BRAEMAR HOTELS & RESORTS INC.
14185 Dallas Parkway, Suite 1100
Dallas, Texas 75254

February 3, 2020

VIA E-MAIL (rule-comments @ sec.gov)

Ms. Vanessa A. Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: *S7-22-19 Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice*

Dear Secretary Countryman:

On behalf of Braemar Hotels & Resorts Inc. (the "Company", "we", "us" or "our"), I am writing in response to the invitation and request for comment by the Securities and Exchange Commission (the "Commission") in connection with the rule proposal released on November 5, 2019 in Release No. 34-87457 *Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice* (File number S7-22-19). The Commission's efforts in such proposal to ensure that proxy advisory firms are held accountable is an important step in the process to promote greater transparency and accuracy in the voting recommendations provided by proxy advisory firms. Specifically, the requirement to grant issuers an opportunity to review and comment on vote recommendations is critical to ensuring that such reports are factually correct. As demonstrated by our experience with Institutional Shareholders Services ("ISS") in 2018, factual errors in these reports and statements that are materially misleading can cause substantial harm to public companies who are forced to expend substantial amounts of time and expense to correct these inaccuracies. Please find attached as Exhibit 1 our letter dated November 27, 2018 which we submitted in advance of the Commission Staff Roundtable on the Proxy Process and which provides further details on the ramifications for us when ISS published voting recommendations that were false and misleading.

We appreciate the opportunity to provide this information regarding our experience with the proxy advisory firms, and we hope that our insights will prove to be instructive and helpful. We hope the rule will be finalized soon so that meaningful changes can be implemented to ensure accountability for proxy advisory firms. Please do not hesitate to contact us if you have any questions regarding the foregoing or would like any additional information. We wish you continued success in your efforts to support this important rule proposal.

Very truly yours,

BRAEMAR HOTELS & RESORTS INC.

Robert G. Haiman
EVP, General Counsel and Secretary

EXHIBIT 1

RECEIVED
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OFFICE OF THE SECRETARY

BRAEMAR HOTELS & RESORTS INC.
14185 Dallas Parkway, Suite 1100
Dallas, Texas 75254

November 27, 2018

Robert G. Haiman
Executive Vice President,
General Counsel and Secretary

VIA E-MAIL (rule-comments@sec.gov)

Mr. Brent J. Fields, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: File Number 4-725 – SEC Staff Roundtable on the Proxy Process

Dear Secretary Fields:

On behalf of Braemar Hotels & Resorts Inc. (the "Company", "we", "us" or "our"), I am writing in response to the invitation and request for comment by the Securities and Exchange Commission (the "Commission") in connection with the SEC Staff Roundtable on the Proxy Process (the "Roundtable"). In the Commission's statement announcing the Roundtable, Chairman Clayton observed that "accuracy, reliability, transparency, accountability and integrity" are among the fundamental values that both shareholders and companies should expect from the U.S. proxy system. Yet, in our experience, these are precisely the attributes that proxy advisory firms lack. As a result, we are joining the numerous others who have emphasized the obvious need for oversight and regulation of proxy advisory firms. We write this letter in order to share our perspective, to provide additional information in support of regulation and to offer suggestions to improve upon the *status quo*, and in particular to provide a first-hand example of the costs and burdens inflicted on public companies by highly influential, and yet entirely unregulated, proxy advisory firms. Our recent interactions with Institutional Shareholders Services ("ISS"), the largest of the proxy advisory firms, are instructive.

Recent Experience with ISS

On June 20, 2018, ISS issued its voting recommendation relating to the Company's 2018 annual meeting, which involved an uncontested election of directors. ISS recommended withhold votes for five of the Company's six directors (the sole exception being a recently-appointed director) and opined in summary "WITHHOLD votes are warranted for incumbent directors for a material governance failure. The [board]. . . demonstrated a willingness to entrench existing leadership rather than prioritizing all shareholders' interests." The ISS report is attached to this letter as Exhibit 1.

The ISS report, to put it bluntly, was factually incorrect and materially misleading. It strongly suggested that the Company had unfairly treated two directors who had joined the board in connection with a settlement agreement between the Company and an activist shareholder. In particular, the ISS report, among other things: (1) erroneously stated that after entering the settlement agreement, the Company amended existing director confidentiality agreements (it did not); (2) erroneously suggested the form of confidentiality agreement contained onerous terms (it did not); (3) erroneously stated that the Company "used the refusal [of the activist designees] to execute these confidentiality agreements as grounds for demanding their resignation" (it did not); and (4) erroneously suggested that the Company had not complied with the terms of the settlement agreement to appoint an activist designee to its Nominating and Corporate Governance Committee (the designee had, in fact, been appointed to the committee).

Moreover, the ISS report explicitly attributed bad motive to the Company – stating that "the company withheld the proposed changes [to the confidentiality agreements] from the remaining shareholder base and implemented the changes on the day of the [2017] annual meeting, thereby ensuring that shareholders would not have the opportunity to voice their opinions on the board's actions until the 2018 annual meeting."

Condemnation by a purportedly competent and impartial proxy advisor can powerfully impact the market's perception of a company and the individual members of its board. But ISS is under no regulatory obligation to, and typically does not, meet with issuers to discuss negative recommendations such that an issuer could correct ISS' factual errors before ISS distributes them widely. Nor does ISS provide draft copies of its reports prior to publication for fact-checking (other than for S&P 500 companies); Glass Lewis doesn't provide drafts even to the S&P 500 companies. This is so even in cases, such as ours, that were highly contentious (our relations with this particular activist had included multiple rounds of litigation and a contentious settlement, all of which were a matter of public record). Under such circumstances in particular, we think it ought to be incumbent on proxy advisory firms to be extremely careful with their sources of information, to perform competent due diligence, and to have legal responsibility for their misstatements. In our case, ISS gave us neither the opportunity to meet, nor the opportunity to review their error-filled report; and as a result, we were left with no reasonable recourse for the damage caused to our reputation.

In order to correct the public record, the Company was forced to file a Current Report on Form 8-K providing extensive detail with respect to its interactions with the directors who had been appointed in connection with an activist settlement. That 8-K is attached to this letter as Exhibit 2, and we urge the Commission to review it carefully since it describes the relevant issues in great detail. In short, under the settlement agreement, the activist had explicitly agreed that its designees would execute the same confidentiality agreement as other directors (the Company had no prior confidentiality agreements with directors); the activist specifically declined the opportunity to negotiate the confidentiality agreement prior to executing the settlement agreement; the activist directors stated they were not aware of the terms of the settlement agreement, which required them to execute the confidentiality agreement (despite it having been publicly filed, despite the fact that the settlement agreement was the instrument by which they had been appointed, despite the fact that such settlement agreements customarily require execution of confidentiality arrangements, and despite the fact that the directors informed management, before they joined the board, that they were aware of the requirement to sign a confidentiality agreement); the proposed confidentiality agreement clearly stated (in response to the activist directors' expressed concerns) that its terms would not take precedence over directors' fiduciary duties under Maryland law; one of the activist directors was named to the Nominating and Governance Committee, as required by the settlement agreement, even after that director's refusal to execute the confidentiality agreement; and, finally, the activist directors' resignation was entirely voluntarily, and the Company did neither request nor demand it.

Carefully correcting the public record – particularly in a contentious and potentially litigious context – involved significant legal fees and diverted management focus and attention. These costs and risks would have been avoided had ISS exercised due care in sourcing its information, performed competent diligence, and/or discussed its erroneous assertions with us ahead of issuing a negative report. That such influential components of the U.S. proxy system are under no obligation even to provide issuers an opportunity to review negative recommendations in order to correct manifest error and factual inaccuracies is grossly unfair and undermines confidence in the proxy system.

On June 26, 2018 – one day after the Company filed the 8-K and after ISS agreed to discuss the matter with the Company – ISS reversed its position and voting recommendation and no longer recommended a vote against the five directors for a material governance failure.[1] The ISS revised recommendation is set forth as Exhibit 3. While we were pleased to have ultimately been vindicated, the entire episode should not have happened.

As our experience demonstrates, ISS' internal procedures fail to provide an adequate opportunity for most issuers to address concerns and lack sufficient transparency regarding its voting policies and recommendation process. These inadequacies allow significant risk of errors in recommendations; accordingly, we believe the following regulatory action is warranted.

Recommendations for Regulatory Action and Guidance

We believe an appropriate regulatory regime for proxy advisory firms would, at the very least, include each of the following elements:

- **Proxy advisors should be required to allow all issuers and participants in contested elections to access reports prior to publication or distribution to investors**. All issuers and participants in contested elections, upon request, should be entitled to receive an advance copy of a proxy advisor's report and voting recommendation. The protocol for making this request should be clear and unambiguous, uniform for all issuers and proxy contest participants and should not be unduly burdensome.

- **The Commission should implement a mandatory waiting period to allow sufficient time to review and respond**. In order to avoid the dissemination of erroneous, materially misleading or outdated information, all issuers should be permitted a reasonable and appropriate time period (*i.e.*, no less than five (5) business days) after receipt of a proxy advisor's preliminary report, and prior to publication, so that issuers can adequately correct any errors and address other concerns. If proxy advisors make any material substantive changes to their draft preliminary reports after delivery to issuers for review, either as a result

[1] ISS continued to recommend no votes for two directors who were members of the Nominating and Governance Committee on other grounds.

of input from issuers or otherwise, issuers should be entitled to additional time (*i.e.*, no less than two (2) business days) to review such changes. The procedures for issuers to respond to preliminary reports and communicate with proxy advisors regarding their concerns should be clear and unambiguous, publicly disclosed and consistently applied to all issuers.

- **In connection with all contested elections and negative voting recommendations, if requested by the issuer, proxy advisors should be required to include in their published report an unedited issuer statement.** An issuer's ability to review and address errors in proxy advisor reports or otherwise communicate its concerns would be useless without some mechanism to require proxy advisors to implement corrections. Otherwise, proxy advisors could ignore any and all legitimate feedback from issuers. We believe the opportunity for issuers to include these statements is the appropriate mechanism for addressing errors or issuer concerns (rather than requiring a proxy advisor to make specific substantive edits to the body of its report), since it would: (i) obviate the need to develop or apply inevitably vague substantive standards of materiality or accuracy; (ii) avoid/minimize the substantive censorship of a proxy advisor's right to produce its own substantive recommendation based on their subjective determination; (iii) allow issuers an unfettered ability to "set the record straight"; (iv) avoid disagreement between proxy advisor and issuer over accuracy—i.e., what is objectively true/false and what is subjective; and (v) avoid brinksmanship, stalemates or delays due to unnecessary back-and-forth. The issuer statement should be limited in length (*e.g.*, no longer than five (5) pages or a reasonable word limit) but may include a reference to a website and should be clearly marked in the table of contents and included without alteration as a separate section of the proxy advisor report. The issuer should not be entitled to unlimited "bites at the apple", but should be afforded the opportunity to revise the issuer statement if the preliminary draft report shared with the issuer is thereafter substantively revised.

- **The Commission should mandate disclosure of communications between proxy advisors and interested parties.** All proxy advisor reports should be required to disclose with specificity, a detailed, accurate and complete account of all communications between the proxy advisor and activists, issuers or other interested parties, regardless of whether or not the proxy advisor believes such communications influenced its voting recommendation.

- **The Commission should expressly reaffirm existing guidance that investment advisors are not required to vote proxies and may abstain from voting altogether if such practice is disclosed to clients.** As the Commission has previously observed, the responsibility to vote proxies is typically delegated to an investment advisor by contract and the scope of that delegation determined by the disclosures and policies maintained by the advisor in executing its investment strategy.[2] The Commission has also astutely observed that a cost-benefit analysis may support an investment advisor's decision to abstain from voting in certain

[2] Proxy Voting by Investment Advisers, Release No. IA-2106, at n. 19 and accompanying text (Jan. 31, 2003) ("The scope of an advisor's responsibilities with respect to voting proxies would ordinarily be determined by the advisor's contracts with its clients, the disclosures it has made to its clients, and the investment policies and objectives of its clients.")

cases.[3] These observations support the Commission's existing guidance, articulated in Staff Legal Bulletin No. 20, (June 30, 2014):

> "investment advisors and their clients may agree that the time and costs associated with the mechanics of voting proxies with respect to certain types of proposals or issuers may not be in the client's best interest. . . . An investment advisor and its client may agree that the investment advisor will abstain from voting any proxies at all, regardless of whether the client undertakes to vote the proxies itself."[4]

The observation that certain investors and various investment strategies may be best served by eschewing the time and costs of proxy voting remains true today, and the guidance remains equally appropriate. The Commission should therefore expressly reaffirm its existing guidance that an investment advisor may, consistent with its fiduciary duties, opt not to exercise its authority to vote in any particular election or maintain a general policy of abstaining from all elections, provided that such determination or policy is clearly disclosed by the investment advisor to its clients.

Though not intended to be an exhaustive list, we believe the proposals listed above are appropriate, minimally intrusive and reasonably tailored to remedy the current failures of the proxy advisory recommendation business. Furthermore, we believe that the proxy advisors cannot credibly resist these proposed reforms. ISS, for instance, has been providing S&P 500 companies and certain foreign issuers the opportunity to review and comment on advance copies of their reports for years. In fact, ISS acknowledges the benefits of this advance review process and promotes it on its website, stating:

> "ISS believes that this review process helps improving the accuracy and quality of its analyses, an outcome that is in the best interests of both the institutional investors for whom the analyses are prepared, as well as for the issuers that are the subject of these reports."[5]

Conclusion

We feel it important to emphasize what we believe is at stake. The recommendations of ISS, Glass Lewis and similar proxy advisory firms are communications expressly intended to influence how investors vote their securities, often in the context of contested proxy campaigns for the control of publicly-traded companies. These recommendations are published and sold for profit to institutional investors who purchase the reports with the belief that the proxy advisors are better able to assess how to vote in these costly and contentious campaigns. These recommendations are then relied on by institutional investors in making voting decisions involving trillions of dollars in the aggregate. Yet, in the case of smaller public issuers at least,

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[3] *Id.* ("There may even be times when refraining from voting a proxy is in the client's best interest, such as when the advisor determines that the cost of voting the proxy exceeds the expected benefit to the client.")

[4] Proxy Voting: Proxy Voting Responsibilities of Investment Advisors and Availability of Exemptions from the Proxy Rules for Proxy Advisory Firms, Staff Legal Bulletin No. 20 (June 30, 2014)

[5] ISS Website: https://www.issgovernance.com/iss-draft-review-process-u-s-issuers/ (last accessed October 22, 2018)

ISS and Glass Lewis categorically prohibit input from the subject companies themselves – even to correct factual inaccuracies before they are widely disseminated.

We believe our experience exposes failures of the *status quo* and reveals the threat posed by the current proxy system to the values of accuracy, reliability, transparency, accountability and integrity that the Commission has articulated as fundamental to the U.S. proxy system. We do not believe we are alone in our experience. The current system needs to be improved to ensure reasonable accountability in light of the critical role proxy advisors play in the U.S. proxy system. We believe the proposals outlined above are vital to the creation of an effective regulatory regime.

* * *

Again, we appreciate the opportunity to provide additional context and information regarding our experience with the proxy advisory firms, and we hope that our insights will prove to be instructive and helpful. Please do not hesitate to contact us if you have any questions or would like additional information. We wish you continued success in your efforts to support this important regulatory initiative.

Very truly yours,

BRAEMAR HOTELS & RESORTS INC.

Robert G. Haiman
Executive Vice President, General Counsel and Secretary

EXHIBIT 1

Braemar Hotels & Resorts, Inc.

QualityScore

Meeting Type: Annual
Meeting Date: 3 July 2018
Record Date: 15 May 2018
Meeting ID: 1242685

New York Stock Exchange: BHR
Index: Russell 3000
Sector: Hotel & Resort REITs
GICS: 60101030

Primary Contact
Andrew Maletz
Andrew.d.maletz@issgovernance.com

Key Takeaways

The board's actions in connection with the settlement agreement with Sessa Capital demonstrated a willingness to entrench existing leadership rather than prioritizing all shareholders' interests.

The company's governing documents do not permit shareholders to amend the bylaws.

Agenda & Recommendations

Policy: United States
Incorporated: Maryland, USA

Item	Code	Proposal	Board Rec.	ISS Rec.
MANAGEMENT PROPOSALS				
1.1	M0201	Elect Director Monty J. Bennett	FOR	WITHHOLD
1.2	M0201	Elect Director Stefani D. Carter	FOR	WITHHOLD
1.3	M0201	Elect Director Kenneth H. Fearn	FOR	WITHHOLD
1.4	M0201	Elect Director Curtis B. McWilliams	FOR	WITHHOLD
1.5	M0201	Elect Director Matthew D. Rinaldi	FOR	WITHHOLD
1.6	M0201	Elect Director Abteen Vaziri	FOR	FOR
2	M0101	Ratify BDO USA, LLP as Auditors	FOR	FOR

Shading indicates that ISS recommendation differs from Board recommendation
▶ Items deserving attention due to contentious issues or controversy

Report Contents

* ISS Environmental and Social QualityScore is newly introduced for 2018 and is based on company disclosure and transparency practices.

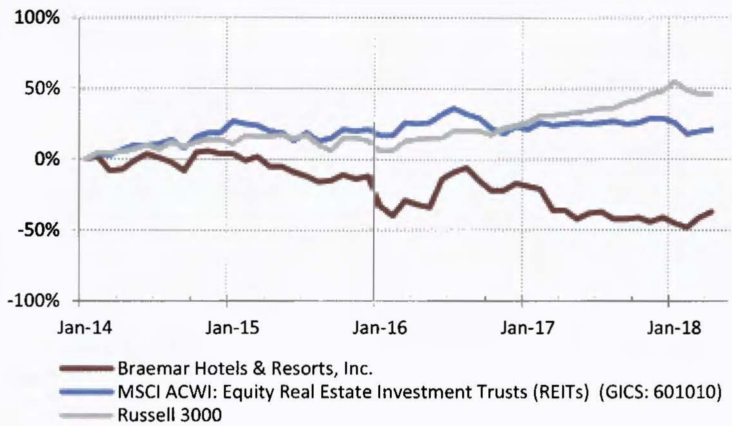
Material Company Updates

Item	Summary
Board and Management Updates	On July 6, 2017, Daniel B. Silvers and Lawrence A. Cunningham resigned from the board following receipt of notice from the company that they were in violation of its Corporate Governance Guidelines, specifically requiring all directors to enter into a confidentiality agreement. Both directors refused to enter into such agreement with the company. The agreement, as amended on June 9, 2017, provides that, among other things, each director agrees (i) not to make any statement or announcement that disparages, or could reasonably be expected to damage the reputation of the company, (ii) not to publicly comment on any matter discussed at any board or committee meeting, and (iii) not to become a party to any agreement with any person other than the company with respect to any compensation, reimbursement or indemnification in connection with such director's service as a company director. Effective Oct. 1, 2017, Abteen Vaziri was appointed to the board. On the same date, Sarah Zubiate Darrouzet resigned from the board. On March 9, 2018, Jeremy J. Welter succeeded David A. Brooks as COO. On the same date, Brooks was appointed as chief transactions officer, general counsel and secretary. Brooks passed away on March 29, 2018.
Name Change	On April 23, 2018, the company changed its name from Ashford Hospitality Prime, Inc. to Braemar Hotels & Resorts Inc.

Financial Highlights

Company Description: Braemar Hotels & Resorts is a REIT that invests primarily in high RevPAR, full-service luxury hotels and resorts. It is listed on the New York Stock Exchange under the symbol BHR and is externally-advised by Ashford Inc.

STOCK PRICE PERFORMANCE



TOTAL SHAREHOLDER RETURNS

	1 Yr	3 Yr	5 Yr
Company TSR (%)	-24.05	-13.82	N/A
GICS 6010 TSR (%)	5.04	6.09	10.73
Russell 3000 TSR (%)	21.13	11.12	15.58

Source: Compustat. As of last day of company FY end month: 12/31/2017

COMPANY SNAPSHOT

Market Cap (M)	333.2
Closing Price	10.25
Annual Dividend	0.64
52-Week High	11.34
52-Week Low	8.44
Shares Outstanding (M)	32.51
Average daily trading volume (prior mo)*	256.96

As of May 15, 2018 (All currency in USD)
* Trading Volume in thousands of shares

FINANCIAL & OPERATIONAL PERFORMANCE

	Historical Performance (FY ending)					Compared to Peers (Compustat FY*) – 2017				
All currency in USD	**12/2013**	**12/2014**	**12/2015**	**12/2016**	**12/2017**	**HT**	**CLDT**	**CHSP**	**INN**	**DRH**
Earnings						Hersha Hospitality Trust	Chatham Lodging Trust	Chesapeake Lodging Trust	Summit Hotel Properties, Inc.	DiamondRock Hospitality Company
Revenue (M)	234	307	347	403	415	496	300	598	515	872
Net Income (M)	-12	2	-7	19	23	100	29	76	99	92
EBITDA (M)	33	44	43	45	45	N/A	N/A	N/A	N/A	138
EPS (USD)	-0.73	0.08	-0.34	0.57	0.52	1.82	0.73	1.12	0.79	0.46
EPS Y/Y Growth (%)	-161	N/A	N/A	N/A	-9	-18	-11	-1	-21	-19
Profitability										
Pretax Net Margin (%)	-7	2	-1	6	7	22	10	13	20	12
EBITDA Margin (%)	14	14	13	11	11	N/A	N/A	N/A	N/A	16
Return on Equity (%)	-8	1	-3	5	4	9	4	7	6	5
Return on Assets (%)	-1	0	-1	1	1	4	2	4	4	3
ROIC (%)	-1	0	-1	3	1	4	2	4	4	3
Leverage										
Debt/Assets	65	62	62	61	58	51	39	42	39	30
Debt/Equity	426	274	208	204	168	131	67	79	68	51
Cash Flows										
Operating (M)	34	55	9	57	71	108	87	144	147	205
Investing (M)	-28	-213	-183	100	-174	-100	-161	-4	-516	-179
Financing (M)	118	186	107	-136	124	-177	71	-139	370	-85
Net Change (M)	123	28	-66	22	21	-168	-3	1	2	-60
Valuation & Performance										
Price/Earnings	N/A	214.50	N/A	23.90	18.70	9.60	31.20	24.20	19.30	24.50
Annual TSR (%)	N/A	-4.54	-13.48	-2.59	-24.05	-13.34	18.04	11.47	-0.86	2.41

Source: Compustat. *Note: Compustat standardizes financial data and fiscal year designations to allow for meaningful comparison across companies. Compustat data may differ from companies' disclosed financials and does not incorporate non-trading equity units. Peers shown here represent closest industry peers drawn from those peers used in ISS' pay-for-performance analysis. See www.issgovernance.com/policy-gateway/company-financials-faq/ for more information.

Corporate Governance Profile

BOARD & COMMITTEE SUMMARY

	Independence	Members	Meetings
Full Board	83%	6	14
Audit	100%	3	5
Compensation	100%	3	4
Nominating	100%	3	10

Chairman classification	Executive Director
Separate chair/CEO	Yes
Independent lead director	Yes
Voting standard	Majority
Plurality carveout for contested elections	Yes
Resignation policy	Yes
Total director ownership (000 shares)	1,879
Total director ownership (%)	5.4
Percentage of directors owning stock	100%
Number of directors attending < 75% of meetings	0
Number of directors on excessive number of outside boards	0
Average director age	48 years
Average director tenure	3 years
Percentage of women on board	17%

SHAREHOLDER RIGHTS SUMMARY

Controlled company	No
Classified board	No
Dual-class stock	No
Vote standard for mergers/acquisitions	Majority
Vote standard for charter amendment	66.67%
Vote standard for bylaw amendment	N/A
Shareholder right to call special meetings	Yes, 50.01%
Material restrictions on right to call special meetings	No
Shareholder right to act by written consent	Unanimous
Cumulative voting	No
Board authorized to issue blank-check preferred stock	Yes
Poison pill	No
Proxy Access	Yes
- Ownership requirement (%)	3
- Time requirement (years)	3
- Nomination limit (% of seats)	20
- Nomination limit (# of nominees)	2
- Aggregation cap (# of nominators)	20

Director tenure

154013

Board Profile (after upcoming meeting)

Director Independence & Affiliations

NON-EXECUTIVE DIRECTORS

Item On Ballot	Name	Affiliation	Independence Classification		Attend <75%	Gen-der	Age	Tenure	Term Ends	Outside		Key Committees			
			Company	ISS						Boards	CEO	Audit	Comp	Nom	Gov
1.1	**Monty Bennett**	Chair	Non-Independent	Executive Director		M	53	5	2019	2	✓				
1.4	**Curtis McWilliams**	Lead Director	Independent	Independent		M	62	4	2019	1		C F			
1.2	**Stefani Carter**		Independent	Independent		F	40	4	2019	0			M	C	C
1.3	**Kenneth Fearn Jr.**		Independent	Independent		M	52	1	2019	0		F	M		
1.5	**Matthew Rinaldi**		Independent	Independent		M	42	4	2019	0			C	M	M
1.6	**Abteen Vaziri**		Independent	Independent		M	39	0*	2019	0		M		M	M

*Indicates director not previously submitted to shareholders for election.

M = Member | C = Chair | F = Financial Expert

Director Notes

Monty Bennett

1) Monty J. Bennett is the founder of the company. 2) Bennett serves as CEO and chairman of Ashford Inc., which together with Ashford Hospitality Advisors LLC, a subsidiary of Ashford Inc., serve as advisors of the company. 3) Bennett served as CEO of the company until Nov. 14, 2016. 4) The company entered into a management agreement with Remington Lodging and Hospitality, LLC (Remington), pursuant to which the company has agreed to engage Remington for the property management, project management, development and certain other work for all hotels that the company acquires. In 2017, the company paid Remington $1.7 million in fees related to the agreement. Bennett is the CEO of Remington and, together with his father, beneficially owns 100 percent of Remington. 5) The company entered into a mutual exclusivity agreement with Remington, in which the company has a first right of refusal to purchase any lodging-related investments identified by Remington and any of its affiliates that meet the company's investment criteria. (Source: DEF14A, 5/23/18, pp. 1, 7, 48, and under "Founder and Chairman Letter" section; 8-K, 11/2/16, under "ITEM 5.02" section.)

Director Employment, Compensation & Ownership

Name	Primary Employment	Outside Boards	Total Compensation*	Shares Held	60-day Options	Total	Voting Power (%)
Monty Bennett	CEO, Chairman - Ashford Inc.	Ashford Hospitality Trust, Inc., Ashford Inc.	N/D	1,822,256	0	1,822,256	5.40
Curtis McWilliams	Prof Director	Ardmore Shipping Corporation	233,360	21,481	0	21,481	<1
Stefani Carter	Attorney		154,370	9,600	0	9,600	<1
Kenneth Fearn Jr.	Real Estate Services		176,044	6,400	0	6,400	<1
Matthew Rinaldi	Other		145,478	16,800	0	16,800	<1
Abteen Vaziri	Retired		55,764	2,133	0	2,133	<1

* Local market currency

Compensation Profile

EXECUTIVE PAY OVERVIEW

Executive	Title	Base Salary	Change in Pension, Deferred Comp, All Other Comp	Bonus & Non-equity Incentives	Restricted Stock	Option Grant	Total
R. Stockton	Chief Executive Officer and President	0	0	0	194	0	194
D. Brooks	Former Chief Transaction Officer, General Counsel and Secretary	0	0	0	1,117	0	1,117
J. Hays III	Chief Strategy Officer	0	0	0	745	0	745
J. Welter	Chief Operating Officer	0	0	0	745	0	745
D. Eubanks	Chief Financial Officer and Treasurer	0	0	0	745	0	745
Median CEO Pay	ISS Selected Peer Group	713	47	**944**	2,191	0	3,931
	Company Defined Peers	N/A	N/A	N/A	N/A	N/A	**N/A**

Source: ISS. Pay in $thousands. Total pay is sum of all reported pay elements, using ISS' Black-Scholes estimate for option grant-date values. Note: Median total pay will not equal sum of pay elements medians. Company Defined Peers are as disclosed. More information on ISS' peer group methodology at www.issgovernance.com/policy-gateway/us-compensation-policy-guidance/.

OPTION VALUATION ASSUMPTIONS

For CEO's last FY Grant*	Company	ISS
Volatility (%)	N/A	N/A
Dividend Yield (%)	N/A	N/A
Term (yrs)	N/A	N/A
Risk-free Rate (%)	N/A	N/A
Grant date fair value per option	N/A	N/A
Grant Date Fair Value ($ in 000)	N/A	N/A

*The CEO did not receive stock options in the most recent fiscal year.

CEO PAY MULTIPLES

Compared to	Multiple
2nd highest active executive	0.17
Average active NEO	0.23
ISS peer median	0.05
Company peer median	N/A
Median of employees (CEO Pay Ratio)	N/A

CEO TALLY SHEET

CEO	R. Stockton
CEO tenure at FYE:	1.1 years
Present value of all accumulated pension:	N/A
Value of CEO stock owned (excluding options):	$3,168,654
Potential Termination Payments	
Involuntary termination without cause:	N/D
Termination after a change in control:	N/D

Source: DEF14A

Dilution & Burn Rate

DILUTION

	Dilution (%)
Braemar Hotels & Resorts, Inc.	11.61
Peer group median	2.73
Peer group weighted average	5.38
Peer group 75th percentile	6.46

Dilution is the sum of the total amount of shares available for grant and outstanding under options and other equity awards (vested and unvested) expressed as a percentage of total basic common shares outstanding as of the record date. The dilution figure typically excludes employee stock purchase plans (ESPPs) and 401(k) shares. The underlying information for the company is based on the company's equity compensation table in the most recent proxy statement or 10-K.

BURN RATE

	Non-Adjusted (%)	Adjusted (%)
1-year	0.98	1.97
3-year average	0.72	1.44

Burn rate equals the number of shares granted in each fiscal year, including stock options, restricted stock (units), actual performance shares delivered under the long-term incentive plan or earned deferred shares, to employees and directors divided by weighted average common shares outstanding. The adjusted burn rate places a premium on grants of full-value awards using a multiplier based on the company's annual volatility.

QualityScore

Governance	5	Environment	8	Social	6
Lower Risk — Higher Risk		Higher Disclosure — Lower Disclosure		Higher Disclosure — Lower Disclosure	
Board Structure	8	Management of Environmental Risks and Opportunities	6	Human Rights	4
Compensation	1	Carbon and Climate	6	Labor, Health, and Safety	6
Shareholder Rights	4	Natural Resources	4	Stakeholders and Society	7
Audit & Risk Oversight	1	Waste and Toxicity	5	Product Safety, Quality, and Brand	N/A

Governance Scores As Of: June 20, 2018
Last Data Profile Update: June 20, 2018

Environmental and Social Scores As Of: June 20, 2018
Last Data Profile Update: May 17, 2018

ISS Governance QualityScore is derived from publicly disclosed data and reporting on company governance disclosure, risk and performance. ISS Environmental and Social QualityScore is based on company disclosure and transparency practices. Scores indicate decile rank among relative index, region (Governance QualityScore), or industry group (Environmental and Social QualityScore). Scores are calculated at each pillar by summing the factor scores in that pillar. Not all factors and not all subcategories have equal weight.

For more information on ISS Governance QualityScore, visit www.issgovernance.com/solutions/qualityscore/governance. **For questions, please contact:** QualityScore@issgovernance.com.

For more information on ISS-Ethix Environmental and Social QualityScore, visit www.issgovernance.com/solutions/qualityscore/environmental-social. **For questions, please contact:** ESGHelpdesk@Issethix.com.

Vote Results

ANNUAL MEETING 9 JUNE 2017

Proposal	Board Rec	ISS Rec	Disclosed Result	Support Including Abstains (%)[1]	Support Excluding Abstains (%)[2]
1.1 Elect Director Monty J. Bennett	For	For	Pass	92.0	92.0
1.2 Elect Director Stefani D. Carter	For	Withhold	Pass	79.4	79.4
1.3 Elect Director Lawrence A. Cunningham	For	For	Pass	94.4	94.4
1.4 Elect Director Sarah Zubiate Darrouzet	For	For	Pass	96.1	96.1
1.5 Elect Director Kenneth H. Fearn	For	For	Pass	96.2	96.2
1.6 Elect Director Curtis B. McWilliams	For	For	Pass	93.9	93.9
1.7 Elect Director Matthew D. Rinaldi	For	For	Pass	93.8	93.8
1.8 Elect Director Daniel B. Silvers	For	For	Pass	94.1	94.1
2 Adopt Majority Voting for Uncontested Election of Directors	For	For	Pass	56.7*	56.7*
3 Amend Omnibus Stock Plan	For	Against	Pass	74.3	74.7
4 Amend Investment Advisory Agreement	For	For	Pass	95.5	96.3
5 Ratify BDO USA LLP as Auditors	For	For	Pass	99.7	99.7

Shaded results reflect a majority of votes cast FOR shareholder proposal or AGAINST management proposal or director election
[1]Support Including Abstains is defined as %FOR/(For + Against + Abstain), as expressed as a percentage.
[2]Support Excluding Abstains is defined as %FOR/(For + Against), as expressed as a percentage, provided if different from For + Against + Abstain.
*Support as a percentage of outstanding shares.

Meeting Agenda & Proposals

Items 1.1-1.6. Elect Directors — SPLIT

VOTE RECOMMENDATION

WITHHOLD votes are warranted for incumbent director nominees Monty J. Bennett, Stefani D. Carter, Kenneth H. Fearn, Curtis B. McWilliams, and Matthew D. Rinaldi for a material governance failure. The board's actions following the entry into a settlement agreement with Sessa Capital demonstrated a willingness to entrench existing leadership rather than prioritizing all shareholders' interests.

WITHHOLD votes are warranted for incumbent Governance Committee members Stefani Carter and Matthew Rinaldi for a material governance failure. The company's governing documents prohibit or restrict shareholders' ability to amend the company bylaws.

A vote FOR Abteen Vaziri is warranted.

BACKGROUND INFORMATION

Policies: Board Accountability | Board Responsiveness | Director Competence | Director Independence | Election of Directors | ISS Categorization of Directors | Vote No campaigns

Vote Requirement: The company has adopted a majority vote standard (of shares cast) for the election of directors with a plurality carve-out for contested elections, and has a director resignation policy in its governance guidelines.

Discussion

Please see the Board Profile section above for more information on director nominees.

CHANGES TO THE BOARD OF DIRECTORS

On Feb. 16, 2017, the company entered into a settlement agreement with then-8.5 percent shareholder Sessa Capital L.P., which ran a proxy contest prior to the 2016 annual meeting. Pursuant to the agreement, the company agreed to appoint two of Sessa's director nominees, and that two of the incumbent directors would not stand for re-election at the 2017 annual meeting. The settlement agreement included a provision that the Sessa directors would sign the same confidentiality agreements as the other directors.

On March 3, 2017, Daniel Silvers and Lawrence Cunningham were appointed to the board and each was subsequently elected at the 2017 annual meeting with more than 90 percent support. Additionally, Sarah Zubiate Darrouzet was appointed to the board on April 27, 2017 and also elected with greater than 90 percent support. On June 9, 2017, the day of the 2017 annual meeting, the company amended its corporate governance guidelines to stipulate that each director must sign a confidentiality agreement. However, the confidentiality agreements presented to directors contained provisions that were problematic for the Sessa directors. On July 7, 2017, Silvers and Cunningham each received letters stating that they were not in compliance with the corporate governance guidelines and both directors elected to resign from the board.

The board of directors at Braemar took other concerning actions in regard to the agreement signed with Sessa. The agreement with Sessa stipulated that one of Sessa's two designees would be appointed to the Nominating and Corporate Governance Committee "as promptly as practicable following the execution of [the] agreement." However, at the time of the annual meeting (according the to the company's 2017 proxy statement) and the amendments to the corporate governance guidelines, neither director had been appointed to the committee. Second, the company amended its standard confidentiality agreement after the settlement date of the Sessa agreement. Specifically, the amended confidentiality agreement contained the following provisions (as summarized in a company filing):

"The Confidentiality Agreement requires, subject to certain limited exceptions, that each director maintain the confidentiality of information relating to the Company, Ashford Hospitality Trust, Inc., Ashford Inc. and their affiliates (collectively, the "Ashford Entities") and use such information solely for the purpose of serving on the Board and in connection with the Company's business. Pursuant to the Confidentiality Agreement, each director agrees (a) not to directly or indirectly make any statement or announcement that disparages, or could reasonably be expected to damage the reputation of, any of the Ashford Entities, (b) not to publicly comment on any matter discussed or deliberated at any meeting of the Board or at any meeting of any committee of the Board, (c) to comply with any and all policies and procedures of the Company, (d) not to make any commitment as to how such director will act or vote on any issue or question in his or her capacity as a director of the Company, and (e) not to become a party to any agreement, arrangement or understanding with any person other than the Company with respect to any direct or indirect compensation, reimbursement or indemnification in connection with such director's service as a director of the Company. The Confidentiality Agreement states that no provision thereof shall require any director to violate his or her fiduciary duties to the Company."

In the 8-K announcing the resignation of Cunnigham and Silvers, the company discloses that Cunningham was a member of the Nominating and Corporate Governance Committee; however, it is not disclosed when he was appointed to the committee. Cunningham and Silvers each disclosed their concerns to the board (but the board does not disclose the specific concerns to shareholders) over several of the contractual provisions in the amended confidentiality agreements. The board stated that the directors' refusal to sign the confidentiality agreements constituted a breach of the Sessa agreement.

Conclusion

The board's actions following its entry into the Sessa agreement are of concern to shareholders. The board amended the confidentiality agreements and implemented them into the corporate governance guidelines after signing the Sessa agreement – over the apparent objection of the Sessa designees – and then used the refusal of the Sessa designees to execute these confidentiality agreements as grounds for demanding their resignation despite overwhelming shareholder support for their election. One of the two Sessa directors was supposed to have been promptly appointed to the Nominating and Corporate Governance Committee, but as of the 2017 proxy statement, the company had elected to not abide by this provision of the agreement. Further, the company withheld the proposed changes from the remaining shareholder base and implemented the changes on the day of the annual meeting, thereby ensuring that shareholders would not have the opportunity to voice their opinions on the board's actions until the 2018 annual meeting. These actions demonstrate a willingness by the board to entrench itself and work to the directors' self-interest rather than to prioritize the unaffiliated shareholders' interests. These actions represent a material governance failure and as such, support for the incumbent director nominees is not warranted. Abteen Vaziri was appointed to the board in October 2017, after the actions in question, and may not have had sufficient time to address the ongoing governance concerns.

RESTRICTION ON BINDING SHAREHOLDER PROPOSALS

Shareholders' ability to amend corporate bylaws is a fundamental right, which is enshrined in most states' corporation statutes. A limited number of states permit companies to adopt provisions within their governing documents that prohibit shareholders from submitting binding bylaw amendments. In this case, the company stipulates in its governing documents that the right to amend the bylaws is reserved solely to the board of directors. Under current ISS policy, such a prohibition on binding shareholder amendments materially diminishes shareholder rights and represents an ongoing governance failure. As such, with the exception of new director nominee Abteen Vaziri, withhold votes for all Governance Committee members.

REVIEW OF EXECUTIVE COMPENSATION PRACTICES

Components of Pay

The chart below summarizes year-over-year CEO pay changes and provides a comparison to the median of a peer group based on industry and size criteria. Aggregate pay for all other named executive officers (NEOs) is also shown, along with the ratio of most recent CEO and NEO pay to the company's net income and revenue. Please also refer to the Compensation Profile earlier in the report.

($ in thousands)	CEO				CEO Peer Median	Other NEOs
	R. Stockton		R. Stockton	M. Bennett		
	2017	Change	2016	2015	2017	2017
Base salary	0		0	0	712	0
Deferred comp & pension	0		0	0	0	0
All other comp	0		0	0	34	0
Bonus	0		0	0	0	0
Non-equity incentives	0		0	0	879	0
Restricted stock	194	-93.4%	2,955	2,169	2,191	3,351
Option grant	0		0	0	0	0
Total	**194**	**-93.4%**	**2,955**	**2,169**	**3,931**	**3,351**
% of Net Income	0.8%					14.6%
% of Revenue	N/A					0.8%

CEO equity pay mix (by value)* Performance-conditioned: 66.7%; Time-based: 33.3%

*Performance shares, if any, are counted and valued at target

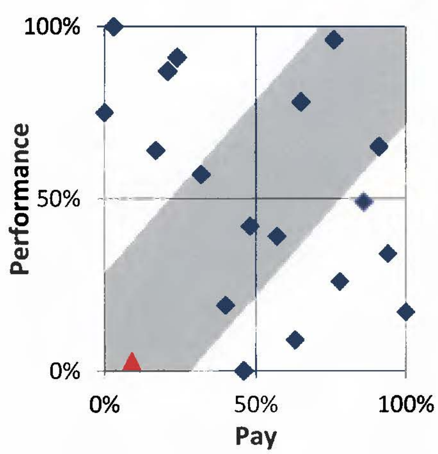
PAY-FOR-PERFORMANCE QUANTITATIVE SCREEN

The pay-for-performance quantitative screen uses four measures that together evaluate the alignment of CEO pay and company performance. The screen measures alignment over multiple time horizons, on both an absolute and relative basis, using multiple performance measures. The screen is designed to identify outlier companies that demonstrate a significant quantitative misalignment over time.

Measure	Result
Relative Degree of Alignment	-6
Multiple of Median	0.05
Absolute Pay-TSR Alignment	24
Initial Quantitative Concern	Low
Financial Performance Assessment	14.5
Overall Quantitative Concern	Low

RELATIVE DEGREE OF ALIGNMENT

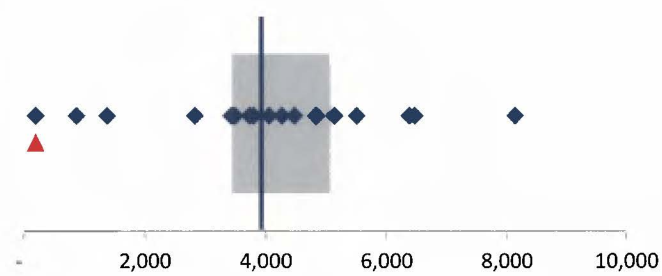
The chart plots percentiles of the annualized 3-year performance and pay rankings for the company (▲) and ISS' derived peers (◆). The gray band generally indicates alignment



MULTIPLE OF MEDIAN

Pay in $thousands. The gray band represents 25th to 75th percentile of CEO pay of ISS' selected peer group, and the blue line represents the 50th percentile.

CEO total pay is 0.05 times the median of peers.



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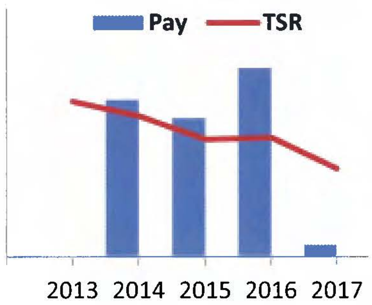
ABSOLUTE PAY-TSR ALIGNMENT

CEO granted pay trends versus value of a $100 investment made on the first day of the five-year period.



	2013	2014	2015	2016	2017
Pay($000)		2,456	2,169	2,955	194
Indexed TSR	100.00	90.61	75.56	76.84	56.66
CEO		Monty Bennett	Monty Bennett	Richard Stockton	Richard Stockton

FINANCIAL PERFORMANCE ASSESSMENT

Blue boxes indicate the company's quartile rankings compared to ISS' selected peer group in the applicable measure/metric, measured over three years. The leftmost box indicates bottom quartile and rightmost box indicates top quartile.

Measure		Quartile Ranking vs. Peers
Pay		
Weighted Performance		
Metrics (ranked by weight)	**Long-Term Performance**	**Quartile Ranking vs. Peers**
ROIC	1.0	
Return on Assets	0.6	
Return on Equity	2.2	
Cash Flow Growth	843.7	

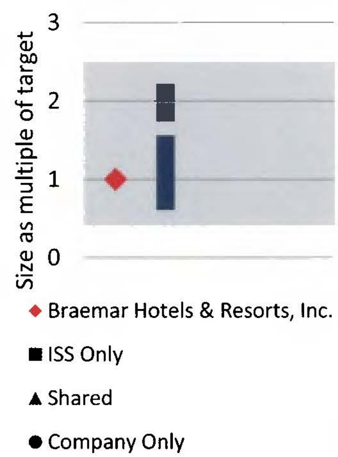
ISS AND COMPANY PEER GROUPS

ISS Selected (18)	Alexander & Baldwin, Inc. Chatham Lodging Trust Columbia Property Trust, Inc. Equity Commonwealth Hersha Hospitality Trust Lexington Realty Trust Pennsylvania Real Estate Investment Trust QTS Realty Trust, Inc. Summit Hotel Properties, Inc.	Armada Hoffler Properties, Inc. Chesapeake Lodging Trust DiamondRock Hospitality Company First Industrial Realty Trust, Inc. Kite Realty Group Trust Pebblebrook Hotel Trust PS Business Parks, Inc. Select Income REIT Tanger Factory Outlet Centers, Inc.
Shared (0)		
Company-Disclosed (0)	None disclosed.	

For more information on the ISS peer group methodology, visit https://www.issgovernance.com/policy-gateway/voting-policies/

PEER GROUP SIZE

Size (by revenue) of the ISS, company and overlap peer groups. The gray area represents 0.4 - 2.5 times the company's revenue.



Data for ISS' pay-for-performance tests are sourced from proxy disclosures for pay and from Compustat for TSR and financial performance. For more information on ISS' quantitative pay-for-performance evaluation, visit https://www.issgovernance.com/policy-gateway/voting-policies/

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Executive Summary

Evaluation Component	Level of Concern
Non-Performance-Based Pay Elements	**Low**
Peer Group Benchmarking	**Low**
Severance/CIC Arrangements	**Low**
Comp Committee Communication/Responsiveness	**Low**
Pay for Performance Evaluation	**Low**

Conclusion

Pay and performance are reasonably aligned and no significant compensation concerns are identified at this time.

Item 2. Ratify BDO USA, LLP as Auditors — FOR

VOTE RECOMMENDATION

A vote FOR this proposal to ratify the auditor is warranted.

BACKGROUND INFORMATION

Policies: Auditor Ratification

Vote Requirement: Majority of votes cast (abstentions not counted)

Discussion

AUDIT FIRM INFORMATION

The board recommends that BDO USA, LLP be reappointed as the company's independent audit firm.

Audit firm name	**BDO USA, LLP**
Audit firm since (as disclosed)	2015
Audit opinion for the last fiscal year	Unqualified
Term to serve if reappointed	1 year

FEES PAID DURING THE LAST FISCAL YEAR

Audit firm name	**BDO USA, LLP**
Fees currency	USD
Total fees paid to the audit firm	887,066
Audit fees	**887,066**
Audit-related fees	**0**
Total transaction-related fees	0
Total tax fees	0
Other fees	0
Total non-audit fees*	**0**
Total non-audit fees as a percentage of total fees	0.0%

*Total non-audit fees include other fees, tax advice fees, and certain transaction-related fees. Non-audit fees will also include any tax-related fees not identified as tax compliance or tax preparation.

The auditor's report contained in the annual report is unqualified, meaning that in the opinion of the auditor, the company's financial statements are fairly presented in accordance with generally accepted accounting principles.

Analysis

This request to ratify the auditor does not raise any exceptional issues, as the auditor is independent, there are no non-audit fees, and there is no reason to believe the auditor has rendered an inaccurate opinion or engaged in poor accounting practices.

Equity Ownership Profile

Type	Votes per share	Issued
Common Stock	1.00	32,505,238

Ownership - Common Stock	Number of Shares	% of Class
The Vanguard Group, Inc.	3,054,491	9.51
BlackRock Fund Advisors	2,280,017	7.10
Sessa Capital IM LP	2,210,427	6.88
Fidelity Management & Research Co.	1,350,052	4.20
Invesco PowerShares Capital Management LLC	1,238,120	3.86
SSgA Funds Management, Inc.	964,905	3.00
Millennium Management LLC	936,017	2.91
Quantitative Management Associates LLC	922,186	2.87
LSV Asset Management	846,441	2.64
AJO LP	591,447	1.84
JPMorgan Investment Management, Inc.	492,289	1.53
Dimensional Fund Advisors LP	476,696	1.48
Charles Schwab Investment Management, Inc.	391,917	1.22
ClariVest Asset Management LLC	378,096	1.18
WEISMAN LYLE	376,402	1.17
Ranger Global Real Estate Advisors LLC	349,676	1.09
Geode Capital Management LLC	328,939	1.02
BENNETT MONTGOMERY JACK	321,048	1.00
STOCKTON RICHARD J	309,137	0.96
Northern Trust Investments, Inc.	286,729	0.89

Additional Information

Meeting Location	Dallas/Fort Worth Airport Marriott 8440 Airport Freeway Irving, Texas
Meeting Time	9:00 a.m. Central Time
Shareholder Proposal Deadline	January 22, 2019
Solicitor	Mackenzie Partners, Inc.
Security IDs	10482B101(CUSIP)

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One or more of the proponents of a shareholder proposal at an upcoming meeting may be a client of ISS or ICS, or the parent of, or affiliated with, a client of ISS or ICS. None of the sponsors of any shareholder proposal(s) played a role in preparing this report.

ISS may in some circumstances afford issuers, whether or not they are clients of ICS, the right to review draft research analyses so that factual inaccuracies may be corrected before the report and recommendations are finalized. Control of research analyses and voting recommendations remains, at all times, with ISS.

ISS makes its proxy voting policy formation process and summary proxy voting policies readily available to issuers, investors and others on its public website: **http://www.issgovernance.com/policy**.

EXHIBIT 2

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported): **June 25, 2018**

BRAEMAR HOTELS & RESORTS INC.

(Exact name of registrant as specified in its charter)

Maryland	**001-35972**	**46-2488594**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

14185 Dallas Parkway, Suite 1100 **Dallas, Texas**	**75254**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(972) 490-9600**

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933(§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company ☑
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure

The following statement by Braemar Hotels & Resorts Inc. (the "Company") is in response to recent inquiries from stockholders and members of the investment community about the circumstances surrounding the resignations of Daniel B. Silvers and Lawrence A. Cunningham from the Board of Directors of the Company (the "Board") last year:

- On February 16, 2017, in order to settle pending litigation and avoid the unnecessary cost and expense of a proxy contest, the Company and certain related entities entered into a Settlement Agreement (the "Settlement Agreement") with Sessa Capital (Master), L.P., Sessa Capital GP, LLC, Sessa Capital IM, L.P., Sessa Capital IM GP, LLC and John Petry (collectively, "Sessa") pursuant to which, among other things, the Company agreed to appoint to the Board two of the five individuals Sessa previously sought to nominate as directors of the Company.
- The Settlement Agreement was publicly filed by the Company with the Securities and Exchange Commission on February 17, 2017. As part of the Settlement Agreement, Sessa agreed that its designees would comply with all Company policies and procedures applicable to all members of the Board and would execute a confidentiality agreement with the Company that would be similar in all material respects to the confidentiality agreement to be executed by the Company's other directors. At the time the Settlement Agreement was signed, none of the members of the Board had signed confidentiality agreements. The Company offered during its negotiations with Sessa to agree upon the form of confidentiality agreement, but Sessa's counsel declined to do so, and Sessa agreed that its designees would instead sign a form of confidentiality agreement that would be entered into by all other directors.
- On March 3, 2017, the Board appointed Daniel B. Silvers and Lawrence A. Cunningham to the Board. Following their appointment to the Board, Messrs. Silvers and Cunningham were provided with a draft director confidentiality agreement that had previously been prepared by the Nominating and Corporate Governance Committee ("Governance Committee") with Company counsel and that all other directors were prepared to execute. In response, Messrs. Silvers and Cunningham stated that they were unaware of the requirement to execute the confidentiality agreement because they had not read the provisions of the Settlement Agreement pursuant to which they had been appointed to the Board. The Settlement Agreement had been executed and made publicly available two weeks prior to their appointment.
- The Board and members of management made repeated attempts to accommodate the concerns raised by Messrs. Silvers and Cunningham regarding the draft director confidentiality agreement. Members of the Company's management, other directors and the Company's counsel participated in several phone calls with Messrs. Silvers and Cunningham attempting to understand and address any concerns they had with the director confidentiality agreement. The Board requested on multiple occasions that Messrs. Silvers and Cunningham provide written comments to the draft confidentiality agreement but they declined to do so. In response to oral comments from Messrs. Silvers and Cunningham, the draft confidentiality agreement was revised to expressly provide that no provision of the confidentiality agreement requires a director to violate his or her duties to the Company under Maryland law in order to make clear that, if a director's fiduciary duties and a director's obligations under the confidentiality agreement were in conflict, the director would not be bound by the confidentiality agreement.
- On April 6, 2018, the draft confidentiality agreement was presented for the Board's consideration. Maryland counsel presented on legal matters relating to Board confidentiality. In response to oral concerns raised by Messrs. Silvers and Cunningham at the meeting, the draft confidentiality agreement was further revised to address the concerns raised. Following discussion at the meeting and agreement to make further additional changes, the Board voted to approve the director confidentiality agreement with Messrs. Silvers and Cunningham voting against approval. Mr. Silvers stated multiple times prior to and following this meeting that he had no intention of signing any confidentiality agreement.

- Despite the Board's determination, Messrs. Silvers and Cunningham refused to execute the confidentiality agreement.
- On May 14, 2017, the Company sent a letter to Sessa advising Sessa that Messrs. Silvers and Cunningham refused to sign the director confidentiality agreement and reminding Sessa of its obligations under the Settlement Agreement.
- At a meeting of the Board conducted on June 9, 2017 immediately following the annual shareholder meeting, the amended and restated Corporate Governance Guidelines were presented for the Board's consideration as part of the Company's regular annual review of its governance documents. Messrs. Silvers and Cunningham expressed concerns over the Corporate Governance Guidelines. When asked to provide specific comments, Mr. Silvers provided a comment regarding director access to management, which the Board agreed to address. All members of the Board, other than Messrs. Silvers and Cunningham, voted in favor of the Corporate Governance Guidelines. Messrs. Silvers and Cunningham also confirmed at the meeting that they did not intend to execute the director confidentiality agreement. Consistent with its obligations under applicable stock exchange rules, the Corporate Governance Guidelines were promptly made available on the Company's investor website.
- Also at the June 9, 2017 meeting, and despite the fact that he refused to sign the confidentiality agreement, Mr. Cunningham was appointed to the Governance Committee. The adoption of the Corporate Governance Guidelines, and Mr. Cunningham's appointment to the Governance Committee, occurred at the regular annual meeting of the Board where governance matters and Board committee appointments are often approved. The Board appointed Mr. Cunningham to the Governance Committee at the time of the Board's annual meeting despite his non-compliance with the terms of the Settlement Agreement.
- On June 30, 2017, the Company delivered letters to Messrs. Silvers and Cunningham reminding them that the Settlement Agreement required Sessa's designees to enter into the confidentiality agreement and also noting that they were in breach of the Company's Corporate Governance Guidelines. The Company encouraged Messrs. Silvers and Cunningham to sign the confidentiality agreement required of all directors of the Company. The letter did not request that Messrs. Silvers or Cunningham resign from the Board, and the Board did not at any time request that Messrs. Silvers or Cunningham resign from the Board.
- On July 6, 2017, the Company entered into director confidentiality agreements with each director other than Messrs. Silvers and Cunningham. Also on July 6, 2017, Messrs. Silvers and Cunningham voluntarily resigned from the Board. In their resignation letters, Messrs. Silvers and Cunningham stated that they had received notices from the Company that they were in violation of the Company's policies due to their refusal to enter into the confidentiality agreement, referring to the Company's June 30, 2017 letters. Neither director stated in his resignation that he had been asked to resign.
- The Board believes that maintaining confidentiality is extremely important and these views were expressed in the negotiations with Sessa, as a result of which Sessa agreed that its designees would enter into the confidentiality agreement entered into by all other directors. The Board believes that the director confidentiality agreement and the related provisions set forth in the Corporate Governance Guidelines are important for protecting the Company's confidential information from misuse, including insider trading, and that maintaining confidentiality facilitates open and collaborative Board deliberations. At no point during their tenure on the Board were Messrs. Silvers and Cunningham asked to abide by any policy to which the other members of the Board were not also subject. The director confidentiality agreement that Messrs. Silvers and Cunningham were asked to sign, a copy of which is available in the Company's public filings, has been signed by each current member of the Board.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: June 25, 2018

BRAEMAR HOTELS & RESORTS INC.

By: /s/ ROBERT G. HAIMAN

Robert G. Haiman

Executive Vice President, General Counsel & Secretary

EXHIBIT 3

Braemar Hotels & Resorts, Inc.

Meeting Type: Annual
Meeting Date: 3 July 2018
Record Date: 15 May 2018
Meeting ID: 1242685

New York Stock Exchange: BHR
Index: Russell 3000
Sector: Hotel & Resort REITs
GICS: 60101030

Proxy Alert

Alert Date: 26 June 2018
Original Publication Date: 20 June 2018

This alert is being issued in order to update the analysis and vote recommendations on Item 1: Elect Directors. On June 25, 2018, the company filed an 8-K providing comprehensive detail into the resignation of two directors, Daniel Silvers and Lawrence Cunningham, in July 2017. The previous analysis recommended that shareholders withhold votes from all incumbent director nominees due to concerns about the resignation of Silvers and Cunningham. However, in discussions with ISS and in the filing, the company disclosed that Sessa Capital had agreed that its director designees would sign a confidentiality agreement (the company had no previously existing agreements with directors) but declined the opportunity to specifically negotiate the term of the agreement. Subsequently, two Sessa-selected nominees, Silvers and Cunningham, were appointed to the board on March 3, 2017 with the understanding that Cunningham would also be appointed to the Governance Committee. At that time, Silvers and Cunningham were presented with confidentiality agreements. Both directors stated that they had not known they would be required to sign confidentiality agreements and stated they were not willing to sign any agreements. The company discloses that efforts were made to address Silvers' and Cunningham's objections (though the specific objections are not disclosed), and that the agreements were amended to clarify that they would not take precedence over directors' fiduciary duties under Maryland law. The filing discloses that Silvers and Cunningham voted in opposition to both the confidentiality agreement and the new corporate governance guidelines requiring directors to sign the agreements. Despite not signing the confidentiality agreement, Cunningham was appointed to the Governance Committee on June 9, 2017. The company states that on June 30, it reminded Silvers and Cunningham that the Sessa agreement required all directors to sign the confidentiality agreement. On July 6, all directors with the exception of Silvers and Cunningham signed the confidentiality agreement. On the same date, Silvers and Cunningham voluntarily submitted their resignations.

Given the additional information disclosed in the filing, support for Monty Bennett, Kenneth Fearn, and Curtis McWilliams is warranted. All other vote recommendations remain unchanged.

Agenda & Recommendations

Policy: United States

Incorporated: Maryland, USA

Item	Code	Proposal	Board Rec.	ISS Rec.
MANAGEMENT PROPOSALS				
1.1	M0201	Elect Director Monty J. Bennett	FOR	FOR
1.2	M0201	Elect Director Stefani D. Carter	FOR	WITHHOLD
1.3	M0201	Elect Director Kenneth H. Fearn	FOR	FOR
1.4	M0201	Elect Director Curtis B. McWilliams	FOR	FOR
1.5	M0201	Elect Director Matthew D. Rinaldi	FOR	WITHHOLD
1.6	M0201	Elect Director Abteen Vaziri	FOR	FOR
2	M0101	Ratify BDO USA, LLP as Auditors	FOR	FOR

* ISS Environmental and Social QualityScore is newly introduced for 2018 and is based on company disclosure and transparency practices.

Meeting Agenda and Proposals

Items 1.1-1.6. Elect Directors — SPLIT

VOTE RECOMMENDATION

WITHHOLD votes are warranted for incumbent Governance Committee members Stefani Carter and Matthew Rinaldi for a material governance failure. The company's governing documents prohibit or restrict shareholders' ability to amend the company bylaws.

A vote FOR the remaining director nominees is warranted.

BACKGROUND INFORMATION

Policies: Board Accountability | Board Responsiveness | Director Competence | Director Independence | Election of Directors | ISS Categorization of Directors | Vote No campaigns

Vote Requirement: The company has adopted a majority vote standard (of shares cast) for the election of directors with a plurality carve-out for contested elections, and has a director resignation policy in its governance guidelines.

Discussion

Please see the Board Profile section above for more information on director nominees.

RESTRICTION ON BINDING SHAREHOLDER PROPOSALS

Shareholders' ability to amend corporate bylaws is a fundamental right, which is enshrined in most states' corporation statutes. A limited number of states permit companies to adopt provisions within their governing documents that prohibit shareholders from submitting binding bylaw amendments. In this case, the company stipulates in its governing documents that the right to amend the bylaws is reserved solely to the board of directors. Under current ISS policy, such a prohibition on binding shareholder amendments materially diminishes shareholder rights and represents an ongoing governance failure. As such, withhold votes are warranted for incumbent Governance Committee members Stefani Carter and Matthew Rinaldi are warranted. Abteen Varizi is a newly appointed director and member of the committee and may not have had sufficient time to address ongoing governance concerns.

REVIEW OF EXECUTIVE COMPENSATION PRACTICES

Components of Pay

The chart below summarizes year-over-year CEO pay changes and provides a comparison to the median of a peer group based on industry and size criteria. Aggregate pay for all other named executive officers (NEOs) is also shown, along with the ratio of most recent CEO and NEO pay to the company's net income and revenue. Please also refer to the Compensation Profile earlier in the report.

($ in thousands)	CEO				CEO Peer Median	Other NEOs
	R. Stockton		R. Stockton	M. Bennett		
	2017	**Change**	**2016**	**2015**	**2017**	**2017**
Base salary	**0**		**0**	**0**	**712**	**0**
Deferred comp & pension	**0**		**0**	**0**	**0**	**0**
All other comp	**0**		**0**	**0**	**34**	**0**
Bonus	**0**		**0**	**0**	**0**	**0**
Non-equity incentives	**0**		**0**	**0**	**879**	**0**
Restricted stock	**194**	**-93.4%**	**2,955**	**2,169**	**2,191**	**3,351**
Option grant	**0**		**0**	**0**	**0**	**0**
Total	**194**	**-93.4%**	**2,955**	**2,169**	**3,931**	**3,351**
% of Net Income	**0.8%**					**14.6%**
% of Revenue	**N/A**					**0.8%**

CEO equity pay mix (by value)* **Performance-conditioned: 66.7%; Time-based: 33.3%**

*Performance shares, if any, are counted and valued at target

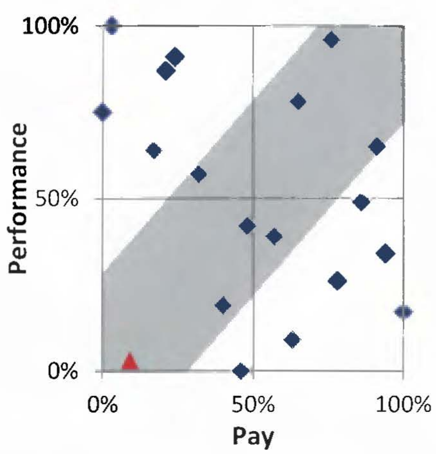
PAY-FOR-PERFORMANCE QUANTITATIVE SCREEN

The pay-for-performance quantitative screen uses four measures that together evaluate the alignment of CEO pay and company performance. The screen measures alignment over multiple time horizons, on both an absolute and relative basis, using multiple performance measures. The screen is designed to identify outlier companies that demonstrate a significant quantitative misalignment over time.

Measure	Result
Relative Degree of Alignment	**-6**
Multiple of Median	**0.05**
Absolute Pay-TSR Alignment	**24**
Initial Quantitative Concern	Low
Financial Performance Assessment	**14.5**
Overall Quantitative Concern	Low

RELATIVE DEGREE OF ALIGNMENT

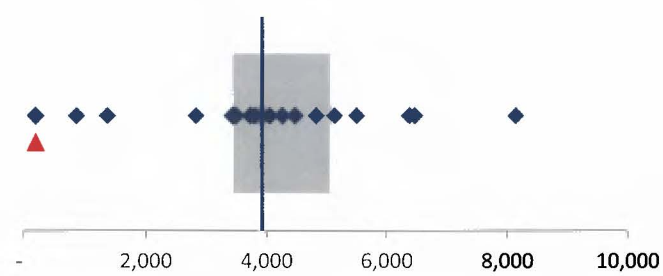
The chart plots percentiles of the annualized 3-year performance and pay rankings for the company (▲) and ISS' derived peers (◆). The gray band generally indicates alignment



MULTIPLE OF MEDIAN

Pay in $thousands. The gray band represents 25th to 75th percentile of CEO pay of ISS' select peer group, and the blue line represents the 50th percentile.

CEO total pay is 0.05 times the median of peers.



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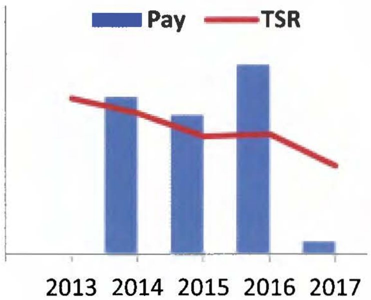
ABSOLUTE PAY-TSR ALIGNMENT

CEO granted pay trends versus value of a $100 investment made on the first day of the five-year period.



	2013	2014	2015	2016	2017
Pay($000)		2,456	2,169	2,955	194
Indexed TSR	100.00	90.61	75.56	76.84	56.66
CEO		Monty Bennett	Monty Bennett	Richard Stockton	Richard Stockton

FINANCIAL PERFORMANCE ASSESSMENT

Blue boxes indicate the company's quartile rankings compared to ISS' selected peer group i applicable measure/metric, measured over three years. The leftmost box indicates bottom quartile and rightmost box indicates top quartile.

Measure		Quartile Ranking vs. Peers
Pay		■ □ □ □
Weighted Performance		■ □ □ □
Metrics (ranked by weight)	**Long-Term Performance**	**Quartile Ranking vs. Peers**
ROIC	1.0	■ □ □ □
Return on Assets	0.6	■ □ □ □
Return on Equity	2.2	■ □ □ □
Cash Flow Growth	843.7	□ □ □ ■

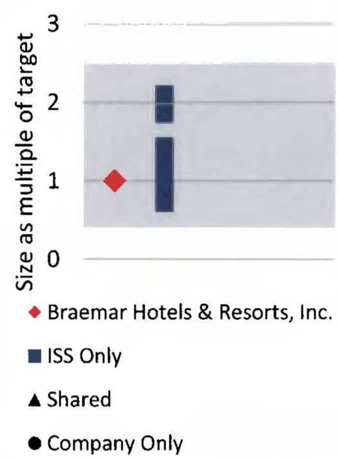
ISS AND COMPANY PEER GROUPS

ISS Selected (18)	Alexander & Baldwin, Inc. Chatham Lodging Trust Columbia Property Trust, Inc. Equity Commonwealth Hersha Hospitality Trust Lexington Realty Trust Pennsylvania Real Estate Investment Trust QTS Realty Trust, Inc. Summit Hotel Properties, Inc.	Armada Hoffler Properties, Inc. Chesapeake Lodging Trust DiamondRock Hospitality Company First Industrial Realty Trust, Inc. Kite Realty Group Trust Pebblebrook Hotel Trust PS Business Parks, Inc. Select Income REIT Tanger Factory Outlet Centers, Inc.
Shared (0)		
Company-Disclosed (0)	None disclosed.	

For more information on the ISS peer group methodology, visit https://www.issgovernance.com/policy-gateway/voting-policies/

PEER GROUP SIZE

Size (by revenue) of the ISS, company and overlap peer groups. gray area represents 0.4 - 2.5 times the company's revenue.



Data for ISS' pay-for-performance tests are sourced from proxy disclosures for pay and from Compustat for TSR and financial performance. For more information on ISS' quantit pay-for-performance evaluation, visit https://www.issgovernance.com/policy-gateway/voting-policies/

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Executive Summary

Evaluation Component	Level of Concern
Non-Performance-Based Pay Elements	Low
Peer Group Benchmarking	Low
Severance/CIC Arrangements	Low
Comp Committee Communication/Responsiveness	Low
Pay for Performance Evaluation	Low

Conclusion

Pay and performance are reasonably aligned and no significant compensation concerns are identified at this time.

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Key Takeaways

The board's actions in connection with the settlement agreement with Sessa Capital demonstrated a willingness to entrench existing leadership rather than prioritizing all shareholders' interests.

The company's governing documents do not permit shareholders to amend the bylaws.

Agenda & Recommendations

Policy: United States
Incorporated: Maryland, USA

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2	M0101	Ratify BDO USA, LLP as Auditors	FOR	FOR

Shading indicates that ISS recommendation differs from Board recommendation
▶ Items deserving attention due to contentious issues or controversy

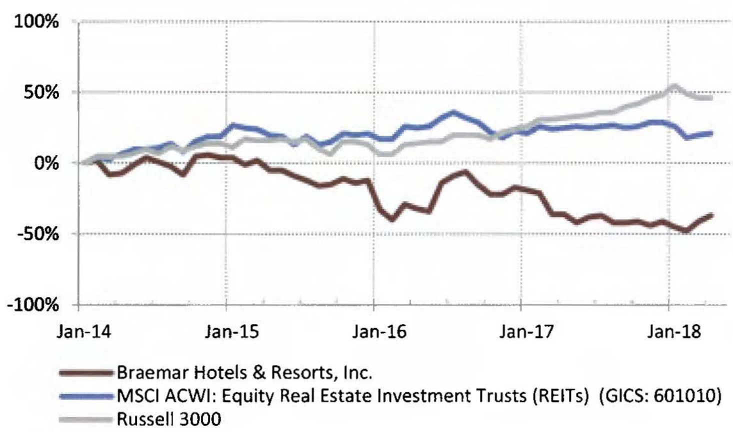
Material Company Updates

Item	Summary
Board and Management Updates	On July 6, 2017, Daniel B. Silvers and Lawrence A. Cunningham resigned from the board following receipt of notice from the company that they were in violation of its Corporate Governance Guidelines, specifically requiring all directors to enter into a confidentiality agreement. Both directors refused to enter into such agreement with the company. The agreement, as amended on June 9, 2017, provides that, among other things, each director agrees (i) not to make any statement or announcement that disparages, or could reasonably be expected to damage the reputation of the company, (ii) not to publicly comment on any matter discussed at any board or committee meeting, and (iii) not to become a party to any agreement with any person other than the company with respect to any compensation, reimbursement or indemnification in connection with such director's service as a company director. Effective Oct. 1, 2017, Abteen Vaziri was appointed to the board. On the same date, Sarah Zubiate Darrouzet resigned from the board. On March 9, 2018, Jeremy J. Welter succeeded David A. Brooks as COO. On the same date, Brooks was appointed as chief transactions officer, general counsel and secretary. Brooks passed away on March 29, 2018.
Name Change	On April 23, 2018, the company changed its name from Ashford Hospitality Prime, Inc. to Braemar Hotels & Resorts Inc.

Financial Highlights

Company Description: Braemar Hotels & Resorts is a REIT that invests primarily in high RevPAR, full-service luxury hotels and resorts. It is listed on the New York Stock Exchange under the symbol BHR and is externally-advised by Ashford Inc.

STOCK PRICE PERFORMANCE



TOTAL SHAREHOLDER RETURNS

	1 Yr	3 Yr	5 Yr
Company TSR (%)	-24.05	-13.82	N/A
GICS 6010 TSR (%)	5.04	6.09	10.73
Russell 3000 TSR (%)	21.13	11.12	15.58

Source: Compustat. As of last day of company FY end month: 12/31/2017

COMPANY SNAPSHOT

Market Cap (M)	333.2
Closing Price	10.25
Annual Dividend	0.64
52-Week High	11.34
52-Week Low	8.44
Shares Outstanding (M)	32.51
Average daily trading volume (prior mo)*	256.96

As of May 15, 2018 (All currency in USD)
* Trading Volume in thousands of shares

FINANCIAL & OPERATIONAL PERFORMANCE

	Historical Performance (FY ending)					Compared to Peers (Compustat FY*) – 2017				
All currency in USD	12/2013	12/2014	12/2015	12/2016	12/2017	HT	CLDT	CHSP	INN	DRH
Earnings						Hersha Hospitality Trust	Chatham Lodging Trust	Chesapeake Lodging Trust	Summit Hotel Properties, Inc.	DiamondRock Hospitality Company
Revenue (M)	234	307	347	403	415	496	300	598	515	872
Net Income (M)	-12	2	-7	19	23	100	29	76	99	92
EBITDA (M)	33	44	43	45	45	N/A	N/A	N/A	N/A	138
EPS (USD)	-0.73	0.08	-0.34	0.57	0.52	1.82	0.73	1.12	0.79	0.46
EPS Y/Y Growth (%)	-161	N/A	N/A	N/A	-9	-18	-11	-1	-21	-19
Profitability										
Pretax Net Margin (%)	-7	2	-1	6	7	22	10	13	20	12
EBITDA Margin (%)	14	14	13	11	11	N/A	N/A	N/A	N/A	16
Return on Equity (%)	-8	1	-3	5	4	9	4	7	6	5
Return on Assets (%)	-1	0	-1	1	1	4	2	4	4	3
ROIC (%)	-1	0	-1	3	1	4	2	4	4	3
Leverage										
Debt/Assets	65	62	62	61	58	51	39	42	39	30
Debt/Equity	426	274	208	204	168	131	67	79	68	51
Cash Flows										
Operating (M)	34	55	9	57	71	108	87	144	147	205
Investing (M)	-28	-213	-183	100	-174	-100	-161	-4	-516	-179
Financing (M)	118	186	107	-136	124	-177	71	-139	370	-85
Net Change (M)	123	28	-66	22	21	-168	-3	1	2	-60
Valuation & Performance										
Price/Earnings	N/A	214.50	N/A	23.90	18.70	9.60	31.20	24.20	19.30	24.50
Annual TSR (%)	N/A	-4.54	-13.48	-2.59	-24.05	-13.34	18.04	11.47	-0.86	2.41

Source: Compustat. *Note: Compustat standardizes financial data and fiscal year designations to allow for meaningful comparison across companies. Compustat data may differ from companies' disclosed financials and does not incorporate non-trading equity units. Peers shown here represent closest industry peers drawn from those peers used in ISS' pay-for-performance analysis. See www.issgovernance.com/policy-gateway/company-financials-faq/ for more information.

Corporate Governance Profile

BOARD & COMMITTEE SUMMARY

	Independence	Members	Meetings
Full Board	83%	6	14
Audit	100%	3	5
Compensation	100%	3	4
Nominating	100%	3	10

Chairman classification	Executive Director
Separate chair/CEO	Yes
Independent lead director	Yes
Voting standard	Majority
Plurality carveout for contested elections	Yes
Resignation policy	Yes
Total director ownership (000 shares)	1,879
Total director ownership (%)	5.4
Percentage of directors owning stock	100%
Number of directors attending < 75% of meetings	0
Number of directors on excessive number of outside boards	0
Average director age	48 years
Average director tenure	3 years
Percentage of women on board	17%

SHAREHOLDER RIGHTS SUMMARY

Controlled company	No
Classified board	No
Dual-class stock	No
Vote standard for mergers/acquisitions	Majority
Vote standard for charter amendment	66.67%
Vote standard for bylaw amendment	N/A
Shareholder right to call special meetings	Yes, 50.01%
Material restrictions on right to call special meetings	No
Shareholder right to act by written consent	Unanimous
Cumulative voting	No
Board authorized to issue blank-check preferred stock	Yes
Poison pill	No
Proxy Access	Yes
- Ownership requirement (%)	3
- Time requirement (years)	3
- Nomination limit (% of seats)	20
- Nomination limit (# of nominees)	2
- Aggregation cap (# of nominators)	20

Director tenure

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Board Profile (after upcoming meeting)

Director Independence & Affiliations

NON-EXECUTIVE DIRECTORS

Item On Ballot	Name	Affiliation	Independence Classification		Attend <75%	Gen-der	Age	Tenure	Term Ends	Outside		Key Committees			
			Company	ISS						Boards	CEO	Audit	Comp	Nom	Gov
1.1	**Monty Bennett**	Chair	Non-Independent	Executive Director		M	53	5	2019	2	✓				
1.4	**Curtis McWilliams**	Lead Director	Independent	Independent		M	62	4	2019	1		C F			
1.2	**Stefani Carter**		Independent	Independent		F	40	4	2019	0			M	C	C
1.3	**Kenneth Fearn Jr.**		Independent	Independent		M	52	1	2019	0		F	M		
1.5	**Matthew Rinaldi**		Independent	Independent		M	42	4	2019	0			C	M	M
1.6	**Abteen Vaziri**		Independent	Independent		M	39	0*	2019	0		M		M	M

*Indicates director not previously submitted to shareholders for election.

M = Member | C = Chair | F = Financial Expert

Director Notes

Monty Bennett

1) Monty J. Bennett is the founder of the company. 2) Bennett serves as CEO and chairman of Ashford Inc., which together with Ashford Hospitality Advisors LLC, a subsidiary of Ashford Inc., serve as advisors of the company. 3) Bennett served as CEO of the company until Nov. 14, 2016. 4) The company entered into a management agreement with Remington Lodging and Hospitality, LLC (Remington), pursuant to which the company has agreed to engage Remington for the property management, project management, development and certain other work for all hotels that the company acquires. In 2017, the company paid Remington $1.7 million in fees related to the agreement. Bennett is the CEO of Remington and, together with his father, beneficially owns 100 percent of Remington. 5) The company entered into a mutual exclusivity agreement with Remington, in which the company has a first right of refusal to purchase any lodging-related investments identified by Remington and any of its affiliates that meet the company's investment criteria. (Source: DEF14A, 5/23/18, pp. 1, 7, 48, and under "Founder and Chairman Letter" section; 8-K, 11/2/16, under "ITEM 5.02" section.)

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Director Employment, Compensation & Ownership

Name	Primary Employment	Outside Boards	Total Compensation*	Shares Held	60-day Options	Total	Voting Power (%)
Monty Bennett	CEO, Chairman - Ashford Inc.	Ashford Hospitality Trust, Inc., Ashford Inc.	N/D	1,822,256	0	1,822,256	5.40
Curtis McWilliams	Prof Director	Ardmore Shipping Corporation	233,360	21,481	0	21,481	<1
Stefani Carter	Attorney		154,370	9,600	0	9,600	<1
Kenneth Fearn Jr.	Real Estate Services		176,044	6,400	0	6,400	<1
Matthew Rinaldi	Other		145,478	16,800	0	16,800	<1
Abteen Vaziri	Retired		55,764	2,133	0	2,133	<1

*Local market currency

Compensation Profile

EXECUTIVE PAY OVERVIEW

Executive	Title	Base Salary	Change in Pension, Deferred Comp, All Other Comp	Bonus & Non-equity Incentives	Restricted Stock	Option Grant	Total
R. Stockton	Chief Executive Officer and President	0	0	0	194	0	194
D. Brooks	Former Chief Transaction Officer, General Counsel and Secretary	0	0	0	1,117	0	1,117
J. Hays III	Chief Strategy Officer	0	0	0	745	0	745
J. Welter	Chief Operating Officer	0	0	0	745	0	745
D. Eubanks	Chief Financial Officer and Treasurer	0	0	0	745	0	**745**
Median CEO Pay	ISS Selected Peer Group	713	47	944	2,191	0	3,931
	Company Defined Peers	N/A	N/A	N/A	N/A	N/A	**N/A**

Source: ISS. Pay in $thousands. Total pay is sum of all reported pay elements, using ISS' Black-Scholes estimate for option grant-date values. Note: Median total pay will not equal sum of pay elements medians. Company Defined Peers are as disclosed. More information on ISS' peer group methodology at www.issgovernance.com/policy-gateway/us-compensation-policy-guidance/.

OPTION VALUATION ASSUMPTIONS

For CEO's last FY Grant*	Company	ISS
Volatility (%)	N/A	N/A
Dividend Yield (%)	N/A	N/A
Term (yrs)	N/A	N/A
Risk-free Rate (%)	N/A	N/A
Grant date fair value per option	N/A	N/A
Grant Date Fair Value ($ in 000)	N/A	N/A

*The CEO did not receive stock options in the most recent fiscal year.

CEO PAY MULTIPLES

Compared to	Multiple
2nd highest active executive	0.17
Average active NEO	0.23
ISS peer median	0.05
Company peer median	N/A
Median of employees (CEO Pay Ratio)	N/A

CEO TALLY SHEET

CEO	R. Stockton
CEO tenure at FYE:	1.1 years
Present value of all accumulated pension:	N/A
Value of CEO stock owned (excluding options):	$3,168,654
Potential Termination Payments	
Involuntary termination without cause:	N/D
Termination after a change in control:	N/D

Source: DEF14A

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Dilution & Burn Rate

DILUTION

	Dilution (%)
Braemar Hotels & Resorts, Inc.	11.61
Peer group median	2.73
Peer group weighted average	5.38
Peer group 75th percentile	6.46

Dilution is the sum of the total amount of shares available for grant and outstanding under options and other equity awards (vested and unvested) expressed as a percentage of total basic common shares outstanding as of the record date. The dilution figure typically excludes employee stock purchase plans (ESPPs) and 401(k) shares. The underlying information for the company is based on the company's equity compensation table in the most recent proxy statement or 10-K.

BURN RATE

	Non-Adjusted (%)	Adjusted (%)
1-year	0.98	1.97
3-year average	0.72	1.44

Burn rate equals the number of shares granted in each fiscal year, including stock options, restricted stock (units), actual performance shares delivered under the long-term incentive plan or earned deferred shares, to employees and directors divided by weighted average common shares outstanding. The adjusted burn rate places a premium on grants of full-value awards using a multiplier based on the company's annual volatility.

QualityScore

Governance	5	Environment	8	Social	6
Lower Risk — Higher Risk		Higher Disclosure — Lower Disclosure		Higher Disclosure — Lower Disclosure	
Board Structure	8	Management of Environmental Risks and Opportunities	6	Human Rights	4
Compensation	1	Carbon and Climate	6	Labor, Health, and Safety	6
Shareholder Rights	4	Natural Resources	4	Stakeholders and Society	7
Audit & Risk Oversight	1	Waste and Toxicity	5	Product Safety, Quality, and Brand	N/A

Governance Scores As Of: June 20, 2018
Last Data Profile Update: June 20, 2018

Environmental and Social Scores As Of: June 20, 2018
Last Data Profile Update: May 17, 2018

ISS Governance QualityScore is derived from publicly disclosed data and reporting on company governance disclosure, risk and performance. ISS Environmental and Social QualityScore is based on company disclosure and transparency practices. Scores indicate decile rank among relative index, region (Governance QualityScore), or industry group (Environmental and Social QualityScore). Scores are calculated at each pillar by summing the factor scores in that pillar. Not all factors and not all subcategories have equal weight.

For more information on ISS Governance QualityScore, visit www.issgovernance.com/solutions/qualityscore/governance. **For questions, please contact:** QualityScore@issgovernance.com.

For more information on ISS-Ethix Environmental and Social QualityScore, visit www.issgovernance.com/solutions/qualityscore/environmental-social. **For questions, please contact:** ESGHelpdesk@Issethix.com.

Vote Results

ANNUAL MEETING 9 JUNE 2017

Proposal	Board Rec	ISS Rec	Disclosed Result	Support Including Abstains (%)[1]	Support Excluding Abstains (%)[2]
1.1 Elect Director Monty J. Bennett	For	For	Pass	92.0	92.0
1.2 Elect Director Stefani D. Carter	For	Withhold	Pass	79.4	79.4
1.3 Elect Director Lawrence A. Cunningham	For	For	Pass	94.4	94.4
1.4 Elect Director Sarah Zubiate Darrouzet	For	For	Pass	96.1	96.1
1.5 Elect Director Kenneth H. Fearn	For	For	Pass	96.2	96.2
1.6 Elect Director Curtis B. McWilliams	For	For	Pass	93.9	93.9
1.7 Elect Director Matthew D. Rinaldi	For	For	Pass	93.8	93.8
1.8 Elect Director Daniel B. Silvers	For	For	Pass	94.1	94.1
2 Adopt Majority Voting for Uncontested Election of Directors	For	For	Pass	56.7*	56.7*
3 Amend Omnibus Stock Plan	For	Against	Pass	74.3	74.7
4 Amend Investment Advisory Agreement	For	For	Pass	95.5	96.3
5 Ratify BDO USA LLP as Auditors	For	For	Pass	99.7	99.7

Shaded results reflect a majority of votes cast FOR shareholder proposal or AGAINST management proposal or director election
[1]Support Including Abstains is defined as %FOR/(For + Against + Abstain), as expressed as a percentage.
[2]Support Excluding Abstains is defined as %FOR/(For + Against), as expressed as a percentage, provided if different from For + Against + Abstain.
*Support as a percentage of outstanding shares.

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Meeting Agenda & Proposals

Items 1.1-1.6. Elect Directors — SPLIT

VOTE RECOMMENDATION

WITHHOLD votes are warranted for incumbent director nominees Monty J. Bennett, Stefani D. Carter, Kenneth H. Fearn, Curtis B. McWilliams, and Matthew D. Rinaldi for a material governance failure. The board's actions following the entry into a settlement agreement with Sessa Capital demonstrated a willingness to entrench existing leadership rather than prioritizing all shareholders' interests.

WITHHOLD votes are warranted for incumbent Governance Committee members Stefani Carter and Matthew Rinaldi for a material governance failure. The company's governing documents prohibit or restrict shareholders' ability to amend the company bylaws.

A vote FOR Abteen Vaziri is warranted.

BACKGROUND INFORMATION

Policies: Board Accountability | Board Responsiveness | Director Competence | Director Independence | Election of Directors | ISS Categorization of Directors | Vote No campaigns

Vote Requirement: The company has adopted a majority vote standard (of shares cast) for the election of directors with a plurality carve-out for contested elections, and has a director resignation policy in its governance guidelines.

Discussion

Please see the Board Profile section above for more information on director nominees.

CHANGES TO THE BOARD OF DIRECTORS

On Feb. 16, 2017, the company entered into a settlement agreement with then-8.5 percent shareholder Sessa Capital L.P., which ran a proxy contest prior to the 2016 annual meeting. Pursuant to the agreement, the company agreed to appoint two of Sessa's director nominees, and that two of the incumbent directors would not stand for re-election at the 2017 annual meeting. The settlement agreement included a provision that the Sessa directors would sign the same confidentiality agreements as the other directors.

On March 3, 2017, Daniel Silvers and Lawrence Cunningham were appointed to the board and each was subsequently elected at the 2017 annual meeting with more than 90 percent support. Additionally, Sarah Zubiate Darrouzet was appointed to the board on April 27, 2017 and also elected with greater than 90 percent support. On June 9, 2017, the day of the 2017 annual meeting, the company amended its corporate governance guidelines to stipulate that each director must sign a confidentiality agreement. However, the confidentiality agreements presented to directors contained provisions that were problematic for the Sessa directors. On July 7, 2017, Silvers and Cunningham each received letters stating that they were not in compliance with the corporate governance guidelines and both directors elected to resign from the board.

The board of directors at Braemar took other concerning actions in regard to the agreement signed with Sessa. The agreement with Sessa stipulated that one of Sessa's two designees would be appointed to the Nominating and Corporate Governance Committee "as promptly as practicable following the execution of [the] agreement." However, at the time of the annual meeting (according the to the company's 2017 proxy statement) and the amendments to the corporate governance guidelines, neither director had been appointed to the committee. Second, the company amended its standard confidentiality agreement after the settlement date of the Sessa agreement. Specifically, the amended confidentiality agreement contained the following provisions (as summarized in a company filing):

"The Confidentiality Agreement requires, subject to certain limited exceptions, that each director maintain the confidentiality of information relating to the Company, Ashford Hospitality Trust, Inc., Ashford Inc. and their affiliates (collectively, the "Ashford Entities") and use such information solely for the purpose of serving on the Board and in connection with the Company's business. Pursuant to the Confidentiality Agreement, each director agrees (a) not to directly or indirectly make any statement or announcement that disparages, or could reasonably be expected to damage the reputation of, any of the Ashford Entities, (b) not to publicly comment on any matter discussed or deliberated at any meeting of the Board or at any meeting of any committee of the Board, (c) to comply with any and all policies and procedures of the Company, (d) not to make any commitment as to how such director will act or vote on any issue or question in his or her capacity as a director of the Company, and (e) not to become a party to any agreement, arrangement or understanding with any person other than the Company with respect to any direct or indirect compensation, reimbursement or indemnification in connection with such director's service as a director of the Company. The Confidentiality Agreement states that no provision thereof shall require any director to violate his or her fiduciary duties to the Company."

In the 8-K announcing the resignation of Cunnigham and Silvers, the company discloses that Cunningham was a member of the Nominating and Corporate Governance Committee; however, it is not disclosed when he was appointed to the committee. Cunningham and Silvers each disclosed their concerns to the board (but the board does not disclose the specific concerns to shareholders) over several of the contractual provisions in the amended confidentiality agreements. The board stated that the directors' refusal to sign the confidentiality agreements constituted a breach of the Sessa agreement.

Conclusion

The board's actions following its entry into the Sessa agreement are of concern to shareholders. The board amended the confidentiality agreements and implemented them into the corporate governance guidelines after signing the Sessa agreement – over the apparent objection of the Sessa designees – and then used the refusal of the Sessa designees to execute these confidentiality agreements as grounds for demanding their resignation despite overwhelming shareholder support for their election. One of the two Sessa directors was supposed to have been promptly appointed to the Nominating and Corporate Governance Committee, but as of the 2017 proxy statement, the company had elected to not abide by this provision of the agreement. Further, the company withheld the proposed changes from the remaining shareholder base and implemented the changes on the day of the annual meeting, thereby ensuring that shareholders would not have the opportunity to voice their opinions on the board's actions until the 2018 annual meeting. These actions demonstrate a willingness by the board to entrench itself and work to the directors' self-interest rather than to prioritize the unaffiliated shareholders' interests. These actions represent a material governance failure and as such, support for the incumbent director nominees is not warranted. Abteen Vaziri was appointed to the board in October 2017, after the actions in question, and may not have had sufficient time to address the ongoing governance concerns.

RESTRICTION ON BINDING SHAREHOLDER PROPOSALS

Shareholders' ability to amend corporate bylaws is a fundamental right, which is enshrined in most states' corporation statutes. A limited number of states permit companies to adopt provisions within their governing documents that prohibit shareholders from submitting binding bylaw amendments. In this case, the company stipulates in its governing documents that the right to amend the bylaws is reserved solely to the board of directors. Under current ISS policy, such a prohibition on binding shareholder amendments materially diminishes shareholder rights and represents an ongoing governance failure. As such, with the exception of new director nominee Abteen Vaziri, withhold votes for all Governance Committee members.

REVIEW OF EXECUTIVE COMPENSATION PRACTICES

Components of Pay

The chart below summarizes year-over-year CEO pay changes and provides a comparison to the median of a peer group based on industry and size criteria. Aggregate pay for all other named executive officers (NEOs) is also shown, along with the ratio of most recent CEO and NEO pay to the company's net income and revenue. Please also refer to the Compensation Profile earlier in the report.

($ in thousands)	CEO				CEO Peer Median	Other NEOs
	R. Stockton		R. Stockton	M. Bennett		
	2017	**Change**	**2016**	**2015**	**2017**	**2017**
Base salary	0		0	0	712	0
Deferred comp & pension	0		0	0	0	0
All other comp	0		0	0	34	0
Bonus	0		0	0	0	0
Non-equity incentives	0		0	0	879	0
Restricted stock	194	-93.4%	2,955	2,169	2,191	3,351
Option grant	0		0	0	0	0
Total	**194**	**-93.4%**	**2,955**	**2,169**	**3,931**	**3,351**
% of Net Income	0.8%					14.6%
% of Revenue	N/A					0.8%

CEO equity pay mix (by value)* Performance-conditioned: 66.7%; Time-based: 33.3%

*Performance shares, if any, are counted and valued at target

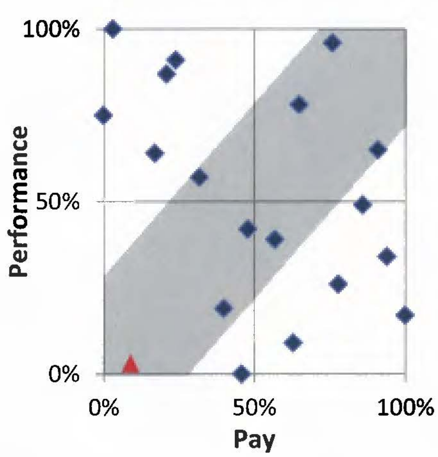
PAY-FOR-PERFORMANCE QUANTITATIVE SCREEN

The pay-for-performance quantitative screen uses four measures that together evaluate the alignment of CEO pay and company performance. The screen measures alignment over multiple time horizons, on both an absolute and relative basis, using multiple performance measures. The screen is designed to identify outlier companies that demonstrate a significant quantitative misalignment over time.

Measure	Result
Relative Degree of Alignment	-6
Multiple of Median	0.05
Absolute Pay-TSR Alignment	24
Initial Quantitative Concern	Low
Financial Performance Assessment	14.5
Overall Quantitative Concern	Low

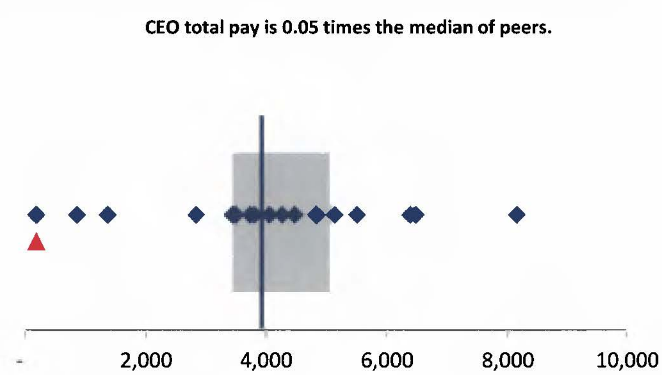
RELATIVE DEGREE OF ALIGNMENT

The chart plots percentiles of the annualized 3-year performance and pay rankings for the company (▲) and ISS' derived peers (◆). The gray band generally indicates alignment



MULTIPLE OF MEDIAN

Pay in $thousands. The gray band represents 25th to 75th percentile of CEO pay of ISS' select peer group, and the blue line represents the 50th percentile.



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ABSOLUTE PAY-TSR ALIGNMENT

CEO granted pay trends versus value of a $100 investment made on the first day of the five-year period.

	2013	2014	2015	2016	2017
Pay($000)		2,456	2,169	2,955	194
Indexed TSR	100.00	90.61	75.56	76.84	56.66
CEO		Monty Bennett	Monty Bennett	Richard Stockton	Richard Stockton

FINANCIAL PERFORMANCE ASSESSMENT

Blue boxes indicate the company's quartile rankings compared to ISS' selected peer group in applicable measure/metric, measured over three years. The leftmost box indicates bottom quartile and rightmost box indicates top quartile.

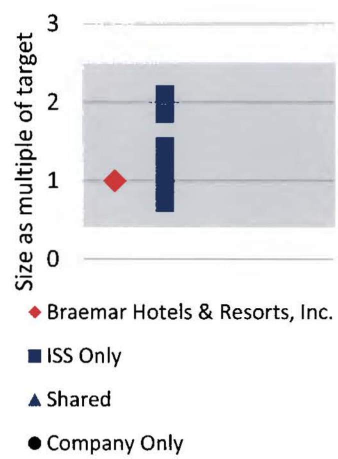
Measure		Quartile Ranking vs. Peers
Pay		
Weighted Performance		
Metrics (ranked by weight)	**Long-Term Performance**	**Quartile Ranking vs. Peers**
ROIC	1.0	
Return on Assets	0.6	
Return on Equity	2.2	
Cash Flow Growth	843.7	

ISS AND COMPANY PEER GROUPS

ISS Selected (18)	Alexander & Baldwin, Inc. Chatham Lodging Trust Columbia Property Trust, Inc. Equity Commonwealth Hersha Hospitality Trust Lexington Realty Trust Pennsylvania Real Estate Investment Trust QTS Realty Trust, Inc. Summit Hotel Properties, Inc.	Armada Hoffler Properties, Inc. Chesapeake Lodging Trust DiamondRock Hospitality Company First Industrial Realty Trust, Inc. Kite Realty Group Trust Pebblebrook Hotel Trust PS Business Parks, Inc. Select Income REIT Tanger Factory Outlet Centers, Inc.
Shared (0)		
Company-Disclosed (0)	None disclosed.	

PEER GROUP SIZE

Size (by revenue) of the ISS, company and overlap peer groups. The gray area represents 0.4 - 2.5 times the company's revenue.



For more information on the ISS peer group methodology, visit https://www.issgovernance.com/policy-gateway/voting-policies/

Data for ISS' pay-for-performance tests are sourced from proxy disclosures for pay and from Compustat for TSR and financial performance. For more information on ISS' quantit pay-for-performance evaluation, visit https://www.issgovernance.com/policy-gateway/voting-policies/

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Executive Summary

Evaluation Component	**Level of Concern**
Non-Performance-Based Pay *Elements*	**Low**
Peer Group Benchmarking	**Low**
Severance/CIC Arrangements	**Low**
Comp Committee Communication/Responsiveness	**Low**
Pay for Performance Evaluation	**Low**

Conclusion

Pay and performance are reasonably aligned and no significant compensation concerns are identified at this time.

Item 2. Ratify BDO USA, LLP as Auditors — FOR

VOTE RECOMMENDATION

A vote FOR this proposal to ratify the auditor is warranted.

BACKGROUND INFORMATION

Policies: Auditor Ratification

Vote Requirement: Majority of votes cast (abstentions not counted)

Discussion

AUDIT FIRM INFORMATION

The board recommends that BDO USA, LLP be reappointed as the company's independent audit firm.

Audit firm name	**BDO USA, LLP**
Audit firm since (as disclosed)	2015
Audit opinion for the last fiscal year	Unqualified
Term to serve if reappointed	1 year

FEES PAID DURING THE LAST FISCAL YEAR

Audit firm name	**BDO USA, LLP**
Fees currency	**USD**
Total fees paid to the audit firm	887,066
Audit fees	**887,066**
Audit-related fees	**0**
Total transaction-related fees	0
Total tax fees	0
Other fees	0
Total non-audit fees*	**0**
Total non-audit fees as a percentage of total fees	**0.0%**

*Total non-audit fees include other fees, tax advice fees, and certain transaction-related fees. Non-audit fees will also include any tax-related fees not identified as tax compliance or tax preparation.

The auditor's report contained in the annual report is unqualified, meaning that in the opinion of the auditor, the company's financial statements are fairly presented in accordance with generally accepted accounting principles.

Analysis

This request to ratify the auditor does not raise any exceptional issues, as the auditor is independent, there are no non-audit fees, and there is no reason to believe the auditor has rendered an inaccurate opinion or engaged in poor accounting practices.

Equity Ownership Profile

Type	Votes per share	Issued
Common Stock	1.00	32,505,238

Ownership - Common Stock	Number of Shares	% of Class
The Vanguard Group, Inc.	3,054,491	9.51
BlackRock Fund Advisors	2,280,017	7.10
Sessa Capital IM LP	2,210,427	6.88
Fidelity Management & Research Co.	1,350,052	4.20
Invesco PowerShares Capital Management LLC	1,238,120	3.86
SSgA Funds Management, Inc.	964,905	3.00
Millennium Management LLC	936,017	2.91
Quantitative Management Associates LLC	922,186	2.87
LSV Asset Management	846,441	2.64
AJO LP	591,447	1.84
JPMorgan Investment Management, Inc.	492,289	1.53
Dimensional Fund Advisors LP	476,696	1.48
Charles Schwab Investment Management, Inc.	391,917	1.22
ClariVest Asset Management LLC	378,096	1.18
WEISMAN LYLE	376,402	1.17
Ranger Global Real Estate Advisors LLC	349,676	1.09
Geode Capital Management LLC	328,939	1.02
BENNETT MONTGOMERY JACK	321,048	1.00
STOCKTON RICHARD J	309,137	0.96
Northern Trust Investments, Inc.	286,729	0.89

Additional Information

Meeting Location	**Dallas/Fort Worth Airport Marriott 8440 Airport Freeway Irving, Texas**
Meeting Time	**9:00 a.m. Central Time**
Shareholder Proposal Deadline	January 22, 2019
Solicitor	**Mackenzie Partners, Inc.**
Security IDs	**10482B101(CUSIP)**

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