

GAYLORD ENTERTAINMENT CO /DE

Form DEF 14A

April 04, 2005

Table of Contents

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

GAYLORD ENTERTAINMENT COMPANY

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
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 - (1) Amount Previously Paid:
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-

Table of Contents

April 4, 2005

Dear Stockholder:

You are cordially invited to attend the 2005 Annual Meeting of Stockholders of Gaylord Entertainment Company at the Gaylord Opryland Resort and Convention Center in Nashville, Tennessee on May 5, 2005 at 10:00 a.m. local time.

Details of the business that will be conducted at the Annual Meeting are given in the attached Notice of Annual Meeting, proxy statement and proxy card.

It is important that your shares be represented and voted at the Annual Meeting. If you do not plan to attend the Annual Meeting, please complete, sign, date and return the enclosed proxy card promptly in the accompanying reply envelope. If you received your annual meeting materials via email, the email contains voting instructions and links to the annual report and proxy statement on the internet, which are both available at www.gaylordentertainment.com under the Investor Relations link. If you decide to attend the Annual Meeting and wish to change your proxy vote, you may do so by voting in person at the Annual Meeting.

We look forward to seeing you at the Annual Meeting.

Sincerely,

Michael D. Rose
Chairman of the Board

Table of Contents

GAYLORD ENTERTAINMENT COMPANY
One Gaylord Drive
Nashville, Tennessee 37214
(615) 316-6000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TIME	10:00 a.m. local time on Thursday, May 5, 2005
PLACE	Gaylord Opryland Resort and Convention Center 2800 Opryland Drive Nashville, Tennessee 37214
ITEMS OF BUSINESS	(1) To elect ten (10) members of the Board of Directors to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified. (2) To transact such other business as may properly come before the meeting or any adjournment or postponement.
RECORD DATE	You may vote if you were a stockholder of record at the close of business on March 15, 2005.
ANNUAL REPORT	Our 2004 Annual Report to Stockholders, which is not part of the proxy solicitation materials, is also enclosed.
PROXY VOTING	It is important that your shares be represented and voted at the meeting. Please COMPLETE, SIGN, DATE AND PROMPTLY RETURN the enclosed proxy card in the reply envelope or you may vote over the internet or telephone by following the instructions on the proxy card. If you received the proxy materials via email, follow the voting instructions contained in the email. A proxy may be revoked at any time prior to its exercise at the meeting. By Order of the Board of Directors, CARTER R. TODD Secretary

Nashville, Tennessee
April 4, 2005

PROXY STATEMENT

The Board of Directors of Gaylord Entertainment Company (Gaylord, the Company, we, or us) is soliciting proxies for the 2005 Annual Meeting of Stockholders on May 5, 2005, and any postponements and adjournments of such meeting. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. *Please read it carefully.* A copy of our 2004 Annual Report to Stockholders, this Proxy Statement and accompanying proxy card are being mailed to our stockholders beginning on or about April 4, 2005.

Table of Contents

<u>Questions and Answers</u>	1
<u>Election of Directors</u>	4
<u>Information About the Nominees for Director</u>	4
<u>Corporate Governance</u>	6
<u>Board Member Attendance at Annual Meeting</u>	6
<u>Director Independence</u>	6
<u>Committees of the Board</u>	7
<u>Communications with Members of the Board</u>	9
<u>Reporting of Ethical Concerns to the Audit Committee of the Board</u>	9
<u>Compensation of Directors</u>	9
<u>Compensation Committee Interlocks and Insider Participation</u>	10
<u>Certain Relationships and Related Transactions</u>	10
<u>Beneficial Ownership</u>	10
<u>Information About the Company's Independent Registered Public Accounting Firm</u>	12
<u>General</u>	12
<u>Fee Information</u>	12
<u>Audit Committee Report</u>	13
<u>Executive Compensation</u>	15
<u>Summary Compensation Table</u>	15
<u>Option Grants in 2004</u>	16
<u>Aggregate Option Exercises in 2004 and December 31, 2004 Option Values</u>	17
<u>Pension Plans</u>	17
<u>Equity Compensation Plan Information</u>	17
<u>Employment, Severance and Change in Control Arrangements</u>	18
<u>Human Resources Committee Report on Executive Compensation</u>	21
<u>Performance of the Company's Common Stock</u>	24
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	25
<u>Additional Information</u>	25
<u>Stockholder Nominations of Candidates for Board Membership</u>	25
<u>Stockholder Proposals for 2006 Annual Meeting</u>	25
<u>Requests for Information</u>	26

Table of Contents

QUESTIONS AND ANSWERS

What is the purpose of the Annual Meeting?

At the Annual Meeting, stockholders will be asked to vote on the election of ten (10) members of the Board of Directors to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified. The stockholders also will transact any other business that properly comes before the meeting.

Who may vote?

You may vote if you were a holder of record of shares of our common stock at the close of business on March 15, 2005 (the record date). On the record date, there were approximately 40,025,244 shares of common stock outstanding. The shares were held by approximately 2,226 holders of record. You are entitled to one vote for each share of common stock held by you as of the record date.

How do I cast my vote?

If you hold the shares in your own name, you can vote in person at the meeting or by signing and dating each proxy card you receive and returning it in the enclosed prepaid envelope. If you vote by proxy, the proxies identified on the back of the proxy card will vote your shares in accordance with your instructions. If you submit a signed proxy card but do not mark the boxes showing how you wish to vote, the proxies will vote your shares FOR the proposal.

In addition, the 2005 Annual Meeting of Stockholders will be the first where Gaylord stockholders can vote using the Internet or by phone. To use the Internet, log onto www.proxyvote.com to transmit your voting instructions. 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. To vote by phone, dial 1-800-690-6903 using a touch-tone telephone. Have your proxy card in hand when you call and then follow the instructions.

What if my shares are held in street name by a broker?

If you do not own your shares directly, but instead are the beneficial owner of shares held in street name by a broker, your broker, as the record holder of the shares, must vote those shares in accordance with your instructions. If you do not give instructions to your broker, your broker can vote your shares with respect to discretionary items, but not with respect to non-discretionary items. On non-discretionary items for which you do not give instructions, the shares will be treated as broker non-votes. A discretionary item is a proposal that is considered routine under the rules of the New York Stock Exchange. Shares held in street name may be voted by your broker on discretionary items in the absence of voting instructions given by you. The proposal to be presented at the Annual Meeting is considered routine and therefore may be voted upon by your broker if you do not give instructions for the shares held by your broker.

How are shares in the Company's 401(k) Savings Plan voted?

Participants in the Company's 401(k) Savings Plan are entitled to vote the shares held under the 401(k) Savings Plan in their name. To do this you must sign and timely return the proxy card you received with this Proxy Statement or, if you received the proxy materials via email, follow the voting instructions contained in the email. Your proxy card will be considered your confidential voting instructions, and the 401(k) Savings Plan trustee will direct your vote in the manner you indicate. In order to do this, the proxy results for the shares held in the 401(k) Savings Plan will be tabulated for all plan participants and reported to the 401(k) Savings Plan trustee on an aggregate basis. The overall vote tallies will not show how individual participants voted. The trustee will vote the shares at the meeting through the custodian holding the shares. If a plan participant's voting instruction is not received by our transfer agent before the meeting, or if the proxy is revoked by the participant before the meeting, the shares held by that participant will be considered unvoted. All unvoted shares in the plan will be voted at the Annual Meeting by the 401(k) Savings Plan trustee.

Table of Contents

What shares are included on my proxy card?

Your proxy card represents all shares registered in your name with the transfer agent on the record date, including those shares owned pursuant to the Company's 401(k) Savings Plan.

How many shares must be present to hold the Annual Meeting?

The holders of a majority of the shares of our common stock outstanding on the record date, or 20,012,623 shares, in person or by a valid proxy, must be present at the meeting for any business to be conducted, known as a quorum. Proxies received but marked as withhold authority and broker non-votes will be counted as shares that are present and entitled to vote for purposes of determining the presence of a quorum.

What if a quorum is not present at the Annual Meeting?

If a quorum is not present at the scheduled time of the Annual Meeting, we may adjourn the Annual Meeting, either with or without a vote of the stockholders. If we propose to have the stockholders vote whether to adjourn the meeting, the people named in the enclosed proxy will vote all shares of our common stock for which they have voting authority in favor of the adjournment. We also may adjourn the meeting if for any reason we believe that additional time should be allowed for the solicitation of proxies. An adjournment will have no effect on the business that may be conducted at the Annual Meeting.

How does the Board recommend I vote on the proposal?

The Board recommends that you vote FOR the election of each nominee to the Board.

How do I change my vote?

You can revoke your proxy at any time before the meeting by:

submitting a later-dated proxy card by mail, internet or phone (as provided above under How do I cast my vote?);

giving written notice to Carter R. Todd, the Secretary of the Company, stating that you are revoking your proxy; or

attending the Annual Meeting and voting your shares in person.

Who will count the votes?

Representatives of our transfer agent, SunTrust Bank, will count the votes and act as the independent inspectors of the election.

What if I send in my proxy card and do not specify how my shares are to be voted?

If you send in a signed proxy but do not give any voting instructions, your shares will be voted FOR election of the ten (10) nominees to the Board of Directors.

How will the proxies vote on any other business brought up at the Annual Meeting?

We are not aware of any business to be considered at the Annual Meeting other than the proposals described in this proxy statement. If any other business is properly presented at the meeting, your signed proxy card authorizes Colin V. Reed, Robert P. Bowen and Carter R. Todd to use their discretion to vote on these other matters.

Table of Contents

What are my voting options on the proposal?

You have three choices on the proposal to be voted upon at the Annual Meeting. You may: (a) vote for all of the director nominees as a group; (b) withhold authority to vote for all director nominees as a group; or (c) vote for all director nominees as a group except those nominees you identify on the appropriate line.

How many votes are required to approve the proposal?

Pursuant to our bylaws, directors must be elected by a plurality of the votes of the shares present (in person or by proxy) and entitled to vote for the election of directors. This means that the ten (10) nominees receiving the greatest number of votes will be elected as directors. If you withhold authority to vote for a director, your withholding authority will have no effect on the outcome. Broker non-votes also will have no effect on the voting outcome of the election of directors.

For any other matter that properly comes before the meeting, the affirmative vote of the majority of votes cast will be required for approval. A proxy card marked **ABSTAIN** will not be counted for or against any such matter and, if the matter is non-discretionary, broker non-votes will not be counted for or against any such matter. As noted above, if any other matter properly comes before the meeting, your signed proxy card authorizes Colin V. Reed, Robert P. Bowen and Carter R. Todd to use their discretion to vote on any such matter.

Is my vote confidential?

Yes. All proxy cards and vote tabulations that identify an individual stockholder are kept confidential. Except to meet legal requirements, your vote will not be disclosed to the Company unless:

a proxy solicitation is contested;

you write comments on the proxy card; or

you authorize disclosure of your vote.

This policy does not prevent the Company from ascertaining which stockholders have voted or from taking actions designed to encourage stockholder voting.

How is this proxy solicitation being conducted?

The Company will bear the cost of soliciting proxies for the Annual Meeting. We have retained Automatic Data Processing, Inc. to assist in the solicitation and will pay approximately \$3,000 for its assistance. Our officers and employees may also solicit proxies by mail, telephone, e-mail or facsimile transmission. They will not be paid additional remuneration for their efforts. Upon request, we will reimburse brokers, dealers, banks and trustees, or their nominees, for reasonable expenses incurred by them in forwarding proxy material to beneficial owners of shares of our common stock.

Table of Contents

ELECTION OF DIRECTORS

You may vote on the election of ten (10) directors to the Board of Directors.

The current Board of Directors consists of ten (10) directors. All of our directors are elected annually. Ten (10) directors will be elected at the Annual Meeting. All of the nominees are currently directors of the Company. The Board expects all of the nominees named below to be available for election. In case any nominee is not available, the person or persons voting the proxies may vote your shares for such other person or persons designated by the Board if you have submitted a proxy card.

Directors will be elected by a plurality of the shares present (in person or by proxy) and entitled to vote for the election of directors. Each of the nominees shall be elected to serve as a director until the annual meeting of stockholders in 2006 or until his or her respective successor is duly elected and qualified, or until his or her earlier resignation or removal.

Information About the Nominees for Director

Information concerning the nominees proposed by the Board for election as directors is set forth below.

Michael J. Bender

Director since 2004. Age 43.

For the last two years, Mr. Bender has been the Executive Vice President of Retail Sales and Marketing for Cardinal Health, a provider of products and services to the healthcare industry. Prior to that time, Mr. Bender was Vice President of Store Operations for Victoria's Secret Stores, an owner and operator of women's retail clothing stores. He also spent 14 years at beverage distributor PepsiCo in a variety of sales, finance and operating roles. Mr. Bender has a BA in economics from Stanford University and is an MBA graduate of the Kellogg School at Northwestern.

Robert P. Bowen

Director since 2003. Age 63.

Mr. Bowen is a retired partner of Arthur Andersen LLP, and from 1980 to 1998, he was partner-in-charge of the audit practice of Andersen's Memphis and Little Rock offices. For more than 25 years he specialized in the hospitality/hotel and entertainment industry, and was a member of Andersen's worldwide hospitality industry team. Mr. Bowen joined Andersen in 1968, after receiving his MBA from Emory University. He retired from Andersen in August of 1999. Mr. Bowen is also a director and chair of the audit committee for Strategic Hotel Capital Inc. and Equity Inns Inc.

E. K. Gaylord II

Director since 1977. Age 47.

Mr. Gaylord served as the Company's Chairman of the Board from May 1999 through April 2001. He served as interim President and Chief Executive Officer of the Company from late July until September 2000, and as Vice-Chairman of the Board from May 1996 to May 1999. He was the President of the Oklahoma Publishing Company (OPUBCO) from June 1994 until December 2002. Mr. Gaylord is Chairman of Gaylord Sports Management and is the Chairman, Executive Producer and owner of Gaylord Films. He is also a member of the board of the Breeder's Cup and a member of the board of trustees of the Scottsdale Healthcare Foundation. Mr. Gaylord, a graduate of Texas Christian University, is the son of the late Mr. Edward L. Gaylord, the former Chairman Emeritus of the Company.

E. Gordon Gee

Director since 2002. Age 61.

Mr. Gee is Chancellor of Vanderbilt University, a position he has held since August 2000. Previously, Mr. Gee was President of Brown University from January 1998 until January 2000, and was President of Ohio State University from September 1990 to January 1998. Mr. Gee is a member of the board of directors of Hasbro, Inc., The Limited, Inc., Dollar General Corp. and Massey Energy Company.

Table of Contents**Laurence S. Geller**

Director since 2002. Age 57.

Mr. Geller is the President, and has served as the Chief Executive Officer since May 1997, of Strategic Hotel Capital Inc., a global lodging real estate company. He served as Chairman of Geller & Co, an advisory company to the real estate, gaming, tourism, and lodging industries, from 1989 until 1997. Mr. Geller has been active in the real estate and lodging industries and has served as a director or fellow of numerous industry associations including the Industry Real Estate Financing Advisory Council of the American Hotel and Lodging Foundation and the Commercial and Retail Council of Urban Land Institute.

Ralph Horn

Director since 2001. Age 64.

Mr. Horn served as the Chairman of the Board of First Tennessee National Corporation (now First Horizon National Corporation) and First Tennessee Bank, National Association, its principal subsidiary, from 1996 until his retirement in December 2003. Mr. Horn served as Chief Executive Officer of First Tennessee National Corporation, a provider of banking and general financial services, from 1994 through 2002 and as its President from 1991 through 2001. Mr. Horn is a director of Harrah's Entertainment, Inc., an owner and manager of casinos in the United States, and Mid-America Apartment Communities, Inc.

Ellen Levine

Director since 2004. Age 62.

Ms. Levine has been Editor-in-Chief of *Good Housekeeping* since 1994. In 2000, she was instrumental in founding *O, The Oprah Magazine*, and continues to serve as its Editorial Consultant. Ms. Levine also served as Editor-in-Chief of two other major women's magazines, *Redbook* (1990-1994) and *Woman's Day* (1982-1990), and as a Senior Editor of *Cosmopolitan* (1976-1982). She is a director of New York Restoration Project and New York Women in Communications, and serves on the Management Committee of Lifetime Television. She is also a director of Finlay Enterprises, Inc., the parent company of Finlay Fine Jewelry.

Colin V. Reed

Director since 2001. Age 57.

Mr. Reed was elected President and Chief Executive Officer and a director of the Company in April 2001. Prior to that time, he was a member of the three-executive Office of the President of Harrah's Entertainment since May 1999 and the Chief Financial Officer of Harrah's Entertainment since April 1997. Mr. Reed was a director of Harrah's Entertainment from 1998 to May 2001. He was Executive Vice President of Harrah's Entertainment from September 1995 to May 1999 and has served in several other management positions with Harrah's Entertainment and its predecessor, Holiday Corp., since 1977. As part of his duties at Harrah's Entertainment, Mr. Reed served as a director and Chairman of the Board of JCC Holding Company, an entity in which Harrah's Entertainment held a minority interest. On January 4, 2001, JCC Holding Company filed a petition for reorganization relief under Chapter 11 of the United States Bankruptcy Code. Mr. Reed also serves on the board of directors of Rite Aid Corporation.

Michael D. Rose

Director since 2001. Age 63.

Mr. Rose has served as Chairman of the Board of the Company since April 2001. Prior to that time he was a private investor, and prior to December 1997, he was Chairman of the Board of Promus Hotel Corporation located in Memphis, Tennessee, a franchiser and operator of hotel brands. Prior to January 1997, Mr. Rose was also Chairman of the Board of Harrah's Entertainment. Mr. Rose is a director of five other public companies, Darden Restaurants, Inc., FelCor Lodging Trust, Inc., First Horizon National Corporation, General Mills, Inc., and Stein Mart, Inc.

Michael I. Roth

Director since 2004. Age 59.

Mr. Roth is Chairman and Chief Executive Officer of the Interpublic Group of Companies, a leading organization of advertising agencies and marketing services companies. He was appointed the CEO in January of 2005. Prior to becoming Chairman of Interpublic in July 2004, Mr. Roth had been a member of Interpublic's Board since 2002. Prior to assuming his current role, Mr. Roth had been Chairman of the Board and Chief Executive Officer of The MONY Group Inc., a provider of life insurance, annuities and banking

Table of Contents

products, and its predecessor entities since 1997. Mr. Roth is also a director of Pitney Bowes, Inc. His civic participation includes membership on the Leadership Committee of Lincoln Center for the Performing Arts; the United Way of Tri-State Board of Governors; and the Committee to Encourage Corporate Philanthropy. In addition, he is a Director of The Baruch College Fund, The Partnership for New York City, and The Enterprise Foundation. Mr. Roth is a certified public accountant and holds a law degree.

The Board of Directors unanimously recommends a vote FOR each of these nominees.

Corporate Governance

Our business is managed under the direction of the Board of Directors. The Board of Directors delegates the conduct of the business to our senior management team. The Board of Directors held 6 meetings during 2004. All incumbent directors attended at least 75% of the Board meetings and meetings of the committees of the Board on which the directors served during their tenure on the Board.

In 2003, the Company adopted Corporate Governance Guidelines governing the conduct of its Board of Directors. The charters of our Audit Committee, Human Resources Committee and Nominating and Corporate Governance Committee as well as our Corporate Governance Guidelines are all posted on the Company's web site at www.gaylordentertainment.com under the Investor Relations link. In addition, the Company will provide a copy of its Corporate Governance Guidelines, including charters of each of these committees, upon receipt of a written request addressed to Gaylord Entertainment Company, Attn: Corporate Secretary, One Gaylord Drive, Nashville, Tennessee 37214. In 2004, the Company's non-management directors began to meet in regularly scheduled executive sessions, and they selected Ralph Horn to serve as the presiding or lead director of these executive sessions. A description of the duties of the Company's lead director is also available at the same location on the Company's website.

The Company has adopted a Code of Ethics which is applicable to all employees, officers and directors of the Company, including the principal executive officer, the principal financial officer and the principal accounting officer. The Code of Ethics is available on the Company's web site at www.gaylordentertainment.com under the Investor Relations link. The Company intends to post amendments to or waivers from its Code of Ethics (to the extent applicable to the Company's directors, chief executive officer, principal financial officer or principal accounting officer) at this location on its website.

Board Member Attendance at Annual Meeting

The Company strongly encourages each member of the Board of Directors to attend the Annual Meeting of Stockholders. All of the Company's directors who were in office at the time of the 2004 Annual Meeting of Stockholders attended the 2004 Annual Meeting of Stockholders.

Director Independence

Pursuant to the Company's Corporate Governance Guidelines, the Board undertook its annual review of director independence in February 2005. Our Board of Directors determines the independence of its members through a broad consideration of all relevant facts and circumstances, including an assessment of the materiality of any relationship between the Company and a director. In making this assessment, the Board looks not only at relationships from the director's standpoint, but also at relationships of persons or organizations with which the director has an affiliation. In making its determination, the Board of Directors adheres to the requirements of, and applies the standards set forth by, both the New York Stock Exchange (as set forth in Section 303A.02) and the Securities and Exchange Commission.

During this review, the Board considered transactions and relationships between each director, or any member of his or her immediate family, and the Company and its subsidiaries and affiliates. The Board also examined transactions and relationships between directors, or their affiliates, and members of the Company's senior management or their affiliates. The purpose of this review was to determine whether any of these relationships or transactions were inconsistent with a determination that the director is independent. As a result of this review, the Board affirmatively determined that, with the exception of Colin V. Reed and

Table of Contents

Michael D. Rose (both of whom are executive officers of the Company), all of the directors nominated for election at the Annual Meeting are independent of the Company and its management.

Committees of the Board

The Board has three regularly standing committees: an Audit Committee, a Human Resources Committee and a Nominating and Corporate Governance Committee.

The Audit Committee

The members of the Audit Committee are Robert P. Bowen (Chairman), Laurence S. Geller, E. Gordon Gee, Michael J. Bender and Michael I. Roth. The members of the Audit Committee are independent and financially literate as required by the listing standards of the New York Stock Exchange. Additionally, Robert P. Bowen is an audit committee financial expert as defined under the rules adopted by the Securities and Exchange Commission and is independent within the meaning of the Securities Exchange Act of 1934.

The Audit Committee is responsible for:

overseeing the integrity of the Company's financial information, the performance of the internal audit function and system of internal controls and compliance with legal and regulatory requirements relating to preparation of financial information;

appointing, compensating, retaining and overseeing the Company's independent registered public accounting firm;

evaluating the qualifications, independence and performance of the Company's independent registered public accounting firm;

meeting with the Company's independent registered public accounting firm and with our director of internal audit concerning, among other things, the scope of audits and reports; and

reviewing the work programs of the Company's independent registered public accounting firm and the results of its audits.

In 2004, the Audit Committee met 7 times.

The Human Resources Committee

The members of the Human Resources Committee are E. Gordon Gee (Chairman), E.K. Gaylord II, Robert P. Bowen, Ralph Horn and Ellen Levine. All of the members of this committee are independent within the meaning of the listing standards of the New York Stock Exchange.

The Human Resources Committee is responsible for:

reviewing and approving all compensation policies and programs that benefit employees, including employment and severance agreements, incentive programs, benefits and retirement programs;

reviewing and approving the Chief Executive Officer's objectives, performance and compensation;

administering the Company's 1997 Omnibus Stock Option and Incentive Plan; and

reviewing and approving compensation for executive officers and directors.

In 2004, the Human Resources Committee met 5 times.

The Nominating and Corporate Governance Committee

The members of the Nominating and Corporate Governance Committee are Ralph Horn (Chairman), Michael I. Roth and Laurence S. Geller. All of the members of this committee are independent within the meaning of the listing standards of the New York Stock Exchange.

Table of Contents

The Nominating and Corporate Governance Committee is responsible for:

developing and recommending criteria for the selection of new directors and recommending to the Board nominees for election as directors and appointment to committees;

developing and recommending changes and modifications to our corporate governance guidelines and a code of conduct to the Board;

monitoring and enforcing compliance with the corporate governance guidelines, certain provisions of the code of conduct and other policies of the Company; and

advising the Board on corporate governance matters.

In 2004, the Nominating and Corporate Governance Committee met 4 times. A formal Board evaluation covering Board operations and performance, with a written evaluation from each Board member, is conducted annually by the Nominating and Corporate Governance Committee to enhance Board effectiveness. Recommended changes are considered by the full Board. In addition, each Board committee conducts an annual self-evaluation.

The Nominating and Corporate Governance Committee considers candidates for Board membership recommended by its members and other Board members, as well as by management and stockholders. The Committee will only consider stockholder nominees for Board membership submitted in accordance with the procedures set forth in Additional Information – Stockholder Nominations of Candidates for Board Membership.

Once the Nominating and Corporate Governance Committee has identified a prospective nominee, the Committee makes an initial determination as to whether to conduct a full evaluation of the candidate. This initial determination is based on whatever information is provided to the Committee with the recommendation of the prospective candidate, as well as the Committee's own knowledge of the prospective candidate, which may be supplemented by inquiries to the person making the recommendation or others. The preliminary determination is based primarily on the need for additional Board members to fill vacancies or expand the size of the Board and the likelihood that the prospective nominee can satisfy the evaluation factors described below. If the Committee determines, in consultation with the Chairman of the Board and other Board members as appropriate, that additional consideration is warranted, it may request additional information about the prospective nominee's background and experience. The Committee then evaluates the prospective nominee against the following standards and qualifications:

the ability of the prospective nominee to represent the interests of the stockholders of the Company;

the prospective nominee's standards of integrity, commitment and independence of thought and judgment;

the prospective nominee's ability to dedicate sufficient time, energy and attention to the diligent performance of his or her duties, including the prospective nominee's service on other boards; and

the extent to which the prospective nominee contributes to the range of knowledge, skill and experience appropriate for the Board.

The Nominating and Corporate Governance Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board and the evaluations of other prospective nominees. In connection with this evaluation, the Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Committee, and others as appropriate, will interview prospective nominees in person or by telephone. After completing this evaluation and interview, the Committee makes a recommendation to the full Board as to the persons who should be nominated by the Board, and the Board determines the nominees after considering the recommendation and report of the Committee.

Michael J. Bender and Ellen Levine, who were elected since the last annual meeting of stockholders, were initially recommended as nominees by the Company's outside directors. New directors participate in an

Table of Contents

orientation program that includes (i) discussions with senior management, (ii) background materials on the Company's strategic plan, organization and financial statements and (iii) visits to the Company's facilities. The Company encourages each director to participate in continuing educational programs that are important to maintaining a director's level of expertise to perform his or her responsibilities as a Board member.

Communications with Members of the Board

Stockholders, employees and other parties interested in communicating directly with members of the Company's Board of Directors (including our non-management directors) may do so by writing to Corporate Secretary, Gaylord Entertainment Company, One Gaylord Drive, Nashville, Tennessee 37214. As set forth in the Corporate Governance Guidelines, the Corporate Secretary of the Company reviews all such correspondence and regularly forwards to the Board a summary of all such correspondence and copies of all correspondence that, in the opinion of the Corporate Secretary, deals with the functions of the Board or committees thereof or that he otherwise determines requires their attention. Directors may at any time review a log of all correspondence received by the Company that is addressed to members of the Board and request copies of any such correspondence. Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of the Company's internal audit department and handled in accordance with procedures established by the Audit Committee with respect to such matters. In addition, stockholders, employees and other interested parties may communicate directly with the Company's lead non-management director (Mr. Ralph Horn), individual non-management directors, or the non-management directors as group by email at boardofdirectors@gaylordentertainment.com.

Reporting of Ethical Concerns to the Audit Committee of the Board

The Audit Committee of the Board of Directors has established procedures for employees, stockholders, vendors or others to communicate concerns about the Company's ethical conduct or business practices, including accounting, internal controls or financial reporting issues, to the Audit Committee, which has responsibility for these matters. Matters may be reported as follows:

if you are an employee of the Company, contact your manager or human resources representative first (unless the matter involves such person)

or contact the Company's General Counsel:

Carter R. Todd
One Gaylord Drive
Nashville, TN 37214
615-316-6186

or call the Ethics Hot Line at 1-888-736-9830 on an identified or anonymous basis.

Compensation of Directors

The Human Resources Committee reviews and recommends the compensation for directors. During 2004, each of our non-management directors received an annual Board retainer of \$30,000, an annual retainer for service on the audit committee of \$10,000 (\$15,000 for chairpersons) and an annual retainer for service on any other committee of \$7,500 (\$12,500 for chairpersons). The annual Board retainer will increase to \$40,000 commencing with the 2005 Annual Meeting of Stockholders (all other Board fees will remain the same in 2005 as in 2004). No additional fees are paid for special meetings. Pursuant to the Company's Deferred Compensation Plan for Non-Employee Directors, non-employee directors may defer these fees into this plan until their retirement or resignation from the Board. Three of the directors have elected to participate in this deferred compensation plan.

Upon election to the Board, non-employee directors also receive a one-time grant of a non-qualified stock option to purchase 10,000 shares of common stock under the 1997 Omnibus Stock Option and Incentive Plan, at an exercise price equal to the closing price on the date prior to the date of the grant, which becomes exercisable in four equal annual installments. In addition, each non-management director receives an annual

Table of Contents

grant of a non-qualified stock option to purchase 5,000 shares of common stock under the 1997 Omnibus Stock Option and Incentive Plan, at an exercise price equal to the closing price on the date prior to the date of the grant, which becomes exercisable on the first anniversary of the date of grant.

Directors who are employed by the Company do not receive compensation for their service as directors. All directors are reimbursed for expenses incurred in attending meetings.

Compensation Committee Interlocks and Insider Participation

During 2004, Martin Dickinson, a former director of the Company, and Messrs. Gaylord II, Gee, Bowen, Horn and Levine served on the Human Resources Committee of the Board. None of these directors was an officer or employee of the Company during 2004. Mr. Gaylord II served as interim President and Chief Executive Officer of the Company from late July until September 2000, and as Vice-Chairman of the Board from May 1996 to May 1999.

Certain Relationships and Related Transactions

During the Company's last fiscal year, there have been no transactions that are required to be disclosed by Item 404 of Regulation S-K under the Securities Exchange Act of 1934.

Beneficial Ownership

The following table sets forth information regarding the beneficial ownership of our common stock as of March 15, 2005 (unless otherwise noted) for:

each of our directors and director nominees;

each of our executive officers named in the Summary Compensation Table;

each person who is known by us to beneficially own more than 5% of the outstanding shares of our common stock; and

all of our directors and executive officers as a group.

The percentages of shares outstanding provided in the table are based on 40,025,244 voting shares outstanding as of March 15, 2005. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Unless otherwise indicated, each person or entity named in the table has sole voting and investment power, or shares voting and investment power with his or her spouse, with respect to all shares of stock listed as owned by that person. The number of shares shown does not include the interest of certain persons in shares held by family members in their own right. Shares issuable upon the exercise of options that are exercisable within 60 days of March 15, 2005 are considered outstanding for the purpose of calculating the percentage of

Table of Contents

outstanding shares of our common stock held by the individual, but not for the purpose of calculating the percentage of outstanding shares held by any other individual.

Name	Number of Shares Owned	Percent of Class
Michael Bender	0	*
Robert P. Bowen	17,500(1)	*
E. K. Gaylord II	642,721(2)	1.6%
E. Gordon Gee	24,500(3)	*
Laurence S. Geller	26,500(4)	*
Ralph Horn	25,500(4)	*
Ellen Levine	0	*
Colin V. Reed	774,375(5)	1.9%
Michael D. Rose	212,500(6)	*
Michael I. Roth	10,140(7)	*
David C. Kloeppel	220,000(8)	*
Jay D. Sevigny	96,625(9)	*
Mark Fioravanti	42,500(10)	*
John Caparella	45,750(11)	*
Gabelli Funds	5,407,633(12)	13.5%
Dimensional Fund Advisors	2,668,224(13)	6.7%
Baron Capital	2,041,700(14)	5.1%
All executive officers and directors as a group (16 persons)	2,173,202(15)	5.2%

* Less than 1%

- (1) Includes 15,000 shares issuable upon the exercise of options exercisable within 60 days of March 15, 2005.
- (2) Includes 240,221 shares issuable upon the exercise of options exercisable within 60 days of March 15, 2005.
- (3) Represents shares issuable upon the exercise of options exercisable within 60 days of March 15, 2005.
- (4) Includes 24,500 shares issuable upon the exercise of options exercisable within 60 days of March 15, 2005.
- (5) Includes 12,500 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of March 15, 2005 and 692,500 shares issuable upon the exercise of options exercisable within 60 days of March 15, 2005.
- (6) Includes 10,000 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of March 15, 2005 and 162,500 shares issuable upon the exercise of options exercisable within 60 days of March 15, 2005.
- (7) Includes 7,500 shares issuable upon the exercise of options exercisable within 60 days of March 15, 2005.
- (8) Includes 6,250 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of March 15, 2005 and 195,000 shares issuable upon the exercise of options exercisable within 60 days of March 15, 2005.

- (9) Includes 1,500 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of March 15, 2005 and 90,625 shares issuable upon the exercise of options exercisable within 60 days of March 15, 2005.
- (10) Includes 9,000 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of March 15, 2005 and 30,500 shares issuable upon the exercise of options exercisable within 60 days of March 15, 2005.

Table of Contents

- (11) Includes 3,000 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of March 15, 2005 and 41,250 shares issuable upon the exercise of options exercisable within 60 days of March 15, 2005.
- (12) Based upon information set forth in Amendment No. 21 to Schedule 13D, filed with the SEC on November 23, 2004 jointly by Gabelli Funds, LLC (Gabelli Funds), GAMCO Investors, Inc. (GAMCO), Gabelli Securities, Inc. (GSI), MJG Associates, Inc. (MJG), Gabelli Asset Management, Inc. (GAMI) (the parent company of Gabelli Funds, GAMCO and GSI), Gabelli Group Capital Partners, Inc. (Gabelli Partners) (the parent company of GAMI), and Mario J. Gabelli (the majority stockholder, Chairman of the Board of Directors and Chief Executive Officer of Gabelli Partners and GAMI and the stockholder and director of MJG), among others. Gabelli Funds has sole voting and dispositive power with respect to 1,191,520 shares. GAMCO has sole dispositive power with respect to 4,212,113 shares and sole voting power with respect to 3,936,413 shares. MJG has sole voting and dispositive power with respect to 2,000 shares. GSI has sole voting and dispositive power with respect to 2,000 shares. The address for all of these persons is One Corporate Center, Rye, New York 10580-1435.
- (13) Based upon information set forth in Amendment No. 1 to Schedule 13G, filed with the SEC on February 9, 2005. Dimensional Fund Advisors Inc. (DFA) reported that it has sole voting power and sole dispositive power with respect to these shares. The address for DFA is 1299 Ocean Avenue, 11th Floor, Santa Monica, California 90401.
- (14) Based upon information set forth in Schedule 13G, filed with the SEC on February 11, 2005 jointly by Baron Capital Group, Inc. (BCG), BAMCO, Inc. (BAMCO), Baron Capital Management, Inc. (BCM) and Ronald Baron. BAMCO and BCM are subsidiaries of BCG, and Ronald Baron owns a controlling interest in BCG. BAMCO has the shared power to vote or direct the vote of 1,985,000 shares, and BCM has the shared power to vote or direct the vote of 11,700 shares; accordingly, BCG and Ronald Baron have the shared power to vote or direct the vote of 1,996,700 shares. BAMCO has the shared power to dispose or direct the disposition of 2,025,000 shares and BCM has the shared power to dispose or direct the disposition of 16,700 shares; accordingly, BCG and Ronald Baron have the shared power to dispose or direct the disposition of 2,041,700 shares.
- (15) Includes:
- (a) 35,750 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of March 15, 2005; and
 - (b) 1,575,096 shares issuable upon the exercise of options exercisable within 60 days of March 15, 2005.

**INFORMATION ABOUT THE COMPANY'S INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM**

General

The Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm to audit our consolidated financial statements for 2005. Ernst & Young has served as our independent registered public accounting firm since 2002. A representative of Ernst & Young will be present at the Annual Meeting. The representative will have an opportunity to make a statement if the representative desires to do so and will be available to respond to your questions.

Fee Information

Audit Fees

Fees for audit services provided by Ernst & Young LLP totaled \$1,505,411 in 2004 and \$1,218,893 in 2003. The fees for audit services during 2004 and 2003 include fees associated with the audit of the Company's 2004 and 2003 consolidated financial statements, including Section 404 attestation services, issuances of

Table of Contents

comfort letters and assistance with documents filed with the SEC, as well as reviews of the Company's 2004 and 2003 quarterly financial statements.

Audit-Related Fees

Fees for audit-related services provided by Ernst & Young totaled \$53,223 during 2004 and \$125,738 during 2003. The fees for audit-related services during 2004 and 2003 related to audits of the Company's benefit plans, certain due diligence and assistance with transactions contemplated or completed by the Company during 2004 and 2003, and the audit of a subsidiary of the Company.

Tax Fees

Fees for tax services provided by Ernst & Young totaled \$118,038 during 2004 and \$620,982 during 2003. The tax fees paid relate to domestic and international tax compliance matters, tax advice and planning, and tax assistance with transactions contemplated or completed by the Company during 2004 and 2003.

All Other Fees