

GAYLORD ENTERTAINMENT CO /DE

Form DEF 14A

April 06, 2004

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

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

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

GAYLORD ENTERTAINMENT COMPANY

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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o Fee paid previously with preliminary materials:

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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April 6, 2004

Dear Stockholder:

You are cordially invited to attend the 2004 Annual Meeting of Stockholders of Gaylord Entertainment Company at the Gaylord Texan Resort and Convention Center on Lake Grapevine in Grapevine, Texas on May 7, 2004 at 10:00 a.m. local time.

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

It is important that your shares be represented and voted at the Annual Meeting. If you do not plan to attend the Annual Meeting, please complete, sign, date and return the enclosed proxy card promptly in the accompanying reply envelope. If you decide to attend the Annual Meeting and wish to change your proxy vote, you may do so by voting in person at the Annual Meeting.

We look forward to seeing you at the Annual Meeting.

Sincerely,

Michael D. Rose
Chairman of the Board

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GAYLORD ENTERTAINMENT COMPANY

**One Gaylord Drive
Nashville, Tennessee 37214
(615) 316-6000**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TIME	10:00 a.m. local time on Friday, May 7, 2004
PLACE	Gaylord Texan Resort and Convention Center 1501 Gaylord Trail Grapevine, Texas 76051
ITEMS OF BUSINESS	(1) To elect eight (8) members of the Board of Directors to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified. (2) To transact such other business as may properly come before the meeting or any adjournment or postponement.
RECORD DATE	You may vote if you were a stockholder of record at the close of business on March 16, 2004.
ANNUAL REPORT	Our 2003 Annual Report to Stockholders, which is not part of the proxy solicitation materials, is also enclosed.
PROXY VOTING	It is important that your shares be represented and voted at the meeting. Please COMPLETE, SIGN, DATE AND PROMPTLY RETURN the enclosed proxy card in the reply envelope. A proxy may be revoked at any time prior to its exercise at the meeting. By Order of the Board of Directors, CARTER R. TODD Secretary

Nashville, Tennessee

April 6, 2004

PROXY STATEMENT

The Board of Directors of Gaylord Entertainment Company (Gaylord, the Company, we, or us) is soliciting proxies for the 2004 Annual Meeting of Stockholders on May 7, 2004, and any postponements and adjournments of such meeting. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. *Please read it carefully.* A copy of our 2003 Annual Report to Stockholders, this Proxy Statement and accompanying proxy card are being mailed to our stockholders beginning on or about April 6, 2004.

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QUESTIONS AND ANSWERS

What is the purpose of the Annual Meeting?

At the Annual Meeting, stockholders will be asked to vote on the election of eight (8) members of the Board of Directors to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified. The stockholders also will transact any other business that properly comes before the meeting.

Who may vote?

You may vote if you were a holder of record of shares of our common stock at the close of business on March 16, 2004 (the record date). On the record date, there were approximately 39,508,277 shares of common stock outstanding. The shares were held by approximately 2,300 holders of record. You are entitled to one vote for each share of common stock held by you as of the record date.

How do I cast my vote?

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

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

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

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

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

What shares are included on my proxy card?

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

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

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

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

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

How does the Board recommend I vote on the proposal?

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

How do I change my vote?

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

submitting a later-dated proxy card;

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

attending the Annual Meeting and voting your shares in person.

Who will count the votes?

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

What if I do not specify how my shares are to be voted?

If you send in a signed proxy but do not give any voting instructions, your shares will be voted FOR election of the eight (8) nominees to the Board of Directors.

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

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

What are my voting options on the proposal?

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

How many votes are required to approve the proposal?

Pursuant to our bylaws, directors must be elected by a plurality of the votes of the shares present (in person or by proxy) and entitled to vote for the election of directors. This means that the eight (8) nominees receiving the greatest number of votes will be elected as directors.

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If you withhold authority to vote for a director, your withholding authority will have no effect on the outcome. Broker non-votes also will have no effect on the voting outcome of the election of directors.

Is my vote confidential?

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

a proxy solicitation is contested;

you write comments on the proxy card; or

you authorize disclosure of your vote.

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

How is this proxy solicitation being conducted?

The Company will bear the cost of soliciting proxies for the Annual Meeting. We have retained Corporate Communications, Inc. to assist in the solicitation and will pay approximately \$5,000 for its assistance. Our officers and employees may also solicit proxies by mail, telephone, e-mail or facsimile transmission. They will not be paid additional remuneration for their efforts. Upon request, we will reimburse brokers, dealers, banks and trustees, or their nominees, for reasonable expenses incurred by them in forwarding proxy material to beneficial owners of shares of our common stock.

What accommodations are available while attending the Annual Meeting?

The Gaylord Texan Resort and Convention Center has reserved a limited number of rooms for stockholders who wish to attend the Annual Meeting. If you would like a room, please make reservations by April 30, 2004 by calling 1-866-782-7897.

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ELECTION OF DIRECTORS

You may vote on the election of eight (8) directors to the Board of Directors.

The current Board of Directors consists of eight (8) directors. All of our directors are elected annually. Eight (8) directors will be elected at the annual meeting. All of the nominees are currently directors of the Company. The Board expects all of the nominees named below to be available for election. In case any nominee is not available, the person or persons voting the proxies may vote your shares for such other person or persons designated by the Board if you have submitted a proxy card.

Directors will be elected by a plurality of the shares present (in person or by proxy) and entitled to vote for the election of directors. Each of the nominees shall be elected to serve as a director until the annual meeting of stockholders in 2005 or until his or her respective successor is duly elected and qualified, or until his or her earlier resignation or removal.

Information About the Nominees for Director

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

Robert P. Bowen

Director since 2003. Age 62.

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

E. K. Gaylord II

Director since 1977. Age 46.

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

E. Gordon Gee

Director since 2002. Age 60.

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

Laurence S. Geller

Director since 2002. Age 56.

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

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Ralph Horn

Director since 2001. Age 63.

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

Colin V. Reed

Director since 2001. Age 56.

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

Michael D. Rose

Director since 2001. Age 62.

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

Michael I. Roth

Director since 2004. Age 58.

Mr. Roth has been Chairman of the Board and Chief Executive Officer of The MONY Group Inc. and its predecessor entities since 1997. He is Chairman of the Board (since July 1993) and Chief Executive Officer (since January 1993) of MONY Life Insurance Company, a wholly owned subsidiary of The MONY Group Inc., and has been a director of The MONY Group Inc. and its predecessor entities since May 1991. Mr. Roth is a director of the American Council of Life Insurance, The Life Insurance Council of New York, Insurance Marketplace Standards Association, Enterprise Foundation (a charitable foundation which develops housing and which is not affiliated with the Enterprise Group of Funds), Metropolitan Development Association of Syracuse and Central New York, Enterprise Group of Funds, Inc., Enterprise Accumulation Trust, Pitney Bowes, Inc., The Partnership for New York City, Committee to Encourage Corporate Philanthropy, and Interpublic Group of Companies. Mr. Roth also serves on the Board of Governors of the United Way of Tri-State and is a member of the Lincoln Center Consolidated Corporate Fund Leadership Committee.

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

Corporate Governance

Our business is managed under the direction of the Board of Directors. The Board of Directors delegates the conduct of the business to our senior management team. The Board of Directors held seven meetings during 2003. All incumbent directors attended at least 75% of the Board meetings and meetings of the committees of the Board on which the directors served during their tenure on the Board.

In 2003, the Company's non-management directors began to meet in regularly scheduled executive sessions. They selected Ralph Horn to serve as the presiding director of these executive sessions.

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In 2003 the Company adopted Corporate Governance Guidelines governing the conduct of its Board of Directors. The charters of our Audit Committee, Human Resources Committee and Nominating and Corporate Governance Committee are attached as exhibits to the Guidelines, all of which are posted on the Company's web site at www.gaylordentertainment.com under the Investor Relations link on our home page. In addition, the Company will provide a copy of its Corporate Governance Guidelines, including charters of each of these committees, upon receipt of a written request addressed to Gaylord Entertainment Company, Attn: Corporate Secretary, One Gaylord Drive, Nashville, Tennessee 37214.

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

Board Member Attendance at Annual Meeting

The Company strongly encourages each member of the Board of Directors to attend the Annual Meeting of Stockholders. Seven of the Company's nine directors attended the 2003 Annual Meeting of Stockholders.

Director Independence

Pursuant to the Company's Corporate Governance Guidelines, the Board undertook its annual review of director independence in February 2004 and subsequently reviewed the independence of Mr. Roth. Our Board of Directors determines the independence of its members through a broad consideration of all relevant facts and circumstances, including an assessment of the materiality of any relationship between the Company and a director not merely from the director's standpoint, but also that of persons or organizations with which the director has an affiliation. In making its determination, the Board of Directors adheres to the requirements of, and complies with the factors set forth by, both the New York Stock Exchange and the Securities and Exchange Commission.

During this review, the Board considered transactions and relationships between each director or any member of his or her immediate family and the Company and its subsidiaries and affiliates. The Board also examined transactions and relationships between directors or their affiliates and members of the Company's senior management or their affiliates. The purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director is independent. As a result of this review, the Board affirmatively determined that all of the directors nominated for election at the Annual Meeting are independent of the Company and its management with the exception of Colin V. Reed and Michael D. Rose, both of whom are executive officers of the Company.

Committees of the Board of Directors

The Board has established an Audit Committee, a Human Resources Committee and a Nominating and Corporate Governance Committee.

The Audit Committee

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

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The Audit Committee is responsible for:

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

appointing, compensating, retaining and overseeing the independent accountants;

evaluating the qualifications, independence and performance of the independent accountants;

meeting with the independent accountants and with our director of internal audit concerning, among other things, the scope of audits and reports; and

reviewing the work programs of the independent accountants and the results of their audits.

In 2003 the Audit Committee met eight times.

The Human Resources Committee

The members of the Human Resources Committee are E. Gordon Gee (Chairman), E.K. Gaylord II, Robert P. Bowen and Ralph Horn.

The Human Resources Committee is responsible for:

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

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

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

reviewing and approving compensation for executive officers and directors.

In 2003 the Human Resources Committee met four times.

The Nominating and Corporate Governance Committee

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

The Nominating and Corporate Governance Committee is responsible for:

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

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

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

advising the Board on corporate governance matters.

In 2003 the Nominating and Corporate Governance Committee met three times.

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

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Committee also retains a third-party executive search firm to identify candidates upon request of the Committee from time to time.

Once the Nominating and Corporate Governance Committee has identified a prospective nominee, the Committee makes an initial determination as to whether to conduct a full evaluation of the candidate. This

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initial determination is based on whatever information is provided to the Committee with the recommendation of the prospective candidate, as well as the Committee's own knowledge of the prospective candidate, which may be supplemented by inquiries to the person making the recommendation or others. The preliminary determination is based primarily on the need for additional Board members to fill vacancies or expand the size of the Board and the likelihood that the prospective nominee can satisfy the evaluation factors described below. If the Committee determines, in consultation with the Chairman of the Board and other Board members as appropriate, that additional consideration is warranted, it may request the third-party search firm to gather additional information about the prospective nominee's background and experience and to report its findings to the Committee. The Committee then evaluates the prospective nominee against the following standards and qualifications:

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

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

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

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

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

The Committee recognizes the advisability of the Board's composition becoming more diverse. With this in mind, the Committee considered several qualified candidates for nomination, but due to previous commitments the candidates were unable to accept such nomination. During the upcoming year, the Committee will work to identify additional candidates for nomination that positively contribute to the range of knowledge, skill and experience of the Board.

Michael I. Roth, who was elected since the last annual meeting of stockholders, was initially recommended as a nominee by the Company's outside directors.

Communications With Members of the Board

Stockholders interested in communicating directly with members of the Company's Board of Directors may do so by writing to Corporate Secretary, Gaylord Entertainment Company, One Gaylord Drive, Nashville, Tennessee 37214. As set forth in the Corporate Governance Guidelines, the Corporate Secretary of the Company reviews all such correspondence and regularly forwards to the Board a summary of all such correspondence and copies of all correspondence that, in the opinion of the Corporate Secretary, deals with the functions of the Board or committees thereof or that he otherwise determines requires their attention. Directors may at any time review a log of all correspondence received by the Company that is addressed to members of the Board and request copies of any such correspondence. Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of the Company's internal audit department and handled in accordance with procedures established by the Audit Committee with respect to such matters.

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Compensation of Directors

The Human Resources Committee reviews and recommends the compensation for directors. During 2003 each of the directors who was not employed by the Company received an annual Board retainer of \$30,000, an annual retainer for service on the audit committee of \$10,000 (\$15,000 for chairpersons) and an annual retainer for service on any other committee of \$7,500 (\$12,500 for chairpersons). No additional fees were paid for special meetings. Pursuant to the Company's Deferred Compensation Plan for Non-Employee Directors, non-employee directors may defer these fees into this plan until their retirement or resignation from the Board. Three of the directors have elected to participate in this deferred compensation plan.

In addition, non-employee directors receive a grant of a non-qualified stock option to purchase 10,000 shares of common stock under the 1997 Omnibus Stock Option and Incentive Plan upon their election to the Board, at an exercise price equal to the closing price on the date prior to the date of the grant, which becomes exercisable in four equal annual installments. Each of the directors not employed by the Company receives an annual grant of a non-qualified stock option to purchase 5,000 shares of common stock under the 1997 Omnibus Stock Option and Incentive Plan, at an exercise price equal to the closing price on the date prior to the date of the grant, which becomes exercisable on the first anniversary of the date of grant.

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

Compensation Committee Interlocks and Insider Participation

During 2003, Martin Dickinson, a former director of the Company, and Messrs. Gaylord II, Gee, Bowen and Horn served on the Human Resources Committee of the Board. None of these directors was an officer or employee of the Company during 2003. Mr. Gaylord II served as interim President and Chief Executive Officer of the Company from late July until September 2000, and as Vice-Chairman of the Board from May 1996 to May 1999.

During 2003, Mr. Rose served as a director of First Tennessee National Corporation, of which Mr. Horn served as Chairman of the Board.

Certain Relationships and Related Party Transactions

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

Beneficial Ownership

The following table sets forth information regarding the beneficial ownership of our common stock as of April 1, 2004 (unless otherwise noted) for:

- each of our directors and director nominees;
- each of our executive officers named in the Summary Compensation Table;
- each person who is known by us to beneficially own more than 5% of the outstanding shares of our common stock; and
- all of our directors and executive officers as a group.

The percentages of shares outstanding provided in the table are based on 39,508,277 voting shares outstanding as of April 1, 2004. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Unless otherwise indicated, each person or entity named in the table has sole voting and investment power, or shares voting and investment power with his or her spouse, with respect to all shares of stock listed as owned by that person. The number of shares shown does not include the interest of certain persons in shares held by family members in their own right. Shares issuable upon the exercise of options that are exercisable within 60 days of April 1, 2004 are considered outstanding for the purpose of calculating the percentage of

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

Name	Number of Shares Owned	Percent of Class
Robert P. Bowen	10,000(1)	*
E. K. Gaylord II	647,043(2)	1.6%
Laurence S. Geller	19,000(3)	*
E. Gordon Gee	17,000(4)	*
Ralph Horn	18,000(5)	*
Colin V. Reed	563,125(6)	1.4%
Michael D. Rose	162,500(7)	*
Michael I. Roth	2,000	*
James S. Olin	99,843(8)	*
David C. Kloepffel	146,250(9)	*
Jay D. Sevigny	56,625(10)	*
Carter R. Todd	42,000(11)	*
Gabelli Funds	6,577,669(12)	16.7%
Edward L. Gaylord Revocable Trust	5,130,581(13)	13.0%
The Oklahoma Publishing Company Voting Trust	2,103,766(14)	5.3%
Dimensional Fund Advisors	2,083,690(15)	5.3%
All executive officers and directors as a group (15 persons)	1,877,174(16)	4.6%

* Less than 1%

(1) Includes 7,500 shares issuable upon the exercise of options.

(2) Includes 244,543 shares issuable upon the exercise of options.

(3) Includes:

- (a) 2,000 shares beneficially owned as President and Principal of Geller & Co.; and
- (b) 17,000 shares issuable upon the exercise of options.

(4) Represents shares issuable upon the exercise of options.

(5) Includes 17,000 shares issuable upon the exercise of options.

(6) Includes:

- (a) 12,500 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of April 1, 2004; and
- (b) 481,250 shares issuable upon the exercise of options.

Does not include 170,000 restricted stock units granted to Mr. Reed on May 8, 2003 pursuant to the 1997 Omnibus Stock Option and Incentive Plan.

(7) Includes:

- (a) 20,000 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of April 1, 2004; and
- (b) 112,500 shares issuable upon the exercise of options.

(8)

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Represents 90,160 shares issuable upon the exercise of options. Does not include 44,000 restricted stock units granted to Mr. Olin on November 20, 2003 pursuant to the 1997 Omnibus Stock Option and Incentive Plan, which have been forfeited by Mr. Olin.

(9) Includes:

(a) 12,500 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of April 1, 2004; and

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- (b) 121,250 shares issuable upon the exercise of options. Does not include 70,000 restricted stock units granted to Mr. Kloeppel on May 8, 2003 pursuant to the 1997 Omnibus Stock Option and Incentive Plan.

(10) Includes:

- (a) 3,000 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of April 1, 2004; and
- (b) 50,625 shares issuable upon the exercise of options.

Does not include 55,000 restricted stock units granted to Mr. Sevigny on May 8, 2003 and 15,000 restricted stock units granted to Mr. Sevigny on January 1, 2004 pursuant to the 1997 Omnibus Stock Option and Incentive Plan.

(11) Includes:

- (a) 8,000 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of April 1, 2004; and
- (b) 34,000 shares issuable upon the exercise of options.

Does not include 22,500 restricted stock units granted to Mr. Todd on May 8, 2003 pursuant to the 1997 Omnibus Stock Option and Incentive Plan.

- (12) Based upon information set forth in Amendment No. 18 to Schedule 13D/A, filed with the SEC on December 3, 2003 jointly by Gabelli Funds, LLC (Gabelli Funds), GAMCO Investors, Inc. (GAMCO), Gabelli Securities, Inc. (GSI), MJG Associates, Inc. (MJG), Gabelli Asset Management, Inc. (GAMI) (the parent company of Gabelli Funds, GAMCO and GSI), Gabelli Group Capital Partners, Inc. (Gabelli Partners) (the parent company of GAMI), and Mario J. Gabelli (the majority stockholder, Chairman of the Board of Directors and Chief Executive Officer of Gabelli Partners and GAMI and the stockholder and director of MJG), among others. Gabelli Funds has sole voting and dispositive power with respect to 1,263,150 shares. GAMCO has sole voting power with respect to 4,981,625 shares and sole dispositive power with respect to 5,277,125 shares. MJG has sole voting power and sole dispositive power with respect to 32,500 shares. GSI has sole voting and dispositive power with respect to 4,894 shares. The address for all of these persons is One Corporate Center, Rye, New York 10580-1435.

- (13) Based upon information set forth in Amendment No. 9 to Schedule 13D/A, filed with the SEC on August 8, 2003 jointly by The Oklahoma Publishing Company Voting Trust, OPUBCO, GFI Company, The Edward L. Gaylord Revocable Trust, and Christine Gaylord Everest (a former director of the Company). The Trust reported that it has sole voting power and sole dispositive power with respect to these shares. Under the terms of the Amended and Restated Edward L. Gaylord Revocable Trust Agreement dated March 13, 2003, the trustees of the Trust, acting by majority vote, have the power to vote or direct the vote of and to dispose or direct the disposition of such shares. The four (4) trustees of the Trust are: (i) Christine Gaylord Everest (having a principal occupation of Chairman and Chief Executive Officer of OPUBCO and having an address of 9000 North Broadway, Oklahoma City, OK 73114); (ii) Mary Gaylord McClean (having a principal occupation of farmer/rancher, having an address of P.O. Box 100, Simpsonville, KY 40067); (iii) Louise Gaylord Bennett (having a principal occupation of investments and having an address of P.O. Box 25125, Oklahoma City, OK 73125); and (iv) David O. Hogan (having an occupation of accountant and President, Hogan & Slovacek, a Professional Corporation and having an address of 6120 South Yale Avenue, Suite 600, Tulsa, OK 74136). The address for the Trust is 9000 North Broadway, Oklahoma City, Oklahoma 73114.

- (14) Based upon information set forth in Amendment No. 9 to Schedule 13D/A, filed with the SEC on August 8, 2003 jointly by The Oklahoma Publishing Company Voting Trust (OPUBCO VT), OPUBCO, GFI Company (GFI), a wholly owned subsidiary of OPUBCO, The Edward L. Gaylord Revocable Trust and Christine Gaylord Everest, as well as information provided to the Company by OPUBCO. The joint filers reported that OPUBCO VT, of which Christine Gaylord Everest, Martin C. Dickinson (also a former director of the Company), Mary Gaylord McClean and Louise Gaylord

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Bennett are voting trustees, has, by virtue of its control of OPUBCO, shared voting and investment power with respect to 2,103,766 shares, all of which shares are held by GFI. OPUBCO VT disclaims beneficial ownership of 2,103,766 of the shares. OPUBCO has shared voting and investment power with respect to the 2,103,766 shares held by GFI. Ms. Everest is Chairman and Chief Executive Officer of GFI with sole power to vote and dispose of the 2,103,766 shares as portfolio securities of GFI. OPUBCO disclaims beneficial ownership of these shares. GFI has sole voting and investment power with respect to these shares. The address for all of these persons is 9000 North Broadway, Oklahoma City, Oklahoma 73114. The number of shares listed herein does not include (i) 849,163 shares owned directly by Ms. Everest, (ii) 651 shares owned by Ms. Everest's husband, James H. Everest, (iii) 3,675 shares beneficially owned by the Jean I. Everest Foundation, a charitable foundation of which Ms. Everest is a co-Trustee with James H. Everest, (iv) 128,635 shares beneficially owned by The Oklahoman Foundation, a charitable trust of which Ms. Everest is a co-Trustee with Ms. McClean, (v) 405,978 shares beneficially owned by the E.L. and Thelma Gaylord Foundation, a charitable trust of which Ms. Everest is a co-Trustee with Ms. McClean and Mr. Hogan, and (vi) 79,108 shares issuable upon the exercise of options to purchase common stock outstanding as of April 1, 2004.

- (15) Based upon information set forth in Schedule 13G, filed with the SEC on February 6, 2004. Dimensional Fund Advisors Inc. (DFA) reported that it has sole voting power and sole dispositive power with respect to these shares. The address for DFA is 1299 Ocean Avenue, 11th Floor, Santa Monica, California 90401.
- (16) Includes ownership of all of the Company's executive officers and directors, as well as information for Mr. Olin, who was an executive officer of the Company as of December 31, 2003 but is no longer an employee of the Company. This number includes:
- (a) 76,500 shares of restricted stock as to which applicable vesting periods will not have expired within 60 days of April 1, 2004; and
 - (b) 1,262,389 shares issuable upon the exercise of options.

This number does not include restricted stock units previously granted to certain executive officers of the Company.

INFORMATION ABOUT THE COMPANY'S INDEPENDENT ACCOUNTANTS

General

The Audit Committee has appointed Ernst & Young LLP as our independent accountants. The independent accountants will audit our consolidated financial statements for 2004. Ernst & Young has served as our independent accountants since 2002. A representative of Ernst & Young will be present at the Annual Meeting. The representative will have an opportunity to speak and respond to your questions.

Arthur Andersen LLP served as our independent accountants for 2001. On June 14, 2002, the Company dismissed Arthur Andersen and engaged the services of Ernst & Young, effective immediately, as its new independent accountants for its fiscal year ending December 31, 2002. The dismissal of Arthur Andersen and engagement of Ernst & Young followed the Company's decision to seek proposals from independent accountants to audit its financial statements for the fiscal year ending December 31, 2002. These actions were recommended by the Company's Audit Committee and approved by the Board of Directors of the Company.

Arthur Andersen's report on the Company's consolidated financial statements for the Company's fiscal years ended 2001 and 2000 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

During the Company's two most recent fiscal years and any interim periods preceding the date of dismissal of Arthur Andersen, there were no disagreements between the Company and Arthur Andersen on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which disagreement, if not resolved to the satisfaction of Arthur Andersen, would have caused it to make reference to the subject matter of the disagreement in connection with its report. During the Company's two

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most recent fiscal years and any interim periods preceding the dismissal of Arthur Andersen, there have been no reportable events of the type required to be disclosed by Item 304(a)(1)(v) of Regulation S-K.

The Company provided Arthur Andersen with a copy of the foregoing disclosure and Arthur Andersen stated its agreement with such statements. Arthur Andersen's letter stating its agreement with such statements was filed as an Exhibit to the Company's current report on form 8-K dated June 17, 2002.

During the fiscal years ended December 31, 2001 and 2000 and the subsequent interim period through June 14, 2002, the Company did not consult with Ernst & Young regarding any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K. Notwithstanding the foregoing, during the fiscal year ended December 31, 2001 and during the first and second quarters of 2002, Ernst & Young and/or an affiliate thereof provided the Company with certain management and tax consulting services.

Independent Accountants Fee Information

Audit Fees

Fees for audit services provided by Ernst & Young LLP totaled \$1,218,893 in 2003 and \$1,993,652 in 2002. The fees for audit services during 2003 and 2002 include fees associated with the audit of the Company's 2003 and 2002 consolidated financial statements, reviews of the Company's 2003 and 2002 quarterly financial statements and, for 2002, the re-audits of the Company's 2001 and 2000 consolidated financial statements.

Fees for audit services by Arthur Andersen LLP totaled \$23,000 during 2002. These fees relate to the review of the Company's first quarter financial statements.

Audit Related Fees

Fees for audit related services provided by Ernst & Young totaled \$125,738 during 2003 and \$227,982 during 2002. The fees for audit related services during 2003 and 2002 related to audits of the Company's benefit plans, certain due diligence and assistance with transactions contemplated or completed by the Company during 2003 and 2002, and the audit of a subsidiary of the Company.

Fees for audit related services provided by Arthur Andersen totaled \$108,317 during 2002. The fees for audit related services during 2002 related to certain due diligence and assistance with transactions contemplated or completed by the Company during 2002.

Tax Fees

Fees for tax services provided by Ernst & Young totaled \$620,982 during 2003 and \$209,445 during 2002. Fees for tax services provided by Arthur Andersen totaled \$57,680 during 2002. The tax fees paid relate to domestic and international tax compliance matters, tax advice and planning, and tax assistance with transactions contemplated or completed by the Company during 2003 and 2002.

All Other Fees

There were no fees for other services provided by Ernst & Young in 2003. Fees for other services provided by Ernst & Young not included above totaled \$321,634 during 2002 associated with hospitality advisory services provided to the Company during 2002. Fees for all other services provided by Arthur Andersen not included above totaled \$4,442 during 2002. These fees related to certain accounting consultation and various attest services under applicable professional standards. Neither Ernst & Young nor Arthur Andersen provided professional services during 2003 or 2002 related to financial information systems design and implementation.

All audit, audit-related services, tax services and other services were pre-approved by the Audit Committee, which concluded that the provision of such services by Ernst & Young was compatible with the maintenance of that firm's independence in the conduct of its auditing functions. The Audit Committee's Outside Auditor Independence Policy provides for pre-approval of audit, audit-related services, tax services and other services specifically described by the Committee on an annual basis and, in addition, individual

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engagements anticipated to exceed pre-established thresholds must be separately approved. The policy also requires specific approval by the Committee if total fees for audit-related and tax services would exceed total fees for audit services in any fiscal year. The policy authorizes the Committee to delegate to one or more of its members pre-approval authority with respect to permitted services.

Audit Committee Report

The Audit Committee operates under written charter adopted by the Board of Directors on February 4, 2004. The Committee reviews and reassesses the adequacy of the charter at least once each year.

The Audit Committee reviews the financial information provided to stockholders and others, oversees the performance of the internal audit function and the systems of internal controls which management and the Board of Directors have established, oversees compliance with legal and regulatory requirements by the Company and its employees relating to the preparation of financial information and reviews the independent accountant's qualifications, independence and performance. As part of its oversight of the Company's financial statements, the Audit Committee has (i) reviewed and discussed the Company's audited financial statements for the year ended December 31, 2003, and the financial statements for the three years ended December 31, 2003, with management and Ernst & Young LLP, the Company's independent accountants; (ii) discussed with the independent accountants the matters required to be discussed by Statement on Auditing Standards No. 61, Codification of Statements on Auditing Standards, as modified or supplemented; and (iii) received the written disclosures and the letter from the independent accountants required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, and has discussed with the independent accountants the independent accountants' independence. The Audit Committee also has considered whether the provision by Ernst & Young LLP of non-audit services described in this proxy statement under the caption "Independent Accountants' Fee Information" is compatible with maintaining the independence of the Company's independent accountants.

The Audit Committee's review and discussion of the audited financial statements with management included 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. In addressing the quality of management's accounting judgments, members of the Audit Committee asked for management's representations that the audited consolidated financial statements of the Company have been prepared in conformity with generally accepted accounting principles, and have expressed to both management and auditors their general preference for conservative policies when a range of accounting options is available.

In performing these functions, the Audit Committee acts in an oversight capacity. The Committee does not complete all of its reviews prior to the Company's public announcements of financial results and, necessarily, in its oversight role, the Committee relies on the work and assurances of the Company's management, which has the primary responsibility for financial statements and reports, and of the independent accountants, who, in their report, express an opinion on the conformity of the Company's annual financial statements with generally accepted accounting principles.

During the fall of 2003, the Gaylord Audit Committee conducted a self evaluation in order to assess the effectiveness of the Committee. At its July 2003 meeting, the Committee discussed the self evaluation process and concluded that during the fall each Committee member should review an evaluation form that addressed issues such as organization, agenda setting, oversight and areas to improve. At its November 2003 meeting, the Audit Committee members met to discuss the results of the self evaluation process. Possible areas of improvement identified by the Committee in the self assessment were the development of a more detailed orientation program for new Audit Committee members and the implementation of continuing education programs for existing Audit Committee members.

In reliance on these reviews and discussions and the report of the independent accountants, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the

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Company's Annual Report on Form 10-K for the year ended December 31, 2003, for filing with the Securities and Exchange Commission.

AUDIT COMMITTEE:

ROBERT P. BOWEN, CHAIRMAN
 LAURENCE S. GELLER
 E. GORDON GEE

The foregoing report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference the proxy statement into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such acts.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following Summary Compensation Table shows compensation information for Mr. Reed, the Company's President and Chief Executive Officer, and the other executive officers listed below (collectively, the Named Executive Officers).

Name and Principal Position	Year	Annual Compensation				Other Annual Compensation	Long Term Compensation Awards			
		Salary	Incentive Bonus	Signing Bonus	Restricted Stock Awards(1)		Awards		Payouts	
							Securities Underlying Options(#)	LTIP Payouts	All Other Compensation(2)	