MUSTANG GEOTHERMAL CORP
Form 10-Q/A
September 14, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q/A

[(Mark One)

X .

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

For the quarterly period ended **June 30, 2011**

or

.

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

For the transition period from __________ to ____________

Commission file number **000-50191**

MUSTANG GEOTHERMAL CORP.

(Exact name of registrant as specified in its charter)

UREX ENERGY CORP.
(If there is a name change, the Former Name of registrant)

Nevada	**98-0201259**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

10580 N. McCarran Blvd., Building 115 208, Reno, Nevada 89503
(Address of principal executive offices) (zip code)

775.747.0667
(Registrant s telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X . No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer .	Accelerated filer .
Non-accelerated filer . (Do not check if a smaller reporting company)	Smaller reporting company X .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes . No X .

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date:

54,492,057 common shares issued and outstanding as of June 30, 2011.

Explanatory Note

The sole purpose of this Amendment No. 1 to the Quarterly Report on Form 10-Q (the "Form 10-Q") of Mustang Geothermal Corp. for the quarterly period ended June 30, 2011, filed with the Securities and Exchange Commission on August 16, 2011, is to furnish Exhibit 101 to the Form 10-Q in accordance with Rule 405 of Regulation S-T. Exhibit 101 to the Form 10-Q provides the financial statements and related notes from the Form 10-Q formatted in XBRL (eXtensible Business Reporting Language).

No other changes have been made to the Form 10-Q. This Amendment No. 1 to the Form 10-Q speaks as of the original filing date of the Form 10-Q, does not reflect events that may have occurred subsequent to the original filing date, and does not modify or update in any way disclosures made in the original Form 10-Q.

Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

PART II - OTHER INFORMATION

Item 6. Exhibits

Exhibit

Number	Description
(3)	**Articles of Incorporation and By-laws**
3.1	Articles and Bylaws incorporated by reference from our Registration Statement on Form 10-SB filed on February 27, 2003
3.2	Certificate of Amendment to the Articles of Incorporation dated June 2, 2005 incorporated by reference from our quarterly report on Form 10-QSB filed on November 17, 2006
3.3	Certificate of Change dated June 2, 2005 incorporated by reference from our quarterly report on Form 10-QSB filed on November 17, 2006
3.4	Certificate of Amendment to the Articles of Incorporation incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006
3.5	Certificate of Change incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006
3.6	Articles of Incorporation of Urex Energy Corp. incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006
3.7	Articles of Merger incorporated by reference from our Current Report on Form 8-K filed on July 5, 2006
3.8	Certificate of Change incorporated by reference from our Current Report on Form 8-K filed on July 5, 2006
3.9	Certificate of Correction with respect to the Certificate of Change incorporated by reference from our Current Report on Form 8-K filed on July 5, 2006
3.10	Certificate of Correction with respect to the Articles of Merger incorporated by reference from our Current Report on Form 8-K filed on July 5, 2006
(4)	**Instruments defining the rights of security holders, including indentures**
4.1	2008 Stock Plan, effective October 16, 2008 (incorporated by reference from our registration statement of Form S-8 filed on October 29, 2008)
4.2	Form of Stock Option Agreement (incorporated by reference from our registration statement of Form S-8 filed on October 29, 2008)
4.3	Form of Restricted Share Grant Agreement (incorporated by reference from our registration statement of Form S-8 filed on October 29, 2008)
(10)	**Material Contracts**
10.1	Consulting Agreement between our company and Minera Teles Pires Inc., dated September 27, 2005 incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006
10.2	Assignment Agreement between our company and International Mineral Resources Inc., dated September 22, 2005 incorporated by reference from our Current Report on Form 8-K filed on September 29, 2005
10.3	Option Agreement between International Mineral Resources Inc. and United Energy Metals S.A., dated September 21, 2005 incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006
10.4	

	Agreement and Plan of Merger between Urex Energy Corp. and Lakefield Ventures Inc., dated June 8, 2006 incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006
10.5	Form of Subscription Agreement with certain investors incorporated by reference from our Current Report on Form 8-K filed on November 30, 2006
10.6	Form of Series A Warrant Certificate with certain investors incorporated by reference from our Current Report on Form 8-K filed on November 30, 2006
10.7	Form of Series B Warrant Certificate with certain investors incorporated by reference from our Current Report on Form 8-K filed on November 30, 2006
10.8	Agreement with New-Sense Geophysics Limited incorporated by reference from our Annual Report on Form 10-KSB filed on July 17, 2007
10.9	Agreement with N.A. Dergerstrom, Inc., dated January 31, 2008 incorporated by reference from our Annual Report on Form 10-KSB filed on July 15, 2008
10.10	Convertible Note with Four Tong Investments Limited, dated August 19, 2008 incorporated by reference on Form 8-K filed on August 26, 2008
10.11	Share Purchase Agreement with SGI Partners, LLC dated August 4, 2009 incorporated by reference on Form 8-K filed on August 7, 2009
10.12	Share Purchase Agreement with Patagonia dated February 9, 2010 incorporated by reference from our Quarterly Report on Form 10-Q filed February 22, 2010
10.13	Purchase Agreement with Enco Exploration Inc., dated March 23, 2010 incorporated by reference on Form 8-K filed on March 23, 2010
10.14	Purchase Agreement with Minera Inc., dated August 26, 2010 incorporated by reference on Form 8-K filed on August 31, 2010
10.15	Purchase Agreement with Dakota Resource Holding LLC, dated August 26, 2010 incorporated by reference on Form 8-K filed on August 31, 2010
10.16	Purchase Agreement with Minera Cerro El Diablo Inc., dated August 26, 2010 incorporated by reference on Form 8-K filed on August 31, 2010
10.17	Share Purchase Agreement with Genoa Energy Resources Inc. And Andean Geothermic Energy SAC, dated November 5, 2010 incorporated by reference on Form 8-K filed on November 8, 2010
(31)	**Rule 13a-14(a)/15d-14(a) Certifications**
31.1*	Section 302 Certification of Richard Bachman
31.2*	Section 302 Certification of Kevin Pikero
(32)	**Section 1350 Certification**
32.1*	Section 906 Certification of Richard Bachman
32.2*	Section 906 Certification of Kevin Pikero
(99)	**Additional Exhibits**
99.2	Independent Review of the Rio Chubut Uranium Project prepared by Brian Cole, P.Geo., dated September 23, 2005 incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006

(101)	**XBRL**
101.INS **	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

*Filed with original Form 10-Q on August 16, 2011.

**XBRL information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934, and is not subject to liability under those sections, is not part of any registration statement or prospectus to which it relates and is not incorporated or deemed to be incorporated by reference into any registration statement, prospectus or other document.

SIGNATURES

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

MUSTANG GEOTHERMAL CORP.

Dated: September 14, 2011

By: */s/ Richard Bachman*

Richard Bachman

President, CEO and Director

(Principal Executive Officer)

Dated: September 14, 2011

By: */s/ Kevin Pikero*

Kevin Pikero

CFO and Director

(Principal Financial Officer)

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nt:-1.00em; font-size:9pt; font-family:ARIAL">Mr. Chaffin - - - - 1,241,256[1]

Mr. Lynn

- - - - 1,236,886[1]

Non-Equity Incentive Compensation[4]

Mr. Reed

- - 2,248,831 - -

Mr. Fioravanti

- - 937,480 937,480 -

Mr. Westbrook

- - 562,488 562,488 -

Mr. Chaffin

- - - - -

Mr. Lynn

- - - - -

Performance-Based RSU Accelerated Vesting[5]

Mr. Reed

- - 2,707,620 2,823,539 4,121,874

Mr. Fioravanti

- - 940,519 419,435 1,401,658

Mr. Westbrook

- - 428,731 188,632 649,064

Mr. Chaffin

- \- 334,795 - 524,759

Mr. Lynn

- \- 330,378 - 520,342

Time-Based RSU Accelerated Vesting[6]

Mr. Reed

- \- 3,807,350 2,715,040 3,807,350

Mr. Fioravanti

- \- 2,000,131 925,834 2,000,131

Mr. Westbrook

- \- 747,625 328,190 747,625

Mr. Chaffin

- \- 603,787 - 603,787

Mr. Lynn

- \- 597,506 - 597,506

Other Benefits and Perquisites

Mr. Reed

- \- 223,965[7] 223,965[7] 223,965[7]

Mr. Fioravanti

- \- - - 41,157[8]

Mr. Westbrook

- \- - - 70,857[8]

Mr. Chaffin

-	-	-	-	41,258(9)

Mr. Lynn

-	-	-	-	41,258(9)

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(1) Amount equal to two times base salary in effect at December 31, 2017, plus two times short-term cash incentive compensation and bonus for the 2016 fiscal year.

(2) Amount equal to three times base salary in effect at December 31, 2017, plus three times short-term cash incentive compensation and bonus for the 2014 fiscal year (the highest short-term cash incentive compensation and bonus for the last three fiscal years).

(3) Amount equal to one times base salary in effect at December 31, 2017, plus one times short-term cash incentive compensation and bonus for the 2016 fiscal year.

(4) Reflects the short-term cash incentive compensation and bonus for the 2017 fiscal year.

(5) Calculated by multiplying the number of shares of common stock to be issued on the vesting of such award(s) by the December 29, 2017 NYSE closing price of our common stock ($69.02), which was the last trading day of the year, assuming vesting at the target (100%) performance level. The 2015 performance-based RSUs ultimately vested in February 2018 at the 150% payout level based on our achievement of TSR over the applicable performance period, as determined by the Human Resources Committee. The number of shares of common stock to be issued upon vesting of the remaining performance-based RSUs will ultimately be based upon the actual achievement of the performance goals stated in the applicable award agreement.

(6) Calculated by multiplying the number of shares of common stock to be issued on the vesting of such award(s) by the December 29, 2017 NYSE closing price of our common stock ($69.02), which was the last trading day of the year.

(7) Represents health insurance coverage for Mr. Reed and his spouse for a period of 15 years (assuming a life expectancy of 85 years for Mr. Reed and assuming an annual cost of $14,931, which was the cost of such benefit in 2017).

(8) Represents health insurance coverage and physical examination fees for a period of three years.

(9) Represents health insurance coverage for a period of two years.

(10) The awards underlying the amounts set forth under the headings Performance-Based RSU Accelerated Vesting and Time-Based RSU Accelerated Vesting will automatically vest, with performance-based RSU awards vesting at target level, upon a Change of Control (as defined in the applicable omnibus incentive plan and the award agreements issued thereunder), irrespective of whether or not the NEO is terminated in connection with a Change of Control.

Director Compensation

Cash Compensation

Each non-employee director receives the following annual cash compensation:

Compensation Item	Amount ($)
Annual Retainer (Independent Directors)	60,000
Lead Independent Director	30,000
Audit Committee Chairman	25,000
Human Resources Committee Chairman	20,000
Nominating and CG Committee Chairman	15,000
Audit Committee Members	10,000
Other Committee Members	7,500

Directors may elect to defer their cash compensation in the form of RSUs, the receipt of which will be deferred until either a specified date or the director s retirement or resignation from the Board. In 2017, one director elected to defer cash compensation pursuant to this deferred compensation plan.

All directors are reimbursed for expenses incurred in attending meetings. Mr. Reed does not receive cash compensation for his service as a director.

Equity-Based Compensation

Each non-employee director receives, as of the date of the first board meeting following the annual meeting of stockholders, an annual grant of RSUs having a fixed dollar value of $80,000 (based upon the fair market value of our common stock on the grant date). The RSUs vest fully on the first anniversary of the date of grant and are settled in shares of our common stock on such date, unless receipt of such shares is deferred by the director.

Until shares of common stock are issued in conversion of the RSUs, the director does not have any rights as a stockholder with respect to such RSUs, other than the right to receive additional RSUs equal to any dividends paid on our common stock.

Director Stock Ownership Guidelines

We have adopted stock ownership guidelines for our non-employee directors, which require directors to hold a minimum of 6,000 shares of our common stock, with a five-year time period to comply. Shares of common stock issuable upon the vesting of RSUs are credited toward this requirement. If a non-employee director is not currently in compliance with these guidelines (regardless of the applicable grace period for compliance) the non-employee director must retain 50% of the net shares (after satisfying any tax obligations and any required payments upon exercise) received upon vesting of RSUs or the exercise of stock options. As of January 31, 2018 (the annual compliance date), after taking into account the applicable grace period, all of our non-employee directors then serving in office met this requirement, as follows:

	Required Ownership (#)	**Shares Owned[1] (#)**
Michael Bender	6,000	23,871
Rachna Bhasin	6,000	2,946
Alvin Bowles	6,000	1,312
Ellen Levine	6,000	27,057
Fazal Merchant	6,000	-
Patrick Moore	6,000	6,033
Robert Prather	6,000	25,841
Michael Roth	6,000	36,168

(1) Includes the following shares represented by RSUs held by each director: Mr. Bender: 9,009; Ms. Bhasin 1,312; Mr. Bowles: 1,312; Ms. Levine: 1,312; Mr. Moore: 6,033; Mr. Prather: 21,881; and Mr. Roth: 1,312.

2017 Non-Employee Director Compensation Table

The following table summarizes the annual compensation for 2017 for our non-employee directors who served as directors in 2017. Michael D. Rose did not stand for re-election to the Board at the 2017 Annual Meeting of Stockholders. William F. Hagerty, IV resigned from the Board on July 21, 2017 as a result of his appointment as U.S. Ambassador to Japan. Alvin Bowles became a member of the Board on May 4, 2017, and Fazal Merchant became a member of the Board on November 30, 2017.

Name	Fees Earned or Paid in Cash [1]	Stock Awards[2]	Option Awards	Non-Equity Incentive Plan Compen-sation	Change in Pension Value and Nonqualified Deferred Compen-sation Earnings[3]	All Other Compen-sation	Total
(a)	($)(b)	($)(c)	($)(d)	($)(e)	($)(f)	($)(g)	($)(h)
Michael Bender	83,750	79,999	-	-	-	-	163,749
Rachna Bhasin	70,000	79,999	-	-	-	-	149,999
Alvin Bowles	35,000	79,999	-	-	-	-	114,999
William F. Hagerty, IV	52,500	79,999	-	-	-	-	132,499
Ellen Levine	75,000	79,999	-	-	-	-	154,999
Fazal Merchant	-	-	-	-	-	-	-
Patrick Moore	85,000	79,999	-	-	-	-	164,999
Robert Prather	72,500	79,999	-	-	-	-	152,499
Michael D. Rose	38,750	-	-	-	-	-	38,750
Michael Roth	112,500	79,999	-	-	-	-	192,499

(1) The amount listed above represents cash compensation paid to the director or amounts which have been deferred by the director, as described above. Compensation for service on the Board and its committees is payable quarterly in arrears. Due to the timing of payments and changes in committee assignments in 2017, these amounts may not correspond to the amounts listed above under *Cash Compensation*.

(2) Represents the grant date fair value of the annual grant of 1,266 RSUs to the non-employee directors then serving as directors on May 4, 2017, determined in accordance with FASB ASC Topic 718. See Note 7 to our consolidated financial statements for the three years ended December 31, 2017 filed with the SEC on February 27, 2018 for the assumptions made in determining grant date fair value. As of December 31, 2017, the non-employee directors then serving as directors held the following RSUs (consisting of annual RSU grants, including RSUs previously deferred, and
RSUs granted pursuant to the directors deferred compensation plan, as adjusted for dividends paid on our common stock):

Non-Employee Director	**RSUs (#)**
Michael Bender	8,907
Rachna Bhasin	1,297
Alvin Bowles	1,297
Ellen Levine	1,297
Fazal Merchant	-
Patrick Moore	5,967
Robert Prather	21,633
Michael Roth	1,297

(3) During 2017 one incumbent director elected to defer annual cash compensation pursuant to the directors deferred compensation plan described above. No amount is reported in this column due to the fact that above-market or preferential earnings were not available under the plan.

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Certain Transactions

Since January 1, 2017, there have not been any related person transactions that are required to be disclosed pursuant to Item 404(a) of Regulation S-K under the Securities Exchange Act of 1934.

Our policies and procedures for the review, approval or ratification of related person transactions (including those required to be disclosed under Item 404(a) of SEC Regulation S-K) are referenced in the charter of the Audit Committee of the Board and are as follows: Possible related person transactions are first screened by the company s legal department for

materiality and then sent to the Audit Committee of the Board (or, if otherwise determined by the Board, another committee of the Board) for review, discussion with the company s management and independent registered public accounting firm and approval. In its discretion, the Audit Committee (or other committee) may also consult with our legal department or external legal counsel. Audit Committee (or other committee) review and approval of related person transactions would be evidenced in the minutes of the applicable Audit Committee (or other committee) meeting.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors and persons who beneficially own more than 10% of the outstanding shares of our common stock to file reports of ownership and changes in ownership with the SEC and the NYSE. Based solely on our review of

those reports and written representations from our executive officers and directors, we believe that in 2017 all of our executive officers, directors and greater than 10% beneficial owners were in compliance with all applicable filing requirements.

Equity Compensation Plan Information

December 31, 2017 Equity Compensation Plan Information Table

The table below includes information about our equity compensation plans as of December 31, 2017:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	431,141[(1)]	-[(1)]	1,591,748
Equity compensation plans not approved by security holders	-	-	-
Total:	431,141[(1)]	-[(1)]	1,591,748

(1) Consists of: 291,888 shares issuable upon the vesting of time-based RSUs, with a weighted-average grant date fair value of $53.37 per share; 121,876 shares issuable upon the vesting of performance-based RSUs, with a weighted-average grant date fair value of $58.42 per share (valuing the 2015 performance-based RSUs at the stretch (150%) level and the remaining performance-based RSUs outstanding at the target (100%) level); and 17,377 shares issuable upon the exercise of stock options (with a weighted-average exercise price of $20.10 per share).

Our Independent Registered Public Accounting Firm

Appointment of Ernst & Young LLP

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm. The committee has appointed Ernst & Young LLP as our independent registered public accounting firm, who will audit our consolidated financial statements for 2018 and the effectiveness of our internal control over financial reporting as of December 31, 2018. This appointment has been submitted for your ratification. The committee and the Board believe that the continued retention of Ernst & Young LLP as our independent registered public accounting firm is in the best interests of the company and its stockholders. If you do not ratify the appointment of Ernst & Young LLP, the committee will reconsider their appointment. Ernst & Young LLP has served as our independent registered public accounting firm since 2002. Representatives of Ernst & Young LLP will attend the 2018 Annual Meeting and will have an opportunity to speak and respond to your questions.

Fee Information

We paid the following amounts as audit, audit-related, tax and other services fees to Ernst & Young LLP for the years ended December 31, 2017 and 2016:

Description of Services	2017 Fees ($)	2016 Fees ($)
Audit Fees	1,374,274	1,245,557
Audit-Related Fees	66,411	191,998
Tax Fees	317,930	281,630
All Other Fees	-	-
Total:	1,758,615	1,719,185

Audit and Audit-Related Services

The fees for audit services during 2017 and 2016 include fees associated with the audit of our consolidated financial statements, including the audit of internal control over financial reporting under

Section 404 of the Sarbanes-Oxley Act, issuances of comfort letters and assistance with documents filed with the SEC and reviews of our 2017 and 2016 quarterly financial statements.

The fees for audit-related services during 2017 and 2016 represent fees related to a stand-alone audit of our Entertainment business segment and other projects. Ernst & Young LLP did not provide professional services during 2017 or 2016 related to financial information systems design and implementation.

Tax Services

In 2017, approximately 17% of fees for tax services related to general tax compliance matters, tax advice and planning, and tax assistance, including with respect to our REIT compliance efforts. The remaining 83% of fees for non-recurring tax services in 2017 related primarily to tax advice and planning with respect to the renewal of the intracompany leases associated with our REIT structure and an intracompany entity restructuring. In 2016, approximately 34% of fees for tax services related to general tax compliance matters, tax advice and planning, and tax assistance, including with respect to our REIT compliance efforts. The remaining 66% of fees for non-recurring tax services in 2016 related primarily to tax advice and planning with respect to our Gaylord Rockies joint venture investment. We expect that, due to our REIT status and the nature of our assets (including the Gaylord Rockies joint venture project), tax services fees paid to Ernst & Young LLP in a given year may be higher than those tax services fees paid to Ernst & Young LLP than in years when we were operating as a taxable operating company. However, we believe that the selection of Ernst & Young LLP to provide these REIT-related services, and the amount of fees paid to Ernst & Young LLP in 2017 and 2016 to provide these services, was appropriate and in the best interests of the company and our stockholders given Ernst & Young LLP s expertise and historical knowledge of our company and its organizational structure. We believe this expertise is critical to our ongoing REIT compliance efforts.

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Audit Committee Pre-Approval Policy

All audit, audit-related, tax and other services were pre-approved by the committee, which concluded that the provision of such services by Ernst & Young LLP was compatible with the maintenance of that firm s independence in the conduct of its auditing functions. The committee s pre-approval policy provides for pre-approval of audit, audit-related, tax and other services specifically described by the committee on an annual

basis, and individual 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 following report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any of our filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this report by reference therein.

The committee operates under a written charter originally adopted by the Board on February 4, 2004, as amended, which can be found on our website at *www.rymanhp.com* under Corporate Governance on the Investor Relations page. The charter is also available in print to any stockholder who requests it by making a written request addressed to:

Ryman Hospitality Properties, Inc.

Attn: Corporate Secretary

One Gaylord Drive

Nashville, Tennessee 37214

All members of the committee meet the SEC and NYSE definitions of independence and financial literacy for audit committee members. In addition, the Board has determined that Mr. Prather and Mr. Merchant are audit committee financial experts for purposes of SEC rules. During the fall of 2017 the committee conducted its annual self-evaluation in order to assess its effectiveness, and at its December 2017 meeting the committee members discussed the results of its self-evaluation process.

The committee reviews the financial information provided to stockholders and others, oversees the performance of the internal audit function and the

system of internal control over financial reporting which management and the Board 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 registered public accounting firm s qualifications, independence and performance.

As part of its oversight of our financial statements, the committee has:

- reviewed and discussed our audited financial statements for the year ended December 31, 2017, and the financial statements for the three years ended December 31, 2017, with management and Ernst & Young LLP, our independent registered public accounting firm;
- discussed with Ernst & Young LLP the matters required to be discussed by applicable requirements of the Public Company Accounting Oversight Board; and
- received the written disclosures and the letter from Ernst & Young LLP required by the applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young LLP s communications with the committee, and has discussed with Ernst & Young LLP its independence.

The committee also has considered whether the provision by Ernst & Young LLP of non-audit services described under *Our Independent Registered Public Accounting Firm* above is compatible with maintaining Ernst & Young LLP s independence.

The 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 committee asked for management s representations that our audited consolidated financial statements have been prepared in conformity with generally accepted accounting principles. In performing these functions, the committee acts in an oversight capacity. The committee does not complete all of its reviews prior to our public announcements of financial results and, necessarily, in its oversight role, the committee relies on the work and assurances of management, which has the primary responsibility for financial statements and reports, and of Ernst &

Young LLP, which in its report expresses an opinion on the conformity of our annual financial statements with generally accepted accounting principles.

In reliance on these reviews and discussions and the report of the independent registered public accounting firm, the committee recommended to the Board that the audited financial statements be included in the company s Annual Report on Form 10-K for the year ended December 31, 2017, for filing with the SEC.

Audit Committee:

Patrick Moore, Chairman

Rachna Bhasin

Alvin Bowles

Fazal Merchant

Robert Prather

Submitting Stockholder Proposals and Nominations for 2019 Annual Meeting

Stockholder Proposals

If you would like to submit a proposal for inclusion in our proxy statement for the 2019 annual meeting under SEC Rule 14a-8, your proposal must be in writing and be received by us at our principal executive offices prior to the close of business on November 29, 2018 and otherwise comply with the requirements of Rule 14a-8.

If you want to bring business before the 2019 annual meeting which is not the subject of a proposal submitted for inclusion in the proxy statement under Rule 14a-8 (excluding director nominations, which are discussed below under

Nominations of Board Candidates), our Bylaws require that you deliver a notice in proper written form (and provide all information required by our Bylaws) to our Secretary by February 2, 2019, but not before January 3, 2019 (or, if the annual meeting is called for a date that is not within 30 days of May 3, 2019, the notice must be received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following

the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs). If the presiding officer at an annual meeting determines that business was not properly brought before the annual meeting in accordance with the procedures set forth in our Bylaws, then the presiding officer will declare to the meeting that your business was not properly brought before the meeting, and your business will not be transacted at that meeting.

Nominations of Board Candidates

If you wish to nominate an individual to serve as a director, our Bylaws require that you deliver timely notice of the nomination in proper written form, as provided by our Bylaws. The notice must include certain biographical information regarding the proposed nominee, a completed written questionnaire with respect to each proposed nominee setting forth the background and qualifications of such proposed nominee (which questionnaire will be provided by the Secretary upon written request), the proposed nominee s written consent to nomination and the additional information as set forth in our Bylaws.

For a stockholder s notice to the Secretary to be timely under our Bylaws, it must be delivered to or mailed and received at our principal executive offices: (a) in the case of a nomination to be voted on at an annual meeting, by February 2, 2019, but not before January 3, 2019 (or, if the annual meeting is called for a date that is not within 30 days of May 3, 2019, the notice must be received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs); and (b) in the case of a

special meeting of stockholders called for the purpose of electing directors, not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs. If the presiding officer at a meeting determines that a nomination was not properly made in accordance with the procedures set forth in our Bylaws, then the presiding officer will declare to the meeting that the nomination was defective, and the defective nomination shall be disregarded.

Discretionary Voting of Proxies on Other Matters

We do not intend to bring any proposals to the 2018 Annual Meeting other than Proposals 1, 2, 3 and 4. As noted above, our Bylaws require stockholders to give advance notice of any proposal intended to be presented at an annual meeting. The deadline for this notice has passed, and we did not receive any such notice made in compliance with our Bylaws. If any other matter properly comes before our stockholders for a vote at the 2018 Annual Meeting, the persons named in the accompanying proxy card intend to vote the shares represented by them in accordance with their best judgment.

By Order of the Board of Directors,

Scott J. Lynn, Secretary

Nashville, Tennessee

March 29, 2018

Appendix A

Reconciliation of Non-GAAP Financial Measures to GAAP Measures

Reconciliation of

AFFO[1]

to Net Income

(in thousands, except per share data)

	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
Net income	$ 176,100	$ 159,366
Depreciation & amortization	111,959	109,816
Pro rata adjustments from joint ventures	71	59
Funds from operations (FFO)	$ 288,130	$ 269,241
Non-cash lease expense	5,180	5,243
Pension settlement charge	1,734	1,715
Impairment charges	35,418	-
Pro rata adjustments from joint ventures	307	1,377
(Gain) loss on other assets	1,097	(1,261)
Write-off of deferred financing costs	925	-
Amortization of deferred financing costs	5,350	4,863
Deferred tax (benefit) expense	(52,637)	321
Adjusted funds from operations (AFFO)	$ 285,504	$ 281,499
Capital expenditures[2]	(60,672)	(58,753)
AFFO less maintenance capital expenditures	$ 224,832	$ 222,746
Basic net income per share	$ 3.44	$ 3.12
Fully diluted net income per share	$ 3.43	$ 3.11
FFO per basic share	$ 5.63	$ 5.28
AFFO per basic share	$ 5.58	$ 5.52
FFO per diluted share	$ 5.61	$ 5.25
AFFO per diluted share	$ 5.56	$ 5.49

(1) We calculate Adjusted Funds From Operations, or AFFO, to mean Net Income (Loss) (computed in accordance with generally accepted accounting principles, or GAAP), excluding, to the extent the following adjustments occurred during the periods presented: non-controlling interests, and (gains) and losses from sales of property; depreciation and amortization (excluding amortization of deferred financing costs and debt discounts) and certain pro rata adjustments from joint ventures (which equals Funds From Operations, or FFO). We then exclude, to the extent the following adjustments occurred during the periods presented, impairment charges, write-offs of deferred financing costs, non-cash ground lease expense, amortization of debt discounts and amortization of deferred financing costs, pension settlement charges, additional pro rata adjustments from joint ventures, (gains) losses on other assets, and (gains) losses on extinguishment of debt and warrant settlements. Beginning in 2016, we exclude the impact of deferred income tax expense (benefit). We have also presented FFO and AFFO per basic share and diluted share. Each of these measures is a non-GAAP financial measure. We believe that the presentation of these non-GAAP financial measures provides useful information to investors regarding the performance of our ongoing operations because such presentation is a measure of our operations without regard to specified non-cash items such as real estate depreciation and amortization, gain or loss on sale of assets and certain other items which we believe are not indicative of the performance of our underlying hotel properties. We believe that these items are more representative of our asset base than our ongoing operations. We also use AFFO as one measure in determining our results after taking into account the impact of our capital structure.

(2) Represents furniture, fixtures and equipment reserve for managed properties and maintenance capital expenditures for non-managed properties.

Reconciliation of Consolidated Adjusted EBITDA[1] to Net Income and

Segment-Level Adjusted EBITDA[1] to Operating Income

(in thousands)

	Twelve Months Ended December 31, 2017	2016
Consolidated		
Revenue	$ 1,184,719	$ 1,149,207
Net income	$ 176,100	$ 159,366
Provision (benefit) for income taxes	(49,155)	3,400
Other (gains) and losses, net	(928)	(4,161)
Loss from joint ventures	4,402	2,794
Interest expense, net	54,233	52,406
Operating Income	184,652	213,805
Depreciation & amortization	111,959	109,816
Preopening costs	1,926	-
Non-cash ground lease expense	5,180	5,243
Equity-based compensation expense	6,636	6,128
Pension settlement charge	1,734	1,715
Impairment charges	35,418	-
Interest income on Gaylord National bonds	11,639	11,410
Pro rata adjusted EBITDA from joint ventures	(323)	-
Other gains and (losses), net	928	4,161
(Gain) loss on disposal of assets	1,090	(2,084)
Consolidated Adjusted EBITDA	$ 360,839	$ 350,194
Hospitality Segment		
Revenue	$ 1,059,660	$ 1,039,643
Operating income	$ 188,299	$ 217,564
Depreciation & amortization	102,759	100,186
Preopening costs	308	-
Non-cash lease expense	5,119	5,243
Impairment charges	35,418	-
Interest income on Gaylord National bonds	11,639	11,410
Other gains and (losses), net	2,604	4,459
Gain on disposal of assets	-	(1,931)
Hospitality Segment Adjusted EBITDA	$ 346,146	$ 336,931

Entertainment Segment				
Revenue	$	125,059	$	109,564
Operating income	$	31,974	$	27,980
Depreciation & amortization		7,074		7,034
Preopening costs		1,618		-
Non-cash lease expense		61		-
Equity-based compensation		805		711
Pro rata adjusted EBITDA from joint ventures		(323)		-
Other gains and (losses), net		(431)		-
Loss on disposal of assets		431		-
Entertainment Segment Adjusted EBITDA	$	41,209	$	35,725

(1) To calculate Adjusted EBITDA, we determine Operating Income, which represents Net Income (Loss) determined in accordance with GAAP, plus to the extent the following adjustments occurred during the periods presented: loss (income) from discontinued operations, net; provision (benefit) for income taxes; other (gains) and losses, net; loss on extinguishment of debt; (income) loss from joint ventures; and interest expense, net. Adjusted EBITDA is then calculated as Operating Income, plus, to the extent the following adjustments occurred during the periods presented: depreciation and amortization; preopening costs; non-cash ground lease expense; equity-based compensation expense; impairment charges; any closing costs of completed acquisitions; interest income on Gaylord National bonds; other gains and (losses), net; (gains) losses on warrant settlements; pension settlement charges; pro-rata Adjusted EBITDA from joint ventures; (gains) losses on the disposal of assets; and any other adjustments we may identify. We believe Adjusted EBITDA is useful to investors in evaluating our operating performance because this measure helps investors evaluate and compare the results of our operations from period to period by removing the impact of our capital structure (primarily interest expense) and our asset base (primarily depreciation and amortization) from our operating results.

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