

GRAMERCY

PROPERTY TRUST

Dear Shareholder:

April 30, 2018

You are invited to attend the annual meeting of shareholders of Gramercy Property Trust. The meeting will be held on Tuesday, June 12, 2018 at 9:30 a.m., New York time. This year's annual meeting will be a completely virtual meeting of shareholders, which will be conducted via live webcast. You will be able to attend the annual meeting online and submit your questions during the meeting by visiting www.virtualshareholdermeeting.com/GPT2018 and entering your unique voter identification number.

The attached proxy statement, with the accompanying notice of the meeting, describes the matters expected to be acted upon at the meeting. We urge you to review these materials carefully and to take part in the affairs of our company by voting on the matters described in the accompanying proxy statement. We hope that you will be able to attend the meeting at which our management team will be available to answer questions.

Your vote is important. Whether or not you plan to attend the meeting, please complete the enclosed proxy card and return it as promptly as possible or authorize your proxy via the Internet or by calling the toll-free telephone number. The enclosed proxy card contains instructions regarding all three methods of authorizing your proxy. If you attend the meeting, you may continue to have your common shares voted as instructed in the proxy or you may revoke your proxy at the meeting and vote your common shares online. We look forward to your participation.

Sincerely,
/s/ GORDON F. DUGAN

Gordon F. DuGan
Chief Executive Officer

ELECTRONIC AND TELEPHONE PROXY AUTHORIZATION

Gramercy Property Trust's common shareholders of record on the close of business on April 16, 2018, the record date for the 2018 annual meeting of common shareholders, may authorize their proxies by telephone or Internet by following the instructions on their proxy card. If you have any questions regarding how to authorize your proxy by telephone or by internet, please call Morrow Sodali LLC, the firm assisting Gramercy Property Trust with the solicitation of proxies, toll-free at (800) 662-5200.

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GRAMERCY PROPERTY TRUST
90 Park Avenue, 32nd Floor
New York, New York 10016
NOTICE OF ANNUAL MEETING OF COMMON SHAREHOLDERS
TO BE HELD ON JUNE 12, 2018

The 2018 annual meeting of common shareholders of Gramercy Property Trust, a Maryland real estate investment trust, will be held via live webcast at www.virtualshareholdermeeting.com/GPT2018 on Tuesday, June 12, 2018 at 9:30 a.m., New York time. Please be sure to have your unique voter identification number to join the meeting.

At the annual meeting, holders of our common shares will be asked to consider and vote upon the following proposals:

1. To elect nine trustees to serve until the 2019 annual meeting of shareholders and until their successors are duly elected and qualify;
2. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018;
3. To approve, on an advisory basis, the compensation of our named executive officers; and
4. To act upon any other matters that may properly be brought before the annual meeting or any adjournments or postponements thereof.

Any action may be taken on the foregoing matters at the annual meeting on the date specified above, or on any date or dates to which, by original or later adjournment, the annual meeting may be adjourned, or to which the annual meeting may be postponed.

Our Board of Trustees has fixed the close of business on April 16, 2018, as the record date for determining the common shareholders entitled to notice of, and to vote at, the annual meeting, and at any adjournments or postponements thereof. Only common shareholders of record at the close of business on that date will be entitled to notice of, and to vote at, the annual meeting and at any adjournments or postponements thereof.

You are requested to complete and sign the enclosed form of proxy, which is being solicited by our Board of Trustees, and to mail it promptly in the enclosed postage-prepaid envelope or authorize your proxy via the Internet or by calling the toll-free number. The enclosed proxy card contains instructions regarding all three methods of authorizing your proxy. Any proxy may be revoked by delivery of a properly executed, later dated proxy. In addition, common shareholders of record who attend the virtual annual meeting may vote online, even if they have previously delivered a signed proxy.

By Order of our Board of Trustees
/s/ EDWARD J. MATEY JR.

Edward J. Matey Jr.
Secretary

New York, New York

April 30, 2018

Important Notice Regarding the Availability of Proxy Materials for the

Shareholder Meeting to be Held on June 12, 2018.

This proxy statement and our 2017 annual report to shareholders are available

at <http://www.proxyvote.com>.

Whether or not you plan to attend the virtual meeting, please complete, sign, date and promptly return the enclosed proxy card in the postage-prepaid envelope provided or authorize your proxy by telephone or Internet following the instructions on your proxy card. For specific instructions on voting, please refer to the instructions on the proxy card or the information forwarded by your broker, bank or other holder of record. If you attend the virtual meeting, you may vote online even if you have previously signed and returned your proxy card. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote online during the virtual meeting, you must obtain your unique voter identification number from such broker, bank or other nominee.

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PROXY SUMMARY FOR OUR 2018 ANNUAL MEETING OF COMMON SHAREHOLDERS

The Board of Trustees of Gramercy Property Trust, a Maryland real estate investment trust, is sending this proxy statement and the enclosed proxy card on or about May 3, 2018 to holders of our common shares of beneficial interest ("common shares") on April 16, 2018 (the "Record Date") for use at the annual meeting of shareholders to be held on Tuesday, June 12, 2018 at 9:30 a.m., New York time, via live webcast by visiting www.virtualshareholdermeeting.com/GPT2018, or at any postponement or adjournment of the annual meeting.

Meeting Date: Tuesday, June 12, 2018

Time: 9:30am, New York time

Location: Live webcast

Record Date: Monday, April 16, 2018

How to Vote?

Option #1: Voting Electronically at the Annual Meeting

You may vote electronically during the annual meeting at www.virtualshareholdermeeting.com/GPT2018 when you enter your unique voter identification number.

Option #2: Voting by Proxy for Shares Registered Directly in the Name of the Shareholder

You may instruct the proxy holders named in the enclosed proxy card how to vote your common shares in one of the following ways:



Telephone

By calling the toll-free number on your proxy card



Internet

The website for the internet proxy authorization is printed on your proxy card



Mail

Please mark, sign and date your proxy card and return it promptly to Broadridge Financial Solutions, Inc., in the postage-paid envelope provided

Option #3: Voting by Proxy for Shares Registered in Street Name

If your shares are held in street name (i.e., your shares are held in an account at a broker, bank or other nominee), you must return the enclosed Voting Instruction Form in order to have your common shares voted on all items at the annual meeting. Only your broker, bank or other nominee holder can vote your shares. If you do not return your voting instructions, the rules of the NYSE permit your broker to vote some, but not all, of the items that will be presented at the annual meeting. In order for your shares to be voted on all items you must return your voting instructions.

If you have any questions regarding how to authorize your proxy by telephone or by internet, please call Morrow Sodali LLC, the firm assisting Gramercy Property Trust with the solicitation of proxies, toll-free at (800) 662-5200.

Proposal Guide

Proposal	Vote Required to Approve	Page	Board Vote Recommendation
# 1 - Election of Trustees	The affirmative vote of a plurality of all of the common shares votes cast at the annual meeting at which a quorum is present is necessary for the election of the trustees. For purposes of this vote, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the results of the vote for this proposal.	6	For
# 2 - Ratification of Appointment of Ernst & Young LLP	The affirmative vote of a majority of all of the common votes cast at the annual meeting at which a quorum is present is required for the ratification of our independent registered public accounting firm. For purposes of this vote, abstentions will not be counted as votes cast and will have no effect on the result of the vote for this proposal.	16	For
# 3 - Advisory Vote Approving Executive Compensation	The affirmative vote of a majority of all of the common votes cast at the annual meeting at which a quorum is present is required for the resolution to approve, on an advisory basis, the compensation of our named executive officers. An abstention will have the effect of a vote against this proposal and broker non-votes will have no effect on the result of the vote for this proposal.	18	For

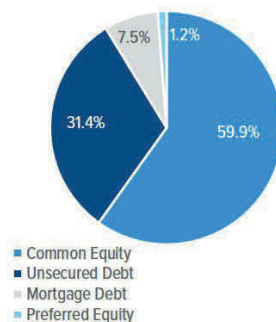
None of the proposals, if approved, entitle any of the shareholders to appraisal rights under Maryland law.

FINANCIAL HIGHLIGHTS¹

AFFO PER SHARE



MARKET CAPITALIZATION 12/31/2017



INDEXED TOTAL RETURN PERFORMANCE²



(\$ in millions, except per share numbers)	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Operations & Balance Sheet				
Revenues	\$130.0	\$131.4	\$134.9	\$149.0
Net Income (Loss) Available to Common Shareholders	\$7.6	\$6.5	\$48.6	\$16.4
Total Assets	\$5,606.9	\$5,686.9	\$6,541.3	\$6,456.0
Portfolio Rentable SF – Wholly Owned	66,732,561	67,485,724	81,046,993	82,146,063
Net Debt / Adjusted EBITDA ³	6.0x	5.4x	6.4x	6.1x
Investment & Disposition Activity				
Acquisition Volume	\$94.1	\$178.5	\$957.2	\$145.0
Disposition Volume	\$51.7	\$183.3	\$21.8	\$155.8

1. Refer to Appendix A in this proxy statement for a reconciliation of Non-GAAP financial measures.
2. Gramercy Property Trust Inc. for the period prior to December 17, 2015.
3. The Company computes EBITDA as Covenant EBITDA for such period plus (i) loss (income) from discontinued operations, (ii) amortization of market lease intangibles, (iii) straight-line rent adjustments, and (iv) reserve for capital expenditures of \$0.10 per square foot. EBITDA is adjusted to include the Company's ownership share of the net income or loss of all unconsolidated equity investments, determined and adjusted in the same manner as provided above in this definition. The Company calculates Adjusted EBITDA for such period as EBITDA plus or minus adjustments that reflect a full quarter of acquisition or disposition impact, and also to remove impact of any one-time items. Net Debt includes pro rata share of debt from JVs in which GPT owns greater than 25%.

CORPORATE GOVERNANCE HIGHLIGHTS

We are committed to operating our business under strong and accountable corporate governance practices. You are encouraged to visit the corporate governance section of our corporate website at www.gptreit.com to view or to obtain copies of our committee charters, amended and restated code of business conduct and ethics, corporate governance guidelines, and amended and restated whistleblowing and whistleblower protection policy. Moving into 2018, we continue to uphold the following features of our corporate governance practices to maintain Gramercy's reputation for integrity and responsible stewardship of our shareholders' capital:



8 of our 9 Trustees are Independent



Independent Chairman of the Board



Anti-Hedging, Short Sale and Pledging Policies for Trustees and Officers



Majority Voting for Trustees (via Trustee Resignation Policy)



Annual Election of All Trustees



No Poison Pill or Similar Feature



Share Ownership and Retention Guidelines for Trustees and Officers

EXECUTIVE COMPENSATION HIGHLIGHTS

Our compensation programs are designed to align executive pay with our performance and to motivate management to make sound financial decisions that increase our value. The Committee believes that a blend of incentive programs based on both quantitative and qualitative performance objectives is the most appropriate way to encourage not only the achievement of outstanding financial performance, but maintenance of consistent standards of teamwork, creativity, good judgment, and integrity. We consider the following objectives of the compensation program:

To attract and retain leading talent in our areas of operation	To motivate our executives to work towards short term financial efficiency and long term value creation based on our business strategy
To achieve the appropriate balance between risk and reward while avoiding the creation of incentives for unnecessary or excessive risk taking	To align the interests of management with those of shareholders

Some of the specific performance factors considered in making 2017 compensation decisions were:

2017 Annual Cash Incentive Metrics		2017 Hurdles	2017 Actual Results
AFFO per share	For the year ended December 31, 2017, AFFO was \$1.90 per diluted common share excluding capital expenditures. The performance factor was not met as dispositions exceeded expectations and outpaced acquisitions for a significant part of the year resulting in lower AFFO. In addition, the Company extinguished a convertible debt instrument for common shares, preserving liquidity for acquisitions and the Company also raised capital earlier in the year than planned through a successful April 2017 equity raise, both of which resulted in an overall higher share count and in turn, a lower AFFO measure per share.	Threshold: \$1.95 Target: \$2.03 Maximum: \$2.10	\$1.90
Asset Growth	As of December 31, 2017, the Company experiences approximately 21% year over year asset growth, significantly exceeding the performance factor.	Threshold: 5.0% Target: 10.0% Maximum: 15.0%	21.0%
Office Exposure	As of December 31, 2017, the Company's office portfolio has been reduced to approximately 17%, exceeding the performance factor.	Threshold: 22.0% Target: 18.5% Maximum: 15.0%	17.0%

For our Chief Executive Officer, President and Chief Investment Officer, eighty percent (80%) of their annual cash bonus was determined based on the above performance factors and for our Chief Financial Officer and General Counsel, fifty percent (50%) of their annual cash bonus was determined based on the above performance factors. The remaining percentage of each executive officer's annual cash bonus was subjective and based on the executive's achievement of individual goals.

GRAMERCY PROPERTY TRUST
90 Park Avenue, 32nd Floor
New York, New York 10016

PROXY STATEMENT
FOR OUR 2018 ANNUAL MEETING OF COMMON SHAREHOLDERS
TO BE HELD ON JUNE 12, 2018

We are sending this proxy statement and the enclosed proxy card on or about May 3, 2018 to holders of our common shares of beneficial interest ("common shares") on April 16, 2018 (the "Record Date") in connection with the solicitation of proxies by the Board of Trustees (the "Board") of Gramercy Property Trust, a Maryland real estate investment trust, for use at the annual meeting of shareholders to be held on Tuesday, June 12, 2018 at 9:30 a.m., New York time, via live webcast by visiting www.virtualshareholdermeeting.com/GPT2018, or at any postponement or adjournment of the annual meeting.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

What is the purpose of the annual meeting?

At the annual meeting, holders of our common shares will be asked to consider and vote upon:

- a proposal to elect 9 trustees to serve until the 2019 annual meeting of shareholders and until their successors are duly elected and qualify;
- a proposal to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018;
- a proposal to approve, on an advisory basis, the compensation of our named executive officers; and
- any other matters that may properly be brought before the annual meeting or at any adjournments or postponements thereof.

References herein to "we," "us," "our," the "company," and "Gramercy" refer to Gramercy Property Trust and its subsidiaries, unless the context otherwise requires.

Who is entitled to vote at the annual meeting?

If our records show that you were a holder of our common shares at the close of business on the Record Date, you are entitled to receive notice of the meeting and to vote the common shares that you held on the Record Date even if you sell such shares after the Record Date. Each outstanding common share entitles its holder to cast one vote for each matter to be voted upon. Shareholders do not have the right to cumulate votes in the election of trustees.

What constitutes a quorum?

The presence, in person or by proxy, of common shareholders entitled to cast a majority of all of the votes entitled to be cast at the annual meeting on matters for which the common shareholders vote is necessary to constitute a quorum for the transaction of business at the meeting. As of the Record Date, there were 161,151,219 common shares outstanding and entitled to vote at the annual meeting.

What is the difference between a shareholder of record and a beneficial owner of our common shares held in street name?

Shareholder of Record. If your shares are registered directly in your name with our transfer agent, Broadridge Financial Solutions, Inc. ("Broadridge"), you are considered the shareholder of record with respect to those shares, and we sent the notice directly to you. If you requested printed copies of the proxy materials by mail, you will receive a proxy card.

Beneficial Owner of Shares Held in Street Name. If your shares are held in an account at a broker, bank or other nominee, then you are the beneficial owner of those shares in "street name," and the notice was forwarded to you by your broker, bank or other nominee who is considered the shareholder of record with respect to those shares. As a beneficial owner, you have the right to instruct your broker, bank or other nominee on how to vote the shares held in your account. Those instructions are contained in a "vote instruction form." If you request printed copies of the proxy materials by mail, you will receive a vote instruction form. Under applicable law and New York Stock Exchange ("NYSE") rules and regulations, brokers have the discretion to vote on routine matters, including ratification of the appointment of our independent registered public accounting firm. However, your broker does not have discretionary authority to vote on (i) the election of trustees or (ii) the resolution to approve, on an advisory basis, of the compensation of our named executive officers, in each case, without instructions from you, in which case a broker "non-vote" will occur and your common shares will not be voted on these matters at the annual meeting.

What vote is required to approve each proposal?

Proposal 1 - Election of Trustees. The affirmative vote of a plurality of all of the common shares votes cast at the annual meeting at which a quorum is present is necessary for the election of the trustees. For purposes of this vote, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the results of the vote for this proposal.

Proposal 2 - Ratification of Appointment of Ernst & Young LLP. The affirmative vote of a majority of all of the common votes cast at the annual meeting at which a quorum is present is required for the ratification of our independent registered public accounting firm. For purposes of this vote, abstentions will not be counted as votes cast and will have no effect on the result of the vote for this proposal.

Proposal 3 - Advisory Vote Approving Executive Compensation. The affirmative vote of a majority of all of the common votes cast at the annual meeting at which a quorum is present is required for the resolution to approve, on an advisory basis, the compensation of our named executive officers. An abstention will have the effect of a vote against this proposal and broker non-votes will have no effect on the result of the vote for this proposal.

Other Matters. If any other matter is properly submitted to the shareholders at the annual meeting, its adoption will require the affirmative vote of a majority of votes cast at the annual meeting. The board does not propose to conduct any business at the annual meeting other than as stated above.

None of the proposals, if approved, entitle any of the shareholders to appraisal rights under Maryland law.

How do I vote?

Voting Electronically at the Annual Meeting. If you are a registered shareholder and attend the annual meeting, you may vote electronically during the annual meeting at www.virtualshareholdermeeting.com/GPT2018 when you enter your unique voter identification number. If your common shares are held in street name and you wish to vote online at

the annual virtual meeting, you will need to obtain a “legal proxy” from the broker, bank or other nominee that holds your common shares of record.

Voting by Proxy for Shares Registered Directly in the Name of the Shareholder. If you hold your common shares in your own name as a holder of record with our transfer agent, Broadridge, you may instruct the proxy holders named in the enclosed proxy card how to vote your common shares in one of the following ways:

- **By Telephone.** You may authorize a proxy to vote your shares by telephone by calling the toll-free number listed on your proxy card. Telephone proxy authorization is available 24 hours per day until 11:59 p.m., New York time, on June 11, 2018. When you call, please have your proxy card in hand, and you will receive a series of voice instructions which will allow you to authorize a proxy to vote your shares. You will be given the opportunity to confirm that your instructions have been properly recorded. **IF YOU AUTHORIZE A PROXY BY TELEPHONE, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.**
- **By Internet.** You also have the option to authorize a proxy to vote your shares via the Internet. The website for Internet proxy authorization is printed on your proxy card. Internet proxy authorization is available 24 hours per day until 11:59 p.m., Eastern Time, on June 11, 2018. As with telephone proxy authorization, you will be given the opportunity to confirm that your instructions have been properly recorded. **IF YOU AUTHORIZE A PROXY VIA THE INTERNET, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.**
- **By Mail.** If you would like to authorize a proxy to vote your shares by mail, then please mark, sign and date your proxy card and return it promptly to Broadridge Financial Solutions, Inc., in the postage-paid envelope provided.

Voting by Proxy for Shares Registered in Street Name. If your shares are held in street name, you must return the enclosed Voting Instruction Form in order to have your common shares voted on all items at the annual meeting. Only your broker, bank or other nominee holder can vote your shares. If you do not return your voting instructions, the rules of the NYSE permit your broker to vote some, but not all, of the items that will be presented at the annual meeting. In order for your shares to be voted on all items you must return your voting instructions.

Gramercy Property Trust’s common shareholders of record on the close of business April 16, 2018, the record date for the 2018 annual meeting of common shareholders, may authorize their proxies by telephone or internet by following the instructions on their proxy card. If you have any questions regarding how to authorize your proxy by telephone or by internet, please call Morrow Sodali LLC, the firm assisting Gramercy Property Trust with the solicitation of proxies, toll-free at (800) 662-5200.

Can I change my vote after I submit my proxy card?

If you authorize a proxy to vote your shares, you may revoke it at any time before it is voted by:

- filing a written notice revoking the proxy with our Secretary at our address;
- properly signing and forwarding to us a proxy with a later date; or
- electronically voting during the annual meeting at www.virtualshareholdermeeting.com/GPT2018 when you enter your unique voter identification number.

If you attend the virtual annual meeting, you may vote online whether or not you have previously given a proxy, but your presence (without further action) at the annual meeting will not constitute revocation of a previously given proxy. If you hold your shares through a bank, broker or other nominee holder, only they can revoke your proxy on your behalf.

How is my vote counted?

If you properly execute a proxy in the accompanying form or authorize your proxy to vote your shares electronically through the Internet or by telephone, and we receive your proxy authorization prior to voting at the annual meeting, the shares that the proxy represents will be voted in the manner specified on the proxy. If no specification is made, the common shares will be voted “FOR” the election of the nominees for the trustees named in this proxy statement, “FOR” the ratification of our Audit Committee’s selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018, and “FOR” the executive compensation advisory resolution, and as recommended by our Board with regard to all other matters in its discretion. It is not anticipated that any matters other than those set forth in the proxy statement will be presented at the annual meeting. If other matters are presented, proxies will be voted in accordance with the discretion of the proxy holders. In addition, no shareholder proposals or nominations were received on a timely basis, so no such matters may be brought to a vote at the annual meeting.

How does the Board recommend that I vote on each of the proposals?

The Board recommends that holders of our common shares vote:

- “FOR” Proposal 1: the election of Charles E. Black, Gordon F. DuGan, Allan J. Baum, Z. Jamie Behar, Thomas D. Eckert, James L. Francis, Gregory F. Hughes, Jeffrey E. Kelter and Louis P. Salvatore to serve on our Board of Trustees as trustees for a one-year term and until their successors are duly elected and qualify;
- “FOR” Proposal 2: the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending on December 31, 2018;
- “FOR” Proposal 3: the resolution to approve, on an advisory basis, the compensation of our named executive officers.

What other information should I review before voting?

For your review, our 2017 annual report, including financial statements for the fiscal year ended December 31, 2017, is being mailed to our common shareholders concurrently with the mailing of this proxy statement. You may also obtain, free of charge, a copy of our 2017 annual report on our website at www.gptreit.com. The information found on, or accessible through, our website is not incorporated into, and does not form a part of, this proxy statement or any other report or document we file with or furnish to the Securities and Exchange Commission (the “SEC”). You may also obtain a copy of our Annual Report on Form 10-K, which contains additional information about us, free of charge, by directing your request in writing to Gramercy Property Trust, 90 Park Avenue, 32nd Floor, New York, New York 10016, Attention: Investor Relations. The 2017 annual report and the Annual Report on Form 10-K, however, are not part of the proxy solicitation material.

Who is soliciting my proxy?

This solicitation of proxies is made by and on behalf of our Board of Trustees. We will pay the cost of the solicitation of proxies. We have retained Morrow Sodali LLC at an aggregate estimated cost of \$5,000, plus out-of-pocket expenses, to assist in the solicitation of proxies. In addition to the solicitation of proxies by mail, our trustees, officers and employees may solicit proxies personally or by telephone.

No person is authorized on our behalf to give any information or to make any representations with respect to the proposals other than the information and representations contained in this proxy statement, and, if given or made, such information and/or representations must not be relied upon as having been authorized and the

delivery of this proxy statement shall, under no circumstances, create any implication that there has been no change in our affairs since the date hereof.

PROPOSAL 1: ELECTION OF TRUSTEES

Our Board of Trustees is currently comprised of nine members each serving for a term of one year and until their successors are duly elected and qualify, which term expires at each annual meeting of shareholders. Our declaration of trust and bylaws provide that a majority of the entire Board of Trustees may at any time increase or decrease the number of trustees.

At the annual meeting, all of the trustees will be elected to serve until the 2019 annual meeting and until their successors are duly elected and qualify. The Board of Trustees, upon recommendation of its Nominating and Corporate Governance Committee, has nominated Charles E. Black, Gordon F. DuGan, Allan J. Baum, Z. Jamie Behar, Thomas D. Eckert, James L. Francis, Gregory F. Hughes, Jeffrey E. Kelter and Louis P. Salvatore to serve as trustees. All of the nominees are currently members of the Board of Trustees with current terms expiring at the 2018 annual meeting.

Our Board of Trustees anticipates that each nominee will serve, if elected, as a trustee. However, if a nominee is unable to stand for election, proxies voted in favor of such nominee will be voted for the election of such other person as our Nominating and Corporate Governance Committee may recommend to our Board of Trustees.

We believe that each of our trustees, including the trustee nominees, have the specific experience, qualifications, attributes, or skills necessary to serve as effective trustees on our Board of Trustees. A description of our process for identifying and evaluating director nominees, as well as our criteria for membership to our Board of Trustees, is set forth under the heading “Corporate Governance Matters - Identification of Trustee Candidates.”

In addition to the above, our Board of Trustees also considered specific qualifications and experiences, described in the biographical details of our trustees and trustee nominees as set forth below.

The election of each nominee requires the affirmative vote of a plurality of all votes cast at the meeting at which a quorum is present in person or by proxy.

Information Regarding the Nominees

The following table and biographical descriptions set forth certain information with respect to each nominee for election as a trustee at our 2018 annual meeting, based upon information furnished by each nominee. The biographical descriptions for each nominee includes the specific experience, qualifications, attributes and skills that led to the conclusion by our Board of Trustees that such person should serve as a trustee.

Name	Age	Position
Charles E. Black	69	Chairman of the Board of Trustees ⁽¹⁾
Gordon F. DuGan	51	Chief Executive Officer, Trustee
Allan J. Baum	62	Trustee ⁽¹⁾
Z. Jamie Behar	60	Trustee ⁽¹⁾
Thomas D. Eckert	70	Trustee ⁽¹⁾
James L. Francis	56	Trustee ⁽¹⁾
Gregory F. Hughes	55	Trustee ⁽¹⁾
Jeffrey E. Kelter	63	Trustee ⁽¹⁾
Louis P. Salvatore	71	Trustee ⁽¹⁾

(1) Independent trustee.

Charles E. Black. Mr. Black has been a Gramercy trustee since June 2004 and the Chairman of its Board of Trustees since June 2012. Mr. Black is the Chief Executive Officer of CB Urban Development, a development company

he founded in 2007 which specializes in mixed-use urban development projects. Mr. Black is also an attorney in private practice who represents developers, land owners and businesses in the development, entitlement, financing and implementation of politically sensitive, public and private real estate projects. Mr. Black's area of special focus in the real estate industry relates to structuring the entitlement and financing of large public/private mixed-use developments anchored by sports venues, convention centers and other public facilities. Before founding CB Urban Development, Mr. Black was the Regional Senior Vice President (San Diego region) of The Irvine Company. Prior to joining The Irvine Company in March 2006, Mr. Black was the Executive Vice President of JMI Realty, where he had overall management responsibility for the development of Petco Park, the \$450 million San Diego Padres baseball park that was completed in February 2004. Prior to joining JMI Realty in 2002, Mr. Black was the President and Chief Operating Officer of the San Diego Padres Baseball Club. From 1991 to 2002, Mr. Black was a partner in the law firm of Gray, Cary, Ware & Freidenrich LLP, where his areas of expertise included real estate acquisition and development, urban planning and development law and development financing. Mr. Black is a member of the Urban Land Institute (ULI) and the land economics society Lambda Alpha International. Mr. Black received a B.S. from the United States Air Force Academy and a J.D. from the University of California at Davis. Mr. Black is qualified to serve as a Gramercy trustee due to his extensive management and real estate investment experience.

Gordon F. DuGan. Mr. DuGan is Chief Executive Officer and a Trustee of the Board of Gramercy Property Trust since December 2015. Mr. DuGan also serves as Chairman of Gramercy Europe, a real estate investment fund manager focused on single-tenant net leased properties throughout Europe. Prior to joining Gramercy, Mr. DuGan spent 22 years at W. P. Carey & Co., where he was promoted to President in 1999, Co-Chief Executive Officer in 2002 and Chief Executive Officer in 2005. During his tenure at W.P. Carey, he oversaw the growth of that company's assets from approximately \$2.5 billion to \$10 billion. Mr. DuGan has been active over the years in his community and in the real estate industry. He is a member of the Council on Foreign Relations and serves on the board of The Innocence Project and the Advisory Board of India 2020, Limited - a private equity firm investing in India. He currently serves on the Board of Governors of the National Association of Real Estate Investment Trusts and has appeared in numerous media outlets, including Forbes, Institutional Investor, The Wall Street Journal, BusinessWeek and Bloomberg. Mr. DuGan received his Bachelor of Science in Economics with a concentration in Finance from the Wharton School of the University of Pennsylvania. Mr. DuGan is qualified to serve as a Gramercy trustee due to his extensive real estate investment and corporate finance experience.

Allan J. Baum. Mr. Baum has been a Gramercy trustee since December 2015. From August 2004 until December 2015 he served as a director of Gramercy Property Trust Inc. and as the chairman of that company's board of directors from January 2014 until December 2015. Mr. Baum retired from Credit Suisse in 2002, where he was a Managing Director and head of the structured finance unit for commercial mortgage-backed securities. Prior to that, Mr. Baum served as a Vice President in the Real Estate Investment Bank of Citicorp and held positions in the tax-exempt housing finance and taxable mortgage finance areas of Merrill Lynch, Pierce, Fenner & Smith Incorporated. Mr. Baum also currently serves as a director of Community Development Trust, a for-profit, mission-oriented real estate investment trust. He previously served as Vice President of the Commercial Mortgage Securities Association. In addition, Mr. Baum served as a director for National Consumer Cooperative Bank, a cooperative financial institution which primarily provides financial services to eligible cooperative enterprises, and also served on its Audit Committee. Mr. Baum received a B.A. degree in Government/Urban Studies from Dartmouth College in 1978 and an M.B.A. in Finance from Columbia University Graduate School of Business in 1983. Mr. Baum is qualified to serve as a Gramercy trustee due to his extensive real estate investment and corporate finance experience.

Z. Jamie Behar. Ms. Behar has been a Gramercy trustee since December 2015. From October 2005 through December 2015, Ms. Behar was Managing Director, Real Estate & Alternative Investments, for GM Investment

Management Corporation (“GMIMCo”). She was a member of GMIMCo’s Board of Directors, the Investment Management Committee, the Private Equity Investment Approval Committee and the Risk Management Committee. Ms. Behar serves as a member of the Board of Directors of: Sunstone Hotel Investors, Inc., a publicly-traded U.S. hotel company, where she also serves as Chair of the Board’s Nominating & Corporate Governance Committee and as a member of the Board’s Audit Committee; Forest City Realty Trust, Inc., a publicly-traded real estate company focused on acquiring, developing and owning mixed-use office and multi-family assets located across the U.S., where she also serves on the Board’s Audit and Corporate Governance & Nominating committees; and the Broadstone Real Estate Access Fund, a registered closed-end management investment company, operated as an interval fund, that invests in institutional quality real estate and real estate-related investments, where she also serves as Chair of the Board’s Nominating & Corporate Governance Committee. From June 2004 through September 2013, Ms. Behar served on the Board of Directors of Desarrolladora Homex S.A. de C.V., a publicly listed home development company located in Mexico, where she also served as a member of the Audit Committee. Ms. Behar was on the Board of Directors of the Pension Real Estate Association from March 2008 through March 2014, having held the position of Board Chair from March 2010 through March 2011. Ms. Behar holds a B.S.E. from The Wharton School of the University of Pennsylvania, an M.B.A. from Columbia University Graduate School of Business and the CFA Charter. Ms. Behar is qualified to serve as a Gramercy trustee due to her extensive real estate investment and corporate finance experience.

Thomas D. Eckert. Mr. Eckert has been a Gramercy trustee since December 2015. From June 2015 until December 2015 he served as a director of Gramercy Property Trust Inc. Mr. Eckert served as Chairman from 2011-2014, and from 1997 to 2011 as President and Chief Executive Officer, of Capital Automotive Real Estate Services, Inc. (“Capital Automotive”), a privately owned real estate company that owns and manages net-leased real estate for automotive retailers. Mr. Eckert was one of Capital Automotive’s founders and led its IPO in February 1998. Mr. Eckert also served as a trustee of Capital Automotive from its founding until December 2006, when it was taken private. From 1983 to 1997, Mr. Eckert was employed by Pulte Home Corporation, a U.S. homebuilder, serving most recently as President of Pulte’s Mid-Atlantic region. Prior to working at Pulte, Mr. Eckert spent over seven years with the public accounting firm Arthur Andersen LLP. Mr. Eckert is currently a member of two public company boards, including (i) Chesapeake Lodging Trust (NYSE: CHSP), a lodging REIT (“Chesapeake”), an owner of luxury hotels, where he serves as the chairman of the Audit Committee and as a member of the Compensation Committee and (ii) NVR, Inc. (NYSE: NVR), one of the largest homebuilders in the USA, where he serves as chairman of the Compensation Committee. From October 2007 until September 2017, Mr. Eckert served as a director of DuPont Fabros Technology (NYSE: DFT), an owner, developer and manager of wholesale data centers, where he served as chairman of the Compensation Committee and as a member of the Audit Committee. From April 2012 until April 2015, he also served as a trustee of The College Foundation of the University of Virginia. In addition, Mr. Eckert served as Chairman of the Board of The Munder Funds, a \$10 billion mutual fund group, until its recent acquisition by Victory Capital Holdings, Inc. in October 2014, and served as a trustee of The Victory Funds, a \$20 billion mutual fund group, until February 2015. Mr. Eckert received his bachelor’s degree in Business Administration from the University of Michigan in 1970. Mr. Eckert is qualified to serve as a Gramercy trustee due to his extensive real estate investment and corporate finance experience.

James L. Francis. Mr. Francis has been a Gramercy trustee since September 2013. Mr. Francis is President and Chief Executive Officer and a Trustee of Chesapeake, positions he has held since Chesapeake’s formation. Prior to co-founding Chesapeake, Mr. Francis served as the President and Chief Executive Officer and a director of Highland Hospitality Corporation (“Highland”), positions that he held from Highland’s IPO in December 2003 to its sale in July 2007. Following the sale of Highland, Mr. Francis served as a consultant to the affiliate of JER Partners that acquired Highland until September 2008. Since September 2008, until Chesapeake’s formation, Mr. Francis was a private investor. From June 2002 until joining Highland in December 2003, Mr. Francis served as the Chief Operating Officer, Chief Financial Officer and Treasurer of Barceló Crestline Corporation (“Barceló”), and served as Executive Vice President

and Chief Financial Officer of Crestline Capital Corporation (“Crestline Capital”), prior to its acquisition by Barceló, from December 1998 to June 2002. Prior to the spin-off of Crestline Capital from Host Hotels & Resorts, Inc. (formerly Host Marriott Corporation, “Host Marriott”), Mr. Francis held various finance and strategic planning positions with Host Marriott and Marriott International, Inc. (“Marriott International”). From June 1997 to December 1998, Mr. Francis held the position of Assistant Treasurer and Vice President Corporate Finance for Host Marriott, where he was responsible for Host Marriott’s corporate finance function, business strategy and investor relations. Over a period of ten years, Mr. Francis served in various capacities with Marriott International’s lodging business, including Vice President of Finance for Marriott Lodging from 1995 to 1997; Brand Executive, Courtyard by Marriott from 1994 to 1995; Controller for Courtyard by Marriott and Fairfield Inn from 1993 to 1994; Director of Finance and Strategic Planning for Courtyard by Marriott and Fairfield Inn from 1991 to 1993; and Director of Hotel Development Finance from 1987 to 1991. Mr. Francis received his B.A. in Economics and Business from Western Maryland College and earned an M.B.A. in Finance and Accounting from Vanderbilt University. Mr. Francis is qualified to serve as a Gramercy trustee due to his extensive corporate finance and investor relations experience.

Gregory F. Hughes. Mr. Hughes has been a Gramercy trustee since December 2015. From December 2012 until December 2015 he served as a director of Gramercy Property Trust Inc. Mr. Hughes served as that company’s Chief Credit Officer from 2004 to 2008. From October 2016 until his resignation in February 2017, Mr. Hughes was a director of New York REIT, Inc. From November 2010 to present, Mr. Hughes has been a Principal for Roscommon Capital Limited Partnership, a financial advisory and investment firm. He served as Chief Financial Officer of SL Green Realty Corp. (“SL Green”) from 2004 to 2010 and as its Chief Operating Officer from 2007 to 2010. Prior to joining SL Green, Mr. Hughes was Managing Director and Chief Financial Officer of the private equity real estate group at JP Morgan Partners. Before that, Mr. Hughes was a Partner and Chief Financial Officer of Fortress Investment Group, an investment and asset management firm. Prior to that, he served as Chief Financial Officer of Wellsford Residential Property Trust and Wellsford Real Properties. Prior to that, Mr. Hughes worked at Kenneth Leventhal & Co., a public accounting firm specializing in real estate and financial services. Mr. Hughes received a B.S. degree in Accounting from the University of Maryland. Mr. Hughes is qualified to serve as a Gramercy trustee due to his extensive real estate investment and accounting experience.

Jeffrey E. Kelter. Mr. Kelter has been a Gramercy trustee since December 2015. From August 2004 until December 2015 he served as a director of Gramercy Property Trust Inc. Mr. Kelter was a Founding Partner and Chief Executive Officer of KTR Capital Partners, a private industrial real estate investment company which was sold in June 2015, and served on that company’s Investment Committee. Prior to that, Mr. Kelter was President, Chief Executive Officer, and a trustee of Keystone Property Trust, an industrial REIT. Mr. Kelter founded that company’s predecessor, Penn Square Properties, Inc., in 1982 and took the company public in 1997. Since February 2014, Mr. Kelter has served on the Board of Directors of Colony Starwood Homes (NYSE: SFR), a single-family rental homes real estate investment trust. He is also a trustee of The Urban Land Institute, Cold Spring Harbor Laboratory, Westminster School and Trinity College, where he received a B.A. in Urban Studies. Mr. Kelter is qualified to serve as a Gramercy trustee due to his extensive real estate investment and corporate finance experience.

Louis P. Salvatore. Mr. Salvatore has been a Gramercy trustee since July 2012. Mr. Salvatore has been employed by Arthur Andersen LLP since 1967, where he currently works part-time focusing on the wind down of the public accounting practice. Mr. Salvatore was a partner at Arthur Andersen LLP from 1977 until 2002 and held a number of management positions with Arthur Andersen LLP including Office Managing Partner for Metro New York, Northeast Region Managing Partner, Member of the Worldwide Board of Partners and Interim Managing Partner of Andersen Worldwide. He also currently serves as an independent director and Chairman of the Audit Committee for public traded closed end and open end funds managed by Brookfield Asset Management and serves as a Board Member and Chairman of the Audit

Committee for Turner Corporation, Mr. Salvatore previously served as a Board Member and Chairman of the Audit Committee for SP Fiber Technologies Inc. from 2012 to 2015, Jackson Hewitt Tax Service Inc. from 2004 through 2011 and for Crystal River Capital Inc., a mortgage REIT sponsored by Brookfield Asset Management, from 2005 through 2010. In addition, Mr. Salvatore has served on the board of many of New York area civic and community organizations, including New York Partnership, United Way of New York City and Catholic Charities Dioceses of Brooklyn. Mr. Salvatore also holds a Masters Professional Director Certification from the American College of Corporate Directors. Mr. Salvatore received a B.S. in Accounting from Fordham University. Mr. Salvatore is qualified to serve as a Gramercy trustee due to his extensive real estate investment and accounting experience.

Biographical Information Regarding Non-Trustee Executive Officers

Benjamin P. Harris. Mr. Harris has been Gramercy's President since December 2015. He served as President of Gramercy Property Trust Inc. from August 2012 to December 2015 and as its Chief Investment Officer from July 2012 until August 2012. Mr. Harris served as the Head of U.S. Net Lease Investments for a wholly-owned subsidiary of Annaly Capital Management from June 2011 to June 2012 and has over 15 years of experience sourcing, underwriting and closing net leased and sale leaseback transactions. Mr. Harris served as the Head of U.S. Investments of Northcliffe from October 2010 to June 2011 and as Head of U.S. Investments of W. P. Carey from September 2005 to October 2010. Mr. Harris previously served in various capacities at W.P. Carey from 1998 through 2010. Mr. Harris graduated from the University of King's College and Dalhousie University in Canada. He is a CFA charter holder and a member of the New York Society of Securities Analysts. Mr. Harris is 43 years old.

Nicholas L. Pell. Mr. Pell is the Chief Investment Officer at Gramercy Property Trust. Prior to joining Gramercy in July 2012, Mr. Pell was a Director in the Investment Department at W. P. Carey & Co. Prior to joining W.P. Carey, Mr. Pell was a Director of Business Development at Sony Pictures Entertainment and an analyst at J.P. Morgan & Co., including two years in the mergers and acquisitions group. He serves on the board of the Newport Festivals Foundation. Mr. Pell received a B.A. in Economics from Duke University and an M.B.A. from Harvard Business School. Mr. Pell is 41 years old.

Jon W. Clark. Mr. Clark has been our Chief Financial Officer and Treasurer since December 2015 and Gramercy Property Trust, Inc.'s Chief Financial Officer and Treasurer since April 2009. He was Gramercy Property Trust, Inc.'s Chief Accounting Officer since March 2009, and prior to that, served as Vice President and Controller from June 2007 until March 2009. Previously, Mr. Clark was a Director at BlackRock Financial Management where he managed the accounting and finance department for real estate debt products. During that time, Mr. Clark also served as Assistant Treasurer at Anthracite Capital, Inc., a publicly traded mortgage REIT that specialized in subordinate commercial mortgage-backed securities. Prior to joining BlackRock Financial Management, Mr. Clark was a Vice President at Cornerstone Properties, Inc. (acquired by Equity Office Properties in 2000) where he established its internal audit department. Mr. Clark is a member of NAREIT's Best Financial Practices Council. Mr. Clark is a Certified Public Accountant and obtained his public accountancy experience as a manager in the national real estate practices of Arthur Andersen LLP and BDO Seidman LLP. Mr. Clark holds a B.B.A. degree in Accountancy from Western Michigan University. Mr. Clark is 49 years old.

Edward J. Matey Jr. Mr. Matey has been Gramercy's Executive Vice President, General Counsel and Secretary since December 2015. He was Executive Vice President and General Counsel of Gramercy Property Trust Inc. from April 2009 until December 2015 and its Secretary from April 2013 until December 2015. From April 2008 until April 2009, Mr. Matey served as Senior Vice President and General Counsel of Gramercy Property Trust Inc.'s Realty Division. Mr. Matey was Executive Vice President and General Counsel of American Financial Realty Trust from September 2002 until April 2008, when Gramercy Property Trust Inc. acquired that company. Prior to that, he was a real estate attorney

at Morgan, Lewis & Bockius LLP, where he was a partner from October 1991 to September 2002 and an associate from November 1986 to October 1991. Mr. Matey received his B.S. from Saint Joseph's University and his J.D. from Villanova University School of Law. Mr. Matey is 64 years old.

The Board of Trustees and its Committees

The Board presently consists of nine members. The Board has affirmatively determined that Charles E. Black, Allan J. Baum, Z. Jamie Behar, Thomas D. Eckert, James L. Francis, Gregory F. Hughes, Jeffrey E. Kelter and Louis P. Salvatore, representing a majority of its members, are “independent trustees,” as such term is defined by the applicable rules of the SEC and the NYSE. The Board held eight meetings during fiscal year 2017. For a discussion of the Board leadership structure and role in risk oversight, see “Corporate Governance Matters,” below.

The Board has four standing committees: an Investment Committee, an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, the current charters of which are available on our corporate website at <http://www.gptreit.com> under the Investor Relations—Corporate Profile “Corporate Governance” section. Further, we will provide a copy of these charters without charge to each shareholder upon written request. Requests for copies should be addressed to Gramercy Property Trust, 90 Park Avenue, 32nd Floor, New York, NY 10016, Attn: Secretary. From time to time, the Board also may create additional committees for such purposes as it may determine.

All trustees attended at least 88% of the Board meetings and meetings of the committees on which they served during the periods they served.

Investment Committee

We have a standing Investment Committee currently consisting of Jeffrey E. Kelter (Chairman), Z. Jamie Behar, Thomas D. Eckert and Louis P. Salvatore. Real estate investments and dispositions having a transaction value greater than \$50.0 million must be approved by the investment committee of our board of trustees, while our full board of trustees must approve all such transactions having a value of \$100.0 million or more. Additionally, the investment committee of the board must approve non-recourse financings greater than \$50.0 million while our full board of trustees must approve all recourse financings, regardless of amount, non-recourse financings of \$100.0 million or more, and all related-party transactions, regardless of amount. For purposes of approval thresholds, unconsolidated equity investments are calculated using our allocated portion of the price of the asset or amount of the financing. We generally intend to hold our properties for an extended period. However, circumstances might arise which could result in the early sale of some properties. We also may acquire a portfolio of properties with the intention of holding only a core group of properties and disposing of the remainder of the portfolio in single or multiple sales. The determination of whether a particular property should be sold or otherwise disposed of will be made after consideration of all relevant factors, including prevailing economic conditions, with a view to achieving maximum capital appreciation. The selling price of a property will depend on many of the same factors identified above with respect to our investment process for acquisitions. Our Investment Committee held four meetings during fiscal year 2017.

Audit Committee

We have a standing Audit Committee, consisting of Louis P. Salvatore (Chairman), Z. Jamie Behar, Thomas D. Eckert, and Gregory F. Hughes, each of whom is “independent,” as such term is defined by the applicable rules of the SEC and the NYSE. The Board has determined that Mr. Louis P. Salvatore and Mr. Gregory F. Hughes are “audit committee financial experts,” as defined in the rules promulgated by the SEC under the Sarbanes-Oxley Act of 2002, as amended. The Audit Committee’s primary functions are to select and appoint the independent registered public accounting firm (including overseeing the auditor’s qualifications and independence) and to assist the Board in fulfilling its oversight responsibilities by reviewing: (i) the financial information to be provided to the shareholders and others; (ii) the system of internal controls that management has established; (iii) the performance of the internal audit function and independent auditor; and (iv) the audit and financial reporting process. The Audit Committee also prepares the “Audit

Committee Report” that the rules of the SEC require to be included in this proxy statement and provides an open avenue of communication among the independent registered public accounting firm, internal auditors, management and the Board. The Board has approved a written charter for the Audit Committee, a copy of which is available on our website at [http:// www.gptreit.com](http://www.gptreit.com) under the Investor Relations—Corporate Governance section. Additional information regarding the functions performed by the Audit Committee is set forth in the “Audit Committee Report” included in this proxy statement. The Audit Committee held six meetings during fiscal year 2017.

Compensation Committee

We have a standing Compensation Committee, consisting of James L. Francis (Chairman), Charles E. Black, Jeffrey E. Kelter, and Allan J. Baum, each of whom is “independent,” as such term is defined by the applicable rules of the SEC and the NYSE. The Compensation Committee’s primary purposes are to recommend, establish, oversee and direct the Company’s executive compensation philosophy, policies, and programs, and to approve compensation for the Chief Executive Officer and the other executive officers. The Compensation Committee retained FPL Associates L.P. as its independent outside compensation consulting firm and also engaged them to provide the Compensation Committee with relevant data concerning the marketplace, our peer group and its own independent analysis and recommendations concerning executive compensation for 2017. The Board has approved a written charter for the Compensation Committee, a copy of which is available on our website at [http:// www.gptreit.com](http://www.gptreit.com) under the Investor Relations—Corporate Governance section. The Compensation Committee held four meetings during fiscal year 2017.

Nominating and Corporate Governance Committee

We have a standing Nominating and Corporate Governance Committee consisting of Allan J. Baum (Chairman), Gregory F. Hughes, Charles E. Black, and James L. Francis, each of whom is “independent,” as such term is defined by the applicable rules of the SEC and the NYSE. The Nominating and Corporate Governance Committee is primarily responsible for: (i) assisting the Board by identifying individuals qualified to become board members and to serve on board committees; (ii) reviewing and approving specific matters that the Board believes may involve conflicts of interest and determining whether the resolution of the conflict of interest is fair and reasonable to the company and its shareholders; and (iii) developing and recommending to the Board, a set of corporate governance guidelines applicable to the company and reviewing those guidelines periodically and, if appropriate, recommending to the Board changes to the corporate governance policies and procedures. The Nominating and Corporate Governance Committee does not have any minimum qualifications with respect to board nominees. However, the Nominating and Corporate Governance Committee considers many factors with regard to each candidate, including judgment, integrity, diversity, prior experience, the interplay of the candidate’s experience with the experience of other board members and the candidate’s willingness to devote substantial time and effort to board responsibilities. The Nominating and Corporate Governance Committee does not have a formal written policy with regard to the consideration of diversity in identifying trustee nominees, although it may consider diversity when identifying and evaluating proposed trustee candidates. The Board has approved a written charter for its Nominating and Corporate Governance Committee, a copy of which is available on our website at [http:// www.gptreit.com](http://www.gptreit.com) under the Investor Relations—Corporate Governance section. The Nominating and Corporate Governance Committee held one meeting during fiscal year 2017.

Compensation of Trustees

Trustees who are not independent do not receive additional compensation for their services as trustees. The following table sets forth the compensation earned by the independent trustees for the year ended December 31, 2017:

Name*	Fees Earned or Paid in Cash (\$)	Share Awards \$(⁽¹⁾)	All Other Compensation \$(⁽²⁾)	Total (\$)
Charles E. Black	\$ 172,000	\$ 90,000	\$ 8,206	\$ 270,206
Allan J. Baum	\$ 107,000	\$ 90,000	\$ 8,206	\$ 205,206
Z. Jamie Behar	\$ 102,000	\$ 90,000	\$ 8,206	\$ 200,206
Thomas D. Eckert	\$ 102,000	\$ 90,000	\$ 8,206	\$ 200,206
James L. Francis	\$ 99,500	\$ 90,000	\$ 8,206	\$ 197,706
Gregory F. Hughes	\$ 102,000	\$ 90,000	\$ 8,206	\$ 200,206
Jeffrey E. Kelter	\$ 101,000	\$ 90,000	\$ 8,206	\$ 199,206
Louis P. Salvatore	\$ 116,500	\$ 90,000	\$ 8,206	\$ 214,706

* The columns for "Options Awards", "Non-Equity Incentive Plan Compensation" and "Change in Pension Value and Nonqualified Deferred Compensation Earnings" have been omitted because they are not applicable.

(1) Amounts shown do not reflect compensation actually received by the named director. Instead, the amounts shown are the aggregate grant date fair value of stock awards issued to the director as determined pursuant to Financial Accounting Standards Board's Accounting Standards Codification Topic 718 "Compensation - Stock Compensation," or FASB ASC Topic 718.

(2) Represents dividend equivalents paid on Restricted Stock Units ("RSUs").

In January 2016, our Compensation Committee adopted the annual fees payable to our non-executive trustees. Each non-executive Trustee receives an annual fee of \$150,000, payable in quarterly installments, 40% in cash and 60% in RSUs. Our Chairman of the Board receives an additional annual fee of \$75,000 and each non-executive Trustee who serves as a chairman of our Audit Committee, Compensation Committee, and Nominating Committee, and Investment Committee receives an additional annual fee of \$20,000, \$15,000, \$15,000, and \$15,000, respectively, which fees are payable in cash, in quarterly installments. Each non-executive Trustee who serves on a committee receives an additional annual fee for Audit Committee, Compensation Committee, Nominating Committee, and Investment Committee in the amount of \$10,000, \$5,000, \$5,000, and \$5,000 respectively, payable in cash in quarterly installments. Each non-executive Trustee also receives a fee in the amount of \$1,500 for each meeting of our Board of Trustees or Committee of our Board of Trustees attended.

All the trustees received reimbursement of reasonable out-of-pocket expenses incurred in connection with their service as trustees for fiscal year 2017. If a trustee was also an officer of the company, they were not paid separate compensation for those services rendered as a trustee for fiscal year 2017.

SHAREHOLDER APPROVAL

The affirmative vote of a plurality of all of the votes cast at the 2018 annual meeting of our shareholders is required to elect nine trustees to serve until the 2019 annual meeting of shareholders and until their successors are duly elected and qualify.

RECOMMENDATION OF THE BOARD



Our Board of Trustees unanimously recommends a vote “FOR” electing the nine trustees to serve until the 2019 annual meeting of shareholders and until their successors are duly elected and qualify.

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Selection of Independent Registered Public Accounting Firm

The Audit Committee has appointed the accounting firm of Ernst & Young LLP to serve as the company's independent registered public accounting firm for the fiscal year ending December 31, 2018, subject to ratification of this appointment by our shareholders. Shareholder ratification of the appointment of Ernst & Young LLP is not required by law, the NYSE or our organizational documents. However, as a matter of good corporate governance, our Board of Trustees has elected to submit the appointment of Ernst & Young LLP to our common shareholders for ratification at the 2018 annual meeting. If our common shareholders fail to ratify the appointment of Ernst & Young LLP, the Audit Committee will reconsider the matter, taking into consideration the common shareholder vote on the ratification and the advisability of appointing a new independent registered public accounting firm prior to the completion of the 2018 audit and may decide to retain Ernst & Young LLP notwithstanding the vote.

A representative of Ernst & Young LLP will be present at our annual meeting, will be given an opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

Audit Fees

Fees for audit services totaled approximately \$2,769,901 in 2017 and \$3,371,465 in 2016, of which \$374,949 and \$409,573 was attributable to Sarbanes-Oxley 404 planning and testing in 2017 and 2016, respectively. Audit fees include fees associated with our annual audit and the reviews of our quarterly reports on Form 10-Q. In addition, audit fees include approximately \$802,295 in 2017 and \$1,186,705 in 2016 of fees for public filings in connection with various investments and services in connection with common stock offerings and certain other transactions, and fees related to business combinations. Audit fees also include fees for accounting research and accounting consultations billed as audit services.

Audit-Related Fees

There were no audit-related services and no associated fees in 2017 and 2016. The audit-related services principally include fees for assurance related services in connection with our acquisition activities, due diligence for mergers and acquisitions and accounting consultations and audits in connection with acquisitions.

Tax Fees

Fees for tax services totaled approximately \$68,979 in 2017 and \$551,152 in 2016, associated with the 2016 and 2015 tax return preparation and routine on call advisory services. Tax fees include fees for tax compliance, tax planning and tax advice.

All Other Fees

We did not incur fees for other services not included above.

Our Audit Committee considers whether the provision by Ernst & Young LLP of the services that are required to be described under "All Other Fees" is compatible with maintaining Ernst & Young LLP's independence from both management and our company.

Pre-Approval Policies and Procedures of Gramercy's Audit Committee

The Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by the independent registered public accounting firm, except for any de minimis non-audit services. Non-audit services are considered "de minimis" if: (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues paid to the independent registered public accounting firm during the fiscal year in which they are provided; (ii) Gramercy did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the Audit Committee's attention and approved prior to the completion of the audit by the Audit Committee or any of its member(s) who has authority to give such approval. None of the fees reflected above were approved by the Audit Committee pursuant to this "de minimis" exception. The Audit Committee may delegate to one or more of its members the authority to grant pre-approvals.

SHAREHOLDER APPROVAL

The affirmative vote of a majority of the votes cast at the 2018 annual meeting of our shareholders is required to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm.

RECOMMENDATION OF THE BOARD



Our Board of Trustees unanimously recommends a vote "FOR" the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.

PROPOSAL 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION

We seek an advisory vote on the compensation of our named executive officers as described under: “Executive Compensation-Compensation Discussion and Analysis” section (and the accompanying tabular and narrative disclosure) of this proxy statement. We are conducting this advisory vote to contribute to its commitment to high standards of governance and pursuant to regulations under Section 14A of the Exchange Act. The following proposal, commonly known as a “Say on Pay” proposal, gives shareholders the opportunity to approve, reject or abstain from voting with respect to fiscal 2017 executive compensation programs and policies and the compensation paid to its named executive officers. If you are a shareholder as of the record date, your advisory vote will serve as an additional tool to guide the Board and Compensation Committee in aligning the executive compensation programs with the interests of the company and its shareholders.

As discussed in the “Executive Compensation-Compensation Discussion and Analysis” section of this proxy statement and the accompanying tables and related narrative disclosure, the primary objectives of the executive compensation program are to attract and retain qualified and talented individuals who possess the skills and expertise necessary to lead, manage and grow our company, and are accountable for its performance. Under this program, we also seek to promote an ownership mentality amongst our named executive officers by issuing equity grants to them that not only align their interests with the interests of its shareholders, but also enhance the executives’ focus on long term performance. We believe this strong tie between compensation and performance leads to success and serves the best interests of shareholders. Our Compensation Committee regularly reviews all elements of the compensation paid to its named executive officers to align the interests of its named executive officers with shareholders, and incentivize executives to focus on the achievement of long term business objectives. Please refer to the “Executive Compensation-Compensation Discussion and Analysis” section of this proxy statement for additional details about the executive compensation program, including information about the fiscal year 2017 compensation of our named executive officers.

Approval of this advisory “Say on Pay” resolution requires the affirmative vote of the holders of a majority of the votes cast at the shareholder meeting at which a quorum is present.

The vote on this proposal is advisory in nature. Because of this, it will not affect any compensation already paid or awarded to any named executive officer, it will not be binding on or overrule any decisions by the Board, and it will not restrict or limit the ability of shareholders to make proposals for inclusion in proxy materials related to executive compensation. Nevertheless, the Board values input from shareholders highly and will carefully consider the results of this vote when making future decisions about executive compensation. In addition, even if a majority of shareholders approves this proposal, if there is a significant vote against the compensation of the named executive officers, the Compensation Committee will evaluate whether any actions are appropriate to address the concerns of shareholders. The vote on this resolution is not intended to address any specific element of compensation; rather, the vote relates to the overall compensation of the named executive officers, as described in this proxy statement in accordance with the compensation disclosure rules of the SEC. Accordingly, we will ask our shareholders to vote for the following resolution at the annual meeting:

“RESOLVED, that the compensation of the named executive officers, as disclosed in this proxy statement pursuant to the Securities and Exchange Commission’s executive compensation disclosure rules, including under: “Executive Compensation-Compensation Discussion and Analysis” (and the accompanying tabular and narrative disclosure); is hereby approved.”

RECOMMENDATION OF THE BOARD



Our Board of Trustees unanimously recommends a vote “FOR” an advisory vote on the compensation of our named executive officers as described under: “Executive Compensation-Compensation Discussion and Analysis” section (and the accompanying tabular and narrative disclosure) of this proxy statement.

AUDIT COMMITTEE REPORT

The following is a report by the Audit Committee of the Board of Trustees of Gramercy Property Trust (the “Audit Committee”) regarding the responsibilities and functions of the Audit Committee. This report shall not be deemed to be incorporated by reference in any previous or future documents filed with the SEC, under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate this report by reference in any such document.

The Audit Committee oversees our financial reporting process. Management has the primary responsibility for the preparation, presentation and integrity of our financial statements, accounting and financial reporting principles, internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations. In fulfilling its oversight responsibilities, our Audit Committee reviewed the audited financial statements in our Annual Report on Form 10-K for the year ended December 31, 2017 with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with the independent registered public accounting firm, who is responsible for auditing our financial statements and for expressing an opinion on the conformity of those audited financial statements with accounting principles generally accepted in the United States, its judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with the Audit Committee under Statement on Auditing Standards No. 61, as currently in effect. The Audit Committee received the written disclosure and the letter from our independent registered public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant’s communications with the Audit Committee concerning independence, as currently in effect, discussed with our independent registered public accounting firm the auditors’ independence from both management and our company and considered the compatibility of our independent registered public accounting firm’s provision of non-audit services to our company with their independence.

The Audit Committee discussed with our independent registered public accounting firm the overall scope and plans for their audit. The Audit Committee met with our independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls and the overall quality of its financial reporting, including unconsolidated balance sheet investments.

In reliance on the reviews and discussions referred to above, our Audit Committee recommended to our Board of Trustees (and our Board of Trustees has approved) that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2017 for filing with the SEC.

The members of our Audit Committee are not professionally engaged in the practice of auditing or accounting. Committee members rely, without independent investigation or verification, on the information provided to them and on the representations made by management and our independent registered public accounting firm. Accordingly, the Audit Committee’s oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee’s considerations and discussions referred to above do not assure that the audit of our financial statements has been carried out in accordance with the standards of the Public Company Accounting Oversight Board (United States), that the financial statements are presented in accordance with accounting principles generally accepted in the United States or that Ernst & Young LLP is in fact “independent.”

Our Board of Trustees has determined that each member of the Audit Committee is financially literate and has accounting or related financial management expertise, as such qualifications are defined under the rules of the NYSE. It also has determined that the Audit Committee has at least two “audit committee financial experts,” as defined in Item 407(d)(5) of SEC Regulation S-K, such experts being Mr. Salvatore and Mr. Hughes, and that they are “independent,” as such term is defined by the applicable rules of the SEC and the NYSE.

Submitted by the Audit Committee:

Louis P. Salvatore (Chairman)

Z. Jamie Behar

Thomas D. Eckert








Gregory F. Hughes

GRAMERCY CORPORATE GOVERNANCE MATTERS

This section contains information about a variety of our corporate governance policies and practices. In this section, you will find information about how we are complying with the NYSE's corporate governance rules that were approved by the SEC. We are committed to operating our business under strong and accountable corporate governance practices. Our Board of Trustees reviews these guidelines and other aspects of our corporate governance periodically.

You are encouraged to visit the corporate governance section of the "Investor Relations - Corporate Governance" page of our corporate website at www.gptreit.com to view or to obtain copies of our committee charters, amended and restated code of business conduct and ethics, corporate governance guidelines, and amended and restated whistleblowing and whistleblower protection policy. The information found on, or accessible through, our website is not incorporated into, and does not form a part of, this proxy statement or any other report or document we file with or furnishes to the SEC. You may also obtain, free of charge, a copy of our committee charters, amended and restated code of business conduct and ethics, corporate governance guidelines and amended and restated whistleblowing and whistleblower protection policy by directing your request in writing to Gramercy Property Trust, 90 Park Avenue, 32nd Floor, New York, NY 10016, Attn: Investor Relations. Additional information relating to the corporate governance of Gramercy is also included in other sections of this proxy statement.

Corporate Governance Highlights

-  8 of our 9 Trustees are Independent
-  Independent Chairman of the Board
-  Share Ownership and Retention Guidelines for Trustees and Officers
-  Anti-Hedging, Short Sale and Pledging Policies for Trustees and Officers
-  Majority Voting for Trustees (via Trustee Resignation Policy)
-  Annual Election of All Trustees
-  No Poison Pill or Similar Feature

Code of Business Conduct and Ethics

The Board has adopted a code of business conduct and ethics that applies to trustees, officers and employees. Among other matters, the code of business conduct and ethics was designed to deter wrongdoing and to assist trustees, executive officers and employees in promoting honest and ethical conduct, including the following: ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely and understandable disclosure in SEC reports and other public communications; compliance with applicable governmental

laws, rules and regulations; prompt and anonymous internal reporting of violations of the code to appropriate persons identified in the code; and accountability for adherence to the code.

Any amendment to, or waiver of, the amended and restated code of business conduct and ethics may be made only by the Board or one of its committees specifically authorized for this purpose and the company intends to disclose any changes in or waivers from this code of ethics by posting such information on its website or by filing a Current Report on Form 8-K.

Trustee Independence

Background

Our corporate governance guidelines provide that a majority of the trustees serving on our Board of Trustees must be independent as required by the listing standards of the NYSE and the rules promulgated by the SEC.

Independence Determinations Made by the Board of Trustees

Our Board of Trustees has determined, based upon its review of all relevant facts and circumstances and after considering all applicable relationships of which our Board of Trustees had knowledge, between or among the trustees and our company or its management, that each of Charles E. Black, James L. Francis, Thomas D. Eckert, Z. Jamie Behar, Gregory F. Hughes, Jeffrey E. Kelter, Allan J. Baum, and Louis P. Salvatore, has no material relationship with our company (either directly or as a partner, shareholder or officer of an organization that has a relationship with our company) and is “independent” as defined in the NYSE listing standards and the applicable SEC rules. No trustee participated in the final determination of his own independence.

Consideration of Trustee Candidates

The Nominating and Corporate Governance Committee considers properly submitted shareholder recommendations for candidates for membership on our Board of Trustees as described below under “Identifying and Evaluating Trustee Candidates.” In evaluating such recommendations, the Nominating and Corporate Governance Committee seeks to achieve a balance of knowledge, experience and capability on our Board of Trustees and to address the membership criteria set forth below under “Trustee Qualifications.” Any shareholder recommendations for consideration by the Nominating and Corporate Governance Committee should include the nominee’s name and qualifications for board membership. The recommending shareholder should also submit evidence of the shareholder’s ownership of our shares, including the number of shares owned and the length of time of ownership. The recommendation should be addressed to Gramercy Property Trust, 90 Park Avenue, 32nd Floor, New York, NY 10016, Attn: Secretary.

Trustee Qualifications

Our Board of Trustees has adopted Corporate Governance Guidelines that address significant issues of corporate governance and set forth procedures by which our Board of Trustees carries out its responsibilities. Among the areas addressed by the Corporate Governance Guidelines are trustee qualification standards, trustee responsibilities, trustee access to management and independent advisors, trustee compensation, trustee orientation and continuing education, management succession, annual performance evaluation of our Board of Trustees, management responsibilities and meeting procedures. These guidelines meet or exceed the listing standards adopted by the NYSE, on which our common shares are listed. Our Nominating and Corporate Governance Committee is responsible for assessing and periodically reviewing the adequacy of the Corporate Governance Guidelines and will recommend, as appropriate, proposed changes to our Board of Trustees. Among the areas addressed by the Corporate Governance Guidelines are trustee qualification standards, trustee responsibilities, trustee access to management and independent advisors, trustee compensation,

trustee orientation and continuing education, management succession, annual performance evaluation of our Board of Trustees, management responsibilities and meeting procedures. These guidelines meet or exceed the listing standards adopted by the NYSE, on which our common shares are listed. Our Nominating and Corporate Governance Committee is responsible for assessing and periodically reviewing the adequacy of the Corporate Governance Guidelines and will recommend, as appropriate, proposed changes to our Board of Trustees.

Identifying and Evaluating Trustee Candidates

The Nominating and Corporate Governance Committee may solicit recommendations for trustee nominees from any or all of the following sources: non-management trustees, the Chief Executive Officer and President, other executive officers, third-party search firms or any other source it deems appropriate. As described above, the Nominating and Corporate Governance Committee will also consider potential nominees recommended by shareholders.

Each trustee candidate must have (i) education and experience that provides knowledge of business, financial, governmental or legal matters that are relevant to our business or to our status as a publicly-owned company, (ii) a reputation for integrity, (iii) a reputation for exercising good business judgment and (iv) sufficient available time to be able to fulfill his or her responsibilities as a member of our Board of Trustees and of any committees to which he or she may be appointed.

In making recommendations to our Board of Trustees, our Nominating and Corporate Governance Committee considers such factors as it deems appropriate. These factors may include judgment, skill, diversity, education, experience with businesses and other organizations comparable to our company, the interplay of the candidate's experience with the experience of other Board of Trustee members, the candidate's industry knowledge and experience, the ability of a nominee to devote sufficient time to our affairs, any actual or potential conflicts of interest and the extent to which the candidate generally would be a desirable addition to our Board of Trustees and any of its committees. Attributes that our Nominating and Corporate Governance Committee consider include: (i) prior experience on our Board of Trustees and other relevant board level experience; (ii) real estate industry experience; (iii) transactional experience, especially within the real estate industry; (iv) relevant experience in property operations; (v) financial expertise; (vi) legal and/or regulatory experience; (vii) knowledge of and experience with corporate governance matters; (viii) experience with executive compensation matters; and (ix) prior experience in risk management.

While we do not have a formal written diversity policy, our Nominating and Corporate Governance Committee considers diversity of race, ethnicity, gender, age, cultural background, professional experiences and expertise and education in evaluating trustee candidates for Board of Trustee membership. We believe that considerations of diversity are, and will continue to be, an important component relating to the composition of our Board of Trustees as multiple and varied points of view contribute to a more effective decision-making process.

When considering current trustees for re-nomination to our Board of Trustees, our Nominating and Corporate Governance Committee takes into account the performance of each trustee. Our Nominating and Corporate Governance committee also reviews the composition of our Board of Trustees in light of the current challenges and needs of our Board of Trustees and us, and determines whether it may be appropriate to add or remove individuals after considering, among other things, the need for audit committee expertise and issues of independence, judgment, age, skills, background and experience.

There are no nominees for election to our Board of Trustees this year who have not previously served as a trustee.

Audit Committee Financial Expert

The Board has determined that its Audit Committee has at least two “audit committee financial experts,” as defined in Item 407(d)(5) of SEC Regulation S-K, such experts being Mr. Louis P. Salvatore and Mr. Gregory F. Hughes, and that they are “independent,” as such term is defined by the applicable rules of the SEC and the NYSE. Mr. Salvatore and Mr. Hughes have agreed to serve as our audit committee financial experts.

Communications with our Board of Trustees

We have a process by which shareholders and/or other parties may communicate with our Board of Trustees, our Chairman, its independent trustees as a group or individual trustees. Any such communications may be sent to the Board of Trustees by U.S. mail or overnight delivery and should be directed to Gramercy Property Trust, 90 Park Avenue, 32nd Floor, New York, NY 10016, Attn: General Counsel, who will forward such communications on to the intended recipient. Our General Counsel will review each communication received in accordance with this process to determine whether the communication requires immediate action. Any such communications may be made anonymously. Our Board of Trustees has instructed our General Counsel to assist our Board of Trustees in reviewing all written communications to it. Our General Counsel will forward all appropriate communications received, or a summary of such communications, to the appropriate member(s) of our Board of Trustees. However, we reserve the right to disregard any communication that our General Counsel determines is unduly hostile, threatening or illegal, does not reasonably relate to us or our business, or is similarly inappropriate. Our General Counsel has the authority to disregard any inappropriate communications or to take other appropriate actions with respect to any such inappropriate communications. Any such communications may be made anonymously.

Amended and Restated Whistleblowing and Whistleblower Protection Policy

Gramercy has adopted procedures for: (i) the anonymous and confidential submission of complaints or concerns regarding questionable accounting and auditing matters; and (ii) the receipt, retention and treatment of employee complaints or concerns regarding such matters. If you wish to contact the Audit Committee to report complaints or concerns relating to the financial reporting of Gramercy, you may do so by telephone at (855) 419-3601 or on the web at <http://gpt.ethicspoint.com>. Any such communications may be made anonymously.

Trustee Attendance at Annual Meetings

We encourage each member of the Board of Trustees to attend each annual meeting of shareholders. A majority of the Board of Trustees serving at the time attended our 2017 annual meeting of shareholders.

Executive Sessions of Independent Trustees

In accordance with the Corporate Governance Guidelines, the independent and non-executive trustees serving on our Board of Trustees regularly meet in executive session without the presence of any trustees or other persons who are part of management. These executive sessions are regularly chaired by the board chairman or by the chair of the committee having jurisdiction over the particular subject matter to be discussed at the particular session or portion of a session.

Bylaw Amendments

On June 15, 2017, the Board adopted amendments to the Company's Bylaws, effective immediately upon adoption, to provide shareholders, in addition to the Board, with the power to alter, amend or repeal any provision of the Bylaws

and to make new Bylaw provisions, in each case by the affirmative vote of a majority of all the votes outstanding and entitled to be cast on the matter.

Leadership Structure of the Board of Trustees

The Board of Trustees recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide independent oversight of management. Our Board of Trustees understands that there is no single, generally accepted approach to providing board leadership and that given the dynamic and competitive environment in which we operate, the appropriate leadership structure may vary as circumstances warrant.

The Board of Trustees consist of a majority of independent and non-executive trustees and Mr. Black as Chairman, coordinates the activities of our Board of Trustees to assure effective corporate governance in managing the affairs of our Board of Trustees and us. Mr. Black has served as our Chairman since 2012 and a member of our board since 2004. These independent and non-executive trustees, under the leadership and coordination of the Chairman, meet regularly in executive session without the presence of management or interested trustees in order to promote discussion among the independent and non-executive trustees and to assure independent oversight of management. Our Chairman (i) presides at all meetings of the independent trustees and any Board of Trustee meeting when the Chief Executive Officer is not present, including executive sessions of the independent and non-executive trustees, (ii) approves and informs the Chief Executive Officer as to the quality and timeliness of information sent to our Board of Trustees and the appropriateness of meeting agenda items, (iii) serves as the primary liaison between the independent and non-executive trustees and the Chief Executive Officer, (iv) holds a principal role in the evaluation of our Board of Trustees and the evaluation of the Chief Executive Officer, (v) recommends to our Board of Trustees and its committees the hiring and retention of any consultants that report directly to our Board of Trustees, (vi) responds directly to shareholder questions or inquiries directed to the Chairman or the independent and non-executive trustees as a group, (vii) upon request and when appropriate, ensures he is available for direct communication with major shareholders, and (viii) performs other duties as our Board of Trustees may from time to time delegate. In addition, our Board of Trustee committees, which oversee critical matters such as the integrity of our financial statements, the compensation of executive management, and the development and implementation of corporate governance policies, each consist entirely of independent trustees. Therefore, our Board of Trustees believes that its majority independent composition and the strength of our independent and non-executive trustees, under the leadership and coordination of the Chairman, provide effective corporate governance at our Board of Trustees level and independent oversight of both our Board of Trustees and our executive officers. The current leadership structure, when combined with the functioning of the independent and non-executive trustee component of our Board of Trustees and our overall corporate governance structure, strikes an appropriate balance between strong and consistent leadership and independent oversight of our business and affairs. As part of its annual self-assessment, our Board of Trustees will consider whether the current leadership structure continues to be optimal for us and our shareholders.

The Board of Trustees' Role in Risk Oversight

Our Board of Trustees play an important role in the risk oversight of our company. Risk is inherent with every business, and how well a business manages risk can ultimately determine its success.

Our company faces a number of risks, including economic risks, environmental and regulatory risks, and others, such as the impact of competition. Our executive officers are responsible for the day-to-day management of the risks we face, while our Board of Trustees, as a whole and through its committees, has responsibility for the oversight of risk management. In this capacity, our Board of Trustees (or a committee thereof) performs many tasks, including, but not limited to, receiving regular periodic reports from internal and external auditors, approving acquisitions, dispositions and

new borrowings and periodically reviewing and discussing with management the risks faced by our company. In its risk oversight role, our Board of Trustees has the responsibility to satisfy itself that the risk management processes designed by our executive officers are adequate and functioning as designed.

The committees of the our Board of Trustees assist the full board in risk oversight by addressing specific matters within the purview of each committee. The Audit Committee is specifically responsible, in consultation with management, our independent auditors and our internal auditor, for the integrity of our financial reporting processes and controls. In executing this responsibility, our Audit Committee discusses policies with respect to risk assessment and risk management, including enterprise risk assessments, significant financial risk exposures and the steps management has taken to monitor, control and report on such exposures. As part of this process, our Audit Committee oversees the planning and conduct of an annual risk assessment that is designed to identify and analyze risks to achieving business objectives. The results of the risk assessment are then discussed with management and used to develop an annual internal audit plan. The Compensation Committee regularly considers whether our compensation program encourages executives to prudently manage enterprise risk. Performance is evaluated based on both quantitative and qualitative factors and review not only “what” is achieved, but also “how” it is achieved. The Nominating and Corporate Governance Committee identifies individuals qualified to become board members, to serve on board committees and to serve as executive officers and reviews and considers matters that may involve corporate governance, conflicts of interest and potential risks to our shareholders.

Because of the role of our Board of Trustees in the risk oversight of our company, our Board of Trustees believes that any leadership structure that it adopts must allow it to effectively oversee the management of the risks relating to our operations. See the discussion under the heading Leadership Structure of the Board of Trustees above for a discussion of why our Board of Trustees has determined that its current leadership structure is appropriate.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction





This section describes the material elements of our executive compensation program, the compensation decisions the Compensation Committee has made under the program and the factors considered in making those decisions for our “named executive officers” or “executives” for 2017, who were:

Name	Position	Age
Gordon F. DuGan	Chief Executive Officer	51
Benjamin P. Harris	President	43
Nicholas L. Pell	Chief Investment Officer	41
Jon W. Clark	Chief Financial Officer	49
Edward J. Matey Jr.	General Counsel	64

Prior to December 17, 2015, we were known as Chambers Street Properties. On December 17, 2015 we completed a merger with Gramercy Property Trust Inc. While we were the surviving legal entity, immediately following consummation of the merger we changed our name to Gramercy Property Trust.

Objectives of the Compensation Program:

The objectives of our compensation program include the following;

-  To attract and retain leading talent in our areas of operation;
-  To motivate our executives to work toward short term financial efficiency and long term value creation based on our business strategy;
-  To align the interests of management with those of our shareholders; and
-  To achieve the appropriate balance between risk and reward while avoiding the creation of incentives for unnecessary or excessive risk taking.

2017 Compensation Overview:

Our executive compensation programs are designed to provide performance-based incentives that create strong alignment of management and shareholder interests. We also design our compensation programs so that we can attract and retain top talent in a highly competitive market. We believe our compensation programs were instrumental in our 2017 achievements and our long term TSR, as summarized in the highlights below.

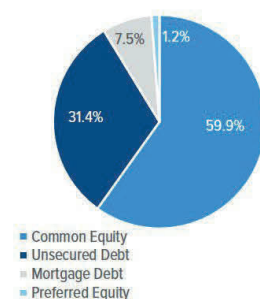
Here are some key highlights:¹

AFFO PER SHARE



MARKET CAPITALIZATION

12/31/2017



INDEXED TOTAL RETURN PERFORMANCE²

1/2/2013 – 12/29/2017



(\$ in millions, except per share numbers)

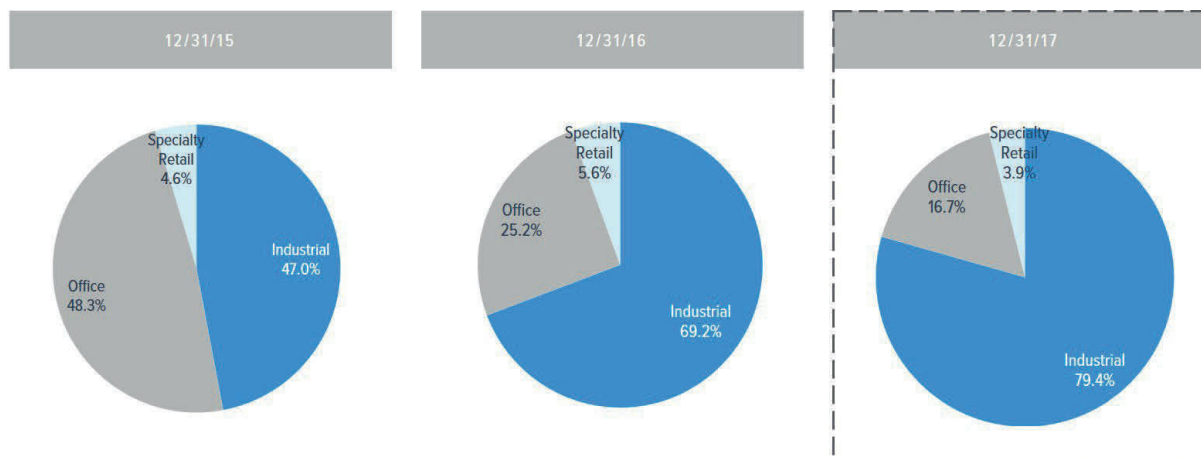
Operations & Balance Sheet

	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Revenues	\$130.0	\$131.4	\$134.9	\$149.0
Net Income (Loss) Available to Common Shareholders	\$7.6	\$6.5	\$48.6	\$16.4
Total Assets	\$5,606.9	\$5,686.9	\$6,541.3	\$6,456.0
Portfolio Rentable SF – Wholly Owned	66,732,561	67,485,724	81,046,993	82,146,063
Net Debt / Adjusted EBITDA ³	6.0x	5.4x	6.4x	6.1x

Investment & Disposition Activity

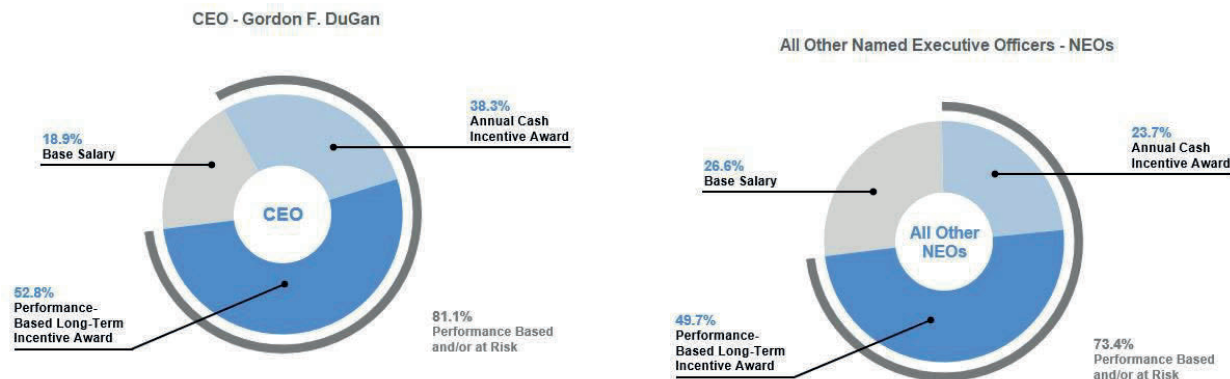
Acquisition Volume	\$94.1	\$178.5	\$957.2	\$145.0
Disposition Volume	\$51.7	\$183.3	\$21.8	\$155.8

GPT Portfolio Repositioning Progress - % of NTM Cash NOI:⁴



1. Refer to Appendix A in this proxy statement for a reconciliation of Non-GAAP financial measures.
2. Gramercy Property Trust Inc. for the period prior to December 17, 2015.
3. The Company computes EBITDA as Covenant EBITDA for such period plus (i) loss (income) from discontinued operations, (ii) amortization of market lease intangibles, (iii) straight-line rent adjustments, and (iv) reserve for capital expenditures of \$0.10 per square foot. EBITDA is adjusted to include the Company's ownership share of the net income or loss of all unconsolidated equity investments, determined and adjusted in the same manner as provided above in this definition. The Company calculates Adjusted EBITDA for such period as EBITDA plus or minus adjustments that reflect a full quarter of acquisition or disposition impact, and also to remove impact of any one-time items. Net Debt includes pro rata share of debt from JVs in which GPT owns greater than 25%.
4. Next twelve months cash net operating income ("NTM Cash NOI") is a forward-looking projection of the property revenues, expenses and reimbursements on a cash basis before interest and capital reserves or expenditures. For all maturing leases or vacant spaces the projection reflects carrying costs and market level assumptions for re-tenanting the space.

The below graphics illustrate the mix of 2017 fixed pay (base salary) and performance based and/or at-risk pay incentives (cash incentive compensation and equity awards), presented at target for our CEO and other named executive officers' compensation:



Compensation Philosophy: Our compensation philosophy and its processes for compensating executives are supervised by the Compensation Committee. The Compensation Committee's responsibilities include setting the executive compensation principles and objectives of our program, setting and approving the compensation for each of our named executive officers, and monitoring and approving our general compensation programs.

The Compensation Committee relies on input both from management and from its independent compensation consultant to assist the Compensation Committee in making its determinations. Although the Compensation Committee receives information and recommendations regarding the design of the compensation program and level of compensation for named executive officers from these sources, the Compensation Committee retains the sole authority to make final decisions both as to the types of compensation awarded and compensation levels for these executives.

Our compensation programs are designed to align executive pay with Company performance and to motivate management to make sound financial decisions that increase our value. The Compensation Committee believes that a blend of incentive programs based on both quantitative and qualitative performance objectives is the most appropriate way to encourage not only the achievement of outstanding financial performance, but also the maintenance of consistent standards of teamwork, creativity, good judgment, and integrity. Thus, in determining 2017 compensation, the Compensation Committee examined the specific performance criteria, as described below. The Compensation Committee also reviewed information on the performance of, and contributions made by, individual executives and, in doing so, placed substantial reliance on information received from, and the judgment of, our Chief Executive Officer for a portion of each executive's compensation who report to him. While the Compensation Committee periodically reviews independent survey data and other public filings provided by its compensation consultant as a reference, the Committee does not explicitly target compensation levels at any particular quartile or other reference level.

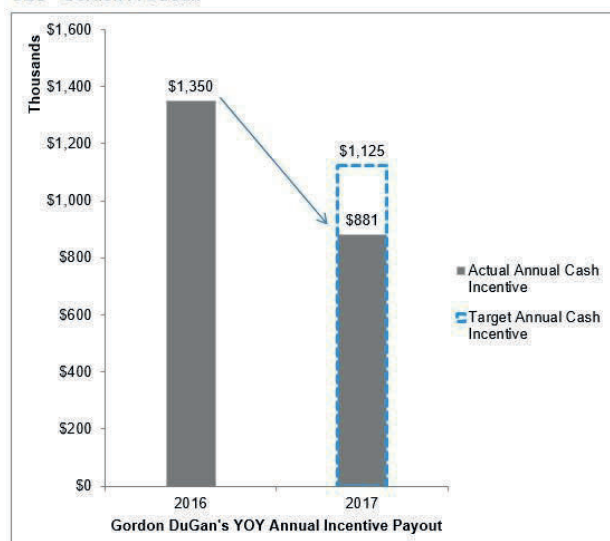
Changes to Executive Compensation

Each year the Compensation Committee reviews our executive compensation program and related practices to ensure they continue to support our business strategies. We have adopted a number of principal changes to our compensation practices beginning in 2017 which are summarized in the table below:

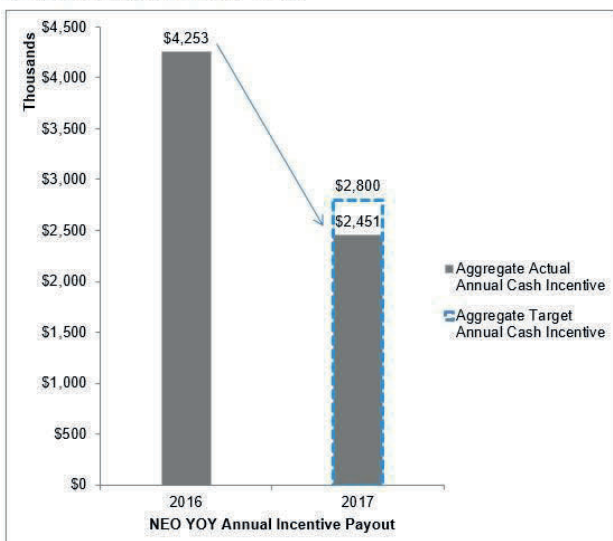
Past Pay Practice	Current Pay Practice
Base Salary: Fixed compensation component providing a minimum level of cash to compensate the executive for the scope and complexity of the position	Base Salary: No Change
Annual Cash Incentive: Discretionary cash bonus determined by the Compensation Committee	Annual Cash Incentive: Cash bonus primarily determined in a formulaic manner based on the level of achievement of certain performance criteria
Long Term Incentives: Restricted share awards subject to continued employment through specific vesting dates	Long Term Incentives: Units of limited partnership interests in our operating partnership, or LTIP awards, based on our total shareholder return ("TSR") over a three-year performance period, which awards are also subject to continued employment in order to become vested in the earned award in year three and four of the grant
Benefits: Executives receive only those benefits that are also available to all our employees generally	Benefits: No Change
Perquisites: None, other than a term life insurance policy maintained for the benefit of our CEO	Perquisites: No Change

As a result of the performance targets established by the Compensation Committee for Annual Cash Incentives the amounts paid to our CEO and other named executive officers were significantly reduced for 2017 as compared to the prior year.

CEO - Gordon F. DuGan



All Named Executive Officers - NEOs



Compensation Objectives:

We use base salary, annual bonuses, and share-based awards as tools to help achieve our compensation objectives. Our approach to the mix of compensation among these elements emphasizes variable compensation, including bonuses and long term incentives in the form of share-based awards, as opposed to fixed compensation.

Element	Compensation Objectives and Key Features
Base Salary	Fixed compensation component that provides a base level of cash to compensate the executive for the scope and complexity of his or her position. Amounts based on an evaluation of the executive's experience, position and responsibility, as well as an intent to be competitive in the marketplace to attract and retain executives.
Annual Incentive Award	Variable cash compensation component that provides incentive and reward to our executives based on the Compensation Committee's assessment of annual corporate, departmental, and individual performance.
Long Term Incentive	Variable equity compensation designed to foster meaningful ownership of our common shares by our management, to align the interests of our executives with the creation of shareholder value, and to motivate our executives to achieve long term growth and our success.

Base Salary: Base salary is intended to reflect job responsibilities and set a minimum baseline for compensation. Our overall philosophy is that, in most cases, base salaries for executives are viewed as a smaller component of their overall compensation than variable elements of compensation. When setting such base salary levels, the Compensation Committee considers the following factors:

- the nature and responsibility of the position;
- the expertise of the individual executive;
- changes in the cost of living and inflation;
- the competitive labor market for the executive's services; and
- the recommendations of our Chief Executive Officer with respect to executives who report to him.

Annual base salaries for the named executive officers for 2018 and for 2017 are set forth in the table below:

<u>Name</u>	<u>2018 Base Salary</u>	<u>2017 Base Salary</u>	<u>Percent Change</u>
Gordon F. DuGan	\$750,000	\$750,000	0%
Benjamin P. Harris	\$600,000	\$600,000	0%
Nicholas L. Pell	\$500,000	\$500,000	0%
Jon W. Clark	\$325,000	\$325,000	0%
Edward J. Matey Jr.	\$455,000	\$455,000	0%

Annual Cash Incentives: Annual cash bonuses are intended to motivate executives to achieve our goals, align executive pay with shareholder interests, and reward performance, both by us as a whole and by the individual executive. Our annual cash bonuses focus and compensate our named executive officers on achieving key corporate financial and operational objectives and individual goals. The Compensation Committee established specific threshold, target and maximum cash bonus amounts that each of our named executive officers could earn for 2017 and established specific performance criteria that were to be used in a formulaic manner to determine 80% of the annual cash bonuses for our Chief Executive Officer, President and Chief Investment Officer, and 50% of the annual cash bonuses for our Chief Financial Officer and our General Counsel. For 2017, each of our named executive officers were eligible to earn the following percentages of his base salary (with linear interpolation used to determine the percentage earned for performance that falls between threshold, target and/or maximum):

<u>Name</u>	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>
Gordon F. DuGan	75%	150%	250%
Benjamin P. Harris	50%	100%	200%
Nicholas L. Pell	50%	100%	200%
Jon W. Clark	50%	100%	150%
Edward J. Matey Jr.	40%	55%	70%

The following sets forth the specific performance criteria selected for 2017, the relative weighting of each, the threshold, target and maximum performance levels established by the Compensation Committee in advance for each, and our actual 2017 results for each criteria:

	<u>Relative Weighting</u>	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>	<u>2017 Actual Results</u>
<u>Chief Executive Officer, President and Chief Investment Officer:</u>					
AFFO per share	50%	\$1.95	\$2.03	\$2.10	\$1.90
Asset Growth	15%	5%	10%	15%	21%
Office Exposure	15%	22%	18.5%	15%	17%
Individual Objectives	20%	Subjectively Determined			
<u>Chief Financial Officer and General Counsel:</u>					
AFFO per share	30%	\$1.95	\$2.03	\$2.10	\$1.90
Asset Growth	10%	5%	10%	15%	21%
Office Exposure	10%	22%	18.5%	15%	17%
Individual Objectives	50%	Subjectively Determined			

Individual objectives are determined by the Compensation Committee in its discretion, based on performance assessments presented to the Compensation Committee by the Chief Executive Officer, and in the case of the Chief Executive Officer's individual objectives, by the independent deliberations of the Compensation Committee. The Committee's intention was to recognize the significant contributions of these executives toward our performance in 2017 and the substantial increase in our size and complexity of our operations in 2017. The Compensation Committee sought to find a balance between acknowledging the significant operational achievements attained during the year, as highlighted above, balanced against AFFO per share which fell short of the threshold amount and otherwise yielded no cash incentive to the named executive officer for that performance criteria.

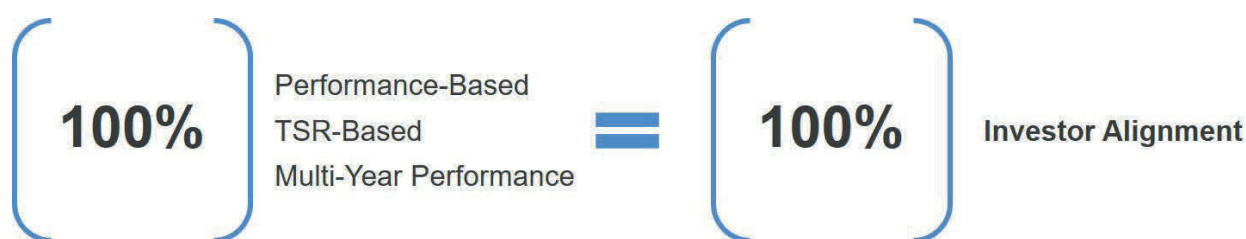
The following table reflects the 2017 cash bonuses awarded to our named executive officers, presented based on the percentages of each named executive officer's base salary:

<u>Name</u>	<u>Maximum</u>	<u>Actual</u>	<u>Total</u>
Gordon F. DuGan	250%	117%	\$880,929
Benjamin P. Harris	200%	92%	\$554,743
Nicholas L. Pell	200%	92%	\$462,286
Jon W. Clark	150%	102%	\$333,079
Edward J. Matey Jr.	70%	48%	\$219,518

Long Term Incentive Awards: Long term incentive awards are intended to align executive compensation with TSR over a multi-year performance and vesting period.

Long term incentives are granted in the year after the completion of the performance year. The awards vest over time and are subject to continued employment. Prior to vesting, the awards are eligible to receive dividend equivalents in the same manner as a common share.

Awards under our long-term incentive plan are 100% performance based weighted 60% on our TSR on an absolute basis and 40% on a relative basis compared to the constituents of the MSCI US REIT Index over a three-year measurement period. Our long-term incentive plan is also subject to vesting based on continued employment over a four-year period with 50% of earned units vesting at the end of the measurement period and the balance vesting one year later.



The table below reflects the performance-based hurdles and the number of LTIP units that may be earned as a percentage of the target amount based on the achievement of these hurdles:

Award	Award Hurdles	
Relative TSR LTIP Units	<i>Relative TSR Achieved</i>	<i>Percentage of Relative TSR LTIP Units Earned (as a Percentage of Target)</i>
	Below 33 rd percentile	0% (Below Threshold)
	33 rd percentile	50% (Threshold)
	55 th percentile	100% (Target)
	80 th percentile or greater	200% (Maximum)

Award	Award Hurdles	
Absolute TSR LTIP Units	<i>Absolute TSR Achieved</i>	<i>Percentage of Relative TSR LTIP Units Earned (as a Percentage of Target)</i>
	Less than 4.5%	0% (Below Threshold)
	4.5%	50% (Threshold)
	7.0%	100% (Target)
	12.0% or higher	200% (Maximum)

The number of LTIP units that are earned will be determined based on linear interpolation between the levels.

Upon the occurrence of a change-in-control at any time prior to the end of the performance period, the performance period will be shortened to end on the date of the change-in-control and performance will be measured based on performance through the date of the change-in-control. In the event of a change-in-control, the time-based vesting conditions will continue to apply. If the executive's employment is terminated by the Company without cause, for good reason, upon retirement, or upon death or disability prior to the end of the performance period, then performance will be measured as of the date of such termination and a prorated portion of the LTIP units earned, if any, will vest.

Distributions will be made with respect to each LTIP unit granted under the 2016 Long Term Incentive Plan in an amount equal to 10% of the amount otherwise distributed with respect to each Class A Unit of the Operating Partnership,

which is equal to 10% of the regular dividends and other distributions paid on our common shares. Upon the determination of the number of LTIP units earned, a distribution with respect to each LTIP unit will be made equal to the per share amount of all distributions declared with respect to our common shares since the grant date of an award, minus the amount of any distributions received with respect to such LTIP units prior to that time.

In 2017, awards under our Long Term Incentive Plan have been made pursuant to which our named executive officers can earn the following LTIP units:

Executive	Threshold	Target	Maximum
Gordon F. DuGan	40,147	80,295	160,590
Benjamin P. Harris	32,500	65,001	130,002
Nicholas L. Pell	22,941	45,883	91,766
Jon W. Clark	5,735	11,470	22,940
Edward J. Matey Jr.	5,735	11,470	22,940

Benefits and Perquisites: We do not maintain any defined benefit pension plans. We do maintain a 401(k) plan which provides for a discretionary match that is available to all employees generally in the same amounts as offered to our executives. Other than a term life insurance policy maintained for the benefit of our Chief Executive Officer, as more fully described in the employment and retention agreements discussion below for Gordon F. DuGan, we do not offer any other material perquisites to executives.











Compensation Mix

Our executive compensation program is designed to balance short term and long term objectives, support our executive's sustained ownership of our common shares, and reinforce the importance of shareholder value creation by awarding variable compensation to executives.

The Compensation Committee determines the balance of direct compensation elements to emphasize variable, performance-based compensation, including, equity-based compensation, to enhance the executives' focus on performance, and to align the interests of the executives and shareholders.

Compensation Corporate Governance

Our executive compensation practices are intended to be consistent with recognized corporate governance, as illustrated in the following list of what Gramercy does and does not do:

What Gramercy Does:	What Gramercy Does Not Do:
 The executives' total compensation opportunity is primarily based on performance, awarded through short (annual) and long term incentive compensation programs.	 We do not provide golden parachute excise tax or other tax gross-ups.
 We have robust share ownership guidelines for our named executive officers and trustees.	 We do not provide "single-trigger" cash severance upon a change in control.
 The Compensation Committee retains and meets regularly with an independent compensation consultant to advise on executive and trustee compensation.	 We do not provide executive perquisites other than a term life insurance policy maintained for the benefit of our CEO.
 A "clawback" policy is in effect to recover cash and equity compensation amounts inappropriately paid to named executive officers in the event of a restatement of our financial statements.	 The equity plans expressly forbid option repricing, and exchange of underwater options for other awards or cash.
 The Compensation Committee regularly reviews our incentive compensation programs to ensure they are designed to create and maintain shareholder value and do not encourage excessive risk taking.	 We prohibit executives and trustees from hedging and pledging our securities.

Objectives of the Compensation Program

We recognize that the knowledge, skills, abilities, and commitment of our named executive officers are critical factors that drive long term value. Therefore, the primary objective of the Compensation Committee is to ensure that we have in place a competitive and comprehensive compensation program that allows us to attract and retain qualified and talented individuals who possess the skills and expertise necessary to lead, manage, and grow our company. The Compensation Committee strives to achieve the appropriate balance between risk and reward while avoiding the creation of incentives for unnecessary or excessive risk taking.

The Compensation Committee designed the executive compensation program for the 2017 fiscal year to motivate executives to work toward long term value creation based on our overarching business strategy. In particular, annual cash incentive compensation and the award of annual long term equity incentive grants serve directly to align value creation of the executives with our shareholders. The annual cash incentive compensation is intended to reward the executive team for short term financial efficiency. Recurring annual equity incentive grants are intended to focus executives on long term shareholder value creation. Both are also intended to provide a strong and immediate retention mechanism consistent with market practice.

Shareholder Advisory Vote

During the 2017 annual meeting of shareholders, shareholders were provided the opportunity to cast votes to approve an advisory resolution on executive compensation (a "say-on-pay" proposal). Approximately 97.4% of shareholders voting on the proposal voted to approve the advisory resolution on executive compensation. No changes were made to programs directly because of the 2017 vote outcome.

Each year, the Compensation Committee reviews the executive compensation program and related practices to ensure they continue to support the business strategies and remain consistent with corporate governance practices. For example, beginning in 2017, our annual cash bonus program has been administered in a formulaic manner. Payment opportunities for cash awards under our annual cash bonus program are expressed as a percentage of base salary and reflect each executive's contributions to us and the market level of compensation for such position. Our annual cash bonus program is designed to motivate our executive officers to achieve financial and other corporate performance goals

established by the Compensation Committee that reinforce our annual business plan, to assist us in attracting and retaining qualified executives and to promote the alignment of the named executive officers' interests with those of our shareholders.

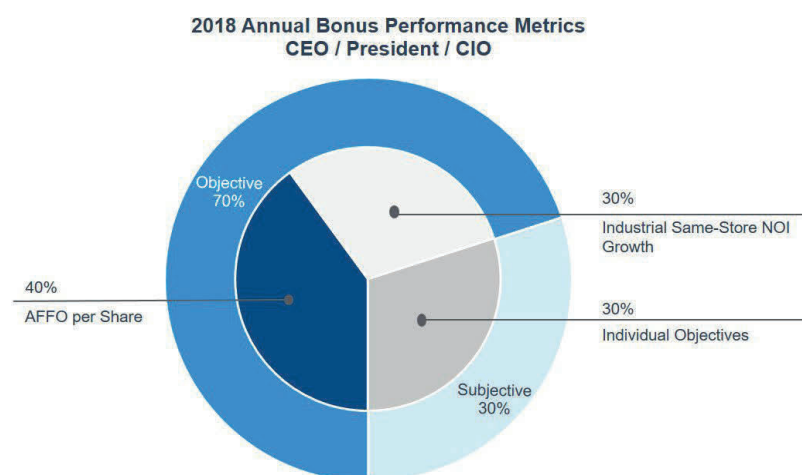
For 2018, the Compensation Committee approved the following threshold, target and maximum award opportunities, expressed as a percentage of base salary, which the executives are eligible to receive under the annual cash bonus program. Straight line interpolation is used to determine awards for results that fall between performance levels:

<i>Named Executive Officer</i>	<i>Payout Opportunities (as a percentage of base salary)</i>		
	<i>Threshold</i>	<i>Target</i>	<i>Maximum</i>
Gordon F. DuGan	75%	150%	250%
Benjamin P. Harris	50%	100%	200%
Nicholas L. Pell	50%	100%	200%
Jon W. Clark	50%	100%	150%
Edward J. Matey Jr.	40%	55%	70%

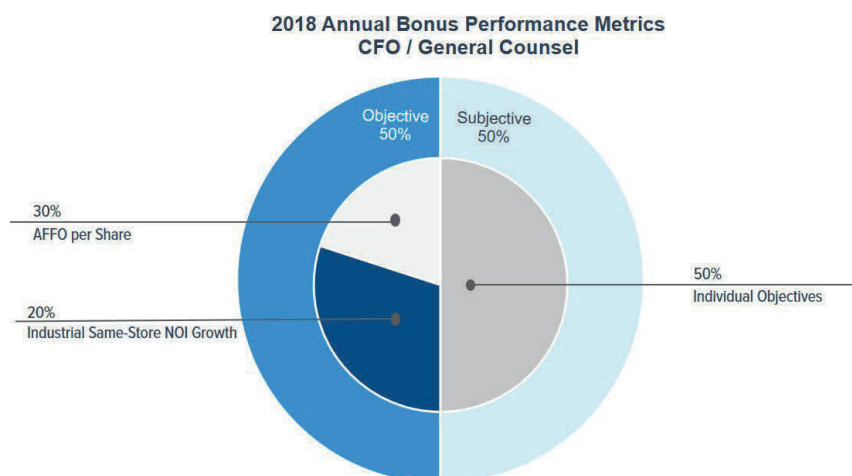
For our Chief Executive Officer, President and Chief Investment Officer, seventy percent (70%) of their annual cash bonus will be determined in a formulaic manner based on the level of our achievement of financial and other corporate performance criteria, and for our Chief Financial Officer and General Counsel, this financial and corporate performance weighting factor is fifty percent (50%). The remaining percentage of each named executive officer's annual cash bonus will be subjective and determined in the Compensation Committee's discretion based upon the Compensation Committee's determination of each named executive officer's individual job performance.

For 2018, the Compensation Committee increased the weighting factor of individual objectives for our Chief Executive Officer, President and Chief Investment Officer to thirty percent (30%) from twenty percent (20%) to place slightly more reliance on individual operational goals for these executives based upon a reduction in our focus on external growth in 2018 as compared to the prior year. We believe this blend of incentives based on both quantitative and qualitative performance objectives is the most appropriate way to encourage not only the achievement of outstanding financial performance, but maintenance of consistent standards of teamwork, creativity, good judgment and integrity. For 2018, the Compensation Committee also changed the financial performance metrics from growth in overall assets to growth in industrial same store sales based upon a reduction in our focus on external growth in 2018 as compared to the prior year. The Compensation Committee focused on the industrial asset portfolio as the most meaningful measure after the successful reduction in the office portfolio in 2017 to approximately seventeen percent (17%) as of December 31, 2017 as compared to over twenty-five percent (25%) as of December 31, 2016. In 2018 our industrial portfolio represents over seventy-nine percent (79%) of our real estate investments.

As illustrated in the chart below, Messrs. DuGan, Harris and Pell are eligible to earn annual cash bonuses that are based seventy percent on our achievement of identified financial and other corporate performance metrics and thirty percent on satisfaction of their individual goals. The Compensation Committee weighted financial and other corporate metrics more heavily than individual performance metrics for our Chief Executive Officer, President and Chief Investment Officer to better align them with our shareholders because such metrics represent the primary drivers of our financial performance.



As illustrated in the chart below, Messrs. Clark and Matey are eligible to earn annual cash bonuses that are based fifty percent on our achievement of identified financial and other corporate performance metrics and fifty percent on satisfaction of their individual goals. The Compensation Committee weighted financial and other corporate metrics equally with the individual performance metrics for our Chief Financial Officer and General Counsel.



How We Determine Executive Compensation

The Compensation Committee determines incentive compensation for our named executive officers and is comprised of four trustees, James L. Francis, Charles E. Black, Jeffrey E. Kelter, and Allan J. Baum, each of whom is “independent” as such term is defined by the applicable rules of the SEC and the NYSE. For a further discussion of the Compensation Committee, see “Proposal 1: Election of Trustees.”

The Compensation Committee meets during the year to evaluate executive performance, to monitor market conditions in light of our goals and objectives, to solicit input from the independent compensation consultant on market practices, including peer group pay practices and new developments, and to review executive compensation practices. As part of these meetings, in evaluating its executive compensation policies and practices for 2017, the Compensation Committee considered industry practices and the compensation programs of our peers.

Pay Philosophy

Our compensation program is focused on a “pay-for-performance” design. Our pay philosophy is to provide targeted total direct compensation opportunities through a competitive, comprehensive and integrated package, which is targeted to approximate the market median pay range of our peers and is aligned with the achievement of corporate goals and objectives. The Compensation Committee also has the discretion to deviate from this philosophy when business conditions warrant. Actual compensation earned can be above or below target, based upon the achievement of quantitative factors that are objectively determined.

Use of Independent Compensation Consultants

The Compensation Committee engaged FPL Associates L.P. to assist the Compensation Committee in analyzing executive performance under the executive incentive compensation plan and in allocating cash bonuses and equity to the executives. The Compensation Committee has reviewed the independence of FPL Associates L.P.’s advisory role relative to the six consultant independence factors adopted by the SEC to guide listed companies in determining the independence of their compensation consultants, legal counsel, and other advisors. Following its review, the Compensation Committee concluded that FPL Associates L.P. has no conflicts of interest, and provides the Compensation Committee with objective and independent executive compensation advisory services. FPL Associates L.P. does not

provide any additional services to the Compensation Committee and does not provide any services to Gramercy other than to the Compensation Committee.

Employee Benefits, Perquisites and Other Personal Benefits

For fiscal year 2017, the named executive officers participated in the same benefit plans as all other employees and we did not provide them with any perquisites or personal benefits that are not otherwise offered on an employee-wide basis other than a term life insurance policy maintained for the benefit of our Chief Executive Officer.

Other Matters

Risk Mitigation

The Compensation Committee, in consultation with its independent compensation consultants, concluded that the compensation policies and practices do not give rise to risk taking that is reasonably likely to have a material adverse effect on us. The Compensation Committee regularly reviews the incentive compensation plans to ensure they are designed to create and maintain shareholder value and do not encourage excessive risk.

We do not believe that any of our compensation policies and practices encourage excessive risk-taking. Many elements of the executive compensation program serve to mitigate excessive risk-taking, including a mix of base salary, annual cash incentives and long term equity incentives. Base salary provides a guaranteed level of income that does not vary with performance. We balance incentives tied to short term annual performance with equity incentives for which value is earned over a multiple-year period. In this way, our executives are motivated to consider the impact of decisions over the short, intermediate, and long terms.

Clawback Policy

We have adopted a formal clawback policy, which allows us to recoup incentive compensation paid to our current and former named executive officers based on financial results that are subsequently restated. Pursuant to this policy, if we are required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement, then the Compensation Committee may require current and former named executive officers to repay or forfeit to us “excess compensation.” Excess compensation includes annual cash incentive compensation and long term incentive compensation in any form received by an executive during the three-year period preceding the publication of the restated financial statements, which the Compensation Committee determines was in excess of the amount that such executive would have received had such compensation been determined based on the financial results reported in the restated financial statements.

The Compensation Committee intends to periodically review this clawback policy and, as appropriate, conform it to any applicable final rules adopted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Anti-Hedging, Anti-Short Sale, and Anti-Pledging Policies

We have implemented policies pursuant to which members of our Board and our executive officers are strictly prohibited from: (i) entering into certain forms of hedging and monetization transactions with our securities; (ii) selling any of our securities that are not owned at the time of the sale (“short sale”); (iii) entering into put, calls or other derivative securities transactions with securities; (iv) pledging securities as collateral for debt obligations; or (v) holding our securities in a margin account.

Equity Ownership Guidelines

We believe trustee and executive share ownership is an important mechanism to promote alignment of our trustees' and executives' interests with those of our shareholders. It also effectively incentivizes our trustees and executives to meet our financial, strategic and risk management objectives. We have instituted policies and guidelines to appropriately foster these benefits.

These guidelines require ownership of equity with a value equal to a multiple of the relevant executive's annual base salary or a non-employee trustee's annual cash retainer, as specified below. These guidelines require our executive officers and non-employee trustees to accumulate equity under the terms of the guidelines and will be phased in over a period of five years.

Position	Aggregate Market Value
Non-employee Trustee	5x current annual cash retainer
Chief Executive Officer	6x annual base salary
President	4x annual base salary
Other Executive Officers	3x annual base salary

Trustee Resignation Policy

Our corporate governance guidelines include a Trustee Resignation Policy pursuant to which any trustee nominee in an uncontested election who receives a greater number of "withheld" votes than "for" votes will, within ten business days following the certification of the shareholder vote, tender his or her resignation to the Board for consideration by the Nominating and Governance Committee. A trustee whose resignation is under consideration shall abstain from participating in any recommendation or decision regarding that resignation.

The Nominating and Governance Committee will make a determination whether to accept, reject or otherwise act with respect to the tendered resignation within 60 days following the applicable shareholders meeting. In making this determination, the Nominating and Governance Committee may consider all factors that it deems relevant, including the underlying reasons why shareholders "withheld" votes for election from such trustee (if ascertainable), the length of service and qualifications of the trustee whose resignation has been tendered, the trustee's contributions to us, whether by accepting such resignation we will no longer be in compliance with any applicable law, rule, regulation or governing document, and whether or not accepting the resignation is in our best interests and our shareholders. The Nominating and Governance Committee may also consider a range of possible alternatives concerning the trustee's tendered resignation, including acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Board to have substantially resulted in the "withheld" votes.

The Board shall act on the Nominating and Governance Committee's recommendation regarding the tendered resignation within 90 days after the date of the applicable shareholder's meeting. If the Board does not accept the resignation, the trustee will continue to serve until the end of his or her term and until the trustee's successor is elected and qualified, or until his or her earlier resignation or removal.

Tax Treatment

We do not provide any gross-up or similar payments to our named executive officers. According to their employment agreements, if any payments or benefits to be paid or provided to any of our named executive officers would be subject to "golden parachute" excise taxes under the Code, the executive's payments and benefits under his employment

agreement will be reduced to the extent necessary to avoid such excise taxes, but only if such a reduction of pay or benefits would result in a greater net after-tax amount received by the executive.

Prior to the elimination of Section 162(m) of the Code under the Tax Cuts and Jobs Act, except for grandfathered arrangements, the Compensation Committee took into consideration the potential deductibility of our executives' compensation under Section 162(m) of the Code and aimed to structure executive compensation in a manner that maximized deductibility. However, as a REIT, Section 162(m) of the Code had limited applicability to our tax costs. The Compensation Committee preserved flexibility to implement programs that are not fully or partially deductible under Section 162(m) if such programs are in our best interest.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with our management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Submitted by the Compensation Committee:

James L. Francis (Chairman)
Allan J. Baum
Charles E. Black
Jeffrey E. Kelter

Summary Compensation Table

The following table sets forth certain information regarding the compensation paid to the “named executive officers” or the “executives.” The table below reflects the total compensation earned by the named executive officers for the years ended December 31, 2015, December 31, 2016, and December 31, 2017.

Name And Principal Position	Year ⁽¹⁾	Salary (\$)	Bonus ⁽³⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Share Awards ⁽²⁾ (\$)	All Other Compensation (\$)	Total (\$)
Gordon F. DuGan	2017	\$ 750,000	\$ 375,000	\$ 505,929	\$2,100,000	\$ 116,739	\$ 3,847,668
Chief Executive Officer	2016	750,000	1,350,000	—	2,850,063	454,666 ⁽³⁾	5,404,729
	2015*	28,767	23,205	—	—	13,550 ⁽⁵⁾	65,522
Benjamin P. Harris	2017	\$ 600,000	\$ 240,000	\$ 314,743	\$1,700,000	\$ 69,930	\$ 2,924,673
President	2016	600,000	1,250,000	—	2,402,425	236,313 ⁽⁴⁾	4,488,738
	2015*	23,014	32,603	—	—	5,670 ⁽⁵⁾	61,287
Nicholas L. Pell	2017	\$ 500,000	\$ 200,000	\$ 262,286	\$1,200,000	\$ 49,320	\$ 2,211,606
Chief Investment Officer	2016	500,000	952,600	—	1,742,897	168,460 ⁽⁴⁾	3,363,957
	2015*	19,178	23,240	—	—	3,957 ⁽⁵⁾	46,375
Jon W. Clark	2017	\$ 325,000	\$ 243,750	\$ 89,329	\$ 300,000	\$ 18,405	\$ 976,484
Chief Financial Officer	2016	325,000	400,000	—	287,750	40,324 ⁽⁴⁾	1,053,074
	2015*	11,507	14,192	—	—	857 ⁽⁵⁾	26,939
Edward J. Matey Jr.	2017	\$ 455,000	\$ 159,250	\$ 60,268	\$ 300,000	\$ 18,405	\$ 992,923
General Counsel	2016	455,000	300,000	—	287,750	40,324 ⁽⁴⁾	1,083,074
	2015*	17,452	8,630	—	—	857 ⁽⁵⁾	26,939

* Information presented for Messrs. DuGan, Harris, Pell, Clark and Matey is from December 17, 2015 (the date that each became our employee effective with the merger) to December 31, 2015, as required by SEC rules.

- (1) Bonus is reported for the fiscal year in which it was earned, including amounts paid or payable in a subsequent fiscal year. A share award is reported in the fiscal year in which it was granted, including awards earned in a prior fiscal year.
- (2) Amounts shown are the grant date fair value of share awards determined in accordance with ASC 718 made to the executives in fiscal years 2017 (for 2016 performance) and 2016 (for 2015 performance).
- (3) Represents dividend equivalents paid on unvested LTIPs granted in 2012, matching contributions under our 401(k) plan of \$7,500, and premiums of \$6,189 paid on a term life insurance policy.
- (4) Represents dividend equivalents paid on unvested LTIPs granted in 2012 or 2013 and matching contributions under our 401(k) plan of \$7,950.
- (5) Represents dividend equivalents paid on earned but unvested LTIPs granted in 2012 or 2013.

Equity Compensation Plan Information

The following table summarizes information, as of December 31, 2017, relating to our equity compensation plans pursuant to which our common shares or other equity securities may be granted from time to time.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders ⁽¹⁾	70,971	\$ 23.19	2,732,649
Total	70,971	\$ 23.19	2,732,649

(1) Includes the 2004 Equity Incentive Plan, 2015 Equity Incentive Plan and 2016 Equity Incentive Plan.

2017 Grants of Plan-Based Awards

The following table sets forth certain information with respect to each grant of a plan-based award made to a named executive officer in the fiscal year ended December 31, 2017. The following table reflects the threshold, target, and maximum performance goals for equity incentive plan compensation.

Name	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards ⁽¹⁾			Number of Shares of Stock or Units	Grant Date Fair Value of Share Awards (\$)
		Threshold (#)	Target (#)	Maximum (#)		
Gordon F. DuGan	7/3/2017	40,147	80,295	160,590	—	\$ 2,100,000
Benjamin P. Harris	7/3/2017	32,500	65,001	130,002	—	\$ 1,700,000
Nicholas L. Pell	7/3/2017	22,941	45,883	91,766	—	\$ 1,200,000
Jon W. Clark	7/3/2017	5,735	11,470	22,940	—	\$ 300,000
Edward J. Matey Jr.	7/3/2017	5,735	11,470	22,940	—	\$ 300,000

(1) Represents awards made under the 2016 Equity Incentive Plan. The “Maximum (#)” column represents the maximum number of LTIP Units that could be earned under the 2016 Equity Incentive Plan with respect to the portion of the awards that were granted in 2017 to the named executive officers, which would be earned if we achieved (i) absolute TSR return of 12.0% or greater and (ii) relative TSR in the 80th percentile or greater of a selected peer group, in each case during the performance period under the 2016 Equity Incentive Plan. The “Target (#)” column represent the number of LTIP units that would be earned if we achieved (i) absolute TSR of 7.0% and (ii) relative TSR in the 55th percentile of a selected peer group during the performance period under the 2016 Equity Incentive Plan, which our Compensation Committee viewed as the target performance goal when approving the 2016 Equity Incentive Plan awards. The “Threshold (#)” column represent the number of LTIP units that would be earned if we achieved (i) absolute TSR of 4.5% and (ii) relative TSR in the 33rd percentile of a selected peer group during the performance period under the 2016 Equity Incentive Plan, representing the minimum performance that would entitle recipients to awards under the 2016 Equity Incentive Plan. Performance based hurdles are measured over a performance period from July 1, 2017 to Jun 30, 2020. Any LTIPs earned under the awards are subject to time-based vesting, with 50% of any LTIP Units earned vesting on June 30, 2020 and the remaining 50% vesting on June 30, 2021, subject in each case, to continued employment through the vesting date.

Outstanding Equity Awards at Fiscal Year End 2017

The following table sets forth certain information with respect to unexercised options and unvested share awards held by each named executive officer outstanding as of the end of the fiscal year ended December 31, 2017.

Name	Option Awards				Share Awards			
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares or Units of Other Rights That Have Not Vested
	(#)	(#)	(\$)		(#)	(\$)	(#)	(\$)
Gordon F. DuGan	—	—	\$ —	—	124,083	\$ 3,308,053	28,242	\$ 752,935
Benjamin P. Harris	—	—	\$ —	—	43,465	\$ 1,158,777	22,862	\$ 609,510
Nicholas L. Pell	—	—	\$ —	—	34,771	\$ 926,995	16,138	\$ 430,252
Jon W. Clark	—	—	\$ —	—	2,142	\$ 57,106	4,922	\$ 131,213
Edward J. Matey Jr.	—	—	\$ —	—	2,142	\$ 57,106	4,922	\$ 131,213

2017 Option Exercises and Shares Vested

The following table sets forth certain information with respect to the exercise of stock options, stock appreciation rights (“SARs”), and similar instruments, and the vesting of stock, including restricted stock, restricted stock units, LTIP units, and similar instruments for each named executive officer during the fiscal year ended December 31, 2017.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares/Units Acquired on Vesting (#)	Value Realized on Vesting ⁽¹⁾ (\$)
Gordon F. DuGan	—	\$ —	190,562	\$ 5,661,597
Benjamin P. Harris	—	\$ —	114,336	\$ 3,396,923
Nicholas L. Pell	—	\$ —	76,225	\$ 2,264,645
Jon W. Clark	—	\$ —	19,056	\$ 555,788
Edward J. Matey Jr.	—	\$ —	19,056	\$ 555,788

(1) Amounts reflect the market value of the shares or units on the day vested.

Pension Benefits, Nonqualified Defined Contribution and Other Deferred Compensation

We do not provide supplemental pension or other retirement benefits, other than our tax-qualified 401(k) Plan which is generally available to all of our employees. In addition, we do not have a nonqualified deferred compensation plan that provides for deferral of compensation on a basis that is not tax-qualified for our named executive officers.

2016 Equity Incentive Plan

The purpose of the 2016 Equity Incentive Plan (“2016 Equity Plan”) is to provide flexibility to use share options and other equity-based awards to provide a means of performance-based compensation. Key employees, non-employee trustees, advisors, consultants, and other personnel of the company and its subsidiaries, and other persons expected to provide significant services to the company or its subsidiaries, are eligible to be granted incentive and nonqualified share options, share appreciation rights, restricted shares, restricted share units, dividend equivalent rights, and other forms of equity-based compensation under the 2016 Equity Plan.

The 2016 Equity Plan is administered and interpreted by a committee consisting of members of our Board, which committee is appointed by the Board (the “Committee”). However, the Board will approve and administer all grants to non-employee trustees. The Committee may delegate its authority under the 2016 Equity Plan to a subcommittee.

The Committee has the sole authority to (i) determine the individuals to whom awards will be made under the 2016 Equity Plan, (ii) determine the type, size, and terms and conditions of the awards, (iii) determine the time when awards will be made and the duration of any applicable exercise, vesting, or restriction period, including the criteria for exercisability, vesting, and the restriction period and the acceleration of exercisability, vesting, and lapse of a restriction period, (iv) amend the terms and conditions of any previously issued award, subject to the limitations described below, (v) determine any restrictions on resale applicable to our common shares to be issued or transferred pursuant to an award, (vi) determine whether any award shall be subject to any non-competition, non-solicitation, confidentiality, clawback, or other covenant, and (vii) deal with any other matters arising under the 2016 Equity Plan.

The Committee may delegate to our Chief Executive Officer the authority to grant, administer, and modify the awards under the 2016 Equity Plan with respect to employees who are not subject to the restrictions of section 16(b) of the Securities Exchange Act of 1934, as amended, as long as the awards are not intended to be “qualified performance-based compensation” under section 162(m) of the Code, and as long as such awards are granted, administered, and modified in accordance with appropriate parameters set by the Committee.

The Committee presently consists of Messrs. James L. Francis, Charles E. Black, Allan J. Baum, and Jeffrey E. Kelter, each of whom is a non-employee member of our Board.

The aggregate number of our common shares that may be issued or transferred under the 2016 Equity Plan is 4,000,000 shares, subject to adjustment in certain circumstances as described below (the “Plan Limit”). The common shares that are issued or transferred under the 2016 Equity Plan may be authorized but unissued common shares or reacquired common shares, including our common shares purchased by us on the open market for purposes of the 2016 Equity Plan.

The 2016 Equity Plan provides that the maximum aggregate number of our common shares with respect to which awards may be made to any individual during any calendar year is 833,333 shares, subject to adjustment in certain circumstances as described below. The maximum aggregate number of our common shares that may be granted pursuant to share awards, restricted share units, or other equity awards that are intended to be qualified performance-based compensation under section 162(m) of the Code to any individual during any calendar year is 833,333 shares, subject to adjustment in certain circumstances as described below. These individual share limits apply regardless of whether grants are to be paid in shares or cash.

If dividend equivalents are granted as performance-based compensation under section 162(m) of the Code, a grantee may not accrue more than \$1,500,000 of such dividend equivalents during any calendar year.

If and to the extent options and SARs granted under the 2016 Equity Plan terminate, expire, or are cancelled, forfeited, exchanged, or surrendered without having been exercised and to the extent share awards, restricted share units, or other equity awards (including LTIP Units) are forfeited, terminated, or otherwise not paid in full, the shares subject to such awards will become available again for purposes of the 2016 Equity Plan. To the extent that awards are designated to be paid in cash and not in our common shares, such awards will not count against the share limits set forth above. Shares surrendered in payment of the exercise price of an option and shares withheld or surrendered for payment of taxes will not be available again for issuance or transfer under the 2016 Equity Plan. Additionally, if SARs are exercised and settled in shares, the full number of shares subject to the SARs will be considered issued under the 2016 Equity Plan, without regard to the number of shares issued upon settlement of the SARs.

Types of Awards

Options

The Committee may grant options intended to qualify as “incentive share options” within the meaning of section 422 of the Code (“ISOs”) or “nonqualified options” that are not intended to so qualify (“NQSOs”) or any combination of ISOs and NQSOs. Anyone eligible to participate in the 2016 Equity Plan may receive an award of NQSOs. Only our employees and employees of our subsidiaries may receive an award of ISOs.

The Committee will fix the exercise price per share of options on the date of grant. The exercise price of options granted under the 2016 Equity Plan will not be less than the fair market value of our common shares on the date of grant (or if there were no trades on that date, on the latest preceding date upon which a sale was reported). However, if the grantee of an ISO is a person who holds more than 10% of the total combined voting power of all classes of our outstanding shares, the exercise price per share of an ISO granted to such person must be at least 110% of the fair market value of our common shares on the date of grant (or if there were no trades on that date, on the latest preceding date upon which a sale was reported).

The Committee will determine the term of each option, which will not exceed ten years from the date of grant. The Committee will determine the terms and conditions of options, including when they become exercisable. The Committee may accelerate the exercisability of any options. In general, an option may only be exercised while a grantee is employed by, or providing service to, us or our subsidiaries. However, unless provided otherwise in the grantee’s award agreement or other written agreement, an option may be exercised for a period of time following the grantee’s termination of employment or service as follows: (a) if a grantee’s employment or service terminates for any reason other than disability, death, retirement, or for cause, the grantee’s option will terminate 90 days following the date on which the grantee ceases to be employed by, or provide service to, us; (b) if a grantee ceases to be employed by, or provide service to, us on account of the grantee’s retirement, death, or disability, or the grantee dies within 90 days following a termination of employment or service with us for any reason other than cause, the grantee’s options will terminate one year after the date on which the grantee ceases to be employed by, or provide service to, us; and (c) if a grantee ceases to be employed by, or provide service to, us on account of “cause” (as defined in the grantee’s award agreement), any option held by the grantee will terminate immediately. In each case described above, the Committee may specify a different termination date for the option, but in no event may the option be exercised later than the expiration of the option term.

SARs

The Committee may grant SARs to anyone eligible to participate in the 2016 Equity Plan. SARs may be granted in connection with, or independently of, any option granted under the 2016 Equity Plan. Upon exercise of a SAR, the grantee will receive an amount equal to the excess of the fair market value of our common shares on the date of exercise over the base amount of the SAR set forth in the grantee’s award agreement. Such payment to the grantee will be in cash, in our common shares, or in a combination of cash and common shares, as determined by the Committee. The Committee will determine the term of each SAR, which will not exceed ten years from the date of grant.

The base amount of each SAR will be established by the Committee at the time the SAR is granted and will be equal to, or greater than, the fair market value of our common shares on the date the SAR is granted (or if there were no trades on that date, on the latest preceding date upon which a sale was reported). The Committee will determine the terms and conditions of SARs, including when they become exercisable. The Committee may accelerate the exercisability of any or all outstanding SARs at any time for any reason. SARs may be exercised while the grantee is employed by, or providing service to, us and our subsidiaries or within the same specified period of time after termination of such employment or service as provided with respect to options.

Share Awards

The Committee may provide that common shares may be granted under a share award to any grantee for consideration or no consideration, and subject to such restrictions, if any, as determined by the Committee. The Committee may establish conditions under which restrictions on share awards lapse over a period of time or according to such other criteria (including restrictions based on the achievement of specific performance goals) as the Committee deems appropriate. The period of time that a share award remains subject to restrictions is referred to below as the “restriction period.”

Unless the Committee determines otherwise in the grantee’s award agreement, during the restriction period, the grantee will have the right to vote the common shares subject to the share award and to receive any dividends or other distributions paid on such shares, subject to any restrictions determined appropriate by the Committee, including, without limitation, the achievement of specific performance goals. The grantee cannot sell or otherwise dispose of common shares during the restriction period. Subject to exceptions as the Committee deems appropriate, if a grantee ceases to be employed by, or provide service to, us or our subsidiaries during the restriction period, or if other specified conditions are not met, the share award will terminate as to all shares covered by the grant as to which restrictions have not lapsed.

Restricted Share Units

The Committee may grant restricted share units to anyone eligible to participate in the 2016 Equity Plan. Each restricted share unit provides the grantee with the right to receive a share of our common shares or an amount based on the value of a share of our common shares at a future date, if specified conditions are met. The Committee will determine the number of restricted share units that will be granted and the terms and conditions applicable to restricted share units, which may include payment based on achievement of specified performance goals.

Restricted share units may be paid at the end of a specified period or deferred to a date authorized by the Committee. If a restricted share unit becomes payable, it will be paid to the grantee in cash, in our common shares, or in a combination of cash and our common shares, as determined by the Committee. All unvested restricted share units are forfeited if the grantee’s employment or service is terminated for any reason, unless the Committee determines otherwise.

The Committee may grant dividend equivalents in connection with awards of restricted share units made under the 2016 Equity Plan. Dividend equivalents entitle the grantee to receive amounts equal to the dividends that are paid on the shares underlying a restricted share unit while the restricted share unit is outstanding. The Committee will determine whether dividend equivalents will be paid currently or credited to a bookkeeping account as a dollar amount or in the form of restricted share units. The Committee may provide that dividend equivalents shall be payable based on the achievement of specific performance goals. Dividend equivalents may be paid in cash, in our common shares, or in a combination of the two. The terms and conditions of dividend equivalents will be determined by the Committee.

Other Equity Awards

The Committee may grant other equity awards, which are awards other than options, SARs, share awards, and restricted share units, that are based on, measured by, or payable in our common shares, on such terms and conditions as the Committee determines. The Committee may grant other equity awards to anyone eligible to participate in the 2016 Equity Plan. These awards may be denominated in cash, our common shares or other securities, share-equivalent units, share appreciation units, securities or debentures convertible into our common shares (including LTIP Units), or any combination of the foregoing, and may be paid in cash, in our common shares or other securities, or in a combination of the foregoing. The terms and conditions for other equity awards will be determined by the Committee, provided that the grant of LTIP Units must satisfy the requirements of the partnership agreement for our operating partnership as in effect on the date of grant.

We may make certain awards in the form of LTIP Units. LTIP Units are a separate series of units of limited partnership interests in our operating partnership. LTIP Units, which can be granted either as free-standing awards or in tandem with other awards under the 2016 Equity Plan, will be valued by reference to the value of our common shares, and will be subject to such conditions and restrictions as the Committee may determine, including continued employment or service, achievement of financial metrics, and/or achievement of pre-established performance goals and objectives. If applicable conditions and/or restrictions are not attained, participants will forfeit their LTIP Units. Unless otherwise provided, LTIP Unit awards, whether vested or unvested, may entitle the participant to receive distributions from our operating partnership equivalent to the dividends that would be payable with respect to the number of our common shares underlying the LTIP Unit award.

LTIP Units are intended to be structured as “profits interests” for U.S. federal income tax purposes, and we do not expect the grant, vesting, or conversion of LTIP Units to produce a tax deduction for us. As profits interests, LTIP Units initially will not have full parity, on a per unit basis, with the operating partnership’s common units with respect to liquidating distributions. Upon the occurrence of specified events, LTIP Units can over time achieve full parity with common units and therefore accrete to an economic value for the participant equivalent to common units. If such parity is achieved, LTIP Units may be converted, subject to the satisfaction of applicable vesting conditions, on a one-for-one basis into common units, which in turn are redeemable by the holder for our common shares on a one-for-one basis or for the cash value of such shares, at our election. However, there are circumstances under which LTIP Units will not achieve parity with common units, and the value that a participant could realize for a given number of LTIP Units will be less than the value of an equal number of our common shares and may be zero. Each LTIP Unit awarded will be equivalent to an award of one share of our common shares reserved under the 2016 Equity Plan, thereby reducing the number of our common shares available for other equity awards on a one-for-one basis.

Qualified Performance-Based Compensation

The 2016 Equity Plan permits the Committee to impose objective performance goals that must be met with respect to awards of share awards, restricted share units, dividend equivalents, or other equity awards granted to employees under the 2016 Equity Plan, in order for the awards to be considered qualified performance-based compensation for purposes of section 162(m) of the Code (see “Federal Income Tax Consequences Related to Awards” below). Prior to, or soon after the beginning of, the performance period, the Committee will establish in writing the objective performance goals that must be met, the applicable performance period, the amounts to be paid if the performance goals are met, and any other conditions that the Committee deems appropriate and consistent with the 2016 Equity Plan and section 162(m) of the Code, including the employment requirements and payment terms.

The performance goals, to the extent designed to meet the requirements of section 162(m) of the Code, will be based on one or more of the following measures: share price appreciation; share price; total shareholder return; total shareholder return as compared to total shareholder return of comparable companies or a publicly available index; net income; pretax earnings; earnings before interest expense and taxes (EBIT); earnings before interest expense, taxes, depreciation and amortization (EBITDA); earnings per share; return on equity; return on assets; revenues; asset growth; operating ratios; access to and availability of funding; or asset quality. Such performance goals may be particular to a grantee’s business unit or the performance of us or a subsidiary or us and our subsidiaries as a whole, or any combination of the foregoing. The Committee will use objectively determinable performance goals. For purposes of establishing the objective performance goals, the goals must be substantially uncertain at the time they are established and such goals must be established in such a way that a third party with knowledge of the relevant facts could determine whether and to what extent the performance goals have been met. The Committee will not have discretion to increase the amount of compensation that is payable pursuant to a qualified performance-based award. At the end of the designated performance period, the Committee will determine to what extent the established performance goals have been met

and will certify the performance results for any award made for such period. The Committee may provide in the grantee's award agreement the extent to which a qualified performance-based award would be payable upon the grantee's death, disability, or a change in control, or under other circumstances consistent with the requirements under section 162(m) of the Code.

Amendment and Termination of the 2016 Equity Plan

Our Board may amend or terminate the 2016 Equity Plan or an award at any time, however, the Board may not amend the 2016 Equity Plan without shareholder approval if such approval is required under any applicable laws or stock exchange requirements. The 2016 Equity Plan will terminate on the day immediately preceding the tenth anniversary of its effective date, unless the 2016 Equity Plan is terminated earlier by our Board or is extended by our Board with the approval of the shareholders.

Clawback Policy

All awards made under the 2016 Equity Plan are subject to any clawback or recoupment policies, share trading policies, and any other policy implemented by the Board or the Committee, as in effect from time to time.

Employment Agreements with the Named Executive Officers

Employment and Retention Agreements

Each of Messrs. DuGan, Harris, Pell, and Clark have entered into employment agreements with us. Illustrated below are the severance provisions associated with a termination of employment.

Gordon F. DuGan. Mr. DuGan's employment agreement, as amended, has a term commencing on July 1, 2012 and ending on June 30, 2018. The agreement provides for an annual salary of no less than \$750,000 and such discretionary annual bonuses as we, in our sole discretion, may deem appropriate to reward Mr. DuGan for job performance. We and Mr. DuGan are in the process of extending the term of his agreement.

Under the agreement, we are also obligated to maintain a life insurance policy for the benefit of Mr. DuGan's beneficiaries in the face amount of \$5,000,000, or if not available at reasonable rates, to self-insure Mr. DuGan up to the maximum cash severance payable under the agreement. If Mr. DuGan is terminated for any reason, under the agreement he will be subject to the following obligations: (i) noncompetition with us for 18 months (or 12 months if his employment is terminated due to a non-renewal of the original term of employment by us, or six months if (A) his employment is terminated by us without Cause (as defined in Mr. DuGan's employment agreement) or for Good Reason (as defined in Mr. DuGan's employment agreement) by Mr. DuGan after a Change-in-Control (as defined in Mr. DuGan's employment agreement) or (B) Mr. DuGan's employment is terminated upon or after the expiration of the one-year renewal term); (ii) non-solicitation of our employees for two-years; and (iii) non-disparagement of us and non-interference with our business for one year. The employment agreement also provides for the following payments and benefits to Mr. DuGan in connection with the termination of his employment with us:

- Termination with Cause or without Good Reason. If Mr. DuGan's employment is terminated by us with Cause or by Mr. DuGan without good reason (as defined in Mr. DuGan's employment Agreement), Mr. DuGan shall be entitled to receive earned and accrued base salary, but we shall have no further obligations following such termination.
- Termination without Cause or with Good Reason. If Mr. DuGan's employment is terminated by us without Cause or by Mr. DuGan with Good Reason, Mr. DuGan will receive the following payments and benefits. Mr.

DuGan will receive a cash severance payment equal to two multiplied by the sum of (i) his average annual base salary in effect during the preceding 24 months (his "Prior Salary"), plus (ii) the highest annual cash bonus paid to Mr. DuGan during the three fiscal years prior to the date of termination (including any equity awarded as bonus) (the "Prior Bonus"), which amount shall be payable in 24 equal monthly installments; provided that, if Mr. DuGan is terminated by us without Cause by the non-renewal of the original term, then Mr. DuGan shall instead receive the sum of his Prior Salary and his Prior Bonus as opposed to two times such amount. We will pay to Mr. DuGan a prorated annual performance bonus based on his Prior Bonus (his "Prorated Annual Bonus") for the year in which Mr. DuGan's employment is terminated (and the prior year if such bonus had not yet been determined), in a lump sum based on the number of days elapsed during the fiscal year of termination. Mr. DuGan will also receive a monthly cash payment for 24 months equal to the monthly cash payment that we would have paid to provide health insurance for Mr. DuGan, or until he is entitled to receive health insurance from another employer, if earlier. All unvested equity awards that would have otherwise vested within 24 months of Mr. DuGan's termination will vest. Mr. DuGan's unearned LTIP Units would vest based on the achievement of applicable performance goals through 30 days after the termination date. Mr. DuGan's receipt of these payments and benefits in connection with a termination without Cause or for Good Reason is subject to his execution of a general release of claims with our company.

- Termination upon Death. If Mr. DuGan's employment is terminated upon his death, Mr. DuGan's estate will receive his Prorated Annual Bonus for the year in which Mr. DuGan's employment is terminated (and the prior year if such bonus had not yet been determined). In addition, in the event of such a termination, Mr. DuGan's unvested equity awards that would have otherwise vested within 12 months of the termination date will vest. Notwithstanding the foregoing, Mr. DuGan's estate will only be entitled to receive such payments and benefits to the extent that their aggregate value together with the value of any other accelerated vesting of equity awards granted by our company exceeds the amount payable to Mr. DuGan's beneficiaries under the life insurance policy, or self-insurance, maintained by us.
- Termination upon Disability. If Mr. DuGan's employment is terminated by us due to Mr. DuGan's disability (as defined in Mr. DuGan's employment agreement), Mr. DuGan will receive (i) a cash severance payment equal to the sum of his Prior Salary and his Prior Bonus, which will be payable in 24 equal monthly installments, (ii) a lump sum payment equal to his Prorated Annual Bonus for the year in which Mr. DuGan's employment is terminated provided that the Prorated Annual Bonus shall be less the amount of any annual bonus, or advance thereof, previously paid for the applicable period, and (iii) a monthly cash payment for 12 months equal to the monthly cash payment that we would have paid to provide health insurance for Mr. DuGan, or until he is entitled to receive health insurance from another employer, if earlier. In addition, in the event of such a termination, all unvested equity awards that would have otherwise vested within 12 months of Mr. DuGan's termination will vest. Mr. DuGan's receipt of these payments and benefits in connection with a termination upon disability is subject to his execution of a general release of claims with us.
- Termination following Change-in-Control. If Mr. DuGan's employment is terminated by us without Cause or by the executive with Good Reason, in either case during the 18 months following the effective time of the Merger, Mr. DuGan will receive in lieu of the severance benefits described above, a cash severance payment equal to a multiple of three times the sum of his average annual base salary over the 24 months prior to termination plus his most recent annual cash bonus paid, which shall be payable in installments over a period of 24 months. In addition, Mr. DuGan is entitled to a lump sum cash payment equal to the most recent annual bonus paid, prorated based on the days elapsed during the fiscal year of termination. Mr. DuGan is also entitled to continued health insurance benefits for a specified post-termination period of 24 months, or until he is entitled to receive

health insurance from another employer, if earlier. In connection with a severance-qualifying termination during the 18 months following the effective time of the Merger, RSUs and restricted shares held by Mr. DuGan will vest. Mr. DuGan's unearned LTIP Units would vest based on the achievement of applicable performance goals through 30 days after the termination date. Mr. DuGan's receipt of these payments and benefits in connection with a termination without Cause or for Good Reason is subject to his execution of a general release of claims with our company.

To the extent necessary to avoid the imposition of an additional tax under Section 409A of the Code, severance pay and benefits will be delayed until six months after termination, or death, whichever is earlier, during which time the payments will accrue interest at the rate of 5% per annum.

If any payments and benefits to be paid or provided to Mr. DuGan, whether under his employment agreement or otherwise, would be subject to "golden parachute" excise taxes under the Code, Mr. DuGan's payments and benefits under his employment agreement will be reduced to the extent necessary to avoid such excise taxes, but only if such a reduction of pay or benefits would result in a greater after-tax benefit to Mr. DuGan.

The following table illustrates Mr. DuGan's potential payments and other benefits upon termination of his employment or Change-in-Control of our company under his employment agreement upon a hypothetical termination on December 31, 2017.

Gordon F. DuGan	Base Salary	Bonus	Medical and Welfare Benefits	Accelerated Equity	Total
With Cause or Without Good Reason	\$ —	\$ —	\$ —	\$ —	\$ —
Without Cause or with Good Reason	\$ 1,500,000	\$ 2,700,000	\$ 41,344	\$ 2,788,000	7,029,344
Death	\$ —	\$ 880,929	\$ —	\$ 752,935	1,633,864
Disability	\$ 750,000	\$ 880,929	\$ 20,672	\$ 752,935	2,404,536
Following Change-in-Control	\$ 2,250,000	\$ 2,642,787	\$ 41,344	\$ 4,060,988	8,995,119

Benjamin P. Harris. Mr. Harris' employment agreement has a term commencing on July 1, 2012 and ending on June 30, 2018. The agreement provides for an annual salary of no less than \$600,000, and such discretionary annual bonuses as we, in our sole discretion, may deem appropriate to reward Mr. Harris for job performance. We and Mr. Harris are in the process of extending the term of his agreement.

If Mr. Harris' employment is terminated for any reason, under the agreement he will be subject to the following continuing obligations after termination: (i) noncompetition with us for 12 months (6 months if (A) employment is terminated without Cause by us or any successor or for Good Reason by Mr. Harris or (B) Mr. Harris' employment is terminated upon or after the expiration of the one-year renewal term); (ii) nonsolicitation of our employees for two-years; and (iii) non-disparagement of us and non-interference with our business for one year. The employment agreement also provides for the following payments and benefits to Mr. Harris in connection with the termination of his employment with us:

- Termination with Cause or without Good Reason. If Mr. Harris's employment is terminated by us with Cause or by Mr. Harris Without Good Reason (as defined in Mr. Harris's employment agreement), Mr. Harris shall be entitled to receive earned and accrued base salary, but we shall have no further obligations following such termination.

- **Termination without Cause or with Good Reason.** If Mr. Harris' employment is terminated by us without Cause or by Mr. Harris with Good Reason, Mr. Harris will receive the following payments and benefits. Mr. Harris will receive a cash severance payment equal to the sum of (i) his average annual base salary in effect during the preceding 24 months (his "Prior Salary"), plus (ii) the highest annual cash bonus paid to Mr. Harris during the three fiscal years prior to the date of termination (including any equity awarded as bonus) (the "Prior Bonus"), which amount shall be payable in 12 equal monthly installments. We will pay to Mr. Harris a prorated annual performance bonus based on his Prior Bonus (his "Prorated Annual Bonus") for the year in which Mr. Harris' employment is terminated (and the prior year if such bonus had not yet been determined), in a lump sum based on the number of days elapsed during the fiscal year of termination. Mr. Harris will also receive a monthly cash payment for 12 months equal to the monthly cash payment that we would have paid to provide health insurance for Mr. Harris, or until he is entitled to receive health insurance from another employer, if earlier. All unvested equity awards that would have otherwise vested within 12 months of Mr. Harris' termination will vest. Mr. Harris's unearned LTIP Units would vest based on the achievement of applicable performance goals through 30 days after the termination date. Mr. Harris' receipt of these payments and benefits in connection with a termination without Cause or for Good Reason is subject to his execution of a general release of claims with our company.
- **Termination upon Death.** If Mr. Harris' employment is terminated upon his death, Mr. Harris' estate will receive his Prorated Annual Bonus for the year in which Mr. Harris' employment is terminated (and the prior year if such bonus had not yet been determined). In addition, in the event of such a termination, Mr. Harris' unvested equity awards that would have otherwise vested within 12 months of the termination date will vest.
- **Termination upon Disability.** If Mr. Harris' employment is terminated by us due to Mr. Harris' disability (as defined in Mr. Harris' employment agreement), Mr. Harris will receive (i) a cash severance payment equal to the sum of his Prior Salary and his Prior Bonus, which will be payable in 12 equal monthly installments, (ii) a lump sum payment equal to his Prorated Annual Bonus for the year in which Mr. Harris' employment is terminated provided that the Prorated Annual Bonus shall be less the amount of any annual bonus, or advance thereof, previously paid for the applicable period, and (iii) a monthly cash payment for 12 months equal to the monthly cash payment that we would have paid to provide health insurance for Mr. Harris, or until he is entitled to receive health insurance from another employer, if earlier. In addition, in the event of such a termination, Mr. Harris' unvested equity awards that would have otherwise vested within 12 months of Mr. Harris' termination will vest. Mr. Harris' receipt of these payments and benefits in connection with a termination upon disability is subject to his execution of a general release of claims with us.
- **Termination following Change-in-Control.** If Mr. Harris's employment is terminated by us without Cause or by the executive with Good Reason, in either case during the 18 months following the effective time of the Merger, Mr. Harris will receive in lieu of the severance benefits described above, a cash severance payment equal to a multiple of 2.5 times the sum of his average annual base salary over the 24 months prior to termination, which shall be plus the highest annual bonus during the three years prior to termination, which shall be payable in installments over a period of 12 months. In addition, Mr. Harris is entitled to a cash payment equal to the Prorated Annual Bonus. Mr. Harris is also entitled to continued health insurance benefits for a specified post-termination period of 12 months, or until he is entitled to receive health insurance from another employer, if earlier. In connection with a severance-qualifying termination during the 18 months following the effective time of the Merger, RSUs and restricted shares held by Mr. Harris will vest. Mr. Harris's unearned LTIP Units would vest based on the achievement of applicable performance goals through 30 days after the termination date. Mr. Harris' receipt of these payments and benefits in connection with a termination upon disability is subject to his execution of a general release of claims with us.

To the extent necessary to avoid the imposition of an additional tax under Section 409A of the Code, severance pay and benefits will be delayed until six months after termination, or death, whichever is earlier, during which time the payments will accrue interest at the rate of 5% per annum.

If any payments and benefits to be paid or provided to Mr. Harris, whether under his employment agreement or otherwise, would be subject to “golden parachute” excise taxes under the Code, Mr. Harris’ payments and benefits under his employment agreement will be reduced to the extent necessary to avoid such excise taxes, but only if such a reduction of pay or benefits would result in a greater after-tax benefit to Mr. Harris.

The following table illustrates Mr. Harris’ potential payments and other benefits upon termination of his employment or Change-in-Control of our company under his employment agreement upon a hypothetical termination on December 31, 2017.

Benjamin P. Harris	Base Salary	Bonus	Medical and Welfare Benefits	Accelerated Equity	Total
With Cause or Without Good Reason	\$ —	\$ —	\$ —	\$ —	\$ —
Without Cause or with Good Reason	\$ 600,000	\$ 1,250,000	\$ 20,672	\$ 609,510	\$ 2,480,182
Death	\$ —	\$ 554,743	\$ —	\$ 609,510	\$ 1,164,253
Disability	\$ 600,000	\$ 554,743	\$ 20,672	\$ 609,510	\$ 1,784,925
Following Change-in-Control	\$ 1,500,000	\$ 3,125,000	\$ 20,672	\$ 1,768,287	\$ 6,413,959

Nicholas L. Pell. Mr. Pell’s employment agreement has a term commencing on July 1, 2012 and ending on June 30, 2018. The agreement provides for an annual salary of no less than \$500,000, and such discretionary annual bonuses as we, in our sole discretion, may deem appropriate to reward Mr. Pell for job performance. We and Mr. Pell are in the process of extending the term of his agreement.

If Mr. Pell’s employment is terminated for any reason, under the agreement he will be subject to the following continuing obligations after termination: (i) noncompetition with us for 12 months (6 months if (A) employment is terminated without Cause by us or any successor or for Good Reason by Mr. Pell or (B) Mr. Pell’s employment is terminated upon or after the expiration of the one-year renewal term); (ii) nonsolicitation of our employees for two-years; and (iii) non-disparagement of us and non-interference with our business for one year. The employment agreement also provides for the following payments and benefits to Mr. Pell in connection with the termination of his employment with us:

- Termination with Cause or without Good Reason. If Mr. Pell’s employment is terminated by us with Cause or by Mr. Pell Without Good Reason (as defined in Mr. Pell’s employment agreement), Mr. Pell shall be entitled to receive earned and accrued base salary, but we shall have no further obligations following such termination.
- Termination without Cause or with Good Reason. If Mr. Pell’s employment is terminated by us without Cause or by Mr. Pell with Good Reason, Mr. Pell will receive the following payments and benefits. Mr. Pell will receive a cash severance payment equal to the sum of (i) his average annual base salary in effect during the preceding 24 months (his “Prior Salary”), plus (ii) the highest annual cash bonus paid to Mr. Pell during the three fiscal years prior to the date of termination (including any equity awarded as bonus) (the “Prior Bonus”), which amount shall be payable in 12 equal monthly installments. We will pay to Mr. Pell a prorated annual performance bonus based on his Prior Bonus (his “Prorated Annual Bonus”) for the year in which Mr. Pell’s employment is terminated

(and the prior year if such bonus had not yet been determined), in a lump sum based on the number of days elapsed during the fiscal year of termination. Mr. Pell will also receive a monthly cash payment for 12 months equal to the monthly cash payment that we would have paid to provide health insurance for Mr. Pell, or until he is entitled to receive health insurance from another employer, if earlier. All unvested equity awards that would have otherwise vested within 12 months of Mr. Pell's termination will vest. Mr. Pell's unearned LTIP Units would vest based on the achievement of applicable performance goals through 30 days after the termination date. Mr. Pell's receipt of these payments and benefits in connection with a termination without Cause or for Good Reason is subject to his execution of a general release of claims with our company.

- Termination upon Death. If Mr. Pell's employment is terminated upon his death, Mr. Pell's estate will receive his Prorated Annual Bonus for the year in which Mr. Pell's employment is terminated (and the prior year if such bonus had not yet been determined). In addition, in the event of such a termination, Mr. Pell's unvested equity awards that would have otherwise vested within 12 months of the termination date will vest.
- Termination upon Disability. If Mr. Pell's employment is terminated by us due to Mr. Pell's disability (as defined in Mr. Pell's employment agreement), Mr. Pell will receive (i) a cash severance payment equal to the sum of his Prior Salary and his Prior Bonus, which will be payable in 12 equal monthly installments, (ii) a lump sum payment equal to his Prorated Annual Bonus for the year in which Mr. Pell's employment is terminated provided that the Prorated Annual Bonus shall be less the amount of any annual bonus, or advance thereof, previously paid for the applicable period, and (iii) a monthly cash payment for 12 months equal to the monthly cash payment that we would have paid to provide health insurance for Mr. Pell, or until he is entitled to receive health insurance from another employer, if earlier. In addition, in the event of such a termination, Mr. Pell's unvested equity awards that would have otherwise vested within 12 months of Mr. Pell's termination will vest. Mr. Pell's receipt of these payments and benefits in connection with a termination upon disability is subject to his execution of a general release of claims with us.
- Termination following Change-in-Control. If Mr. Pell's employment is terminated by us without Cause or by the executive with Good Reason, in either case during the 18 months following the effective time of the Merger, Mr. Pell will receive in lieu of the severance benefits described above, a cash severance payment equal to a multiple of 2.5 times the sum of his average annual base salary over the 24 months prior to termination, which shall be plus the highest annual bonus during the three years prior to termination, which shall be payable in installments over a period of 12 months. In addition, Mr. Pell is entitled to a cash payment equal to the Prorated Annual Bonus. Mr. Pell is also entitled to continued health insurance benefits for a specified post-termination period of 12 months, or until he is entitled to receive health insurance from another employer, if earlier. In connection with a severance-qualifying termination during the 18 months following the effective time of the Merger, RSUs and restricted shares held by Mr. Pell will vest. Mr. Pell's unearned LTIP Units would vest based on the achievement of applicable performance goals through 30 days after the termination date. Mr. Pell's receipt of these payments and benefits in connection with a termination upon disability is subject to his execution of a general release of claims with us.

To the extent necessary to avoid the imposition of an additional tax under Section 409A of the Code, severance pay and benefits will be delayed until six months after termination, or death, whichever is earlier, during which time the payments will accrue interest at the rate of 5% per annum.

If any payments and benefits to be paid or provided to Mr. Pell, whether under his employment agreement or otherwise, would be subject to "golden parachute" excise taxes under the Code, Mr. Pell's payments and benefits under

his employment agreement will be reduced to the extent necessary to avoid such excise taxes, but only if such a reduction of pay or benefits would result in a greater after-tax benefit to Mr. Pell.

The following table illustrates Mr. Pell's potential payments and other benefits upon termination of his employment or Change-in-Control of our company under his employment agreement upon a hypothetical termination on December 31, 2017.

Nicholas L. Pell	Base Salary	Bonus	Medical and Welfare Benefits	Accelerated Equity	Total
With Cause or Without Good Reason	\$ —	\$ —	\$ —	\$ —	\$ —
Without Cause or with Good Reason	\$ 500,000	\$ 952,600	\$ 20,672	\$ 430,252	\$ 1,903,524
Death	\$ —	\$ 462,286	\$ —	\$ 430,252	\$ 892,538
Disability	\$ 500,000	\$ 462,286	\$ 20,672	\$ 430,252	\$ 1,413,210
Following Change-in-Control	\$ 1,250,000	\$ 2,381,500	\$ 20,672	\$ 1,357,247	\$ 5,009,419

Jon W. Clark. Mr. Clark's employment agreement, as amended, had an initial term ending on April 30, 2014, which automatically renewed for a successive one-year period and will continue to automatically renew for successive one-year periods after April 30, 2018, unless either party serves the required notice under the agreement. The agreement provides for an annual salary of no less than \$275,000 and such discretionary annual bonuses as we, in our sole discretion, may deem appropriate to reward Mr. Clark for job performance. The target annual bonus for 2012 and 2013 was at least \$300,000. Mr. Clark is also entitled to a monthly car allowance of \$750. However, Mr. Clark elected to forgo such car allowance subsequent to March 2013. If Mr. Clark is terminated for any reason, under the agreement he will be subject to the following obligations: (i) noncompetition with us for six months (or three months if his employment is terminated due to a non-renewal of the term of employment by us or for Cause (as defined in Mr. Clark's employment agreement) not related to our business or if Mr. Clark terminates his employment after the payment of a discretionary bonus for any year in an amount less than \$300,000); (ii) non-solicitation of our employees for two-years; and (iii) non-disparagement of us and non-interference with our business for one year. The employment agreement also provides for the following payments and benefits to Mr. Clark in connection with the termination of his employment with us:

- Termination with Cause or without Good Reason. If Mr. Clark's employment is terminated by us with Cause or by Mr. Clark Without Good Reason (as defined in Mr. Clark's employment agreement), Mr. Clark shall be entitled to receive earned and accrued base salary, but we shall have no further obligations following such termination.
- Termination without Cause or with Good Reason. If Mr. Clark's employment is terminated by us without Cause or by Mr. Clark for Good Reason, Mr. Clark will receive (i) continued annual base salary for a period of six months following termination, (ii) a lump sum payment equal to his annual bonus for the year prior to the year of termination (the "Prior Bonus"), prorated based on the number of days elapsed during the fiscal year of termination (the "Prorated Annual Bonus"), and (iii) a lump sum payment equal to one-half of the Prior Bonus (the "6-Month Bonus"). Mr. Clark will continue to receive his medical and welfare benefits for six months or until he is entitled to receive benefits of the same type from another employer, if earlier, and all of his unvested and unexercisable restricted stock, options or other equity-based awards that were granted as payment of a cash bonus, will fully vest or become exercisable on the date of termination. Mr. Clark will also have 12 months of

additional vesting for his outstanding restricted stock, options or other equity-based awards and any then vested unexercised stock options will remain exercisable until the earlier of the expiration of their term or the second January 1 following the termination date. Mr. Clark's unearned LTIP Units would vest based on the achievement of applicable performance goals through 30 days after the termination date. Mr. Clark's receipt of these payments and benefits is subject to his execution of a general release of claims with our company.

- **Termination upon Death.** If Mr. Clark's employment is terminated by us upon his death, his estate will receive his Prorated Annual Bonus. In addition, all of Mr. Clark's unvested and unexercisable restricted stock, options or other equity-based awards that were granted as payment of a cash bonus will fully vest or become exercisable on the date of termination and he will be entitled to 12 months of additional vesting of his outstanding restricted stock, options or other equity-based awards and any then vested unexercised stock options will remain exercisable until the earlier of the expiration of their term or the second January 1 following the termination date.
- **Termination upon Disability.** If Mr. Clark's employment is terminated by us upon his disability (as defined in Mr. Clark's employment agreement), Mr. Clark will receive (i) continued annual base salary for a period of six months following termination and (ii) the Prorated Annual Bonus and 6-Month Bonus, subject to certain conditions. Mr. Clark will continue to receive his medical and welfare benefits for six months, or until he is entitled to receive benefits of the same type from another employer, if earlier, and all of his unvested and unexercisable restricted stock, options or other equity-based awards that were granted as payment of a cash bonus, will fully vest or become exercisable on the date of termination. Mr. Clark will also have 12 months of additional vesting for his outstanding restricted stock, options or other equity-based awards and any then vested unexercised stock options will remain exercisable until the earlier of the expiration of their term or the second January 1 following the termination date. Mr. Clark's receipt of these payments and benefits is subject to his execution of a general release of claims with our company.
- **Termination following Change-in-Control.** If Mr. Clark's employment is terminated by us without Cause or by the executive with Good Reason, in either case during the 18 months following the effective time of the Merger, Mr. Clark will receive in lieu of the severance benefits described above, a cash severance payment equal to 24 months of his base salary in effect as of the termination date and two times his Prior Bonus, payable in a lump-sum. In addition, Mr. Clark is entitled to his Prior Bonus, prorated based on the days elapsed during the fiscal year of termination. Mr. Clark is also entitled to continued health insurance benefits for a specified post-termination period of 6 months, or until he is entitled to receive benefits of the same type from another employer, if earlier. In connection with a severance-qualifying termination during the 18 months following the effective time of the Merger Mr. Clark will be credited with 12 months of additional service under any provisions governing vesting of RSUs and restricted shares. Mr. Clark's unearned LTIP Units would vest based on the achievement of applicable performance goals through 30 days after the termination date. Mr. Clark's receipt of these payments and benefits is subject to his execution of a general release of claims with our company.

To the extent necessary to avoid the imposition of an additional tax under Section 409A of the Code, severance pay and benefits will be delayed until six months after termination, or death, whichever is earlier, during which time the payments will accrue interest at the rate of 5% per annum.

The following table illustrates Mr. Clark's potential payments and other benefits upon termination of his employment or Change-in-Control of our company under his employment agreement upon a hypothetical termination on December 31, 2017.

Jon W. Clark	Base Salary	Bonus	Medical and Welfare Benefits	Accelerated Equity	Total
With Cause or Without Good Reason	\$ —	\$ —	\$ —	\$ —	\$ —
Without Cause or with Good Reason	\$ 162,500	\$ 166,540	\$ 10,201	\$ 131,213	\$ 470,454
Death	\$ —	\$ 166,540	\$ —	\$ 131,213	\$ 297,753
Disability	\$ 162,500	\$ 166,540	\$ 10,201	\$ 131,213	\$ 470,454
Following Change-in-Control	\$ 650,000	\$ 666,158	\$ 10,201	\$ 131,213	\$ 1,457,572

Cutback under Section 280G of the Code

If any payments or benefits to be paid or provided to any of the named executive officers would be subject to “golden parachute” excise taxes under the Code, the executive’s payments and benefits under his employment agreement will be reduced to the extent necessary to avoid such excise taxes, but only if such a reduction of pay or benefits would result in a greater net after-tax receipt for the executive.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, the Company has provided the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Mr. Gordon F. DuGan, Chief Executive Officer.

For the year ended December 31, 2017:

The annual total compensation of the employee identified at median of our company (other than our Chief Executive Officer), was approximately \$115,191; and

The annual total compensation of the Chief Executive Officer for purposes of determining the CEO Pay Ratio was \$3,847,668.

Based on this information, for 2017, the ratio of the annual total compensation of Mr. Gordon F. DuGan, our Chief Executive Officer, to the median of the annual total compensation of all employees was estimated to be 33 to 1.

We used the last day of our fiscal year or December 31, 2017, to identify the median employee from our employee population. We collected actual base salary, bonus earned, and any overtime paid to full-time, part-time, temporary or seasonal employees employed on that date. No full-time adjustments were made for part-time employees.

This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described below. The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee’s annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

Hedging, Short Sales, and Pledging Policies

For a description of our hedging, short sale, and pledging policies, see “Compensation Discussion and Analysis—Other Matters—Anti-Hedging, Anti-Short Sale and Anti-Pledging Policies.”

Compensation Committee Interlocks and Insider Participation

There are no Compensation Committee interlocks and none of our employees is a member of its Compensation Committee. The members of the Compensation Committee for the year ended December 31, 2017 were Messrs. Francis (Chairman), Black, Kelter and Baum.

Disclosure Committee

We maintain a Disclosure Committee consisting of members of our executive management and senior staff. The purpose of the Disclosure Committee is to oversee our system of disclosure controls, assist and advise the Chief Executive Officer and Chief Financial Officer in making the required certifications in SEC reports and evaluate our company's internal control function. The Disclosure Committee was established to bring together on a regular basis representatives from our core business lines and employees involved in the preparation of our financial statements to discuss any issues or matters of which the members are aware that should be considered for disclosure in our public SEC filings. The Disclosure Committee reports to our Chief Executive Officer and, as appropriate, to our Audit Committee. The Disclosure Committee meets quarterly and otherwise as needed.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the beneficial ownership of our common shares, as of April 16, 2018, for (1) each person known to us to be the beneficial owner of more than 5% of our outstanding common shares based on the Schedule 13D, Schedule 13G, or any amendments thereto, filed with the SEC, (2) each of our trustees and nominees for trustee, (3) each of our named executive officers who is not a trustee and (4) our trustees, nominees for trustee and executive officers as a group.

In accordance with SEC rules, each listed person's beneficial ownership includes:

- all shares the investor actually owns beneficially or of record;
- all shares over which the investor has or shares voting or dispositive control (such as in the capacity as a general partner of an investment fund); and
- all shares the investor has the right to acquire within 60 days (such as upon exercise of options that are currently vested or which are scheduled to vest within 60 days) after April 17, 2018.

Except as otherwise described in the notes below, the following beneficial owners own all shares directly and have sole voting power and sole investment power with respect to all common shares set forth opposite their respective names.

Name and Address**	Shares Owned ⁽¹⁾	Percentage
Trustees and Executive Officers:		
Charles E. Black	76,469	*
Gordon F. DuGan	866,475	*
Allan J. Baum	70,933 ⁽²⁾	*
Z. Jamie Behar	7,463	*
Thomas D. Eckert	64,372 ⁽³⁾	*
James L. Francis	13,651	*
Gregory F. Hughes	18,854 ⁽⁴⁾	*
Jeffrey E. Kelter	97,722 ⁽⁵⁾	*
Louis P. Salvatore	18,968	*
Benjamin P. Harris	254,608	*
Nicholas L. Pell	219,168	*
Jon W. Clark	73,615	*
Edward J. Matey Jr.	68,242	*
All current executive officers and trustees as a group (13 persons)	1,850,540	1.10%
5% or Greater Owners:		
The Vanguard Group, Inc. ⁽⁶⁾	24,646,030	15.33 %
BlackRock, Inc. ⁽⁷⁾	14,397,948	9.00 %
Vanguard Specialized Funds ⁽⁸⁾	10,228,339	6.36 %

* Less than one percent.

** Unless otherwise indicated, the business address is 90 Park Avenue, 32nd Floor, New York, NY 10016.

(1) Beneficial ownership is determined in accordance with Rule 13d-3 of the Exchange Act. A person is deemed to be the beneficial owner of any common shares if that person has or shares voting power or investment power with respect to those shares, or has the right to acquire beneficial ownership at any time within 60 days of the date of

the table. As used herein, “voting power” is the power to vote or direct the voting of shares and “investment power” is the power to dispose or direct the disposition of shares. As of April 16, 2018 168,272,695 common shares/units were outstanding.

- (2) Includes 28,176 shares issuable upon exercise of options.
- (3) Includes 1,329 shares issuable upon exercise of options.
- (4) Includes 3,987 shares issuable upon exercise of options.
- (5) Includes 34,821 shares issuable upon exercise of options.
- (6) Based solely on information provided on a Schedule 13G/A filed by the Vanguard Group, Inc., on behalf of itself and certain of its affiliates, with the SEC on February 7, 2018. The business address of the Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, PA 19355.
- (7) Based solely on information provided on a Schedule 13G filed by BlackRock, Inc., on behalf of itself and certain of its affiliates, with the SEC on January 24, 2018. The business address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.
- (8) Based solely on information provided on a Schedule 13G/A filed by Vanguard Specialized Funds - Vanguard REIT Index Fund - 23-2834924, on behalf of itself and certain of its affiliates, with the SEC on February 1, 2018. The business address of Vanguard Specialized Funds - Vanguard REIT Index Fund - 23-2834924 is 100 Vanguard Blvd., Malvern, PA 19355.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the executive officers and trustees, and persons who own more than 10% of a registered class of its equity securities, to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC. To our knowledge, based solely on a review of the copies of the forms received and written representations, the company believes that during fiscal years 2016 and 2017, its executive officers, trustees and persons who own more than 10% of a registered class of its equity securities complied with the beneficial ownership reporting requirements of Section 16(a) of the Exchange Act.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Policies and Procedures With Respect to Related Party Transactions

It is the policy of the Board that all related party transactions (generally, transactions in which the Company is a participant with a related party (trustees and executive officers or their immediate family members, or shareholders owning 5% of more of outstanding common shares)) shall be subject to approval or ratification in accordance with the following procedures.

The Board shall review the material facts of all related party transactions involving amounts exceeding \$100,000 that require its approval and either approve or disapprove of the entry into the related party transaction, and our Nominating and Corporate Governance Committee shall review the material facts of all related party transactions that involve amounts that are less than \$100,000 that require its approval and either approve or disapprove of the entry into the related party transaction. If advance approval of a related party transaction is not feasible, then the related party transaction shall be considered and, if the Nominating and Corporate Governance Committee or the Board, as applicable, determines it to be appropriate, ratified at the next regularly scheduled meeting of the Nominating and Corporate Governance Committee or the Board. In determining whether to approve or ratify a related party transaction, the Nominating and Corporate Governance Committee or the Board will take into account, among other factors it deems appropriate, whether the related party transaction is on terms comparable to those available to an unaffiliated third-party under the same or similar circumstances and the overall fairness to the Company.

If a related party transaction will be ongoing, the Nominating and Corporate Governance Committee or the Board, as applicable, may establish guidelines for management to follow in its ongoing dealings with the related party. Thereafter, the Nominating and Corporate Governance Committee or the Board, on at least an annual basis, shall review and assess ongoing relationships with the related party to see that they are in compliance with the Nominating and Corporate Governance Committee's or Board's guidelines and that the related party transaction remains appropriate.

All related party transactions involving amounts in excess of \$100,000 shall be disclosed in applicable filings with the SEC as required under SEC rules.

Related Party Transactions

The Company's Chief Executive Officer, Gordon F. DuGan, was on the board of directors of the Gramercy European Property Fund prior to its sale in July 2017 and committed and fully funded approximately \$1,388,000 (€1,250,000) in capital to the Gramercy European Property Fund. The two Managing Directors of Gramercy Europe Limited collectively committed and fully funded approximately \$1,388,000 (€1,250,000) in capital to the Gramercy European Property Fund prior to the sale of its assets in July 2017. Foreign currency commitments have been converted into U.S. dollars based on (i) the foreign exchange rate at the closing date for completed transactions and (ii) the exchange rate that prevailed on December 31, 2017, in the case of unfunded commitments.

The company acquired three properties in January 2015 in an arms-length transaction from affiliates of KTR Capital Partners, a private industrial real estate investment company, for which one of the company's trustees, Jeffrey Kelter, served as Chief Executive Officer and Chairman of the Board. The properties are located in Milwaukee, Wisconsin, comprise an aggregate 450,000 square feet and were acquired for an aggregate purchase price of approximately \$19,750,000.

OTHER MATTERS

Solicitation of Proxies

We will pay the cost of solicitation of proxies. In addition to the solicitation of proxies by mail, our directors, officers and employees may also solicit proxies personally or by telephone without additional compensation for such activities. We will also request persons, firms and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send proxy materials to and obtain proxies from such beneficial owners. We will reimburse such holders for their reasonable expenses. In addition, we intend to utilize the proxy solicitation services of Morrow Sodali LLC at an aggregate estimated cost of \$5,000 plus out-of-pocket expenses.

Shareholder Proposals

Shareholder proposals intended to be presented at the 2019 annual meeting of shareholders must be received by our Secretary no later than January 1, 2019 in order to be considered for inclusion in our proxy statement relating to the 2019 meeting pursuant to Rule 14a-8 under the Exchange Act.

For a proposal of a shareholder to be properly presented at the 2019 annual meeting of shareholders, other than a shareholder proposal included in the proxy statement pursuant to Rule 14a-8, such proposal must be received at our principal executive offices after December 2, 2018 and on or before January 1, 2019, unless the 2019 annual meeting of shareholders is scheduled to take place before May 16, 2019 or after July 15, 2019. Under our bylaws, shareholders must follow certain procedures to nominate a person for election as a trustee at an annual or special meeting, or to introduce an item of business at an annual meeting. A shareholder must notify our Secretary in writing of the trustee nominee or the other business. To be timely under our current bylaws, the notice must be delivered to our Secretary, along with the appropriate supporting documentation, as applicable, at our principal executive office not less than 120 days nor more than 150 days prior to the first anniversary of the date of preceding year's annual proxy; provided, however, that in the event that the date of the annual meeting is advanced or delayed by more than 30, notice by the shareholder to be timely must be so delivered not earlier than the 150th day prior to such annual meeting and not later than the close of business on the later of the 120th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Any such proposal should be mailed to our principal executive offices at: Gramercy Property Trust, 90 Park Avenue, 32nd Floor, New York, New York 10016, Attn: Edward J. Matey Jr., Secretary.

Householding of Proxy Materials

The SEC has adopted rules that permit companies and intermediaries (such as banks and brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more shareholders sharing the same address by delivering a single proxy statement addressed to those shareholders. This process, which is commonly referred to as "householding," potentially means extra convenience for shareholders and cost savings for companies.

This year, a number of brokers with account holders who are our shareholders will be "householding" our proxy materials. A single proxy statement will be delivered to multiple shareholders sharing an address unless contrary instructions have been received from the impacted shareholders. Once you have received notice from your broker that they will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in "householding" and would prefer to receive a separate proxy statement and annual report, please notify us, by calling (212) 297-1000 or by directing your written request to: Gramercy Property Trust, 90 Park Avenue, 32nd Floor, New York, New York 10016, Attn: Edward J. Matey Jr., Secretary. Pursuant to such request, the company will undertake to promptly deliver a separate copy of the

proxy statement or annual report, as applicable, to you. Shareholders who currently receive multiple copies of the proxy statement at their address and would like to request “householding” of their communications should contact their broker as specified above.

Other Matters

Our Board of Trustees does not know of any matters other than those described in this proxy statement that will be presented for action at the annual meeting. If other matters are presented, proxies will be voted in accordance with the discretion of the proxy holders.

2017 Annual Report

Common shareholders are concurrently being furnished with a copy of our 2017 Annual Report and Form 10-K. Additional copies of the 2017 Annual Report and Form 10-K and of this proxy statement are available at www.proxyvote.com or by contacting Gramercy Property Trust, Attn: Investor Relations, at 90 Park Avenue, 32nd Floor, New York, New York, 10016, or call toll-free number: 1-800-579-1639, or email: sendmaterial@proxyvote.com. Copies will be furnished promptly at no additional expense.

APPENDIX A: GRAMERCY PROPERTY TRUST
INFORMATION REGARDING CERTAIN FINANCIAL MEASURES

Non-GAAP Financial Measures

We use the following non-GAAP financial measures that we believe are useful to investors as a key supplemental measure of our operating performance: funds from operations attributable to common shareholders and unitholders, or FFO, core funds from operations attributable to common shareholders and unitholders, or Core FFO, and adjusted funds from operations attributable to common shareholders and unitholders, or AFFO. We present FFO because we consider it an important supplemental measure of our operating performance and believe that it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. We also use FFO as one of several criteria to determine performance-based incentive compensation for members of our senior management, which may be payable in cash or equity awards. The revised White Paper on FFO approved by the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT, defines FFO as net income (loss) (determined in accordance with GAAP), excluding impairment write-downs of investments in depreciable real estate and investments in in-substance real estate investments and sales of depreciable operating properties, plus real estate-related depreciation and amortization (excluding amortization of deferred financing costs), less distributions to noncontrolling interests and gains/losses from discontinued operations and after adjustments for unconsolidated partnerships and joint ventures.

Core FFO and AFFO are Company-defined measures. Core FFO is presented excluding transaction costs, acquisition costs, gain (loss) on extinguishment of debt, other-than-temporary impairments on retained bonds, mark-to-market on interest rate swaps, and one-time charges. Our AFFO also excludes non-cash share-based compensation expense, amortization of above and below market leases, amortization of deferred financing costs and non-cash interest, amortization of lease inducement costs, non-real estate depreciation and amortization, amortization of free rent received at property acquisition, and straight-line rent. Core FFO and AFFO include applicable adjustments for unconsolidated partnerships and joint ventures. We believe that Core FFO and AFFO are useful supplemental measures regarding our operating performances as they provide a meaningful and consistent comparison of our operating performance and allow investors to more easily compare our operating results.

FFO, Core FFO, and AFFO do not represent cash generated from operating activities in accordance with GAAP and should not be considered as alternatives to net income (determined in accordance with GAAP), as indications of our financial performance, or to cash flow from operating activities as measures of our liquidity, nor are they entirely indicative of funds available to fund our cash needs, including our ability to make cash distributions. Our calculation of FFO may be different from the calculation used by other companies and, therefore, comparability may be limited.

FFO, Core FFO and AFFO for the years ended December 31, 2017, 2016 and 2015 are as follows:

	Year Ended December 31,		
	2017	2016	2015
Net income (loss) attributable to common shareholders	\$ 79,029	\$ 27,124	\$ (54,162)
Add:			
Depreciation and amortization	263,666	241,527	97,654
FFO adjustments for unconsolidated equity investments	(33,409)	17,485	2,019
Net income (loss) attributable to noncontrolling interest	820	7	(791)
Net (income) loss from discontinued operations	89	(5,078)	(875)
Impairment of real estate investments	37,822	11,107	—
Less:			
Non real estate depreciation and amortization	(821)	(895)	(870)
Gain on dissolution of previously held U.S. unconsolidated equity investment interests	—	(7,229)	—
Gain on sale of European unconsolidated equity investment interests held with a related party	—	(5,341)	—
Net gain on disposals	(46,808)	(4,198)	(839)
Funds from operations attributable to common shareholders and unitholders - basic	\$ 300,388	\$ 274,509	\$ 42,136
Add:			
Acquisition costs	—	9,558	6,395
Core FFO adjustments for unconsolidated equity investments	302	6,797	1,557
Other-than-temporary impairments on retained bonds	4,890	—	—
Merger related costs	—	—	54,945
Transaction costs	3,868	—	—
Loss on extinguishment of debt	6,702	18,960	9,472
European Fund setup costs	—	—	221
Net income from discontinued operations related to properties	—	5,406	1,106
Mark-to-market on interest rate swaps ¹	(242)	(869)	600
Less:			
Recovery of servicing advances	—	—	(1,071)
Core funds from operations attributable to common shareholders and unitholders - basic	\$ 315,908	\$ 314,361	\$ 115,361
Add:			
Non-cash share-based compensation expense	8,063	5,356	3,829
Amortization of market lease assets	12,342	14,816	3,777
Amortization of deferred financing costs and non-cash interest ²	3,737	565	1,731
Amortization of lease inducement costs	384	346	269
Non-real estate depreciation and amortization	821	895	870
Amortization of free rent received at property acquisition	1,406	2,569	3,415
AFFO adjustments for unconsolidated equity investments	485	727	259
Less:			
Straight-line rent	(30,378)	(25,548)	(12,206)
Amortization of market lease liabilities	(17,322)	(25,515)	(16,026)
Adjusted funds from operations attributable to common shareholders and unitholders - basic	\$ 295,446	\$ 288,572	\$ 101,279
Add:			
Cash interest expense on Exchangeable Senior Notes ²	3,055	—	—
Non-cash interest expense on Exchangeable Senior Notes ²	1,886	—	—
Funds from operations attributable to common shareholders and unitholders - diluted²	\$ 305,329	\$ 274,509	\$ 42,136
Core funds from operations attributable to common shareholders and unitholders - diluted²	\$ 320,849	\$ 314,361	\$ 115,361
Adjusted funds from operations attributable to common shareholders and unitholders - diluted²	\$ 298,501	\$ 288,572	\$ 101,279
Funds from operations per share – basic	\$ 1.97	\$ 1.95	\$ 0.68
Funds from operations per share – diluted	\$ 1.95	\$ 1.93	\$ 0.67
Core funds from operations per share – basic	\$ 2.07	\$ 2.23	\$ 1.87
Core funds from operations per share – diluted	\$ 2.05	\$ 2.21	\$ 1.85
Adjusted funds from operations per share – basic	\$ 1.94	\$ 2.05	\$ 1.64
Adjusted funds from operations per share – diluted	\$ 1.90	\$ 2.03	\$ 1.62

	Year Ended December 31,		
	2017	2016	2015
Basic weighted average common shares outstanding – EPS	150,660,964	140,192,424	60,698,716
Phantom shares	—	—	136,904
Weighted average non-vested share based payment awards	—	—	445,610
Weighted average partnership units held by noncontrolling interest	1,735,703	696,662	518,336
Weighted average common shares and units outstanding	152,396,667	140,889,086	61,799,566
Diluted weighted average common shares and common share equivalents outstanding – EPS	150,679,909	141,009,021	60,698,716
Phantom shares	—	—	136,904
Weighted average share based payment awards ³	451,463	460,172	907,511
Weighted average partnership units held by noncontrolling interest	1,735,703	696,662	518,336
Weighted average share options	—	—	17,659
Dilutive effect of Exchangeable Senior Notes	3,830,518	—	157,385
Diluted weighted average common shares and units outstanding	156,697,593	142,165,855	62,436,511

1. For the year ended December 31, 2015, the mark-to-market on interest rate swaps was reclassified from AFFO to Core FFO and is included in Core FFO for all periods presented.
2. For the year ended December 31, 2017, the FFO and Core FFO diluted per share calculations add back Exchangeable Senior Notes cash and non-cash interest expense, and the AFFO diluted per share calculation adds back only Exchangeable Senior Notes cash interest expense of \$3,055 as non-cash interest expense is already added back to basic AFFO.
3. For the year ended December 31, 2017, the amount includes LTIP dilution calculated using the treasury share method applied to the weighted average target LTIPs rather than the weighted average earned LTIPs as of December 31, 2017.

