

Chatham Lodging Trust
Form DEF 14A
April 22, 2011

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 §240.14a-11(c) or §240.14a-12

Chatham Lodging 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.

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

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(4) Date Filed:

**50 Coconut Row, Suite 216
Palm Beach, FL 33480**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 26, 2011**

TO OUR SHAREHOLDERS:

The Annual Meeting of the Shareholders of Chatham Lodging Trust (the Company) will be held at the Brazilian Court hotel at 301 Australian Avenue, Palm Beach, Florida 33480, on Thursday, May 26, 2011, at 9:00 a.m., for the following purposes:

1. To elect the trustees nominated by the Board of Trustees to hold office until the 2012 Annual Meeting of Shareholders and until their successors are elected and qualified;
2. To ratify the selection of PricewaterhouseCoopers LLP as the Company's independent auditors for fiscal year 2011;
3. To hold an advisory vote on executive compensation as disclosed in these materials;
4. To hold an advisory vote on whether an advisory vote on executive compensation should be held every one, two or three years; and
5. To transact such other business as may properly come before the meeting or any adjournments thereof.

Only shareholders of record at the close of business on April 1, 2011, are entitled to notice of, and to vote at, the meeting. All shareholders are requested to be present in person or by proxy. Any shareholder who later finds that he or she can be present at the meeting, or for any reason desires to do so, may revoke the proxy at any time before it is voted.

There is enclosed, as a part of this Notice, a Proxy Statement which contains further information regarding the Annual Meeting. Please read it carefully, and vote. Your cooperation is appreciated, because a majority of the common shares must be represented, either in person or by proxy, to constitute a quorum for the conduct of business.

BY ORDER OF THE BOARD OF TRUSTEES,

PETER WILLIS
Executive Vice President and Secretary

Palm Beach, Florida
April 22, 2011

We want your shares represented at the Annual Meeting regardless of the number of shares you hold. By following the instructions on the enclosed proxy card, your shares will be voted even if you are unable to attend

the Annual Meeting. If you attend the Annual Meeting and prefer to vote in person or change your proxy vote, you may do so at any time before the vote is finalized.

**PROXY STATEMENT
FOR ANNUAL MEETING OF SHAREHOLDERS TO BE HELD
May 26, 2011**

SOLICITATION AND REVOCATION OF PROXY

Proxies in the form furnished are solicited by the Board of Trustees of the Company to be voted at the annual meeting of shareholders to be held on May 26, 2011, or any adjournments (the "Annual Meeting"). The individuals named as proxies are Jeffrey Fisher and Dennis Craven. This Proxy Statement and the accompanying proxy card and Notice of Annual Meeting are first being mailed on or about April 22, 2011 to shareholders of record at the close of business on April 1, 2011.

All shares represented by proxies received will be voted in accordance with instructions contained in the proxies. The Board of Trustees unanimously recommends a vote:

1. FOR the nominees for Trustee listed in these materials and on the proxy;
2. FOR the ratification of the selection of the Company's independent auditors;
3. FOR the approval, on an advisory basis, of the compensation of the Company's named executive officers as disclosed in these materials; and
4. FOR a frequency of every three years for future advisory votes on executive compensation.

In the absence of voting instructions to the contrary, shares represented by validly executed proxies will be voted in accordance with the foregoing recommendations. A shareholder giving a proxy has the power to revoke it any time before it is voted by providing written notice to the Secretary of the Company, by delivering a later-dated proxy, or by voting in person at the Annual Meeting.

Only shareholders of record at the close of business on April 1, 2011 (the "Record Date") will be entitled to vote at the Annual Meeting. At the close of business on the Record Date, there were 13,820,854 common shares outstanding, which represent all of the voting securities of the Company. Each common share is entitled to one vote. Shareholders do not have cumulative voting rights in the election of Trustees.

A majority of the common shares entitled to vote at the Annual Meeting, present either in person or by proxy, will constitute a quorum. Shareholders who abstain from voting on any or all proposals will be included in the number of shareholders present at the meeting for purposes of determining the presence of a quorum. Abstentions and broker non-votes will not be included in the total of votes cast and will not affect the outcome of the vote.

With respect to proposal 1, the election of Trustees, the affirmative vote of a plurality of the votes cast at the meeting is required to elect a trustee.

With respect to proposal 2, the ratification of the selection of the Company's independent auditors, the votes that shareholders cast for must exceed the votes that shareholders cast against to approve.

With respect to proposal 3, the advisory vote on executive compensation, the votes that shareholders cast for must exceed the votes that shareholders cast against to approve.

With respect to proposal 4, the frequency of the advisory vote on executive compensation, the alternative receiving the greatest number of votes every year, every two years or every three years will be the frequency that shareholders approve.

If your shares are held by a broker on your behalf (that is, in street name), and you do not instruct the broker as to how to vote these shares on proposals 1, 3, or 4, the broker may not exercise discretion to vote for or against those proposals. This would be a broker non-vote and these shares will not be counted as having been voted on the applicable proposal. With respect to proposal 2, the broker may exercise its discretion to vote for or against that proposal in the absence of your instruction. **Please instruct your bank or broker so your vote can be counted.**

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PROPOSAL 1: ELECTION OF TRUSTEES

Your vote is requested in favor of nine trustees to serve until the next annual meeting of shareholders and until their successors are duly elected and qualified. Each of the nominees is currently a trustee of the Company and each of their terms expires at this annual meeting.

The Company's bylaws provide that the number of trustees shall be determined from time to time by the Board of Trustees, but may not be less than one. The Company's Board of Trustees currently consists of nine persons.

Trustees typically are elected for a period of one year and thereafter serve until the next annual meeting at which their successors are duly elected by our shareholders. Each nominee for election has agreed to serve if elected, and we have no reason to believe that any nominee will be unavailable to serve. If any nominee is unable or declines to serve as a trustee at the time of the annual meeting, the proxies named in the proxy card will vote for a nominee designated by the present Board of Trustees to fill the vacancy. Unless otherwise instructed, the proxies named in the proxy card will vote all of the shares for which they hold proxies **FOR** the nominees named below.

Each nominee has indicated a willingness and ability to serve as a Trustee. If any nominee becomes unable or unwilling to serve, the accompanying proxy may be voted for the election of such other person as will be designated by the Board of Trustees. Each Trustee will be elected by a plurality of the votes cast, in person or by proxy, at the Annual Meeting, assuming a quorum is present.

The following candidates for election have been nominated by the Board based on the recommendation of the Nominating and Governance Committee. In addition to the information presented below regarding each nominee's specific experience, qualifications, attributes and skills that led the Board to conclude that he should serve as a Trustee, the Board believes that each nominee has demonstrated outstanding achievement in his professional career; relevant experience; personal and professional integrity; ability to make independent, analytical inquiries; experience with and understanding of the business environment; and willingness and ability to devote adequate time to Board duties. We also believe that our Trustees collectively have the skills and experience to create a board that is

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well-suited to oversee the Company. Members of our Board have had a great diversity of experiences and bring to our Board a wide variety of views that strengthen their ability to guide our Company.

The Board of Trustees unanimously recommends that you vote FOR Proposal 1.

Trustees

The following table sets forth information regarding each nominee for election as a trustee.

Name	Age	Position
Jeffrey H. Fisher	55	Chairman, President and Chief Executive Officer
Miles Berger	80	Trustee
Thomas J. Crocker	57	Trustee
Jack P. DeBoer	79	Trustee
Glen R. Gilbert	66	Trustee
C. Gerald Goldsmith	82	Trustee
Robert Perlmutter	49	Trustee
Rolf E. Ruhfus	66	Trustee
Joel F. Zemans	69	Trustee

Set forth below is information with respect to each trustee of the Company.

Jeffrey H. Fisher

Mr. Fisher is our Chairman of the Board, Chief Executive Officer and President. Mr. Fisher is also the majority shareholder of Island Hospitality Management Inc. (IHM), a firm he founded in 2007 that currently

manages 71 hotels for unaffiliated hotel owners and five (5) of our hotels. From 1994 to 2007, Mr. Fisher was chairman, chief executive officer and president of Innkeepers USA Trust (Innkeepers), a lodging REIT he founded and took public in 1994 and was also chairman and majority shareholder of Innkeepers Hospitality, a privately owned hotel management company. Mr. Fisher grew Innkeepers portfolio from seven hotels at the time of its initial public offering to 74 hotels at the time of its sale. In June of 2007, Innkeepers was sold to an institutional investor at a total enterprise value of \$1.5 billion. Between 1986 and 1994, he served as President and Chief Executive Officer of JF Hotel Management, Inc.

Mr. Fisher received a Bachelor of Science degree in Business Administration from Syracuse University in 1977, a Doctor of Jurisprudence degree from Nova Southeastern University in 1980, and a Masters of Law in Taxation from the University of Miami in 1981. He is a licensed attorney and practiced at Jones & Foster P.A. and Jeffrey H. Fisher P.A. for a total of five years prior to starting his career in the hospitality industry. Additionally, Mr. Fisher currently serves as a Board Member of Marriott's The Residence Inn Association (TRIA).

Miles Berger

Mr. Berger has been engaged in real estate, banking and financial services since 1950. In 1998, Mr. Berger became Chairman and Chief Executive Officer of Berger Management Services LLC, a real estate and financial consulting and advisory services company. From 1969 to 1998, he served as Vice Chairman of the Board of Heitman Financial Ltd., a real estate investment management firm. Mr. Berger served for more than thirty years, until 2001, as Chairman of the Board of MidTown Bank and Trust Company of Chicago, served as Vice Chairman of Columbia National Bank Corp. from 1965-1995 and was Chairman of the Board of Berger Financial Services, a full-service real estate advisory and financial services company from 1950 to 2006. Mr. Berger has served on the board of trustees of Universal Health Realty Income Trust, a publicly traded health care REIT, since December 1998. Mr. Berger also serves on the Board of Directors of Medallion Bank and serves on the boards of numerous philanthropic organizations. Mr. Berger previously served on the Board of Trustees of Innkeepers from September 1994 until Innkeepers sale in June 2007.

Thomas J. Crocker

Mr. Crocker is Chief Executive Officer and principal investor of Crocker Partners, LLC, a privately-held real estate investment company, which is the general partner of a real estate private equity fund, Crocker Partners IV, L.P. Mr. Crocker was previously the Chief Executive Officer of CRT Properties, Inc. (formerly known as Koger Equity, Inc.), until its sale in September 2005. CRT Properties, Inc. was a NYSE listed corporation which owned or had interests in more than 137 office buildings, containing 11.7 million rentable square feet, primarily located in 25 suburban and urban office projects in 12 metropolitan areas in the Southeastern United States, Maryland and Texas. Prior to joining Koger Equity, Inc. in March 2000, Mr. Crocker was Chairman of the Board and Chief Executive Officer of Crocker Realty Trust, Inc., a privately-held REIT, which owned and operated approximately 6.2 million square feet in 133 office buildings located in six states in the Southeast, plus more than 125 acres of developable land. Previously, Mr. Crocker was Chairman of the Board and Chief Executive Officer of Crocker Realty Trust, Inc., which was an office-based publicly-held REIT in the southeast U.S., from that company's inception until June 1996, when it merged with Highwoods Properties, a publicly-held REIT. Prior to forming Crocker Realty Trust, Inc., Mr. Crocker headed Crocker & Co., a privately-held firm responsible for development, leasing and property management services to approximately 1.7 million square feet of commercial property and 272 residential units. Prior to 1984, Mr. Crocker was a real estate lending officer at Chemical Bank. Mr. Crocker previously served on the Board of Trustees of Innkeepers from February 1997 until Innkeepers sale in June 2007.

Jack P. DeBoer

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Mr. DeBoer is Chairman of Consolidated Holdings, Inc., a private investment company focusing on real estate development and management. Mr. DeBoer is also the Chairman of the Board and majority owner of Value Place LLC, owner of the franchise rights to the Value Place brand of hotels, which provides affordable extended-stay lodging. Mr. DeBoer served as Chairman of the Board, President and Chief Executive Officer of

Candlewood Hotel Company, Inc. from its inception in 1995 until it was acquired in December 2003. From October 1993 to September 1995, Mr. DeBoer was self-employed and engaged in the development of the Candlewood extended-stay hotel concept. From 1988 to 1993, Mr. DeBoer co-founded and developed Summerfield Hotel Corporation, an upscale extended-stay hotel chain. Previously, Mr. DeBoer founded and developed the Residence Inn franchise prior to selling the franchise to Marriott in 1987. Mr. DeBoer previously served on the Board of Trustees of Innkeepers from November 1996 until Innkeepers' sale in June 2007.

Glen R. Gilbert

Mr. Gilbert has been employed by BFC Financial Corporation, a publicly-traded savings bank and real estate holding company, since November 1980. During that period, Mr. Gilbert served in several senior management positions, including as Chief Financial Officer from May 1987 to April 2007 and as Executive Vice President from July 1997 to April 2007. Mr. Gilbert also served as Senior Executive Vice President for Levitt Corporation (now known as Woodbridge Holdings Corp.), a then publicly-traded home builder and real estate developer, from August 2004 to December 2005, after serving as its Chief Financial Officer and Executive Vice President from April 1997 to August 2004. Mr. Gilbert has also held various executive and chief financial officer positions for other entities related to BFC Financial Corporation. Mr. Gilbert was a certified public accountant from 1970 through 2008 and graduated from the University of Florida with a B.S.B.A. degree in accounting. Mr. Gilbert began his accounting career with KPMG LLP in 1970.

C. Gerald Goldsmith

Goldsmith has been an independent investor and financial advisor since 1976. He is currently Chairman of the Board of First Bank of the Palm Beaches, a community bank in Palm Beach County, Florida, and Chairman of Property Corp. International, a private real estate investment company. He has served as a director of several banks and NYSE-listed companies and various philanthropic organizations. He holds an A.B. from the University of Michigan and an M.B.A. from Harvard Business School. Mr. Goldsmith previously served on the Board of Trustees of Innkeepers from September 1994 until Innkeepers' sale in June 2007.

Robert Perlmutter

Robert Perlmutter is the managing member of Davis Street Land Company, LLC, a privately held firm focused on the development, management and ownership of upscale shopping centers, which currently owns 2.0 million square feet of retail properties. From 1983 to 1988, Mr. Perlmutter worked as an investment analyst for Heitman Financial Services, Ltd. in its acquisitions and dispositions division. From 1988 to 1990, he served as Heitman Financial's President, a capacity in which he was responsible for overseeing all of its acquisitions, financings and dispositions. Mr. Perlmutter subsequently served as Chief Executive Officer of Chicago-based Heitman Retail Properties from 1990 to 1998, where he supervised overall operations and growth of its retail holdings from two retail properties to twenty directly managed malls and twenty-nine joint ventures in regional malls. From 1998 to 2001, he also served on the board of directors of Prime Retail Inc., a NYSE-listed outlet center company. He is a member of the International Council of Shopping Centers and a board member of the First Bank of Highland Park. Mr. Perlmutter received a Bachelor of Sciences degree in business administration, with a concentration in real estate, from the University of Colorado.

Rolf E. Ruhfus

Mr. Ruhfus is Chairman and Chief Executive Officer of LodgeWorks Corporation, a hotel development and management company, which owns the Hotel Sierra and AVIA hotel brands. Mr. Ruhfus also serves as Chairman and Chief Executive Officer of Wichita Consulting Company, L.P., a consulting services company. Previously,

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Mr. Ruhfus served as the Chairman and Chief Executive Officer of Summerfield Hotel Corporation, an upscale extended-stay hotel chain, from its founding in 1988 until its sale to Wyndham International, Inc. in 1998. Mr. Ruhfus served as President of the Residence Inn Company from February 1983 through July 1987 (when it was acquired by Marriott International, Inc.). Mr. Ruhfus joined the Residence Inn Company

after spending four years as Director of Marketing for VARTA Battery, Europe's largest battery manufacturer. Prior to this position, he was a management consultant for McKinsey and Company in its Dusseldorf, Germany office. Mr. Ruhfus was a German Air Force Lieutenant and received a bachelor's degree from Western Michigan University in 1968. His graduate degrees include an M.B.A. from the Wharton School at the University of Pennsylvania in 1971 and a Ph.D. in marketing from the University of Muenster in 1974. Mr. Ruhfus is a member of the international chapter of The Young Presidents Organization and serves on the board of several European companies. Mr. Ruhfus previously served on the Board of Trustees of Innkeepers from July 1997 until Innkeepers' sale in June 2007.

Joel F. Zemans

Mr. Zemans has been active in the ownership and operation of real estate and banks since 1969. From 1971 through 1976, he served as Executive Vice President (and through 1984 as a Director) of Chicago Properties Corporation, a real estate development company specializing in the rehabilitation of multi-unit residential properties in Chicago. Between 1976 and 2001, Mr. Zemans served as President and Chief Executive Officer of de novo Mid Town Bancorp, Inc. and its subsidiary, Mid Town Bank and Trust Company of Chicago, and as Chairman and Chief Executive Officer of two wholly-owned subsidiaries, Mid Town Development Corporation and Equitable Finance Corporation. He currently serves as a consultant to businesses and individuals for real estate financing, investing and strategic planning. Mr. Zemans also serves on the Board of Directors of Bright Electric Supply and MBA Building Supplies, and he provides pro-bono consulting to a number of not-for-profit organizations. Mr. Zemans holds both a B.A. and an M.B.A. from the University of Chicago. Mr. Zemans previously served on the Board of Trustees of Innkeepers from November 2001 until Innkeepers' sale in June 2007. Mr. Zemans also served on the board of Mid America Bank from 2001 to 2004.

Biographical Information Regarding Executive Officers Who Are Not Trustees

Peter Willis Executive Vice President & Chief Investment Officer

Mr. Willis is our Executive Vice President & Chief Investment Officer. Mr. Willis has over 20 years of hotel acquisition experience. From 2001 to 2006, he served as Vice President of Acquisitions & Business Development for Innkeepers and oversaw over \$500 million of investments in 18 hotels. From June 2006 to January 2009, Mr. Willis served as Senior Vice President at The Kor Group, a privately held, fully integrated real estate investment firm with a portfolio of over \$2 billion in upscale hotel and resort investments, where he focused on U.S. and Caribbean acquisitions and third-party management contracts. While evaluating, negotiating and underwriting specific hotel investments and obtaining and negotiating management contract prospects, Mr. Willis also supported strategic acquisition and corporate planning efforts.

Mr. Willis also held positions with an industry-leading firm supporting the opening of luxury hotels. Establishing the organization's first international operation in the Asia/Pacific region in 1994, he directed the repositioning and opening of properties throughout the region and in the United States. By 2001, Mr. Willis led overall strategic planning, business development and investor relations, as well as integrating acquisitions among the firm's operating entities. Mr. Willis began as an analyst and asset manager of hotel, residential and commercial properties for Japanese investment firm JDC America in Tokyo and in the United States.

Mr. Willis received a Bachelor of Science in Business Administration from the University of Florida in 1989 and has completed professional programs at Cornell University's Hotel School and Obirin University in Tokyo.

Dennis M. Craven Executive Vice President & Chief Financial Officer

Mr. Craven joined our company on September 9, 2010 as our Executive Vice President and Chief Financial Officer. Mr. Craven previously served as executive vice president and chief financial officer of Innkeepers from March 2006 until the acquisition of Innkeepers by an affiliate of Apollo Investment Corporation in June 2007. Following the acquisition, he continued to serve as chief financial officer of Innkeepers until August 2010. Prior to joining Innkeepers in 2006, Mr. Craven was a partner in Addison Capital Advisors, a venture capital firm based in Memphis, Tennessee, and served as senior vice president and

chief accounting officer of Independent Bank in Memphis. Prior to that, he served as vice president and controller, and later vice president and chief accounting officer, of RFS Hotel Investors, Inc., a NYSE-listed hotel REIT. Prior to joining RFS, he was a senior manager with PricewaterhouseCoopers LLP in Memphis and London. Mr. Craven received a Bachelor of Accountancy from the University of Mississippi in 1993. He is a licensed Certified Public Accountant in the State of Mississippi.

Trustee Independence

Our Corporate Governance Guidelines, which are available on our website at www.chathamlodgingtrust.com, require that a majority of our trustees be independent. Our Board of Trustees has adopted the categorical standards prescribed by the New York Stock Exchange (the "NYSE") to assist the Board of Trustees in evaluating the independence of each trustee. The categorical standards describe various types of relationships that could potentially exist between a board member and our Company and sets thresholds at which such relationships would be deemed to be material. Provided that no relationship or transaction exists that would disqualify a trustee under the categorical standards and the Board of Trustees determines, taking into account all facts and circumstances, that no other material relationship between our Company and the trustee exists of a type not specifically mentioned in the categorical standards, the Board of Trustees will deem such person to be independent. A trustee shall not be independent if he or she satisfies any one or more of the following criteria:

a trustee who is, or who has been within the last three years, an employee of our Company, or whose immediate family member is, or has been within the last three years, an executive officer of the Company;

a trustee who has received, or who has an immediate family member serving as an executive officer who has received, during any twelve-month period within the last three years more than \$120,000 in direct compensation from our Company (excluding trustee and committee fees and pension/other forms of deferred compensation for prior service that is not contingent in any way on continued service);

(i) a trustee who is or whose immediate family member is a current partner of a firm that is our Company's internal or external auditor; (ii) a trustee who is a current employee of such a firm; (iii) a trustee who has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (iv) a trustee who was or whose immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on our Company's audit within that time;

a trustee who is or has been within the last three years, or whose immediate family member is or has been within the last three years, employed as an executive officer of another company where any of our Company's present executives at the same time serves or served on that company's compensation committee; or

a trustee who is a current employee, or whose immediate family member is a current executive officer, of a company that has made payments to, or received payments from, our Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues (as reported for the last completed fiscal year).

Under these criteria, our Board of Trustees has determined that the following members of our Board of Trustees are independent: Miles Berger, Thomas J. Crocker, Jack P. DeBoer, Glen R. Gilbert, C. Gerald Goldsmith, Robert Perlmutter, Rolf E. Ruhfus and Joel F. Zemans. We presently have nine trustees, including these eight independent trustees.

Committees of the Board

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Our Board of Trustees has appointed an Audit Committee, Compensation Committee and a Nominating and Corporate Governance Committee, and has adopted charters for each of these committees which are available on our website at www.chathamlodgingtrust.com. Pursuant to these charters, the composition of each

committee is required to comply with the listing standards and other rules and regulations of the NYSE, as amended or modified from time to time. Each of these committees is comprised exclusively of independent trustees, as defined by the listing standards of the NYSE then in effect.

Audit Committee

Our Audit Committee consists of Messrs. Gilbert (Chair), Berger and Zemans. The Audit Committee makes recommendations concerning the engagement of independent public accountants, reviews with the independent public accountants the plans and results of the audit engagement, approves professional services provided by the independent public accountants, reviews the independence of the independent public accountants, considers the range of audit and non-audit fees and reviews the adequacy of our internal accounting controls.

Mr. Gilbert, an independent trustee, is the chair of our Audit Committee and is our audit committee financial expert as that term is defined in the rules and regulations of the Securities and Exchange Commission (SEC).

Compensation Committee

Our Compensation Committee consists of Messrs. Goldsmith (Chair), Berger and Zemans. The Compensation Committee determines compensation for our executive officers and trustees, administers our Equity Incentive Plan, produces an annual report on executive compensation for inclusion in our annual meeting proxy statement and publishes an annual committee report for our shareholders.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee consists of Messrs. Crocker (Chair) and Goldsmith. The Nominating and Corporate Governance Committee is responsible for seeking, considering and recommending to the board qualified candidates for election as trustees and recommending a slate of nominees for election as trustees at the annual meeting. It also periodically prepares and submits to the board for adoption the committee's selection criteria for trustee nominees. It reviews and makes recommendations on matters involving general operation of the board and our corporate governance, and it annually recommends to the board nominees for each committee of the board. In addition, the committee annually facilitates the assessment of the Board of Trustees' performance as a whole and of the committees and individual trustees and reports thereon to the board. Shareholders may make recommendations of potential trustee nominees to the Nominating and Corporate Governance Committee, Chatham Lodging Trust, 50 Coconut Row, Suite 216, Palm Beach, FL 33480. Such communications should include information both on the recommending shareholder and the recommended person so the Nominating and Corporate Governance Committee may have adequate information to evaluate the candidate. The process for considering trustee nominees by shareholders is the same as the process for nominees recommended by our Board or our Nominating and Corporate Governance Committee.

Code of Ethics

We have adopted a corporate code of ethics relating to the conduct of our business by our employees, officers and trustees. We intend to maintain the highest standards of ethical business practices and compliance with all laws and regulations applicable to our business, including those relating to doing business outside the U.S. Specifically, our code of ethics prohibits payments, directly or indirectly, to any foreign official seeking to influence such official or otherwise obtain an improper advantage for our business.

Compensation Committee Interlocks and Insider Participation

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None of the trustees serving on our Compensation Committee is or has ever been one of our officers or employees, nor have any of our trustees serving on our Compensation Committee entered into any transaction with us with a value in excess of \$120,000. None of our executive officers, and no trustee serving on our

Compensation Committee, serves as a member of the Board of Trustees (or board of directors) or Compensation Committee of any entity that has one or more executive officers serving on our Board of Trustees.

Trustee Compensation

Each of our independent trustees who does not serve as the chairman of one of our committees is paid a trustee's fee of \$75,000 per year. The trustees who serve as our lead trustee, Audit Committee chairman, Compensation Committee chairman and Nominating and Corporate Governance Committee chairman are paid an additional cash fee of \$10,000, \$10,000, \$7,500 and \$5,000, respectively. Trustees' fees, excluding those trustees who do not serve as the lead trustee or chairman of one of our committees, are paid one-half in cash and one-half in our common shares although each trustee may elect to receive up to all of his trustee fees in the form of our common shares. Trustees who are employees receive no additional compensation as trustees. In addition, we reimburse all trustees for reasonable out-of-pocket expenses incurred in connection with their services on the Board of Trustees.

The following table sets forth information with respect to the compensation of our independent trustees as of December 31, 2010.

Name(1)	Fees Earned or Paid in Cash \$(2)	Share Awards \$(3)	Total
Miles Berger	33,645	125,974	159,619
Thomas J. Crocker	30,104	125,974	156,078
Jack P. DeBoer	26,562	125,974	152,536
Glen R. Gilbert	33,645	125,974	159,619
C. Gerald Goldsmith	31,875	125,974	157,849
Robert Perlmutter	26,562	125,974	152,536
Rolf E. Ruhfus	26,562	125,974	152,536
Joel F. Zemans	26,562	125,974	152,536

- (1) Mr. Fisher, our Chairman, President and Chief Executive Officer, is not included in this table as he is an employee of the Company and does not receive additional compensation for his service as a trustee. All of the compensation paid to Mr. Fisher for the services he provides to us is reflected in the Summary Compensation Table.
- (2) Reflects cash payments of \$37,500 to each of our independent trustees as one-half of the annual trustee's retainer fee, as well as additional cash fees of (i) \$10,000 to our lead independent trustee (Mr. Berger), (ii) \$10,000 to the chairman of our Audit Committee (Mr. Gilbert), (iii) \$7,500 to the chairman of our Compensation Committee (Mr. Goldsmith) and (iv) \$5,000 to the chairman of our Nominating and Corporate Governance Committee (Mr. Crocker). For 2010, these annual amounts were prorated from April 21, 2010, the date of completion of our initial public offering (IPO), through December 31, 2010. See "Trustee Compensation" above.
- (3) Amounts reflect the full grant date fair value of restricted common shares or common shares granted during 2010, calculated in accordance with ASC 718. As part of our 2010 compensation plan, we granted (i) 5,000 restricted common shares to each of our independent trustees in connection with the completion of our initial public offering and (ii) 1,513 common shares to each of our independent trustees as one-half of the annual trustee's retainer fee prorated for the time served during 2010. There can be no assurance that restricted shares will vest. See "Trustee Compensation" above.

Narrative Disclosure to Trustee Compensation Table

Our compensation policies and practices for our independent trustees are described above under Trustee Compensation .

Shareholder Communications to the Board

Shareholders may contact an individual Trustee, the Board as a group, or a specified Board committee or group, including the non-employee Trustees as a group, at the following address: Corporate Secretary, Chatham Lodging Trust, 50 Cocoanut Row, Suite 216, Palm Beach, FL 33480 Attn: Board of Trustees. The Company will receive and process communications before forwarding them to the addressee. Trustees generally will not be forwarded shareholder communications that are primarily commercial in nature, relate to improper or irrelevant topics, or request general information about the Company.

Meeting Attendance

During the Company's last fiscal year, the Company's Board of Trustees met five times and the Board's Committees met a total of six times. Each member of the Board attended 75% or more of the Board meetings and meetings of the committees on which he served. As set forth in our Corporate Governance Guidelines, Trustees are invited and encouraged to attend meetings of shareholders.

Leadership Structure and Risk Oversight

Management is responsible for the day-to-day management of risks we face. The Board has overall responsibility for overseeing risk management with a focus on the more significant risks facing the Company. Our Audit Committee oversees risk policies and processes related to our financial statements, financial reporting processes and liquidity risks, our Nominating and Corporate Governance Committee oversees corporate governance risks and our Compensation Committee oversees risks relating to remuneration of our officers and employees. The Compensation Committee does not believe that the compensation programs which are in place give rise to any risk that is reasonably likely to have a material adverse effect on us.

At each quarterly meeting of the Audit Committee, a portion of the meeting is devoted to reviewing material credit risks, our loan portfolio, status of foreclosure and similar proceedings, status of the properties in our real estate portfolio and other matters which might have a material adverse impact on current or future operations, and, as required, the Audit Committee reviews risks arising from related party transactions. In addition, at each meeting of the Audit Committee, our Chief Financial Officer, as well as the independent accounting firm reviewing or auditing, as the case may be, our financial statements, reports to the committee with respect to compliance by our employees with our internal control policies in order to ascertain that no failures of a material nature have occurred. This process assists the Audit Committee in overseeing the risks related to our financial statements and the financial reporting process. At each meeting of the Board of Trustees, a portion of the meeting is dedicated to reviewing and discussing significant risk issues reviewed by the Audit Committee.

Mr. Fisher serves as both our Chairman and our Chief Executive Officer. Mr. Berger has been appointed lead independent trustee. We believe that it is in the best interests of our shareholders for Mr. Fisher 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 also believe that appointing an independent trustee to preside over executive sessions of the Board and providing the opportunity for 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 our Board of Trustees. As lead independent trustee, Mr. Berger presides at all meetings of the Board of Trustees at which the Chairman of the Board is not present, has the authority to call meetings of the independent trustees and has such other duties as the Board of Trustees may determine from time to time.

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 will present to the Board a comprehensive report on the material risks to the Company, including credit risk, liquidity risk and operational risk. At that time, the management team will also review with the Board of Trustees 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. Throughout the year, management monitors the Company's risk profile and, on a regular basis,

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 full Board's consideration.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information regarding the beneficial ownership of common shares as of March 31, 2011 by (i) each of our trustees, (ii) each of our executive officers, (iii) each holder of 5% or more of each class of our shares and (iv) all of our trustees and executive officers as a group. Unless otherwise indicated, all shares are owned directly and the indicated person has sole voting and investment power. In accordance with SEC rules, each listed person's beneficial ownership includes:

all shares the person actually owns beneficially or of record;

all shares over which the person has or shares voting or dispositive control (such as in the capacity as a general partner of an investment fund); and

all shares the person has the right to acquire within 60 days (such as restricted common shares that are scheduled to vest within 60 days).

Unless otherwise indicated, the address of each named person is 50 Coconut Row, Suite 216, Palm Beach, Florida 33480. No shares beneficially owned by any executive officer or trustee have been pledged as security.

Name of Beneficial Owner	Common Shares Beneficially Owned(1)	Percent of Class
Wells Fargo and Company	1,062,136(2)	7.69%
Prudential Financial, Inc.	784,420(3)	5.68%
Jennison Associates LLC	756,820(4)	5.48%
Robeco Investment Management, Inc.	753,675(5)	5.45%
Moab Capital Partners LLC	695,879(6)	5.03%
Jeffrey H. Fisher	528,950(7)	3.83%
Peter Willis	11,650(8)	*
Dennis M. Craven	11,650(9)	*
Miles Berger	9,013	*
Thomas J. Crocker	6,513	*
Jack P. DeBoer	10,013	*
Glen R. Gilbert	6,513	*
C. Gerald Goldsmith	6,513	*
Robert Perlmutter	9,013	*
Rolf E. Ruhfus	6,513	*
Joel F. Zemans	9,013	*
All executive officers and trustees as a group	615,354	4.45%

* Represents less than 1% of our common shares outstanding.

- (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. The number of common shares held by our trustees and executive officers, and all of the percentages shown in this table, are calculated as of March 31, 2011, based on 13,820,854 shares outstanding.

- (2) The number of common shares in the table above and the information in this footnote are based on a statement on Schedule 13G/A jointly filed with the SEC on January 20, 2011 by Wells Fargo and Company, a Delaware corporation and parent holding company, or Wells Fargo, and the following subsidiaries: Peregrine Capital Management, Inc., Wells Capital Management Incorporated and Wells Fargo Funds Management, LLC, each of which is classified as an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, and Wells Fargo Bank, N.A., classified as a bank in accordance with Regulation 13d-1(b)(1)(ii)(B). Wells Fargo has sole voting power over 945,853 shares, shared voting power over 825 shares, sole dispositive power over 546,811 shares and shared dispositive power over no shares. Wells Fargo has its principal business office at: 420 Montgomery Street, San Francisco, California 94104.
- (3) The number of common shares in the table above and the information in this footnote are based on a statement on Schedule 13G/A filed with the SEC on January 31, 2011 by Prudential Financial, Inc., a New Jersey corporation and parent holding company, or Prudential. Prudential has sole voting power over 108,752 shares, shared voting power over 26,100 shares, sole dispositive power over 108,752 shares and shared dispositive power over 675,668 shares. Prudential has its principal business office at: 751 Broad Street, Newark, New Jersey 07102-3777.
- (4) The number of common shares in the table above and the information in this footnote are based on a statement on Schedule 13G/A filed with the SEC on February 11, 2011 by Jennison Associates LLC, a Delaware limited liability company, or Jennison. Jennison has sole voting power over 756,820 shares, shared voting power over no shares, sole dispositive power over no shares and shared dispositive power over 756,820 shares. Prudential Financial, Inc. (Prudential) indirectly owns 100% of the equity interests of Jennison. As a result, Prudential may be deemed to have the power to exercise or to direct the exercise of such voting and/or dispositive power that Jennison may have with respect to the Company's common stock held by the portfolios managed by Jennison. Jennison does not file jointly with Prudential, as such, shares of the Company's common stock reported on Jennison's 13G may be included in the shares reported on the 13G filed by Prudential. Jennison has its principal business office at: 466 Lexington Avenue, New York, New York 10017.
- (5) The number of common shares in the table above and the information in this footnote are based on a statement on Schedule 13G/A filed with the SEC on February 28, 2011 by Robeco Investment Management, Inc, a Delaware corporation or Robeco. Robeco has sole voting power over 621,855 shares, shared voting power over 21,860 shares, sole dispositive power over 753,675 shares, and shared dispositive power over no shares. Robeco has its principal business office at: 909 Third Ave, New York, New York 10022.
- (6) The number of common shares in the table above and the information in this footnote are based on a statement on Schedule 13G filed with the SEC on March 28, 2011 by Moab Capital Partners, LLC, a Delaware limited liability company, Moab Partners, L.P., a Delaware limited partnership, Mr. Michael M. Rothenberg and Mr. David A. Sackler, or, collectively, Moab. Moab has sole voting power and sole dispositive power over 695,879 shares and shared voting power and shared dispositive power over no shares. Moab has its principal business office at: 15 East 62nd Street, New York, New York 10065.
- (7) This amount includes 100 common shares owned by Jeffrey Fisher Marital Trust. Mr. Fisher disclaims beneficial ownership of those shares. This amount does not include 198,940 long-term incentive plan (LTIP) units held by Mr. Fisher.
- (8) This amount does not include 32,585 LTIP units held by Mr. Willis.
- (9) This amount does not include 26,250 LTIP units held by Mr. Craven.

EXECUTIVE COMPENSATION