be an “audit committee financial expert.”

RISK MANAGEMENT OVERSIGHT

The Board takes an active and informed role in the Company’s risk management policies and strategies. At least annually, the Company’s executive officers, who are responsible for the Company’s day-to-day risk management practices, present to the Board a comprehensive report on the material risks to the Company, including credit risks, liquidity risks, financial risks and operational risks (including cyber-related risks). At that time, the management team also reviews with the Board the Company’s risk mitigation policies and strategies specific to each risk that is identified. If necessary, the Board may delegate specific risk management tasks to management or a committee of the Board. Throughout the year, management monitors the Company’s risk profile and updates the Board as new material risks are identified or the aspects of a risk previously presented to the Board materially change.

The Audit Committee also actively monitors risks to the Company throughout the year, and, with the aid of management, identifies any additional risks that need to be elevated for the consideration of the full Board.

COMMUNICATIONS WITH THE BOARD, LEAD TRUSTEE, INDEPENDENT TRUSTEES AND AUDIT COMMITTEE

Any shareholder or other interested party may communicate with the Board or any Trustee by sending the communication to the Company’s corporate offices at 4747 Bethesda Avenue, Suite 1100, Bethesda, Maryland 20814 in care of the Company’s Secretary. All communications should identify the party to whom it is being sent, and any communication which indicates it is for the Board or fails to identify a particular Trustee will be deemed to be a communication intended for the Chairman of the Board.

In addition, the Audit Committee has adopted confidential, anonymous processes for anyone to send communications to the Audit Committee with concerns or complaints concerning the Company’s regulatory compliance, accounting, audit or internal

controls issues. Any party may contact the Audit Committee via mail to: Chairperson, Audit Committee of Pebblebrook Hotel Trust, c/o Mark W. Wickersham, Esq., Hunton Andrews Kurth LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219.

CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

Our Corporate Governance Guidelines, which apply to our officers, trustees and employees when such individuals are acting for or on our behalf, provide in writing that each member of the Board will disclose any potential conflicts of interest to the Board and, if appropriate, refrain from voting on a matter in which the trustee may have a conflict of interest. Our Code of Business Conduct and Ethics, which applies to our officers, trustees and employees, requires our officers, trustees and employees to report any actual or potential conflict of interest to a supervisor, manager or other appropriate personnel. Any waiver of our Code of Business Conduct and Ethics for our executive officers or trustees may be made only by the Board or one of the Board's committees. We anticipate that any waivers of our Code of Business Conduct and Ethics will be posted on our website. Our Code of Business Conduct and Ethics can be found under "Corporate Governance" in the Investor Relations section of our website at www.pebblebrookhotels.com.

The Board is responsible for reviewing any transactions in which an executive officer or Trustee, any nominee for Trustee or any immediate family member of any such person has or will have a direct or indirect material interest. Our Code of Business Conduct and Ethics expressly prohibits the continuation of any conflict of interest by an employee, officer or Trustee except under guidelines approved by the Board. Because the facts and circumstances regarding potential conflicts are difficult to predict, the Board has not adopted a written policy for evaluating general conflicts of interests. In the event a conflict of interest arises concerning a matter to be voted on by the Board or any of its committees, the Board will review, among other things, the facts and circumstances of the conflict, the Company's applicable corporate governance policies, the effects of any potential waivers of those policies, applicable state law, and NYSE continued listing rules and regulations, and will consider the advice of counsel, before making any decisions regarding the conflict.

The Board has adopted a policy for evaluating potential conflicts of interest with respect to investments by our trustees and executive officers in hotel properties. This policy provides that our trustees and executive officers may not acquire a controlling interest or a 5% or greater equity interest in any hotel property or hotel development project without first receiving approval from our Chief Executive Officer and the Nominating and Corporate Governance Committee. The policy does not apply to investments in publicly traded securities and passive investments in private entities such as limited partnerships or limited liability companies.

None of our named executive officers ("NEOs") has any indebtedness to the Company or any relationship with the Company other than as an employee and shareholder. Change-in-control severance agreements between the Company and our NEOs are described in the "Executive Officer and Compensation Information—Change in Control Severance Agreements, Equity Award Vesting and Other Termination Policies" section of this Proxy Statement.

We have entered into indemnification agreements with each of our Trustees and executive officers that provide for indemnification to the maximum extent permitted by Maryland law and advancements by us of certain expenses and costs relating to claims, suits or proceedings arising from their service to us.

Maryland law permits a Maryland real estate investment trust to include in its declaration of trust a provision limiting the liability of its trustees and officers to the real estate investment trust and its shareholders for money damages except for liability resulting from (i) actual receipt of an improper benefit or profit in money, property or services or (ii) active or deliberate dishonesty established by a final judgment as being material to the cause of action. Our declaration of trust contains a provision which limits the liability of our Trustees and officers to the maximum extent permitted by Maryland law.

TRUSTEE INFORMATION

TRUSTEE NOMINEES

The Nominating and Corporate Governance Committee is responsible for identifying individuals who are qualified candidates to serve on the Board. That committee has identified the following seven individuals to stand for election at our 2021 Annual Meeting of Shareholders. Each of these nominees is currently a member of the Board.

We believe that all of the nominees are intelligent, experienced, collegial, insightful and proactive with respect to management and risk oversight, and that they exercise good judgment. The biographical descriptions below set forth certain information with respect to each nominee, including the experience, qualifications, attributes or skills of each nominee that led us to conclude that such person should serve as a Trustee.

Jon E. Bortz

Age: 64 **Trustee since:** December 2009

Company Committees: None (President, Chief Executive Officer and Chairman of the Board of the Company)

Background

- LaSalle Hotel Properties (“LaSalle”), then a publicly traded lodging REIT (April 1998 to September 2009) – Founder, President, Chief Executive Officer and a Trustee; Chairman of the Board (January 2001 until retiring from LaSalle)
- JLL, Inc. (“JLL”) (1981 to April 1998) – Founder and President of Hotel Investment Group of JLL (from January 1994), oversaw all of JLL’s hotel investment and development activities; Managing Director of JLL’s Investment Advisory Division (January 1995 to April 1998), responsible for certain East Coast development projects; Senior Vice President of JLL’s Investment Division (January 1990 to 1995), responsible for East Coast development projects and workouts
- Federal Realty Investment Trust (NYSE:FRT) – Member of Board of Trustees and its Audit Committee and Nominating and Governance Committee (until Federal Realty Investment Trust’s 2021 annual meeting of shareholders)
- Nareit (formerly known as the National Association of Real Estate Investment Trusts) – Member of the Advisory Board of Governors and the Governance and Nominating Committee
- American Hotel & Lodging Association – Chair Emeritus and member of the Executive Committee of the Board of Directors
- B.S. in Economics from The Wharton School of the University of Pennsylvania; Certified Public Accountant (inactive)

Specific Qualifications and Skills

Among other qualifications, Mr. Bortz brings to the Board executive leadership experience, including his long and distinguished career as chairman and chief executive of two publicly traded REITs in the lodging industry, along with extensive experience in hotel asset management and development.

<i>Cydney C. Donnell</i>
Age: 61 Trustee since: December 2009 Board Committees: Audit (chairperson); Compensation
Background
• Mays Business School of Texas A&M University (“Mays School”) (since January 2004) – Associate Department Head – Finance; Executive Professor (former Director of Real Estate Programs) • European Investors/E.I.I. Realty Securities, Inc. (“EII”) (1986 to 2003) – Chair of the Investment Committee (2002 to 2003); Head of the Real Estate Securities Group and Portfolio Manager (1992 to 2002); VP and Analyst (1986 to 1992) • RepublicBanc Corporation – real estate lending officer (1982 to 1986) • Nareit (formerly known as the National Association of Real Estate Investment Trusts) – Member of the Institutional Advisory Committee and the Editorial Board • American Campus Communities, Inc. (NYSE:ACC), a publicly traded, student-housing REIT – Chair of the Board of Directors (effective at ACC’s 2021 annual meeting of stockholders); Chair of the Compensation Committee, and member of the Executive Committee and the Risk Committee, of the Board • Trinity University – Board of Trustees • Madison Harbor Balanced Strategies, Inc., a real estate fund of funds registered under the Investment Company Act of 1940, which liquidated and deregistered in 2017 – served as member of the Valuation Committee (chairperson), the Nominating and Compensation Committee and the Audit Committee of the Board of Directors • B.B.A. from Texas A&M University; M.B.A. from Southern Methodist University
Specific Qualifications and Skills
Among other qualifications, Ms. Donnell brings to the Board executive leadership experience, including experience in the public real estate industry and investment experience in publicly traded real estate securities, along with experience from teaching courses in real estate investment and real estate capital markets and portfolio management, including modules on corporate governance, at the business school level.

<i>Ron E. Jackson</i>
Age: 78 Trustee since: December 2009 Board Committees: Compensation; Nominating and Corporate Governance
Background
• Meadowbrook Golf, a multi-faceted golf company with divisions in golf turf equipment, golf maintenance and golf operations (since January 2001) – President and Chief Executive Officer • Resort Condominiums International (“RCI”), a Cendant Company with 2,600 resorts in 109 countries (until 2001) – President and Chief Operating Officer • Chartwell Leisure, a hotel owner/operator and developer (prior to RCI) – Chief Operating Officer • Sunbelt Hotels and Sunbelt Management Company, which was the largest franchisee of Hilton Hotels in the United States (prior to Chartwell Leisure) – Founder, President and Chief Executive Officer • B.S. in Finance and Marketing from Brigham Young University; M.B.A. from the University of Utah
Specific Qualifications and Skills
Among other qualifications, Mr. Jackson brings to the Board executive leadership experience, including his experience as a chief executive of a large company in the golf industry, along with significant experience as a senior executive in the lodging and resort industry.

Phillip M. Miller

Age: 68 **Trustee since:** May 2011

Board Committees: Nominating and Corporate Governance (chairperson); Audit

Background

- Miller Management Group LLC, a financial services and payments consulting firm (since September 2018) – President and Chief Executive Officer
- First Data Corporation (September 2015 to September 2018) – Senior Vice President of Global Payment Relations and Sponsorships, managed First Data’s relationship with its payment networks and bank sponsors, globally
- MasterCard Advisors (2005 to September 2015) – Global Head - Acquiring Knowledge Center, responsible for Electronic Payments Thought Leadership and consulting engagements with banks globally (March 2012 to September 2015); Senior Vice President and Group Head, responsible for the disciplines of market development and marketing for the e-commerce and retail business groups (January 2010 to March 2012); Global Solutions Leader, responsible for consulting engagements in strategy and information services for large banks and card acquirers globally (2005 to 2010)
- Teleglobal International, LTD, a stored-value, secure online payments product (2002 to 2005) – Executive Chairman
- Chase Merchant Services, LLC, a division of Chase Bank (2001 to 2002) – President and Chief Executive Officer
- GE Money, the consumer financial services division of General Electric Company (1995 to 2001) – GE Money, the consumer financial services division of General Electric Company
- Citibank’s International Private Banking business (1985 to 1995) – Vice President of International Product Development and Marketing
- B.S. in Marketing and M.B.A. in International Business and Finance from The American University; Certificate of Corporate Governance - Effectiveness and Accountability in the Boardroom from J.L. Kellogg Graduate School of Management at Northwestern University

Specific Qualifications and Skills

Among other qualifications, Mr. Miller brings to the Board executive leadership experience, including his extensive experience as a senior executive in the financial services industry, along with his significant marketing and consulting expertise.

Michael J. Schall

Age: 63 **Trustee since:** December 2009

Board Committees: Compensation (chairperson); Audit

Background

- Essex Property Trust, Inc. (NYSE:ESS), a publicly traded multifamily REIT (“Essex”) (since 1993) – President and Chief Executive Officer (since January 2011); Member of Board (since 1994); Senior Executive Vice President and Chief Operating Officer (2005 to January 2011), responsible for the strategic planning and management of Essex’s property operations, redevelopment and co-investment programs; Chief Financial Officer (1993 to 2005)
- The Marcus & Millichap Company (1986 to 1993) – Chief Financial Officer of Essex’s predecessor, Essex Property Corporation
- Churchill International, a technology-oriented venture capital company (1982 to 1986) – Director of Finance
- Ernst & Young (then known as Ernst & Whinney) (1979 to 1982) – audit department, specializing in the real estate and financial services industries
- American Institute of Certified Public Accountants – Member
- National Multi Housing Council – Member
- Nareit – Member of the Executive Board
- B.S. from the University of San Francisco; Certified Public Accountant (inactive)

Specific Qualifications and Skills

Among other qualifications, Mr. Schall brings to the Board executive leadership experience, including his extensive experience as a senior executive in the financial services industry, along with his significant marketing and consulting expertise.

Bonny W. Simi

Age: 58 **Trustee since:** April 2019

Board Committees: beginning in July 2019 - Compensation; Nominating and Corporate Governance

Background

- Joby Aviation, Inc., a portfolio company of the venture capital subsidiary of JetBlue Airways Corporation (“JetBlue”) that seeks to revolutionize aviation by developing an electric plane – Head of Operations and People (since December 2020)
- JetBlue Technology Ventures, LLC, the venture capital subsidiary of JetBlue, which incubates, invests in and partners with early stage startups at the intersection of technology, travel and hospitality – Advisor (since December 2020); President (January 2016 to January 2021)
- JetBlue (since September 2003) – Vice President Technology Innovations (January 2016 to May 2019); Vice President Talent (September 2011 to January 2016), overseeing talent acquisition, performance management, succession planning, people analytics and organizational development; various operational, leadership and financial roles in Airports, System Operations, Call Center Operations and Flight Operations (September 2003 to September 2011)
- United Airlines, Inc. (1990 to 2003) – airline pilot
- United States Olympian (1984, 1988, 1992) – three-time competitor in the luge
- Network television commentator for the Olympics of 1994, 1998, 2002
- Red Lion Hotels Corporation (NYSE:RLH) (March 2017 to May 2020) – Member of the Board of Directors, Chair of its Compensation Committee and member of its Nominating and Corporate Governance Committee
- B.A. in Communications from Stanford University; M.S. in management from the Stanford Graduate School of Business; M.S. in Management Science and Engineering from the Stanford School of Engineering; M.S. in Human Resource Management from Regis University
- Board Leadership Fellow with the National Association of Corporate Directors; CERT Certificate in Cybersecurity Oversight from the CERT Division of the Software Engineering Institute at Carnegie Mellon University

Specific Qualifications and Skills

Among other qualifications, Ms. Simi brings more than 30 years of operations, human resources and technology experience to the Board, with executive leadership experience in the travel industry and experience as a director of a NYSE-listed hospitality and leisure company.

Earl E. Webb

Age: 64 **Trustee since:** December 2009

Board Committees: Audit; Nominating and Corporate Governance

Background

- 9th Green Advisors LLC, a commercial real estate strategy and advisory firm serving investors in, occupiers of, and lenders to real estate assets throughout North America (since April 2021) – Founder and Managing Partner
- Avison Young, LLC, or Avison, a Canada-based commercial real estate company (“Avison”) (September 2009 to April 2021) – Chairman, Global Capital Markets; member of Avison’s Board of Directors and its Audit and Executive Committees
- JLL (January 2003 to August 2009) – Chief Executive Officer of JLL’s Capital Markets Group in the Americas, responsible for strategic direction and management of all capital markets activities throughout the region
- Jones Lang LaSalle Americas, Inc. (1985 to December 2002) – Chief Executive Officer (February 1999 to December 2002)
- Continental Illinois National Bank (1981 to 1985) – Second Vice President in the Capital Markets Group
- Urban Land Institute – Member
- University of Virginia’s Gift Planning Council and the McIntire Foundation Board – Member
- Real Estate Roundtable – Member
- B.S. from the University of Virginia; M.B.A. from the J.L. Kellogg Graduate School of Management at Northwestern University

Specific Qualifications and Skills

Among other qualifications, Mr. Webb brings to the Board executive leadership experience, including his extensive experience as a senior executive in the real estate and financial services industries, along with his significant capital markets expertise, and his prior public board experience with JLL and Players International.

PROCESS FOR SELECTING TRUSTEES

Before each annual meeting of shareholders, the Nominating and Corporate Governance Committee considers the nomination of all current Trustees and also considers new candidates whenever there is a vacancy on the Board or whenever a vacancy is anticipated due to a change in the size or composition of the Board, a retirement of a Trustee or for any other reason. In addition to considering incumbent Trustees, the Nominating and Corporate Governance Committee identifies trustee candidates based on recommendations from the Trustees, shareholders, management and others. Although the Nominating and Corporate Governance Committee may in the future engage the services of third-party search firms to assist in identifying or evaluating trustee candidates, no such firm was engaged in 2020.

The Nominating and Corporate Governance Committee annually evaluates the effectiveness of the Board as a whole and of each individual Trustee and identifies any areas in which the Board would be better served by adding new members with different skills, backgrounds or areas of experience, and whether the average tenure of our Trustees is appropriate for the Company. The Board considers trustee candidates, including those nominated by shareholders, based on a number of factors including: whether the candidate will be “independent,” as such term is defined by the NYSE listing standards; whether the candidate possesses the highest personal and professional ethics, integrity and values; whether the candidate contributes to the overall diversity of the Board; and whether the candidate has an inquisitive and objective perspective, practical wisdom and mature judgment. Candidates are also evaluated on their understanding of our business, experience and willingness to devote adequate time to carrying out their duties as trustees of the Company. The Nominating and Corporate Governance Committee also monitors the mix of skills, experience, background and length of service on the Board of the Trustees to assure that the Board has the necessary composition to effectively perform its oversight function. We do not have a formal policy about diversity of Board membership, but the Nominating and Corporate Governance Committee does consider a broad range of factors when nominating trustee candidates to the Board, including differences of viewpoint, professional experience, education, skill, other personal qualities and attributes, race, gender and national origin. The Nominating and Corporate Governance Committee neither includes nor excludes any candidate from consideration solely based on the candidate’s diversity traits.

PROCESS FOR SHAREHOLDERS TO RECOMMEND TRUSTEE NOMINEES

The Nominating and Corporate Governance Committee will consider appropriate nominees for Trustees whose names are submitted in writing by a shareholder of the Company. Trustee candidates submitted by our shareholders will be evaluated by the Nominating and Corporate Governance Committee on the same basis as any other Trustee candidates. Nominations must be addressed to Pebblebrook Hotel Trust, 4747 Bethesda Avenue, Suite 1100, Bethesda, Maryland 20814, Attention: Raymond D. Martz, Secretary, and must describe the nominee’s qualifications and other relevant biographical information and provide confirmation of the nominee’s consent to serve as a Trustee if elected. In order for the nominee to be considered for the next annual election of Trustees and be included in the proxy statement for that election, any such written request must comply with the requirements set forth in our Bylaws and as set forth below under “General Information—Solicitation of Proxies, Shareholder Proposals and Other Matters—Shareholder Proposals and Trustee Nominations for Inclusion in the 2022 Proxy Statement.”

In addition, shareholders have what is commonly known as the right to “proxy access.” A shareholder, or a group of up to 20 shareholders, owning at least 3% (0.1% for each group member) of the outstanding Common Shares continuously for at least the prior 3 years may nominate for election to the Board, and include in the Company’s proxy materials for its annual meeting of shareholders, nominees representing up to 20% of the number of trustees then serving on the Board (rounding down to the closest whole number). See “—Corporate Governance Practices—Focus on Shareholder Rights.”

TRUSTEE COMPENSATION

For 2020, we did not initially change from 2019 the amounts we pay as an annual retainer fee to our independent Trustees for their service to us and the amounts of additional annual compensation we pay to the chairpersons of the Board’s standing committees. However, in March 2020, in an effort to conserve cash in response to the lodging industry crisis caused by the COVID-19 pandemic, our Board voluntarily reduced its annual compensation by 30% for all of 2020.

Therefore, for 2020, Trustees who were neither employed by nor affiliated with the Company received the compensation set forth in the following table for their service on the Board:

<i>Program Element</i>	<i>Amount</i>	<i>Form of Payment</i>
Annual Retainer	\$108,500	At least 50% in Common Shares (up to 100% at recipient's election)
Committee Chairperson Annual Fees	\$14,000 for Audit Committee \$10,500 for Compensation Committee \$7,000 for Nominating and Corporate Governance Committee	
Meeting Attendance Fees	None	
One-Time Grant upon Joining Board	2,500 restricted Common Shares (three-year pro rata vesting)	
Equity Ownership Guidelines	Ownership of equity of the Company with a value of at least 3 times annual compensation (including chairperson fee) within 5 years after becoming a Trustee (or after an increase of compensation levels)	

As of December 31, 2020, all Trustees were in compliance with the equity ownership guidelines. Pursuant to the equity ownership guidelines, Ms. Simi, who became a trustee in April 2019, has until April 2024 to reach the recommended level of share ownership.

Total compensation paid in January 2021 to our independent Trustees for service in 2020 was as follows:

<i>Name</i>	<i>Fees Earned or Paid in Cash</i>				<i>Total⁽¹⁾</i>
	<i>Annual Retainer</i>	<i>Committee Chair Fee</i>	<i>Share Awards</i>		
Cydney C. Donnell	\$ 108,500	\$ 14,000	—	\$	122,500 ⁽²⁾
Ron E. Jackson	\$ 108,500	—	—	\$	108,500 ⁽³⁾
Phillip M. Miller	\$ 108,500	\$ 7,000	—	\$	115,500 ⁽⁴⁾
Michael J. Schall	\$ 108,500	\$ 10,500	—	\$	119,000 ⁽⁵⁾
Bonny W. Simi	\$ 108,500	—	—	\$	108,500 ⁽⁶⁾
Earl E. Webb	\$ 108,500	—	—	\$	108,500 ⁽⁷⁾

(1) Any Common Shares paid in lieu of cash were valued at a price per share of \$18.63, which was the average of the closing prices of Common Shares on the NYSE for the ten trading days preceding the date of payment.

(2) At election of Trustee, 100% of Trustee's fee for service was paid in the form of 6,575 Common Shares.

(3) At election of Trustee, 100% of Trustee's fee for service was paid in the form of 5,824 Common Shares.

(4) At election of Trustee, 50% of Trustee's fee for service was paid in the form of 3,100 Common Shares.

(5) At election of Trustee, 100% of Trustee's fee for service was paid in the form of 6,388 Common Shares.

(6) At election of Trustee, 50% of Trustee's fee for service was paid in the form of 2,912 Common Shares.

(7) At election of Trustee, 50% of Trustee's fee for service was paid in the form of 2,912 Common Shares.

In February 2021, the Board restored to the initial level of 2020 the amounts we will pay as an annual retainer fee to our independent Trustees for their service to us for 2021 and the amounts of additional annual compensation we will pay to the chairpersons of the Board's standing committees for 2021. Consequently, the annual retainer fee for each independent Trustee for 2021 service (to be paid in January 2022) was restored to \$155,000, and the committee chairperson fees for the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee for 2021 service (to be paid in January 2022) were restored to \$20,000, \$15,000 and \$10,000, respectively.

AUDIT INFORMATION

AUDIT COMMITTEE REPORT

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Trustees, in accordance with the Audit Committee charter. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed with management the audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 and discussed with management the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Audit Committee also reviewed and discussed with management the Company's year-end earnings release.

The Audit Committee reviewed with the independent registered public accountants, who are responsible for expressing an opinion on the conformity of the Company's audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards. In addition, the Audit Committee has discussed with the independent registered public accountants the auditors' independence and the matters required to be discussed by Auditing Standard No. 1301 (Communications with Audit Committees) as adopted by the Public Company Accounting Oversight Board ("PCAOB"), and discussed and received the written disclosures and the letter from the independent registered public accountants required by the PCAOB regarding the independent auditors' communications with the Audit Committee concerning independence.

The Audit Committee discussed with the Company's independent registered public accountants the overall scope and plans for their audit. The Audit Committee met four times in 2020 with the independent registered public accountants, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting. The Audit Committee held meetings with management prior to the filing of each of the Company's Quarterly Reports on Form 10-Q with the SEC and the release to the public of the Company's quarterly earnings, and reviewed and discussed with management the Company's Quarterly Reports on Form 10-Q and its quarterly earnings releases.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Trustees (and the Board approved) that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC.

The Audit Committee is also responsible for monitoring the Company's procedures for compliance with the rules for taxation as a REIT under Sections 856-860 of the Code.

The members of the Audit Committee are not professionally engaged in the practice of auditing or accounting. Members of the Audit Committee rely, without independent verification, on the information provided to them and on the representations made by management and the independent registered public accountants. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not assure that the audit of the Company's financial statements has been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with generally accepted accounting principles or that KPMG LLP is in fact "independent."

The Audit Committee has adopted a written charter that outlines certain specified responsibilities of the Audit Committee and complies with the rules of the SEC and the NYSE.

Each member of the Audit Committee is independent as defined by the NYSE listing standards and each member is financially literate. The Board of Trustees has identified each of Ms. Donnell and Mr. Schall as an "audit committee financial expert" within the meaning of the SEC rules.

Submitted by the Audit Committee of the Board of Trustees

Cydney C. Donnell (Chairperson)
Phillip M. Miller
Michael J. Schall
Earl E. Webb

FEE DISCLOSURE

The following is a summary of the fees billed to the Company by KPMG for professional services rendered for the years ended December 31, 2020 and 2019:

<i>Fee Type</i>	<i>Year Ended December 31,</i>	
	<i>2020</i>	<i>2019</i>
Audit Fees	\$ 1,087,698	\$ 1,994,000
Audit-Related Fees	—	—
Tax Fees	—	406,627
All Other Fees	—	—
Total	<u>\$ 1,087,698</u>	<u>\$ 2,400,627</u>

Audit Fees

“Audit Fees” consist of fees and expenses billed for professional services rendered to audit financial statements, assess effectiveness of internal control over financial reporting, review interim consolidated financial statements, review registration statements and prepare comfort letters, services that are normally provided in connection with statutory and regulatory filings or engagements.

Audit-Related Fees

“Audit-Related Fees” consist of fees and expenses for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements that are not “Audit Fees.”

Tax Fees

“Tax Fees” consist of fees and related expenses billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal and state tax compliance and tax planning and structuring.

All Other Fees

“All Other Fees” consist of fees and expenses for products and services that are not “Audit Fees,” “Audit-Related Fees” or “Tax Fees.”

PRE-APPROVAL POLICY

All audit, tax and other services provided to us are reviewed and pre-approved by the Audit Committee. The Audit Committee concluded that the provision of such services by KPMG was compatible with the maintenance of that firm’s independence in the conduct of its auditing functions. All of the fees paid to KPMG that are described above were approved by the Board.

EXECUTIVE OFFICER AND COMPENSATION INFORMATION

NAMED EXECUTIVE OFFICERS

We have three NEOs:

<i>Name</i>	<i>Age</i>	<i>Position</i>	<i>At the Company Since</i>
Jon E. Bortz	64	President, Chief Executive Officer and Chairman of the Board	December 2009
Raymond D. Martz	50	Executive Vice President, Chief Financial Officer, Treasurer and Secretary	December 2009
Thomas C. Fisher	50	Executive Vice President, Chief Investment Officer	January 2010

Jon E. Bortz

Background

Information about Mr. Bortz is set forth above under “Trustee Information—Trustee Nominees.”

Raymond D. Martz

Background

- Phillips Edison & Company, one of the largest private owners of community shopping centers in the U.S. (August 2007 to November 2009) – Chief Financial Officer
- Eagle Hospitality Properties Trust, Inc., then a NYSE-listed hotel REIT (May 2005 to August 2007)) – Chief Financial Officer, Treasurer and Secretary
- LaSalle (April 1998 to May 2005) – Treasurer (2004 to 2005); Vice President of Finance (2001 to 2004); Director of Finance (1998 to 2001)
- JLL (October 1997 to April 1998) – Director of Finance
- Tishman Hotel Corporation (1995 to 1997) – Associate, focusing on a variety of areas including asset management and development
- Orient Hotel Group, a private owner and operator of hotels (1994 to 1995) – several hotel operations roles
- American Hotel & Lodging Association (“AHLA”) – co-chairperson of the Financial Management Committee
- Global Finance Committee (formed by AHLA and Hospitality Financial and Technology Professionals) – co-chairperson
- U.S. Green Building Council – founding member of the LEED User Group: Hospitality and Venues
- Adaptive Phage Therapeutics, a private clinical-stage biotechnology company – member of the Board of Directors
- B.S. from the School of Hotel Administration at Cornell University; M.B.A. from Columbia University

Thomas C. Fisher

Background

- JLL (1996 to January 2010) – Managing Director—Americas, leading the national full-service investment sales platform; variety of roles prior
- The Harlan Company, a New York investment banking boutique (1994 to 1996) – Associate, focused on commercial real estate investment services including investment sales, capital raises and tenant representation
- Prudential Realty Group (1993 to 1994) – Real Estate Analyst, focused on general account investments covering multiple property types including hotel, office and retail
- American Hotel & Lodging Association – Co-Chair of the Hospitality Investment Roundtable
- B.S. with Distinction from the School of Hotel Administration at Cornell University

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement (“CD&A”) with management of the Company. Based on the Compensation Committee’s review of the CD&A and the Compensation Committee’s discussions of the CD&A with management, the Compensation Committee recommended to the Board of Trustees (and the Board of Trustees has approved) that the CD&A be included in the Company’s Proxy Statement on Schedule 14A prepared in connection with the Annual Meeting.

Submitted by the Compensation Committee of the Board of Trustees

Michael J. Schall (Chairperson)

Cydney C. Donnell

Ron E. Jackson

Bonny W. Simi

COMPENSATION DISCUSSION AND ANALYSIS (“CD&A”)

This CD&A describes the Company’s compensation program and compensation decisions for our NEOs for 2020. However, we note that, except for a special retention award, we use the same compensation program for all of our employees, not just for our NEOs. We compensate our other employees with annual cash base salaries, annual cash incentive bonuses and long-term equity-based awards with the same performance metrics and payout percentages as for our NEOs. It is our belief that using this same program throughout the Company serves to align the interests of all of our employees to the interests of our shareholders.

In deciding how to structure the Company’s compensation program each year, the Compensation Committee and the Board consider the results of the say-on-pay proposal made at the prior year’s annual meeting of shareholders. The average approval rate since inception of this advisory proposal is approximately 96%. In 2020, shareholders continued their significant support with approximately 97% of the votes cast for approval of the “say on pay” proposal at the 2020 annual meeting of shareholders. The Compensation Committee and the Board believe this strong level of support reflects a high degree of shareholder confidence that the Company’s compensation program is rewarding our executives appropriately.

Performance Highlights

In 2020, the NEOs faced the hospitality industry’s greatest year of dislocation to date, driven almost exclusively by the COVID-19 pandemic, and overcame the seemingly endless challenges through swift action to mitigate expenses, manage through operational changes and safety protocols, and maintain its balance sheet through multiple capital markets and asset transactions. Performance highlights for 2020 include the following:

- COVID-19 pandemic-related expense mitigation – The management team immediately took action to implement dramatic cost savings in March 2020, as the COVID-19 pandemic took hold in the United States, saving approximately \$50 million in 2020. Measures included:
 - the temporary suspension of operations at many of our hotels;
 - the implementation of strict cash controls across our portfolio of hotels;
 - dramatic reductions in base salaries for our NEOs for April through December (Mr. Bortz’s was eliminated entirely and Mr. Martz’s and Mr. Fisher’s were reduced by 30%);
 - dramatic reductions in base salaries for our other employees for April through December (reduced by up to 20%);
 - dramatic reduction in our independent Trustees’ compensation for their service on the Board for all of 2020 (reduced by 30%);
 - a meaningful reduction on the Company’s capital expenditure budget; and
 - a halt of all major redevelopment projects that had not yet started.
- Launched Curator Hotel & Resort Collection – The Company transformed its portfolio wide initiatives efforts into a new company, which was successfully launched as a distinct owner-centric platform to offer an alternative for independent lifestyle hotels looking to strengthen their performance, providing them with best-in-class agreements, services, and technology, while allowing them to retain their unique identity.
- Successfully completed three property dispositions – Generated \$387.0 million in gross proceeds from the sales of three hotel properties in 2020, at a weighted-average hotel-level EBITDA multiple of 13.0x and a weighted-average net operating income capitalization rate of 6.9% (after an assumed annual capital reserve of 4.0% of total hotel revenues), in each case based on the 2018 operating performance of the hotel properties.

- Negotiated a successful covenant waiver agreement and extended the Company's debt maturities – In June 2020, the Company amended its loan agreements to allow for the extension of its near-term maturities, the flexibility to complete new acquisitions and other investments during the waiver period, the ability to complete capital improvements and redevelopment projects, and other favorable terms to allow for the Company to navigate through the year.
- Executed a \$500 million convertible notes offering – Launched and closed on an underwritten public offering of \$500 million aggregate principal amount of convertible senior notes with a 1.75% yield, improving the Company's liquidity by \$250 million, with equity dilution protection up to \$33.02 per Common Share.
- Successfully achieved other objectives to enhance shareholder value – Completed the transformational redevelopments of Donovan Hotel to Hotel Zena Washington DC, Mason & Rook Hotel to Viceroy Hotel DC and renovations at Embassy Suites San Diego Downtown, Westin San Diego Gaslamp Quarter, Le Parc Suite Hotel, San Diego Mission Bay Resort, Chaminade Resort & Spa, Viceroy Hotel Santa Monica, and the Treehouses at Skamania Lodge.
- Maintained and strengthened financial controls and risk management – The audit of our internal controls and procedures again found no material weaknesses and no significant deficiencies, as set forth in the audit reports filed as part of our Annual Report on Form 10-K for the year ended December 31, 2020.

Compensation Highlights

In February 2020, the Compensation Committee chose to maintain the same structure of the 2019 compensation program for the 2020 compensation program. The Compensation Committee established the following program components for our NEOs:

- 2020 annual base salary: no increase from 2019 for any of our NEOs;
- 2020 target cash incentive bonus: no increase from 2019 for any of our NEOs;
- 2020 awards of time-based and performance-based equity: no increase as percentage of target total compensation for any of our NEOs; and
- a special retention equity award to vest over four years beginning on January 1, 2023.

However, following the Compensation Committee's decisions, COVID-19 was declared by the World Health Organization to be a pandemic, and the pandemic began to have a significantly adverse impact on the Company's operations and financial performance. In response, the Company began to suspend operations at its hotel properties, reduced its capital investments and began to implement other expense-reduction measures.

As part of the expense-reduction measures, the Company's executive officers voluntarily offered and recommended to the Board that the Board (i) effective April 1, 2020, and for the remainder of 2020, reduce the 2020 cash base salaries of Mr. Bortz to zero and of Messrs. Martz and Fisher by 30%; (ii) pay Common Shares in lieu of any cash that may be earned based on performance under the cash bonus incentive award for 2020; and (iii) terminate the special retention equity award.

In response, on March 22, 2020, the Compensation Committee and the Board took the following actions:

- reduced Mr. Bortz's annual cash base salary to zero for April through December of 2020;
- reduced Mr. Martz's annual cash base salary by 30% for April through December of 2020;
- reduced Mr. Fisher's annual cash base salary by 30% for April through December of 2020;
- determined that Common Shares would be paid in lieu of any cash that may be earned under the 2020 cash incentive bonus award; and
- terminated the special retention equity award (and the equity granted pursuant to it was forfeited).

With regard to the performance-based components of the 2020 compensation program, the Compensation Committee determined the following in February 2021:

- payment of actual cash incentive bonus earned for 2020 performance against revised Annual Objectives (as described further below): 75% of target (although actual performance was at 153% of target); and
- vesting of performance-based equity awarded in February 2018 after the three-year measurement period ended December 31, 2020: 0% of target (i.e., no equity vested).

Compensation and Compensation Components

We provide our NEOs with three primary components of compensation, each of which serves particular objectives in compensating and rewarding our NEOs and creates alignment between our NEOs and our shareholders: (i) annual cash base salaries, (ii) annual cash incentive bonuses and (iii) two forms of regular long-term equity-based awards (performance-based vesting and time-based vesting). Special retention awards, described further below, are not part of the regular compensation program.

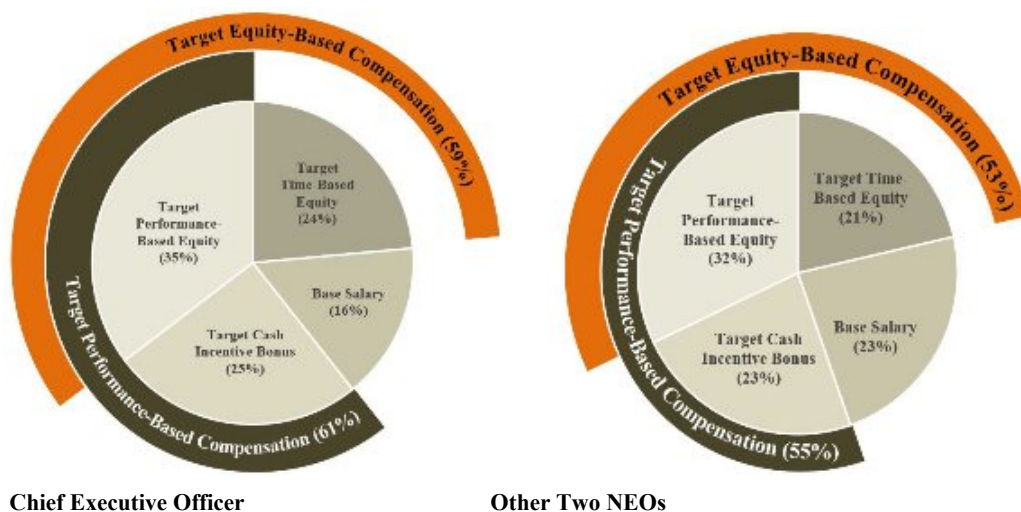
<i>Component</i>	<i>Type</i> (% of 2020 Target Total)	<i>Purpose</i>
Base Salary	Fixed (16% - 23%)	• Compensates executives for carrying out the duties of the job • Recognizes individual experience, skills and performance • Provides value to attract and retain talented executives
Annual Cash Incentive Bonus	At-Risk / Performance-Based	• Encourages accomplishment of annual business objectives • Aligns interests of executives with those of our shareholders • Provides value to attract and retain talented executives
Long-Term Equity (performance-based vesting)	(55% - 61%)	• Encourages accomplishment of long-term business objectives critical to delivering shareholder value • Aligns interests of executives with those of our shareholders • Promotes executives' ownership in the Company • Provides value to attract and retain talented executives
Long-Term Equity (time-based vesting)	Vests over Time (21% - 24%)	• Aligns interests of executives with those of our shareholders • Promotes executives' ownership in the Company • Provides value to attract and retain talented executives

We also provide various health and welfare benefits to our NEOs that are generally the same as provided to all of our employees. These benefits are competitive with those offered by companies that we compete with for talent and provide another tool that allows us to attract and retain talented executives.

The Compensation Committee and the Board have structured the program so that a significant portion of each NEO's overall compensation: (i) is earned and paid over a period of more than one year; (ii) depends on the Company's performance relative to that of peer lodging REITs; (iii) is, at target levels of compensation, measured against total target compensation paid by peer lodging REITs; and (iv) depends on the Company's total absolute and relative shareholder returns and other absolute and relative performance measurements. In this compensation framework, if the Company has poor relative performance and/or poor total shareholder returns, our NEOs could receive incentive compensation below established target amounts (potentially as low as zero) and lower total compensation. In return, our NEOs should have an opportunity, in the event of superior relative performance and superior total shareholder returns, to earn overall compensation packages significantly greater than established target amounts.

The following two charts show the composition of the total 2020 target regular compensation for our NEOs by form and by type. For each chart, (i) the center four “slices” show the percentages of the total represented by each form of compensation set forth in the table above; (ii) the inner partial ring shows the percentage of the total compensation that is “at-risk” and may only be earned based on the level of attainment of our performance goals; and (iii) the outer partial ring shows the percentage of the total composed of long-term equity awards. The charts do not account for the reductions in the NEOs’ base salaries for the April through December period of 2020 or the Compensation Committee decision to issue Common Shares in lieu of any cash incentive bonus earned. (Percentages may not total 100% due to rounding.)

Target Compensation Mix



For 2020, the Compensation Committee and the Board determined that executive compensation would consist of the same components that comprised the 2019 compensation program as described above.

Base Salary – Fixed, Not “At-Risk”

Base salary is the only fixed component of the compensation paid to our NEOs. For 2020, base salary as a percentage of target total compensation for each NEO comprised only 16% for Mr. Bortz and 23% for each of Mr. Martz and Mr. Fisher. After taking into consideration the reductions in the NEOs’ base salaries for the April through December period of 2020, the percentages were 4% and 19%, respectively.

Because base salaries are just one component of total pay, we do not target base salaries to any specific level but do confirm that the base salaries for our NEOs are within market parameters using publicly available data, reports of compensation consultants (if retained by the Compensation Committee) and market knowledge. All base salary decisions for our NEOs are made at the first Compensation Committee meeting of the year and take effect as of January 1 of that year.

In 2020, the Compensation Committee and the Board decided not to increase the annual base salaries of our NEOs above the 2019 amounts, having determined, among other things, that the amounts were sufficient as part of the target compensation to retain and motivate them.

In March 2020, at the voluntary request of Messrs. Bortz, Martz and Fisher in furtherance of the Company’s efforts to mitigate the financial impact on the Company of the COVID-19 pandemic, the Board reduced the base salaries of our NEOs for the months of April through December of 2020. For each of those months, Mr. Bortz’s salary was zero and the salaries of Messrs. Martz and Fisher were reduced by 30%.

The 2020 annual base salaries for the NEOs are set forth in the Summary Compensation Table located elsewhere in this Proxy Statement.

Annual Cash Incentive Bonus – At-Risk / Performance-Based Compensation

The Compensation Committee emphasizes the importance of incentive cash compensation as a component of total compensation for our NEOs. The Company believes this component of the Company’s compensation program is an investment in high-quality, successful employees who can improve the operational performance of the Company’s hotels and generate new business and transaction opportunities that create value for shareholders.

The annual cash incentive bonus program is intended to compensate our NEOs for achieving our annual goals at both the corporate and hotel property levels, as well as for implementing long-term plans and strategies. However, we do not guarantee any bonuses, and actual amounts paid may range from 0% to 200% of the target amounts.

For 2020, the Compensation Committee and the Board decided not to increase the amount of target cash incentive bonus for our NEOs above the 2019 amounts, having determined, among other things, that the amounts were sufficient as part of the target compensation to retain and motivate them.

As a result, the Compensation Committee and the Board established target cash incentive bonuses for 2020 for Messrs. Bortz, Martz and Fisher of \$1,203,750, \$500,000 and \$500,000, respectively. The target cash incentive bonus amounts as a percentage of annual base salary for Mr. Bortz and each of Messrs. Martz and Fisher were 161% and 100%, respectively. The target cash incentive bonus amounts as a percentage of target total compensation for Mr. Bortz and each of Messrs. Martz and Fisher were 25% and 23%, respectively.

For each executive, the 2020 target cash incentive bonus was based on the Company meeting the target levels of certain annual objectives established by the Board (the “Annual Objectives”), which were initially set in February 2020 and were designed to align the incentives of the Company’s employees and management with the interests of the Company’s shareholders.

Initially, the Annual Objectives were based on the percentage growth of the Company’s hotel-level EBITDA compared to the same measure for a group of six full-service lodging REITs and were comprised of, the growth of the Company’s Adjusted FFO per Common Share compared to the same measure provided in the Company’s budget for 2020, the growth in the Company’s RevPAR penetration index compared to the competitive sets for the Company’s hotel properties portfolio, the amount of annualized hotel-level EBITDA improvements that could be made based on portfolio-wide asset management enhancements identified during 2020, the degree to which certain asset management objectives were achieved, and the degree to which particular business objectives, including asset management initiatives, acquisition/disposition goals, corporate finance and balance sheet goals and internal controls and compliance, were executed and met.

However, as the crisis in the lodging industry caused by the COVID-19 pandemic wore on in 2020, the Compensation Committee and the Board determined that the Annual Objectives should be modified to focus our NEOs and all other employees on the Company’s emergent needs and investments for success following the COVID-19 pandemic. Therefore, the Compensation Committee and the Board revised the Annual Objectives for 2020 to be as follows:

- 50% of the target bonus, up to a maximum of 100%, was based on the degree of success in managing through the crisis of the COVID-19 pandemic, including taking strategic and tactical actions to mitigate operating losses at both the hotel and the corporate level and to enhance liquidity (the “Crisis Management Objective”);
- 20% of the target bonus, up to a maximum of 40%, was based on achieving certain asset management initiatives, including completing 11 major hotel renovations, completing three hotel transitions, and identifying annualized hotel-level EBITDA improvements that could be made based on portfolio-wide asset management enhancements (the “Asset Management Objective”); and
- 30% of the target bonus, up to a maximum of 60%, was based on the degree to which particular business objectives, including acquisition/disposition goals, corporate finance and balance sheet goals and internal controls and compliance, were executed and met (the “Investment Objective”).

<i>Annual Objective</i>	<i>Target Performance</i>	<i>Minimum Payout⁽¹⁾ (% of Target)</i>	<i>Target Payout (% of Target)</i>	<i>Maximum Payout (% of Target)</i>
Crisis Management	Score of 3 on a scale of 1 to 5	—%	50.0%	100.0%
Asset Management	Score of 3 on a scale of 1 to 5	—%	20.0%	40.0%
Investment	Score of 3 on a scale of 1 to 5	—%	30.0%	60.0%
Maximum Total Payout (% of Target)		—%	100.0%	200.0%

- (1) The Compensation Committee did not establish a threshold level of performance for any of the performance objectives. Rather, the Compensation Committee established a minimum payout level of zero for each performance objective, and the minimum payout level for all performance objectives in the aggregate is zero.

For 2020, the Company's actual performance against each of the Annual Objectives was as follows:

<i>Annual Objective</i>	<i>Actual Performance</i>	<i>Payout Achieved (% of Target)</i>	<i>Actual Payout (% of Target)</i>
Crisis Management	5	100.0%	
Asset Management	3.3	21.7%	
Investment	3.2	31.5%	
	Total	153.2%	75.0%

The Company's performance relative to the Annual Objectives resulted in a formula-based achievement level of 153.2% of target. In February 2021, the Compensation Committee and the Board took into account the following particular areas of achievement when determining the amount of cash bonus to award each executive:

- COVID-19 pandemic-related expense mitigation – The management team immediately took action to implement dramatic cost savings in March 2020, as the COVID-19 pandemic took hold in the United States, saving approximately \$50 million in 2020. Measures included:
 - the temporary suspension of operations at many of our hotels;
 - the implementation of strict cash controls across our portfolio of hotels;
 - dramatic reductions in base salaries for our NEOs for April through December (Mr. Bortz's was eliminated entirely and Mr. Martz's and Mr. Fisher's were reduced by 30%);
 - dramatic reductions in base salaries for our other employees for April through December (reduced by up to 20%);
 - dramatic reduction in our independent Trustees' compensation for their service on the Board for all of 2020 (reduced by 30%);
 - a meaningful reduction on the Company's capital expenditure budget; and
 - a halt of all major redevelopment projects that had not yet started.
- Launched Curator Hotel & Resort Collection – The Company transformed its portfolio wide initiatives efforts into a new company, which was successfully launched as a distinct owner-centric platform to offer an alternative for independent lifestyle hotels looking to strengthen their performance, providing them with best-in-class agreements, services, and technology, while allowing them to retain their unique identity.
- Successfully completed three property dispositions – Generated \$387.0 million in gross proceeds from the sales of three hotel properties in 2020, at a weighted-average hotel-level EBITDA multiple of 13.0x and a weighted-average net operating income capitalization rate of 6.9% (after an assumed annual capital reserve of 4.0% of total hotel revenues), in each case based on the 2018 operating performance of the hotel properties.
- Negotiated a successful covenant waiver agreement and extended the Company's debt maturities – In June 2020, the Company amended its loan agreements to allow for the extension of its near-term maturities, the flexibility to complete new acquisitions and other investments during the waiver period, the ability to complete capital improvements and redevelopment projects, and other favorable terms to allow for the Company to navigate through the year.
- Executed a \$500 million convertible notes offering – Launched and closed on an underwritten public offering of \$500 million aggregate principal amount of convertible senior notes with a 1.75% yield, improving the Company's liquidity by \$250 million, with equity dilution protection up to \$33.02 per Common Share.
- Successfully achieved other objectives to enhance shareholder value – Completed the transformational redevelopments of Donovan Hotel to Hotel Zena Washington DC, Mason & Rook Hotel to Viceroy Hotel DC and renovations at Embassy Suites San Diego Downtown, Westin San Diego Gaslamp Quarter, Le Parc Suite Hotel, San Diego Mission Bay Resort, Chaminade Resort & Spa, Viceroy Hotel Santa Monica, and the Treehouses at Skamania Lodge.
- Maintained and strengthened financial controls and risk management – The audit of our internal controls and procedures again found no material weaknesses and no significant deficiencies, as set forth in the audit reports filed as part of our Annual Report on Form 10-K for the year ended December 31, 2020.

Although the Company significantly exceeded the target level of performance of the Annual Objectives, the NEOs recommended that the Compensation Committee reduce the payout percentage from the calculated 153.2% to a lower amount. The named executive officers made this recommendation in light of the performance of the Company's total shareholder return in 2020 and in recognition of the exceptional toll the COVID-19 pandemic has taken on the lodging industry. Taking into account both this recommendation and the actual results for each of the Annual Objectives, the Compensation Committee

determined, in its sole discretion, that it would reduce the payout percentage to 75.0% of the target cash incentive bonuses for 2020. As a result, Mr. Bortz and each of Messrs. Martz and Fisher were awarded \$902,813 and \$375,000, respectively. Pursuant to the Board's decision in March 2020, these amounts were paid in the form of Common Shares in lieu of cash.

Long-Term Equity Incentive Awards – At-Risk / Performance-Based Compensation and Time-Based Vesting

The largest portion of compensation for our NEOs comes from long-term equity incentive awards. For 2020, the aggregate target value of both forms of long-term equity incentive award as a percentage of target total compensation was 59% for our Chief Executive Officer and 53% for each of our Chief Financial Officer and our Chief Investment Officer.

The 2009 Equity Incentive Plan allows for long-term incentives to our executive officers, key employees and consultants and other service providers to the Company, its subsidiaries and advisors through grants of option rights, appreciation rights, restricted share awards, performance-based equity awards, LTIP units in our operating partnership and other forms of equity incentive awards. Awards granted to NEOs and other employees under the incentive plan are designed to provide grantees with an incentive to promote the long-term success of the Company in line with our shareholders' interests. The awards align the recipients' interests with the interests of shareholders by providing each recipient with an ownership interest in the Company and a stake in the Company's success. The 2009 Equity Incentive Plan is administered by the Compensation Committee, which has discretion to determine those individuals or entities to whom awards will be granted, the number of shares subject to such rights and awards and other terms and conditions of the option rights, appreciation rights and restricted share awards. Awards may have a vesting period that is tied to each NEO's or employee's continued service to the Company or a specifically identified set of performance measures.

Long-term equity incentive awards for the NEOs with respect to a fiscal year are typically issued near the beginning of such fiscal year.

Awards of Performance-Based Equity

In February 2020, each of Messrs. Bortz, Martz and Fisher received awards of performance-based equity, in the form of performance units, which will vest in the form of Common Shares if, and to the degree that, the long-term performance criterion established by the Board is met, provided that the recipient remains employed by the Company through the end of the applicable measurement period (or as otherwise described below under “—Change in Control Severance Agreements, Equity Award Vesting and Other Termination Policies—Vesting of Long-Term Equity Incentive Awards”).

The number of performance units that may vest in each measurement period will be determined by the “Relative TSR Objective,” which is the Company's total shareholder return (Common Share price appreciation/depreciation plus paid dividends) (“TSR”) compared to the TSR of each member of a group of 13 publicly listed hospitality REITs, collectively referred to as the TSR Peer Group. The following companies comprise the “TSR Peer Group”: Apple Hospitality REIT, Inc., Ashford Hospitality Trust, Inc., Braemar Hotels & Resorts Inc., Chatham Lodging Trust, DiamondRock Hospitality Company, Hersha Hospitality Trust, Host Hotels & Resorts, Inc., Park Hotels & Resorts Inc., RLJ Lodging Trust, Ryman Hospitality Properties, Inc., Summit Hotel Properties, Inc., Sunstone Hotel Investors, Inc. and Xenia Hotels & Resorts, Inc.

There are four measurement periods of the Relative TSR Objective under the awards, and the percentage of the target number of performance units that may vest based on performance during that period varies, as follows:

- 50% (up to a maximum of 125%) of the target number of performance units will be determined by the Relative TSR Objective measured for the three-year period from December 31, 2019 through December 31, 2022;
- 16.7% (up to a maximum of 41.8%) of the target number of performance units will be determined by the Relative TSR Objective measured for the one-year period from December 31, 2019 through December 31, 2020;
- 16.7% (up to a maximum of 41.7%) of the target number of performance units will be determined by the Relative TSR Objective measured for the one-year period from December 31, 2020 through December 31, 2021; and
- 16.6% (up to a maximum of 41.5%) of the target number of performance units will be determined by the Relative TSR Objective measured for the one-year period from December 31, 2021 through December 31, 2022.

The level of performance against the Relative TSR Objective will be measured relative to a target. The payout level varies by level of performance achieved for each measurement period, from a minimum of 0% up to target and a maximum of 250%, as shown in the following table (and a payout level between the minimum and target, or between target and the maximum, will be interpolated):

2020-2023 Long-Term Objective	Target Performance	Minimum Payout ⁽¹⁾ (% of Target)	Target Payout (% of Target)	Maximum Payout (% of Target)
Relative TSR	TSR 50th percentile of Peer Group	—	100%	200%
	Maximum Payout per Period (% of Target)	—	100%	200%

- (1) The Compensation Committee did not establish a threshold level of performance for the performance objective. Rather, the Compensation Committee established a minimum payout level of zero.

If the Company's TSR is greater than 0% for the three-year measurement period ending December 31, 2022, then the maximum percentage of the target number of performance units will be capped at 200%, regardless of the degree of the Company's out-performance, if any, against the Relative TSR Objective. If the Company's TSR is less than 0% for the three-year measurement period ending December 31, 2022, then the maximum percentage of the target number of performance units will be capped at 100%, regardless of the degree of the Company's out-performance, if any, against the Relative TSR Objective.

The minimum, target and maximum number of performance units subject to the 2020 performance-based equity incentive awards for the Company's three executive officers are as follows:

Executive	Number of Performance Units Subject to Performance-Based Vesting			Value if Maximum Number Vests ⁽²⁾
	Minimum ⁽¹⁾	Target	Maximum	
Mr. E. Bortz	—	68,488	136,976	\$3,496,997
Mr. Raymond D. Martz	—	28,129	56,258	\$1,436,267
Mr. Thomas C. Fisher	—	28,129	56,258	\$1,436,267

- (1) The Compensation Committee did not establish a threshold level of performance for the performance objective. Rather, the Compensation Committee established a minimum payout level of zero.
- (2) The amounts in this column show the dollar values of the performance-based equity awards assuming that on the grant date of the awards the highest level of performance was probable, the maximum value of the awards would be earned and the value per performance unit was assumed to be the closing price per Common Share on the NYSE on the date of grant, February 12, 2020. The values of the performance-based equity awards are dependent in part on the Company's performance over a three-year period and there is no assurance that the maximum value of the awards will be earned.

For each NEO, the actual amount of performance units that will vest (and be settled in the form of Common Shares) after the end of each measurement period will depend on the Company's performance against the Relative TSR Objective as determined by the Compensation Committee and requires that the recipient remains employed by the Company through the end of such measurement period or as otherwise described below. The performance units will, prior to vesting, not be entitled either to receive dividends or to be voted, but dividends will, in effect, accrue on the performance units and will be paid if, but only if, and to the extent the performance units vest and are settled in the form of Common Shares.

For 2020, the target value of the awards of performance-based equity as a percentage of target total compensation for each NEO was 35% for Mr. Bortz and 32% for each of Mr. Martz and Mr. Fisher.

Awards of Time-Based Vesting Equity

In February 2020, each of Messrs. Bortz, Martz and Fisher received awards of restricted Common Shares subject to *pro rata* time-based vesting over three years on January 1, 2021, January 1, 2022 and January 1, 2023, provided that the recipient remains employed by the Company on each vesting date (or as otherwise described below under “—Change in Control Severance Agreements, Equity Award Vesting and Other Termination Policies—Vesting of Long-Term Equity Incentive Awards”).

Messrs. Bortz, Martz and Fisher received restricted Common Shares in the amounts of 45,658, 18,752 and 18,752, respectively. The shares were granted pursuant to the 2009 Equity Incentive Plan and were intended as part of the 2020 compensation program. These awards are included in the Summary Compensation Table located elsewhere in this Proxy Statement. The grant date fair values of the awards, calculated in accordance with FASB ASC 718, were \$1,165,649, \$478,739 and \$478,739, respectively. The grant date fair value of these time-based vesting equity awards as a percentage of 2020 target total compensation for each NEO was 23%, 21% and 21%, respectively.

Special Retention Awards – Cash and Equity

2020 Special Retention Equity Award - terminated; no benefits received

In February 2020, in recognition of the importance of retaining our three executive officers and the increasing marketability and competition for their respective skills, the Compensation Committee and the Board granted a special retention equity award of LTIP Class B Units to our executive officers. The Compensation Committee and the Board intended for the award to provide an additional incentive to our executive officers to remain at the Company and to strengthen further the alignment of the officers' interests with those of the Company's other shareholders. The LTIP Class B Units were to vest *pro rata* over a four-year period on January 1, 2023, January 1, 2024, January 1, 2025 and January 1, 2026, provided that the recipient remained employed by the Company through the applicable vesting date or as otherwise described below. Messrs. Bortz, Martz and Fisher were each awarded 138,606 LTIP Class B Units. This special retention equity award is not treated as a recurring component of the executive officers' annual compensation packages.

However, in March 2020, at the voluntary request of Messrs. Bortz, Martz and Fisher in furtherance of the Company's efforts to mitigate the financial impact on the Company of the COVID-19 pandemic, the Board terminated this special retention equity award and the LTIP Class B Units granted pursuant to it were forfeited.

2021 Special Retention Equity Award

In February 2021, in recognition of the increased importance of retaining our three executive officers, their increased marketability and competition for their respective skills, the Compensation Committee and the Board granted a special retention equity award of LTIP Class B Units to our executive officers. The Compensation Committee and the Board intended for the award to provide an additional incentive to our executive officers to remain at the Company and to strengthen further the alignment of the officers' interests with those of the Company's other shareholders. The LTIP Class B Units will vest *pro rata* over a four-year period on January 1, 2023, January 1, 2024, January 1, 2025 and January 1, 2026, provided that the recipient remains employed by the Company through the applicable vesting date or as otherwise described below. Mr. Bortz was awarded 216,035 LTIP Class B Units and Messrs. Martz and Fisher were each awarded 192,031 LTIP Class B Units. This special retention equity award for our NEOs is not treated as a recurring component of the executive officers' annual compensation packages.

Other Benefits

We provide other health and welfare benefits to our NEOs on the same basis as we provide those benefits to all employees. The Compensation Committee does not view benefits and perquisites as a key component of the Company's compensation program and their total value remains a small percentage of each NEO's base salary.

Other Compensation Considerations

Share Ownership Guidelines for Named Executive Officers

In 2010, the Board established share ownership guidelines for our NEOs. The Board believes that encouraging each NEO to maintain a meaningful ownership interest in the Company relative to the NEO's annual base salary is in the best interest of the Company and its shareholders and is likely to further encourage the NEO to act in a manner that creates value for the Company's shareholders. Pursuant to the guidelines, the Board recommends that each of our executive officers should own shares in the Company having an aggregate value equal to or greater than the multiple of his base salary as shown in the following table.

<i>Executive Officer Position</i>	<i>Multiple of 2020 Annual Base Salary</i>	<i>Amount of Share Ownership Required⁽¹⁾</i>	<i>Value of Shares/Units Owned⁽²⁾</i>	<i>Ownership Level Exceeded?</i>
Chief Executive Officer	5x	\$3.8 million	\$26.9 million	☒
Chief Financial Officer	3x	\$1.5 million	\$12.3 million	☒
Chief Investment Officer	3x	\$1.5 million	\$10.7 million	☒

(1) Amounts are based on each executive officer's base salary as originally established for 2020 and do not take into account the reductions made for the April through December period of 2020.

(2) Amounts are based on the closing price per Common Share on the NYSE on March 25, 2021 (which was \$24.46) and the total number of Common Shares and LTIP units (which, when vested and after reaching parity with common units of our operating partnership ("OP units"), may be exchanged for an equal number of OP units and subsequently redeemed for cash or an equal number of Common Shares, at our option) owned by the executive.

Compensation Risk Assessment

The Compensation Committee considers at least annually whether our compensation program encourages our executive officers to manage risk prudently across the Company and whether our compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

The Company's compensation program, management team and the culture they foster encourage value creation for our shareholders over the long-term and discourage a focus on maximizing short-term value at the long-term's expense. We evaluate performance using both quantitative and qualitative measures and many elements of our compensation program serve to mitigate excessive and inappropriate risk-taking. For example, we seek to compensate our executives with a well-balanced mix of base salary, performance-based annual cash incentive bonuses and long-term equity incentive awards. Our executive officers' base salaries provide assured levels of income that do not vary with the executives' or the Company's performance. We balance the certainty of the base salary with the potential for additional cash based on one-year performance metrics that are both quantitative and qualitative. The long-term equity incentive awards are themselves balanced between equity awards that will vest based on time and service over three years (five years in the case of a special retention award) and awards that may vest, if at all, based on performance over multi-year periods, usually three years. In this way, we seek to motivate our executives to consider the impact of their decisions over the short, medium and long terms.

The Company believes that its compensation policies and practices embodied in the compensation programs for 2020 appropriately align management's incentives with the interests of our shareholders. As a result, the Company believes its compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

In addition, our clawback policy, share ownership guidelines (which have been met by every executive officer and Trustee) and prohibition against hedging further mitigate the possibility of excessive and inappropriate risk-taking. Finally, we have never granted stock options.

Payments Upon Termination and Vesting of Equity Awards Upon A Change in Control

We have a change in control severance agreement in place with each NEO providing for various payments and benefits to be made to him if there is a change in control or his employment with us is terminated for certain reasons. The circumstances in which payments may be made and the potential amounts of those payments are described in more detail in the "—Change in Control Severance Agreements, Equity Vesting and Other Termination Policies" and "—Termination Payments Table" sections below. We believe that the payments provided for in these agreements are reasonable and appropriate as part of the total compensation packages available for our NEOs.

In addition, the Compensation Committee considers the effect of accelerated vesting of certain equity awards upon a termination of an named executive officer or a change in control of the Company. The Compensation Committee approves of the terms of the time-based restricted share award agreements and the performance-based equity award agreements, including the immediate vesting of time-based restricted Common Shares (and, in the case of performance-based equity awards, the immediate vesting of at least the target number of Common Shares) upon a change in control of the Company, upon a NEO's resignation for good reason or upon a named executive officer's termination without cause. The Compensation Committee believes that the terms of the time-based restricted share award agreements and the performance-based equity award agreements are competitive with those of other lodging REITs, promote stability among the Company's NEOs, which is important to the Company's overall performance, and provide appropriate incentive to align the interests of management with shareholders' interests in evaluating potential acquisitions. For more information on the vesting terms of the NEO's time-based restricted Common Shares and performance-based equity awards, see "Change in Control Severance Agreements, Equity Award Vesting and Other Termination Policies—Vesting of Long-Term Equity Incentive Awards."

Tax Deductibility of Executive Compensation

Section 162(m) of the Code provides that the Company may not deduct compensation in excess of \$1 million paid in any fiscal year to any of certain executive officers (who are referred to as "covered employees" in Section 162(m)). As amended by the Tax Cut and Jobs Act, or the TCJA, and subject to a transition rule that preserves the pre-TCJA rules for written binding contracts in effect on November 2, 2017, the Company's "covered employees" are our Chief Executive Officer, our Chief Financial Officer and our Chief Investment Officer. An individual who is a "covered employee" of the Company in any year after 2016 will remain a "covered employee" under Section 162(m) regardless of the individual's officer status or level of compensation.

In December 2020, final regulations under Section 162(m) were issued. Among other things, the regulations provide that the Company's distributive share of any compensation deduction for amounts paid to a "covered employee" by our operating partnership after December 18, 2020 will be subject to Section 162(m)'s deduction limit, i.e., as if that compensation was paid by the Company. The treatment of amounts paid by our operating partnership under the regulations is subject to a transition rule for compensation paid under a binding written contract that was in effect on December 20, 2019 and that is not materially modified.

The Compensation Committee assesses, and will continue to assess, the impact of Section 162(m), including changes enacted under the TCJA and described in the final regulations, in considering the design of the Company's executive compensation practices. However, in order to maintain flexibility in compensating our NEOs in a manner designed to promote our corporate goals, including retaining and providing incentives to our NEOs, the Compensation Committee has not adopted a policy that all compensation must be deductible.

SUMMARY COMPENSATION TABLE

The following table sets forth the information required by Item 402 of Regulation S-K promulgated by the SEC. The amounts shown represent the compensation paid to our NEOs for the years shown as consideration for services rendered to us.

With respect to long-term equity incentive awards, the dollar amounts indicated in the table under “Share Awards” are the aggregate grant date fair value of awards computed in accordance with FASB ASC Topic 718.

Name and Principal Position	Year	Salary (\$)	Bonus ⁽¹⁾ (\$)	Share Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽¹⁾ (\$)	All Other Compensation (\$)	Total (\$)
Jon E. Bortz Chairman, President and Chief Executive Officer	2020	187,500	—	3,222,343 ⁽³⁾	902,813	51,512 ⁽⁴⁾	4,364,168
	2019	750,000	375,000	3,023,476 ⁽⁵⁾	1,203,750	62,439 ⁽⁶⁾	5,414,665
	2018	750,000	601,875	2,421,280 ⁽⁷⁾	1,805,625	66,323 ⁽⁸⁾	5,645,103
Raymond D. Martz EVP, Chief Financial Officer, Treasurer and Secretary	2020	387,500	—	1,323,452 ⁽⁹⁾	375,000	46,240 ⁽¹⁰⁾	2,132,192
	2019	500,000	225,000	1,241,792 ⁽¹¹⁾	500,000	55,116 ⁽¹²⁾	2,521,908
	2018	450,000	214,000	1,077,352 ⁽¹³⁾	642,000	52,466 ⁽¹⁴⁾	2,435,818
Thomas C. Fisher EVP, Chief Investment Officer	2020	387,500	—	1,323,452 ⁽⁹⁾	375,000	51,780 ⁽¹⁵⁾	2,137,732
	2019	500,000	225,000	1,241,792 ⁽¹¹⁾	500,000	57,606 ⁽¹⁶⁾	2,524,398
	2018	450,000	214,000	1,077,352 ⁽¹³⁾	642,000	54,088 ⁽¹⁷⁾	2,437,440

- (1) For each NEO for 2018 and 2019, the total of the amounts shown in the Bonus and Non-Equity Incentive Plan Compensation columns equals the amount of the actual annual cash incentive bonus paid in February or March of the following year. Any amount shown in the Bonus column is the discretionary amount of the actual annual cash incentive bonus awarded in excess of the formula-based amount of the actual annual cash incentive bonus for that year. For each NEO for 2020, the amount shown in the Non-Equity Incentive Plan Compensation column equals the amount of the actual annual cash incentive bonus paid in February 2021 for 2020 performance.
- (2) For information regarding the Company’s assumptions made in the valuation of time-based restricted share awards, performance-based equity awards and LTIP unit awards, see Note 8 to the financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020. The table below shows the dollar value of performance-based equity awards for each NEO assuming that (i) on the grant date of the awards the highest level of performance was probable, (ii) the maximum value of the awards would be earned and (iii) the value per Common Share upon maximum vesting is the closing price per Common Share on the NYSE on the date of grant. The values of the performance-based equity awards are dependent on the Company’s performance over a three-year or five-year period, as applicable, and there is no assurance that the maximum value of the awards will be earned.

Maximum Value of Performance-Based Equity Awards Assuming Highest Performance Level			
Year	Bortz	Martz	Fisher
2020	\$3,496,997	\$1,436,267	\$1,436,267
2019	\$3,438,863	\$1,412,378	\$1,412,378
2018	\$2,611,752	\$1,162,122	\$1,162,122

- (3) Reflects 45,658 restricted Common Shares that vested or will vest ratably on January 1, 2021, January 1, 2022 and January 1, 2023 and the target amount of Common Shares that may vest pursuant to the February 2020 performance-based equity awards.
- (4) Amount includes (i) \$24,265 in health insurance premiums, (ii) \$9,847 in dental, life and long-term disability insurance premiums, (iii) \$11,400 in employer-matching contributions to the Company’s 401(k) plan and (iv) \$6,000 in employer-matching charitable contributions.
- (5) Reflects 35,055 restricted Common Shares that vested or will vest ratably on January 1, 2020, January 1, 2021 and January 1, 2022 and the target amount of Common Shares that may vest pursuant to the February 2019 performance-based equity awards.
- (6) Amount includes (i) \$32,214 in health insurance premiums, (ii) \$10,025 in dental, life and long-term disability insurance premiums, (iii) \$11,200 in employer-matching contributions to the Company’s 401(k) plan and (iv) \$9,000 in employer-matching charitable contributions.
- (7) Reflects 23,619 restricted Common Shares that vested or will vest ratably on January 1, 2019, January 1, 2020 and January 1, 2021 and the target amount of Common Shares that may vest pursuant to the February 2018 performance-based equity awards.
- (8) Amount includes (i) \$31,742 in health insurance premiums, (ii) \$10,081 in dental, life and long-term disability insurance premiums, (iii) \$11,000 in employer-matching contributions to the Company’s 401(k) plan and (iv) \$13,500 in employer-matching charitable contributions.
- (9) Reflects 18,752 restricted Common Shares that vested or will vest ratably on January 1, 2021, January 1, 2022 and January 1, 2023 and the target amount of Common Shares that may vest pursuant to the February 2020 performance-based equity awards.
- (10) Amount includes (i) \$25,230 in health insurance premiums, (ii) \$9,610 in dental, life and long-term disability insurance premiums, and (iii) \$11,400 in employer-matching contributions to the Company’s 401(k) plan.
- (11) Reflects 14,398 restricted Common Shares that vested or will vest ratably on January 1, 2020, January 1, 2021 and January 1, 2022 and the target amount of Common Shares that may vest pursuant to the February 2019 performance-based equity awards.
- (12) Amount includes (i) \$32,904 in health insurance premiums, (ii) \$10,012 in dental, life and long-term disability insurance premiums, (iii) \$11,200 in employer-matching contributions to the Company’s 401(k) plan and (iv) \$1,000 in employer-matching charitable contributions.

- (13) Reflects 10,509 restricted Common Shares that vested or will vest ratably on January 1, 2019, January 1, 2020 and January 1, 2021 and the target amount of Common Shares that may vest pursuant to the February 2018 performance-based equity awards.
- (14) Amount includes (i) \$31,324 in health insurance premiums, (ii) \$10,142 in dental, life and long-term disability insurance premiums and (iii) \$11,000 in employer-matching contributions to the Company's 401(k) plan.
- (15) Amount includes (i) \$29,558 in health insurance premiums, (ii) \$9,572 in dental, life and long-term disability insurance premiums, (iii) \$11,400 in employer-matching contributions to the Company's 401(k) plan and (iv) \$1,250 in employer-matching charitable contributions.
- (16) Amount includes (i) \$34,932 in health insurance premiums, (ii) \$9,974 in dental, life and long-term disability insurance premiums, (iii) \$11,200 in employer-matching contributions to the Company's 401(k) plan and (iv) \$1,500 in employer-matching charitable contributions.
- (17) Amount includes (i) \$32,735 in health insurance premiums, (ii) \$10,104 in dental, life and long-term disability insurance premiums, (iii) \$11,000 in employer-matching contributions to the Company's 401(k) plan and (iv) \$250 in employer-matching charitable contributions.

GRANTS OF PLAN-BASED AWARDS TABLE

The following table sets forth information with respect to plan-based awards granted in 2020 to our NEOs. The dollar amounts indicated under the "Grant Date Fair Value" are the full fair value of each equity grant, in accordance with the applicable accounting literature, which, with respect to the value of performance-based equity incentive awards, is the probable outcome of the performance conditions as of the grant date.

Name	Date of Grant	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Possible Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Share Awards: Number of Shares/Units (#)	Grant Date Fair Value (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (# of shares)	Target (# of shares)	Maximum (# of shares)		
Jon E. Bortz									
Annual Cash Incentive		— ⁽³⁾	1,203,750	2,407,500					
Time-Based Equity	February 12, 2020							45,658 ⁽⁴⁾	1,165,649
Time-Based Equity - Special Retention ⁽⁷⁾	February 12, 2020							138,606	3,538,611
Performance-Based Equity	February 12, 2020				— ⁽⁵⁾	68,488	136,976		2,056,695 ⁽⁶⁾
Raymond D. Martz									
Annual Cash Incentive		— ⁽³⁾	500,000	1,000,000					
Time-Based Equity	February 12, 2020							18,752 ⁽⁴⁾	478,739
Time-Based Equity - Special Retention ⁽⁷⁾	February 12, 2020							138,606	3,538,611
Performance-Based Equity	February 12, 2020				— ⁽⁵⁾	28,129	56,258		844,714 ⁽⁶⁾
Thomas C. Fisher									
Annual Cash Incentive		— ⁽³⁾	500,000	1,000,000					
Time-Based Equity	February 12, 2020							18,752 ⁽⁴⁾	478,739
Time-Based Equity - Special Retention ⁽⁷⁾	February 12, 2020							138,606	3,538,611
Performance-Based Equity	February 12, 2020				— ⁽⁵⁾	28,129	56,258		844,714 ⁽⁶⁾

- (1) On February 17, 2021, the Board approved, as recommended by the Compensation Committee, actual annual cash incentive bonuses for Messrs. Bortz, Martz and Fisher of \$902,813, \$375,000 and \$375,000, respectively, for 2020 performance.
- (2) For each executive, the actual amount of Common Shares that will be issued upon the applicable vesting date pursuant to the performance-based award will depend on our performance against the long-term objectives defined in the agreements and requires that the recipient remain employed by the Company through the vesting date. For more information regarding the performance criteria for these awards, see "—Compensation Discussion and Analysis—Components and Compensation Components—Long-Term Equity Incentive Awards—Performance-Based Vesting."
- (3) The Compensation Committee did not establish a threshold level of performance. Rather, the Compensation Committee established a minimum payout level of zero.
- (4) The award is subject to time-based vesting ratably on January 1 of 2021, 2022 and 2023.
- (5) The Compensation Committee did not establish a threshold level of performance for any of the performance objectives. Rather, the Compensation Committee established a minimum payout level of zero for each performance objective and the minimum payout level for all performance objectives in the aggregate is zero.
- (6) The dollar value is computed assuming that the target number of shares vests.
- (7) Amounts shown include a special retention award made on February 12, 2020 that was cancelled by the Board the following month in an effort to mitigate the impact of the lodging industry crisis caused by the COVID-19 pandemic.

Discussion of Summary Compensation and Grants of Plan-Based Awards Tables

Our executive compensation policies and practices, pursuant to which the compensation set forth in the Summary Compensation Tables and the Grants of Plan-Based Awards Table was paid or awarded, are described above under “— Compensation Discussion and Analysis (“CD&A”).” The terms of change in control severance agreements that we have entered into with our executives are described below under “— Change in Control Severance Agreements, Equity Award Vesting and Other Termination Policies.”

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE

The following table sets forth information with respect to outstanding equity awards held by our NEOs as of December 31, 2020.

Name	Date of Grant	Share Awards			
		Number of Shares That Have Not Vested (#)	Market Value of Shares That Have Not Vested ⁽¹⁾ (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested ⁽¹⁾ (\$)
Jon E. Bortz	February 14, 2018	7,873 ⁽²⁾	148,012	70,856 ⁽³⁾	1,332,093
	February 13, 2019	23,370 ⁽⁴⁾	439,356	105,164 ⁽³⁾	1,977,083
	February 12, 2020	45,658 ⁽⁵⁾	858,370	136,976 ⁽³⁾	2,575,149
Raymond D. Martz	February 14, 2018	3,503 ⁽²⁾	65,856	31,528 ⁽³⁾	592,726
	February 13, 2019	9,598 ⁽⁴⁾	180,442	43,192 ⁽³⁾	812,010
	February 12, 2020	18,752 ⁽⁵⁾	352,538	56,258 ⁽³⁾	1,057,650
Thomas C. Fisher	February 14, 2018	3,503 ⁽²⁾	65,856	31,528 ⁽³⁾	592,726
	February 13, 2019	9,598 ⁽⁴⁾	180,442	43,192 ⁽³⁾	812,010
	February 12, 2020	18,752 ⁽⁵⁾	352,538	56,258 ⁽³⁾	1,057,650

- (1) Pursuant to SEC rules, for purposes of this table the market value per restricted Common Share is assumed to be \$18.80, the closing market price per Common Share at the end of the last completed fiscal year.
- (2) This is the number of restricted Common Shares that have not vested from initial award that vested or will vest ratably on January 1 of 2019, 2020 and 2021.
- (3) This is the maximum number of performance units that may vest (and settle in the form of Common Shares) from this performance-based equity award.
- (4) This is the number of restricted Common Shares that have not vested from initial award that vested or will vest ratably on January 1 of 2020, 2021 and 2022.
- (5) This is the number of restricted Common Shares that have not vested from initial award that vested or will vest ratably on January 1 of 2021, 2022 and 2023.

OPTION EXERCISES AND SHARES VESTED TABLE

The Company has not granted any share option awards to our NEOs. The following table sets forth information with respect to the vesting of our NEOs' restricted Common Shares, performance-based equity awards and LTIP Class B units during 2020.

Name	Share Awards	
	Number of Shares Acquired on Vesting ⁽¹⁾ (#)	Value Realized on Vesting ⁽²⁾ (\$)
Jon E. Bortz	62,750	1,657,709
Raymond D. Martz	30,593	807,073
Thomas C. Fisher	30,593	807,073

- (1) Amounts include vested LTIP Class B units, restricted Common Shares and performance-based equity awards (which were settled in Common Shares).
- (2) For purposes of this table, the market value per vested LTIP Class B unit is assumed to be the closing market price per Common Share on the vesting date. For more information regarding the Company's assumptions made in the valuation of these equity awards, see Note 8 to the financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes information, as of December 31, 2020, relating to the 2009 Equity Incentive Plan, pursuant to which grants of options, restricted shares, restricted units or other rights to acquire shares may be made from time to time.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders ⁽¹⁾	618,425 ⁽²⁾	— ⁽³⁾	581,342 ⁽⁴⁾
Equity compensation plans not approved by security holders	—	—	—
Total	618,425	—	581,342

- (1) Consists of the 2009 Equity Incentive Plan.
- (2) Includes the target amount of all outstanding, unvested performance units awarded under the 2009 Equity Incentive Plan, which, if vested, will be settled in the form of Common Shares, and the amount of all outstanding LTIP units, which, when vested and after reaching parity with OP units, may be exchanged for an equal number of OP units and subsequently redeemed for cash or an equal number of Common Shares, at our option. As of March 22, 2021, the aggregate number of securities to be issued pursuant to LTIP units and the target amount of performance units was 1,140,254.
- (3) Performance units and LTIP units have no exercise price.
- (4) The aggregate limit of Common Shares available for grant under the 2009 Equity Incentive Plan is 3,672,625. The remaining number available for future issuance assumes 357,709 performance units vest at target. As of March 22, 2021, no securities remain available for future issuance under the 2009 Equity Incentive Plan.

CHANGE IN CONTROL SEVERANCE AGREEMENTS, EQUITY AWARD VESTING AND OTHER TERMINATION POLICIES

Change in Control Severance Agreements of Messrs. Bortz, Martz and Fisher

The Company previously entered into agreements with our NEOs (in connection with our IPO in 2009 in the cases of Messrs. Bortz and Martz and in March 2010 in the case of Mr. Fisher) to provide benefits to each in the event his employment is terminated in certain circumstances. The Compensation Committee reviews the terms of these change in control severance agreements annually. As described in more detail below, because each NEO's severance payment is derived from his annual base salary and other annual incentive compensation, the effect on severance payments is one of the factors the Compensation Committee considers when annually reviewing each NEO's total compensation and change in control severance agreement terms.

The change in control severance agreements for Messrs. Bortz and Martz became effective on December 14, 2009 and for Mr. Fisher on March 5, 2010, each for an initial term of three years. The term of each agreement is automatically extended for an additional year on each anniversary date of the effective date of the change in control severance agreement beginning on the third anniversary of the effective date of the change in control severance agreement unless, not less than six months prior to the termination of the then-existing term, the Board provides notice to the executive of its intent not to extend the term further. On December 14, 2020 and March 5, 2021, the term of each change in control severance agreement for Messrs. Bortz and Martz

and for Mr. Fisher, respectively, was automatically extended by one year. Each of our NEOs may terminate his agreement prior to the expiration of the term as described below.

Termination Without Cause (in Connection With, Or Within One Year After, A Change in Control) and Resignation For Good Reason

The agreement provides that upon the termination of the executive either by the Company without “Cause” in connection with, or within one year after, a change in control of the Company or the voluntary resignation by the executive, upon 30 days’ prior written notice to the Company, for “Good Reason,” the executive will be entitled to the following severance payments and benefits:

- a lump sum cash payment equal to the sum of his annual base salary, earned bonus (as defined in the agreement) and accrued vacation time earned but not paid to the date of termination;
- a lump sum cash payment equal to the product of three (in the case of Mr. Bortz) or two (in the case of Messrs. Martz and Fisher) times the sum of (x) his then-current annual base salary plus (y) the greater of (i) the bonus most recently paid to him and (ii) the average of the annual cash incentive bonuses paid to him with respect to the three most recent fiscal years ending before the date of termination;
- a lump sum cash payment equal to three (in the case of Mr. Bortz) or two (in the case of Messrs. Martz and Fisher) times the annual premium or cost (including amounts paid by him) for his health, dental, disability and life insurance benefits; and
- such other or additional benefits, if any, as are provided under applicable plans, programs and/or arrangements of the Company (including accelerated vesting of equity awards as discussed below under “—Vesting of Long-Term Equity Incentive Awards”).

Termination Without Cause (and Without A Change in Control)

If the executive is terminated without “Cause” and not in connection with or within one year of a change in control of the Company, the executive will be entitled to the following severance payments and benefits:

- a lump sum cash payment equal to the sum of his annual base salary, earned bonus and accrued vacation time earned but not paid to the date of termination;
- a lump sum cash payment equal to the sum of (x) his then-current annual base salary, plus (y) the greater of (i) the bonus most recently paid to him and (ii) the average of the annual cash incentive bonuses paid to him with respect to the three most recent fiscal years ending before the date of termination;
- a lump sum cash payment equal to the product of one (in the case of Mr. Bortz) or two-thirds (in the case of Messrs. Martz and Fisher) times the annual premium or cost (including amounts paid by him) for his health, dental, disability and life insurance benefits; and
- such other or additional benefits, if any, as are provided under applicable plans, programs and/or arrangements of the Company (including accelerated vesting of equity awards as discussed below under “—Vesting of Long-Term Equity Incentive Awards”).

Termination For Cause and Resignation Without Good Reason

If the Company terminates the executive for “Cause” or the executive voluntarily terminates his employment without “Good Reason,” the executive will be entitled to the following severance payments and benefits:

- a lump sum cash payment equal to the sum of his annual base salary and accrued vacation time earned but not paid to the date of termination; and
- such other or additional benefits, if any, as are provided under applicable plans, programs and/or arrangements of the Company (including accelerated vesting of equity awards as discussed below under “—Vesting of Long-Term Equity Incentive Awards”).

Other Key Change in Control Severance Agreement Terms

As a condition of any severance payment and related benefits described above, each of Messrs. Bortz, Martz and Fisher has agreed to a general release of any and all claims relating to the NEO's employment. In addition, each of Messrs. Bortz, Martz and Fisher has agreed that while his change in control severance agreement is in force and for a one-year period following the Company's termination of the executive for "cause" or the executive voluntarily terminates his employment without "good reason," he will not solicit, hire or recruit employees of, or persons who have worked for, the Company or any of its affiliates either directly or indirectly for his own account or for another party.

Under the terms of their change in control severance agreements, each of Messrs. Bortz, Martz and Fisher is entitled to a tax gross-up payment under certain conditions for the parachute payment excise tax in the event that his employment is terminated in connection with a change in control.

Below is a list of terms and their meanings as defined in each NEO's change in control severance agreement:

- "Cause" shall mean that the Board concludes, in good faith and after reasonable investigation, that:
 - the executive has been charged with conduct which is a felony under the laws of the United States or any state or political subdivision thereof;
 - the executive engaged in conduct relating to the Company constituting material breach of fiduciary duty, willful misconduct (including acts of employment discrimination or sexual harassment) or fraud;
 - the executive breached the non-solicitation obligations or covenants of his change in control severance agreement in any material respect; or
 - the executive materially failed to follow a proper directive of the Board within the scope of the executive's duties (which shall be capable of being performed by the executive with reasonable effort) after written notice from the Board specifying the performance required and the executive's failure to perform within 30 days after such notice. No act, or failure to act, on the executive's part shall be deemed "willful" unless done, or omitted to be done, by the executive not in good faith or if the result thereof would be unethical or illegal.
- "Change in Control" shall mean a change in control of the Company if:
 - any "person" as such term is used in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof except that such term shall not include (A) the Company or any of its subsidiaries, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its affiliates, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, (D) any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of the Company's common shares, or (E) any person or group as used in Rule 13d-1(b) under the Exchange Act, is or becomes the Beneficial Owner, as such term is defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power or common shares of the Company;
 - during any period of two consecutive years, individuals who at the beginning of such period constitute the Board, and any new trustee (other than (A) a trustee designated by a person who has entered into an agreement with the Company to effect a transaction described in this definition of "Change in Control" or (B) a trustee whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of trustees of the Company) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the trustees then still in office who either were trustees at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;
 - there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, more than 50% of the combined voting power and common shares of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; or

- there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect, including a liquidation) other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, more than 50% of the combined voting power and common shares of which is owned by shareholders of the Company in substantially the same proportions as their ownership of the common shares of the Company immediately prior to such sale.
- "Good Reason" shall mean the occurrence, without the executive's prior written consent, of any of the following in connection with or within one year after a Change in Control:
 - any material reduction of the executive's base salary or target bonus as a percentage of base salary;
 - any material adverse change in the executive's duties or responsibilities, including assignment of duties inconsistent with his position, significant adverse alteration of the nature or status of responsibilities or the conditions of employment or any material diminution in authority, duties, or responsibilities, including, without limitation, any such material adverse change that results from a transaction pursuant to which the Company ceases to be a publicly traded lodging or hospitality company that is qualified as a REIT for federal income tax purposes and is subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act;
 - any material diminution in the authority, duties, or responsibilities of the supervisor to whom the executive is required to report; or
 - the relocation of the Company's headquarters and/or the executive's regular work address to a location which requires the executive to travel more than 50 miles from the executive's residence.

Vesting of Long-Term Equity Incentive Awards

The terms of the time-based LTIP unit and restricted Common Share awards granted to each of Messrs. Bortz, Martz and Fisher provide that:

- upon a change in control of the Company, unvested awards vest;
- upon termination of the executive's employment with the Company because of his death or disability, the unvested awards vest;
- upon resignation of the executive for good reason (which must be in connection with or within one year after a change in control), unvested awards vest;
- upon termination of the executive's employment with the Company without cause, the unvested awards vest; and
- upon termination of the executive's employment with the Company for cause, the unvested awards are forfeited.

The terms of the performance-based equity awards granted to each of Messrs. Bortz, Martz and Fisher provide for vesting of up to the greater of (x) the target number of units and (y) the number of units determined by the performance provisions in the case of the first four of the five above-listed scenarios, and forfeiture in the case of the fifth.

Except as described above, any awards that are unvested at the time the executive terminates his employment with the Company are forfeited.

TERMINATION PAYMENTS TABLE

The following table indicates the cash amounts, accelerated vesting and other payments and benefits that our NEOs would be entitled to receive under various circumstances pursuant to the terms of the 2009 Equity Incentive Plan, the agreements governing awards made under the 2009 Equity Incentive Plan and their change in control severance agreements. The table assumes that termination of the NEO from the Company under the scenario shown occurred on December 31, 2020.

<i>Name and Termination Scenario</i>	<i>Cash Payment⁽¹⁾</i>	<i>Acceleration of Vesting of Long-Term Equity Incentive Awards⁽²⁾</i>	<i>Excise Tax Gross-Up Payments⁽³⁾</i>	<i>Total</i>
Jon E. Bortz — Chairman, President and Chief Executive Officer				
By Company For Cause or By Employee Without Good Reason ⁽⁴⁾	—	—	—	—
Upon Death or Disability	—\$	7,330,064	—\$	7,330,064
With A Change in Control – For Good Reason or Without Cause	\$ 8,772,336	\$ 7,330,064	\$ 5,775,694	\$ 21,878,094
Without A Change in Control – For Good Reason ⁽⁴⁾	—	—	—	—
Without A Change in Control – Without Cause	\$ 3,994,112	\$ 7,330,064	—\$	11,324,176
Raymond D. Martz — Executive Vice President, Chief Financial Officer, Treasurer and Secretary				
By Company For Cause or By Employee Without Good Reason ⁽⁴⁾	—	—	—	—
Upon Death or Disability	—\$	3,061,223	—\$	3,061,223
With A Change in Control – For Good Reason or Without Cause	\$ 2,853,680	\$ 3,061,223	\$ 1,835,710	\$ 7,750,613
Without A Change in Control – For Good Reason ⁽⁴⁾	—	—	—	—
Without A Change in Control – Without Cause	\$ 1,712,560	\$ 3,061,223	—\$	4,773,783
Thomas C. Fisher — Executive Vice President and Chief Investment Officer				
By Company For Cause or By Employee Without Good Reason ⁽⁴⁾	—	—	—	—
Upon Death or Disability	—\$	3,061,223	—\$	3,061,223
With A Change in Control – For Good Reason or Without Cause	\$ 2,862,259	\$ 3,061,223	\$ 1,839,123	\$ 7,762,605
Without A Change in Control – For Good Reason ⁽⁴⁾	—	—	—	—
Without A Change in Control – Without Cause	\$ 1,715,420	\$ 3,061,223	—\$	4,776,643

- (1) This column assumes that there was neither accrued but unpaid base compensation nor vacation time earned but unpaid as of December 31, 2020.
- (2) Amounts in this column reflect accelerated vesting of awards of LTIP units, restricted Common Shares and performance-based equity awards granted pursuant to the 2009 Equity Incentive Plan that were outstanding at December 31, 2020. Additional restricted Common Share awards and performance-based equity awards were made to Messrs. Bortz, Martz and Fisher after December 31, 2020. Pursuant to SEC rules, for purposes of this table the market value per unvested LTIP unit, restricted Common Share and Common Share due upon vesting of a performance-based equity award is assumed to be \$18.80, the closing market price per Common Share at the end of the last completed fiscal year. For purposes of this table, performance-based share and unit grants are assumed to vest at the maximum level. The “founders” LTIP Class A units reached parity with Common Shares in April 2011. The LTIP Class B units granted in December 2013 reached parity in July 2014. For more information regarding the Company’s assumptions made in the valuation of the Company’s equity awards, see Note 8 to the financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020.
- (3) Amounts in this column reflect the estimated payment to the NEO in an amount equal to the federal excise tax on qualifying termination compensation (the “Excise Tax Payment”) plus all federal and state income taxes payable with respect to the Excise Tax Payment. The amounts shown assume tax rates for the NEO of 37.0% federal, 5.75% state, 2.35% Medicare and 20% excise, and do not account for local taxes.
- (4) No payments are made and no vesting occurs if the Company terminates the executive for “cause” or the executive resigns without “good reason.” Similarly, because “good reason” requires a change in control to have occurred, no payments are made and no vesting occurs if the executive resigns with “good reason” without a change in control having first occurred.

DOUBLE-TRIGGER CASH STAY BONUS

In order to promote retention of our NEOs following a change in control event, the Company has a program to encourage continued employment following such an event. If, and only if, (i) a change in control event occurs and (ii) an NEO remains employed by the Company on the first anniversary of that change in control event, that NEO is entitled to receive a lump sum cash stay bonus. An NEO cannot receive a cash stay bonus in addition to any of the termination payments described above. For each NEO, the cash stay bonus is equal to the sum of the executive’s base salary plus the greater of (x) the bonus most recently

paid to the executive and (y) the average amount of the bonuses paid to the executive with respect to the three most recent fiscal years. Assuming that a change in control occurred on December 31, 2020 and that each of Messrs. Bortz, Martz and Fisher remained with the Company at least until December 31, 2021, their cash stay bonuses would have been \$2,254,688, \$1,077,000 and \$1,077,000, respectively, based on the amount of their 2020 actual cash incentive bonuses and their 2020 base salaries.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee consists of Mr. Schall (Chairperson), Ms. Donnell, Mr. Jackson and Ms. Simi. None of the members of the Compensation Committee is or has been one of our employees or officers. None of our executive officers currently serves, or during the past fiscal year has served, as a member of the board of directors or compensation committee of another entity that has one or more executive officers serving on the Board or the Compensation Committee.

CEO PAY RATIO

Our compensation and benefit programs are substantially similar throughout the company and are designed to reward all employees who contribute to our success with a total compensation package that is competitive in the marketplace for each employee’s position and performance. As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are providing the following information regarding the relationship of the annual total compensation of our employees and the annual total compensation of Jon E. Bortz, our Chief Executive Officer (our “CEO”). We consider the pay ratio specified below to be a reasonable estimate, calculated in a manner that is intended to be consistent with Item 402(u) of Regulation S-K.

1:34
CEO Pay Ratio

For 2020, the annual total compensation of our CEO, as reported in the Summary Compensation Table included in this Proxy Statement, was \$4,364,168. The median of the annual total compensation of all of our employees (other than our CEO) was \$127,505, as determined in the same manner as the total compensation for our CEO. Based on this information, the estimated ratio of the median of the annual total compensation of all of our employees (other than our CEO) to the annual compensation of our CEO was 1 to 34. If our CEO’s annual base salary had not been eliminated for April through December of 2020, in response to the crisis in the lodging industry caused by the COVID-19 pandemic, the estimated ratio of the median of the annual total compensation of all of our employees (other than our CEO) to the annual compensation of our CEO would have been 1 to 39.

To determine the median of the annual total compensation of all of our employees (other than our CEO), the Company prepared a list of all 53 employees (other than our CEO) as of December 31, 2020 and calculated each employee’s annual total compensation for 2020 in accordance with the requirements of Item 402(c)(2) (x) of Regulation S-K.

SECURITY OWNERSHIP INFORMATION

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth the beneficial ownership of Common Shares for each shareholder of the Company that is known to the Company to be the beneficial owner of more than 5% of Common Shares based on 131,385,258 Common Shares outstanding as of March 22, 2021.

<i>Name of Beneficial Owner</i>	<i>Common Shares Beneficially Owned⁽¹⁾</i>	
	<i>Number</i>	<i>Percent of Total</i>
BlackRock, Inc. ⁽²⁾	19,171,337	14.6 %
The Vanguard Group Inc. ⁽³⁾	18,530,878	14.1 %
Capital International Investors ⁽⁴⁾	7,060,600	5.4 %
State Street Corporation ⁽⁵⁾	6,738,454	5.1 %

- (1) The number of Common Shares beneficially owned is reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. The number of Common Shares held by the shareholders who filed statements on Schedule 13G as described in other footnotes to this table is current as of the date of the filing of their Schedules 13G.
- (2) The number of Common Shares and the information in this footnote are based on a statement on Schedule 13G filed with the SEC on February 5, 2021 by BlackRock, Inc. ("BlackRock"). BlackRock has sole voting power over 18,565,650 shares and sole dispositive power over 19,171,337 shares through itself and as the parent holding company or control person over each of the following subsidiaries: BlackRock Life Limited, BlackRock International Limited, BlackRock Advisors, LLC, BlackRock (Netherlands) B.V., BlackRock Fund Advisors, BlackRock Institutional Trust Company, National Association, BlackRock Asset Management Ireland Limited, BlackRock Financial Management, Inc., BlackRock Japan Co., Ltd., BlackRock Asset Management Schweiz AG, BlackRock Investment Management, LLC, BlackRock Investment Management (UK) Limited, BlackRock Asset Management Canada Limited, BlackRock Investment Management (Australia) Limited, BlackRock Fund Managers Ltd, each individually owning 5% or greater of the total outstanding shares. BlackRock has its principal business office at 55 East 52nd Street, New York, NY 10055.
- (3) The number of Common Shares and the information in this footnote are based on a statement on Schedule 13G filed with the SEC on February 10, 2021 by The Vanguard Group, Inc. ("Vanguard"). Vanguard has sole voting power over 0 shares, shared voting power over 411,061 shares, sole dispositive power over 18,014,453 shares and shared dispositive power over 516,425 shares. Vanguard has its principal business office at 100 Vanguard Blvd., Malvern, PA 19355.
- (4) The number of Common Shares and the information in this footnote are based on a statement on Schedule 13G filed with the SEC on February 16, 2021 by Capital International Investors. ("Capital"). Capital has sole voting power over 7,060,600 shares, shared voting power over 0 shares, sole dispositive power over 7,060,600 shares and shared dispositive power over 0 shares. Capital has its principal business office at 333 S. Hope Street, Los Angeles, CA 90071.
- (5) The number of Common Shares and the information in this footnote are based on a statement on Schedule 13G filed with the SEC on February 9, 2021 by State Street Corporation ("State Street"). State Street has shared voting power over 5,947,029 shares and shared dispositive power over 6,664,378 shares through itself and as the parent holding company or control person over each of the following subsidiaries: SSGA Funds Management, Inc., State Street Global Advisors Limited (UK), State Street Global Advisors, Australia Limited, State Street Global Advisors (Japan) Co., Ltd, State Street Global Advisors GMBH, State Street Global Advisors Ireland Limited, State Street Global Advisors Trust Company, each individually owning less than 5% of the total outstanding shares. State Street has its principal business office at State Street Financial Center, One Lincoln Street, Boston, MA 02111.

SECURITY OWNERSHIP OF MANAGEMENT (EXECUTIVE OFFICERS AND TRUSTEES)

The following table sets forth the beneficial ownership of our equity securities, as of March 22, 2021, for each of our NEOs, each trustee and all trustees and executive officers as a group. As of that date, 131,385,258 Common Shares were outstanding. Except as otherwise indicated, the shareholders listed exercise sole voting and dispositive power over the shares. No shares have been pledged as security by any trustee or executive.

<i>Name of Beneficial Owner</i>	<i>Number of Common Shares and LTIP Units Beneficially Owned⁽¹⁾</i>	<i>Percent of All Shares⁽²⁾</i>	<i>Percent of All Shares and Units⁽³⁾</i>
Jon E. Bortz	1,390,911 ⁽⁴⁾	1.1%	1.1%
Raymond D. Martz	510,699 ⁽⁵⁾	*	*
Thomas C. Fisher	447,434 ⁽⁵⁾	*	*
Cydney C. Donnell	46,249	*	*
Ron E. Jackson	48,104	*	*
Phillip M. Miller	21,365	*	*
Michael J. Schall	58,634 ⁽⁶⁾	*	*
Bonny W. Simi	7,377	*	*
Earl E. Webb	24,456	*	*
All trustees and executive officers as a group (9 persons)	2,555,229 ⁽⁴⁾⁽⁵⁾⁽⁶⁾	1.9%	1.9%

* Represents less than one percent of class.

- (1) The number of Common Shares and LTIP units beneficially owned is reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities.
- (2) Percentages are based on 131,385,258 Common Shares outstanding as of March 22, 2021. In addition, percentages shown for individuals assume that all LTIP units held by such person are exchanged for Common Shares on a one-for-one basis. The total number of Common Shares outstanding used in calculating such percentages assumes that none of the LTIP units held by other persons are exchanged for Common Shares.
- (3) Percentages are based on an aggregate of 132,245,071 Common Shares, LTIP units and OP units outstanding as of March 22, 2021.
- (4) This amount includes 95,892 shares of unvested restricted Common Shares granted under the 2009 Equity Incentive Plan and 216,035 unvested LTIP units. Mr. Bortz disclaims beneficial ownership with respect to 200,000 of these shares. See “Outstanding Equity Awards at Fiscal Year-End” table for details regarding vesting schedules of the restricted Common Shares.
- (5) This amount includes 39,384 shares of unvested restricted Common Shares granted under the 2009 Equity Incentive Plan and 58,821 vested LTIP units and 192,031 unvested LTIP units in the case of Mr. Martz and 68,290 vested LTIP units and 192,031 unvested LTIP units in the case of Mr. Fisher. See “Outstanding Equity Awards at Fiscal Year-End” table for details regarding vesting schedules of the restricted Common Shares.
- (6) Mr. Schall disclaims beneficial ownership with respect to 29,564 of these shares.

GENERAL INFORMATION

ANNUAL MEETING AND VOTING

You are receiving these materials because you owned Common Shares as of March 22, 2021, the record date established by the Board for the Annual Meeting. Everyone who owned Common Shares as of this date, whether directly as a registered shareholder or indirectly through a broker or other nominee, is entitled to vote at the Annual Meeting. We had 131,385,258 Common Shares outstanding on March 22, 2021. A majority of the Common Shares entitled to vote at the Annual Meeting must be present in person or by proxy for us to proceed with the Annual Meeting.

If you hold your Common Shares indirectly in an account at a bank, brokerage firm, broker-dealer or nominee, you are a beneficial owner of Common Shares held in “street name”. You will receive all proxy materials directly from your bank, brokerage firm, broker-dealer or nominee and you must either direct them as to how to vote your Common Shares or obtain from them a proxy to vote at the Annual Meeting. Please refer to the Notice of Internet Availability of Proxy Materials or the voter instruction form used by your bank, brokerage firm, broker-dealer or nominee for specific instructions on methods of voting. If you fail to give your bank, brokerage firm, broker-dealer or nominee specific instructions on how to vote your

Common Shares with respect to Proposals 1, 3 or 4, your vote will NOT be counted for those matters. Abstentions and broker non-votes will have the same effect as votes against Proposal 4, unless holders of more than 50% of the votes entitled to be cast vote on Proposal 4, in which event broker non-votes will have no effect on the result of the vote. If you fail to give your bank, brokerage firm, broker-dealer or nominee specific instructions on how to vote your Common Shares on Proposal 2, your bank, brokerage firm, broker-dealer or nominee will generally be able to vote on Proposal 2 as he, she or it determines.

It is important for every shareholder's vote to be counted on these matters so we encourage you to provide your bank, brokerage firm, broker-dealer or nominee with voting instructions.

If you do not vote your Common Shares, your Common Shares will not be counted and we may not be able to hold the Annual Meeting. We encourage you to vote by proxy using one of the methods described above even if you plan to attend the Annual Meeting in person so that we will know as soon as possible whether enough votes will be present.

HOUSEHOLDING

The SEC's rules permit us to deliver a single Notice or single set of Annual Meeting materials to one address shared by two or more of our shareholders unless we have received contrary instructions from shareholders. This procedure, referred to as "householding," reduces the volume of duplicate information shareholders receive and can result in significant savings on mailing and printing costs. To take advantage of this opportunity, only one Notice, Proxy Statement and Annual Report will be delivered to multiple shareholders who share a single address, unless any shareholder residing at that address gave contrary instructions. If any shareholder sharing an address with another shareholder wants to receive a separate copy of this Proxy Statement and the Annual Report or wishes to receive a separate proxy statement and annual report in the future, or received multiple copies of this Proxy Statement and Annual Report and wishes to receive a single copy, the shareholder should provide such instructions by calling Investor Relations at (240) 507-1306, by writing to Investor Relations at 4747 Bethesda Avenue, Suite 1100, Bethesda, Maryland 20814, Attention: Raymond D. Martz or by sending an e-mail to Investor Relations at investors@pebblebrookhotels.com.

Questions regarding the Notice, voting or email delivery should be directed to Investor Relations at (240) 507-1306 or investors@pebblebrookhotels.com.

SOLICITATION OF PROXIES, SHAREHOLDER PROPOSALS AND OTHER MATTERS

Solicitation of Proxies

The cost of solicitation of proxies will be paid by the Company. The trustees, officers and employees of the Company may solicit proxies personally or by telephone without additional compensation for such activities. The Company will also request persons, firms and corporations holding Common Shares in their names or in the names of their nominees, which are beneficially owned by others, to send appropriate solicitation materials to such beneficial owners. The Company will reimburse such holders for their reasonable expenses.

The Company will employ Broadridge Financial Solutions to receive and tabulate the proxies.

Shareholder Proposals and Trustee Nominations for Inclusion in the 2022 Proxy Statement

Shareholder proposals intended to be considered for inclusion in the Company's proxy statement relating to the 2022 Annual Meeting of Shareholders pursuant to Rule 14a-8 under the Exchange Act ("Rule 14a-8") must be received by the Secretary of the Company not later than November 30, 2021 and such proposals must comply with all of the requirements of Rule 14a-8.

Nominations of trustee nominees for election at the Company's 2022 Annual Meeting of Shareholders must be received by the Secretary of the Company at our principal executive offices no earlier than the close of business on November 1, 2021 and not later than November 30, 2021, and such nominations and their nominating shareholders must comply with all of the applicable requirements of our Bylaws.

Any such proposal or nomination should be mailed to: Pebblebrook Hotel Trust, 4747 Bethesda Avenue, Suite 1100, Bethesda, Maryland 20814, Attn: Secretary.

Other Shareholder Proposals and Trustee Nominations

Our Bylaws currently provide that in order for a shareholder proposal or trustee nomination to be presented at our 2022 Annual Meeting of Shareholders, other than a shareholder proposal included in the Company's proxy statement pursuant to Rule 14a-8 or a trustee nomination included in the Company's proxy statement pursuant to our Bylaws, it must be received at our principal executive offices no earlier than the close of business on November 1, 2021, and not later than November 30, 2021. If the 2022 Annual Meeting of Shareholders is scheduled to take place before April 19, 2022 or after June 18, 2022, then notice must be delivered not earlier than the close of business on the 150th day prior to the 2022 Annual Meeting of Shareholders and not later than the close of business on the later of the 120th day prior to the 2022 Annual Meeting of Shareholders or the tenth day

following the day on which public announcement of the date of the 2022 Annual Meeting of Shareholders is first made by the Company. Any such proposal should be mailed to: Pebblebrook Hotel Trust, 4747 Bethesda Avenue, Suite 1100, Bethesda, Maryland 20814, Attn: Secretary.

Additional Matters

The Board does not know of any matters other than those described in this Proxy Statement that will be presented for action at the Annual Meeting. If other matters are presented, proxies will be voted in accordance with the best judgment of the proxy holders.

Requests for Annual Report on Form 10-K

A copy of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, including the financial statements and the financial statement schedules, may be obtained without charge at our website at www.pebblebrookhotels.com. Information at, or connected to, our website is not and should not be considered part of this Proxy Statement. **If you would like to receive a complimentary copy of the Annual Report on Form 10-K, please submit a written request to: Pebblebrook Hotel Trust, c/o Broadridge, 51 Mercedes Way, Edgewood, New York 11717.**

BY ORDER OF THE BOARD OF TRUSTEES:

Raymond D. Martz
Secretary

Bethesda, Maryland

March 31, 2021

**YOUR VOTES ARE IMPORTANT REGARDLESS OF THE NUMBER OF SHARES YOU OWN.
PLEASE SUBMIT YOUR PROXY TODAY.**

PEBBLEBROOK HOTEL TRUST
 VOTE BY MAIL
 DATE: 11/09
 21/07/2021, 06:20:29

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 p.m. Eastern Time on May 18, 2021. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards, and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 p.m. Eastern Time on May 18, 2021. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717, so that it arrives by May 18, 2021.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

DOB180-F52547

KEEP THIS PORTION FOR YOUR RECORDS
 DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

PEBBLEBROOK HOTEL TRUST

The Board of Trustees recommends you vote FOR all of the trustee nominees:

1. Election of Trustees

Nominees:

For Against Abstain

1a. John E. Boff ☐ ☐ ☐

1b. Sydney C. Donnell ☐ ☐ ☐

1c. Ron E. Jackson ☐ ☐ ☐

1d. Philip W. Miller ☐ ☐ ☐

1e. Michael J. Schall ☐ ☐ ☐

1f. Ronny W. Sims ☐ ☐ ☐

1g. Carl L. Webb ☐ ☐ ☐

For Against Abstain

2. Advisory vote approving the compensation of our named executive officers ("Say On Pay") ☐ ☐ ☐

3. Approval of an amendment to the 2009 Equity Incentive Plan. ☐ ☐ ☐

NOTE: The proxies are authorized to vote in their discretion upon other matters that may properly come before the meeting.

The Board of Trustees recommends you vote FOR proposals 2, 3 and 4.

For Against Abstain

2. Ratification of the appointment of KPMG LLP to serve as our independent registered public accountants for the year ending December 31, 2021. ☐ ☐ ☐

Please sign exactly as your name(s) appear(s) herein. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or other entity, please sign in full corporate or partnership name by a duly authorized officer.

Signature (PLEASE SIGN WITHIN BOX)

Date

Signature (Must be Owner)

Date

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com.

048793-P52547

**PEBBLEBROOK HOTEL TRUST
Annual Meeting of Shareholders
May 19, 2021 9:00 AM
This proxy is solicited by the Board of Trustees**

The shareholder(s) hereby appoint(s) Jon E. Bortz and Raymond D. Martz, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the common shares of beneficial interest of PEBBLEBROOK HOTEL TRUST that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholders to be held at 9:00 AM, Eastern Time, on May 19, 2021, at the offices of Hunton Andrews Kurth LLP, 8405 Greensboro Drive, Suite 140, Tysons, Virginia 22102, and at any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the recommendations of the Board of Trustees.

Continued and to be signed on reverse side