Walker & Dunlop, Inc.
Form DEF 14A
March 29, 2019

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

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))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

WALKER & DUNLOP, INC.

(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):

ý 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:

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o Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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WALKER & DUNLOP, INC.

7501 Wisconsin Avenue, Suite 1200E
Bethesda, Maryland 20814

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on May 16, 2019
10:00 a.m. Eastern Daylight Time

Dear Stockholder:

You are cordially invited to attend our 2019 annual meeting of stockholders to be held on Thursday, May 16, 2019, at 10:00 a.m., Eastern Daylight Time, at

Hilton Garden Inn
7301 Waverly Street
Bethesda, Maryland 20814

for the following purposes:

1. To elect eight directors from the nominees named in this proxy statement to serve one-year terms expiring at the 2020 annual meeting of stockholders;

2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019;

3. To hold an advisory resolution to approve executive compensation; and

4. To transact such other business as may properly come before the annual meeting or any adjournment or postponement of the annual meeting.

Only stockholders of record at the close of business on March 14, 2019 will be entitled to notice of and to vote at the meeting.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, YOU ARE URGED TO SUBMIT YOUR PROXY BY FOLLOWING THE INSTRUCTIONS FOR VOTING ACCOMPANYING THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS OR, IF YOU REQUESTED PRINTED COPIES OF THE PROXY MATERIALS, YOUR PROXY OR VOTING INSTRUCTION CARD. IF YOU ATTEND THE MEETING, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON, IF YOU DESIRE, AS DISCUSSED IN THIS PROXY STATEMENT.

By Order of the Board of Directors

Name: Richard M. Lucas
Title: *Executive Vice President, General Counsel and Secretary*

Bethesda, Maryland
March 29, 2019

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on May 16, 2019:

The Proxy Statement and Annual Report to Stockholders are available free of charge at http://www.edocumentview.com/WD.

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WALKER & DUNLOP, INC.

7501 Wisconsin Avenue, Suite 1200E
Bethesda, Maryland 20814

PROXY STATEMENT

QUESTIONS AND ANSWERS

Why is this proxy statement being made available?

We have made this proxy statement available to you because you own shares of common stock of Walker & Dunlop, Inc. This proxy statement contains information related to the solicitation of proxies for use at our 2019 annual meeting of stockholders, to be held at 10:00 a.m., Eastern Daylight Time, on Thursday, May 16, 2019 at Hilton Garden Inn, 7301 Waverly Street, Bethesda, Maryland for the purposes stated in the accompanying Notice of Annual Meeting of Stockholders. This solicitation is made by Walker & Dunlop, Inc. on behalf of our Board of Directors. Unless otherwise stated, as used in this proxy statement, the terms "we," "our," "us" and the "Company" refer to Walker & Dunlop, Inc. The Notice of Internet Availability of Proxy Materials (the "Notice of Internet Availability") is first being mailed to stockholders beginning on or about April 5, 2019.

Why did I receive a Notice of Internet Availability in the mail instead of a printed set of proxy materials?

Pursuant to rules adopted by the Securities and Exchange Commission, or the SEC, we are permitted to furnish our proxy materials over the internet to our stockholders by delivering a Notice of Internet Availability in the mail. The Notice of Internet Availability instructs you on how to access and review the proxy statement and 2018 Annual Report to Stockholders over the internet. The Notice of Internet Availability also instructs you on how you may submit your proxy over the internet. We believe that this e-proxy process expedites stockholders' receipt of proxy materials, while also lowering our costs and reducing the environmental impact of our annual meeting.

If you received a Notice of Internet Availability in the mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting these materials provided in the Notice of Internet Availability.

What information is presented in this proxy statement?

The information contained in this proxy statement relates to the proposals to be voted on at the annual meeting of stockholders, the voting process, information about our Board of Directors and Board committees, the compensation of our directors and our executive officers for the fiscal year ended December 31, 2018, and other required information.

Who is entitled to vote at the annual meeting?

Only holders of record of our common stock at the close of business on March 14, 2019, the record date for the annual meeting of stockholders, are entitled to receive notice of the annual meeting and to vote at the annual meeting. Our common stock constitutes the only class of securities entitled to vote at the meeting.

When you vote by following the instructions in the Notice of Internet Availability or, if you requested printed copies of the proxy materials, your proxy or voting instruction card, you appoint Richard M. Lucas and William M. Walker as your representatives to vote your common stock at the annual meeting. Messrs. Lucas and Walker, or either of them, will vote your common stock as you instruct. Accordingly, your common stock will be voted whether or not you attend the annual meeting. Even if you plan to attend the annual meeting, we encourage you to vote by following the instructions

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in the Notice of Internet Availability or, if you requested printed copies of the proxy materials, your proxy or voting instruction card, in advance.

Who can attend the annual meeting?

If you are a holder of our common stock at the close of business on March 14, 2019, the record date for the annual meeting, or a duly appointed proxy, you are authorized to attend the annual meeting. You will need to present proof of stock ownership and valid picture identification, such as a driver's license or passport, before being admitted. If your common stock is held beneficially in the name of a bank, broker or other holder of record (i.e., street name), you must present proof of your ownership by presenting a bank or brokerage account statement reflecting your ownership as of the record date.

Cameras, recording equipment and other electronic devices will not be permitted at the annual meeting. For directions to the annual meeting of stockholders, contact Investor Relations at (301) 202-3207.

What are the voting rights of stockholders?

As of March 14, 2019, there were 30,646,518 shares of common stock outstanding and entitled to vote at the annual meeting. Each share of common stock outstanding on the record date entitles its holder to cast one vote on each matter to be voted on.

How do I vote?

If you hold your shares of common stock directly (i.e., not in a bank or brokerage account), you may vote by attending the meeting and voting in person or you may provide your proxy via the internet, telephone or mail in accordance with the instructions provided on the Notice of Internet Availability or, if you requested printed copies of the proxy materials, your proxy or voting instruction card.

If your shares of common stock are held in street name, you should follow the voting instructions provided to you by your broker or nominee. You may complete and mail a voting instruction card to your broker or nominee or, in most cases, submit voting instructions by the internet or by telephone to your broker or nominee. If you provide specific instructions, your broker or nominee should vote your shares of common stock as directed. Additionally, if you want to vote in person and hold your shares in street name, you will need a "legal proxy" from your broker to vote at the annual meeting. Contact your broker or nominee for specific information on how to obtain a legal proxy in order to attend and vote your shares at the meeting.

How are votes counted?

If your vote is made in accordance with the instructions in the Notice of Availability or, if you requested printed copies of the proxy materials, your proxy or voting instruction card, and your vote is not revoked, the persons designated as proxy holders will vote the shares of common stock represented by that proxy as directed by you. If you return a signed proxy card but fail to indicate your voting preferences, the persons designated as proxy holders will vote the shares of common stock represented by that proxy as recommended by the Board. The Board recommends a vote **"FOR"** the election of all nominees for our Board of Directors named in this proxy statement (Proposal 1); **"FOR"** the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the 2019 fiscal year (Proposal 2); and **"FOR"** the advisory resolution to approve executive compensation (Proposal 3).

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In the election of directors (Proposal 1), you may either vote **"FOR ALL"** the nominees or to **"WITHHOLD"** your vote with respect to all, one or more of the nominees. Regarding the ratification of our independent registered public accounting firm (Proposal 2), you may vote **"FOR," "AGAINST"** or **"ABSTAIN."** Regarding the advisory resolution to approve executive compensation (Proposal 3), you may vote **"FOR," "AGAINST"** or **"ABSTAIN."** If you withhold your vote with respect to any director nominee or abstain from voting on the ratification of our independent registered public accounting firm or advisory resolution to approve executive compensation, your shares of common stock will be counted as present, including for purposes of establishing a quorum. Abstentions and broker non-votes will not count as votes cast for a proposal.

Will my shares of common stock be voted if I do not provide my proxy and I do not attend the annual meeting?

If you are a stockholder of record and you do not cast your vote, votes will not be cast on your behalf on any of the items of business at the annual meeting. If you hold your shares in street name it is critical that you cast your vote if you want it to count in the election of directors (Proposal 1). Under applicable rules, the bank or broker that holds your shares does not have the ability to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote in the election of directors, votes will not be cast on your behalf. Your bank or broker will, however, have discretion to vote any uninstructed shares on the ratification of the appointment of our independent registered public accounting firm (Proposal 2). They will not have discretion to vote uninstructed shares on the advisory resolution to approve executive compensation (Proposal 3).

May I change my vote?

Yes. You may change or revoke a previously granted proxy at any time before it is exercised by either (i) submitting a later-dated proxy, in person at the annual meeting or by mail, or (ii) delivering instructions to our Secretary at our principal executive offices located at 7501 Wisconsin Avenue, Suite 1200E, Bethesda, Maryland 20814. Please note that attendance at the meeting will not, in itself, constitute revocation of a previously granted proxy.

If your shares of common stock are held in street name, then you may submit new voting instructions by contacting your broker or nominee. You may also vote in person at the annual meeting if you obtain a legal proxy from your broker as described above.

What will constitute a quorum at the annual meeting?

The presence at the annual meeting, in person or by proxy, of the holders of a majority of the common stock outstanding on March 14, 2019 will constitute a quorum, permitting the stockholders to conduct business at the annual meeting. We will include abstentions and broker non-votes in the calculation of the number of shares considered to be present at the annual meeting, including for purposes of determining the presence of a quorum at the meeting. A broker non-vote occurs when a nominee holding shares for a beneficial owner has not received instructions from the beneficial owner and does not have discretionary authority to vote the shares.

How many votes are needed to approve each of the proposals?

A nominee for director shall be elected to the Board of Directors (Proposal 1) if such nominee receives the affirmative vote of a majority of the total votes cast for, against or affirmatively withheld as to such nominee. If a nominee who is an incumbent director does not receive the affirmative vote of a majority of the total votes cast for, against or affirmatively withheld as to such nominee, the director shall offer his or her resignation to the Board of Directors and the Board will consider whether to

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accept or reject the director's offer to resign. Abstentions and broker nonvotes will have no effect on the outcome of the election. Ratification of our independent registered public accounting firm (Proposal 2) and the advisory resolution to approve executive compensation (Proposal 3) will require the affirmative vote of the holders of a majority of the votes cast.

Will any other matters be voted on?

As of the date of this proxy statement, we do not know of any matters that will be presented for consideration at the annual meeting other than those matters discussed in this proxy statement. If any other matters properly come before the annual meeting and call for a stockholder vote, valid proxies will be voted by the holders of the proxies in accordance with the recommendation of the Board or, if no recommendation is given, in their own discretion.

Who is soliciting my proxy?

This solicitation of proxies is made by and on behalf of our Board of Directors. We will pay the costs of soliciting proxies, which will consist primarily of the cost of printing, postage and handling. In addition to soliciting proxies by mail, our officers, directors and other employees, without additional compensation, may solicit proxies personally or by other appropriate means. It is anticipated that banks, brokers, fiduciaries, custodians and nominees will forward proxy soliciting materials to their principals, and that we will reimburse these persons' out-of-pocket expenses.

Is there a list of stockholders entitled to vote at the annual meeting?

The names of stockholders of record entitled to vote at the annual meeting will be available at the annual meeting and for ten days prior to the annual meeting, between the hours of 9:00 a.m. and 4:30 p.m., at our principal executive offices at 7501 Wisconsin Avenue, Suite 1200E, Bethesda, Maryland 20814, by contacting the Secretary.

How can I obtain a copy of the 2018 Annual Report and the Annual Report on Form 10-K for the year ended December 31, 2018?

You may access, read and print copies of the proxy materials for this year's annual meeting, including our proxy statement, form of proxy card, and annual report to stockholders, at the following Web address: http://www.edocumentview.com/WD.

We file annual, quarterly, and current reports; proxy statements; and other information with the SEC. You may read and copy any reports, statements, or other information we file with the Securities & Exchange Commission ("SEC") on the website maintained by the SEC at www.sec.gov. At the written request of any stockholder who owns common stock as of the close of business on the record date, we will provide, without charge, paper copies of our Annual Report on Form 10-K, including the financial statements and financial statement schedule, as filed with the SEC, except exhibits thereto. If requested by eligible stockholders, we will provide copies of the exhibits for a reasonable fee. **You can request a copy of our Annual Report on Form 10-K, free of charge, by following the instructions on the Notice of Internet Availability or by mailing a written request to: Walker & Dunlop, Inc., Attention: Investor Relations, 7501 Wisconsin Avenue, Suite 1200E, Bethesda, Maryland 20814.**

You should rely only on the information provided in this proxy statement. We have not authorized anyone to provide you with different information. You should assume that the information in this proxy statement is accurate only as of the date of this proxy statement or, where information relates to another date set forth in this proxy statement, then as of that date.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Proposal 1: Election of Directors for a One-Year Term Expiring at the 2020 Annual Meeting of Stockholders

Our Board of Directors, or the Board, is currently comprised of nine directors, each with terms expiring at the 2019 annual meeting. During 2019, Ms. Hallenbeck informed us that she will not stand for re-election at the 2019 annual meeting. Our Board thanks Ms. Hallenbeck for her eight years of service. Our Board determined to reduce the size of the Board to eight directors effective upon the conclusion of the 2019 annual meeting. Our Nominating and Corporate Governance Committee has recommended to our Board the eight nominees set forth below, all of whom are currently serving as directors of the Company, for re-election to serve as directors for one-year terms until the 2020 annual meeting and until their successors are duly elected and qualified. Following the Nominating and Corporate Governance Committee's recommendation, our Board has nominated those persons set forth below.

Based on its review of the relationships between the director nominees and the Company, and as discussed in greater detail below, the Board has affirmatively determined that if these nominees are elected, the following six directors are "independent" directors under the rules of the New York Stock Exchange, or NYSE: Alan J. Bowers, Ellen D. Levy, Michael D. Malone, John Rice, Dana L. Schmaltz and Michael J. Warren.

The Board knows of no reason why any nominee would be unable to serve as a director. If any nominee is unavailable for election or service, the Board may designate a substitute nominee and the persons designated as proxy holders on the proxy card will vote for the substitute nominee recommended by the Board, or the Board may, as permitted by our bylaws, decrease the size of our Board.

Vote Required

A nominee for director shall be elected to the Board of Directors (Proposal 1) if such nominee receives the affirmative vote of a majority of the total votes cast for, against or affirmatively withheld as to such nominee. If a nominee who is an incumbent director does not receive the affirmative vote of a majority of the total votes cast for, against or affirmatively withheld as to such director, the director shall offer his or her resignation to the Board of Directors and the Board will consider whether to accept or reject the director's offer to resign. Cumulative voting in the election of directors is not permitted. For purposes of the election of directors, shares that are not voted (whether by broker non-vote or otherwise) will not be counted as votes cast, and will have no effect on the result of the vote.

Our Recommendation

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" EACH OF THE NOMINEES SET FORTH BELOW.

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Nominees for Election for a One-Year Term Expiring at the 2020 Annual Meeting of Stockholders

The following table sets forth the name and age of each nominee for director, indicating all positions and offices with us currently held by the director.

Name	Age	Title
William M. Walker	51	Chairman of the Board of Directors and Chief Executive Officer
Howard W. Smith, III	60	President and Director
Alan J. Bowers	64	Lead Director
Ellen D. Levy	49	Director
Michael D. Malone	65	Director
John Rice	52	Director
Dana L. Schmaltz	52	Director
Michael J. Warren	51	Director

Set forth below are descriptions of the backgrounds and principal occupations of each of our nominees for director, and the period during which he or she has served as a director. Also set forth below are specific experience, qualifications, skills and attributes that supported the Board's determination to nominate the director for re-election.

William M. Walker
Chairman and Chief Executive Officer, Walker & Dunlop, Inc.

Committees: None; member of management

EXPERIENCES, QUALIFICATIONS, SKILLS & ATTRIBUTES

Executive leadership, strategic planning and commercial real estate experience as chairman and chief executive officer of Walker & Dunlop

Affiliation with leading commercial real estate policy associations as a member of the boards of Mortgage Bankers Association and Federal City Council

Previous outside board experience as a director of District of Columbia Water and Sewer Authority and Transcom Worldwide S.A., a publicly traded European outsourcing company

Mr. Walker has been a member of our Board since July 2010 and a board member of Walker & Dunlop, LLC, our operating company, or its predecessors since February 2000. In September 2003, Mr. Walker became the executive vice president and chief operating officer of Walker & Dunlop and served as the president of Walker & Dunlop from January 2005 to April 2015 and has served as the chief executive officer since January 2007. Mr. Walker currently serves on the boards of the Children's National Medical Center, the Federal City Council and the Mortgage Bankers Association and on the board of trustees of the St. Albans School at the National Cathedral. Mr. Walker served as chairman of the board of directors of the District of Columbia Water and Sewer Authority from 2008 until 2012. He also served on the board of directors of Transcom Worldwide S.A., a publicly traded European outsourcing company, from 2004 to 2006 and served as its chairman of the board from 2006 to

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January 2012. Mr. Walker received his Bachelor of Arts in Government from St. Lawrence University and his Master's in Business Administration from Harvard University.

Howard W. Smith, III.
President, Walker & Dunlop, Inc.

Committees: None; member of management

EXPERIENCES, QUALIFICATIONS, SKILLS & ATTRIBUTES

Executive leadership, strategic planning and commercial real estate experience as president of Walker & Dunlop and previous distinguished service as a senior loan originator at the Company for over 30 years

Affiliation with leading commercial real estate policy associations (member of the board of National Multi Housing Council)

Mr. Smith has been a member of our Board since July 2010, and previously served as our executive vice president & chief operating officer from July 2010 to April 2015, when he was promoted to president. Mr. Smith joined Walker & Dunlop in November 1980 and has been a member of the management team since 1988. Mr. Smith served as Walker & Dunlop, LLC's executive vice president & chief operating officer from 2004 to April 2015, when he was promoted to president. He also has served as a board member of Walker & Dunlop, LLC or its predecessors since 2004. As president, Mr. Smith is responsible for our Multifamily, FHA Finance, Capital Markets and Property Sales groups. Mr. Smith is a member of the board of directors of the National Multi Housing Council and a member of the board of advisors to the Williams School of Commerce, Economics and Politics at Washington and Lee University. Mr. Smith received his Bachelor of Arts in Economics from Washington & Lee University.

Alan J. Bowers
Lead Director of Walker & Dunlop, Inc. and Retired President and Chief Executive Officer, Cape Success, LLC, a private staffing service and information technology solutions business

Committees: Audit (chair); Nominating & Corporate Governance

EXPERIENCES, QUALIFICATIONS, SKILLS & ATTRIBUTES

Executive leadership experience as chief executive officer of Cape Success, LLC, MarketSource Corporation and MBL Life Insurance Corporation

Experience as a certified public accountant at Coopers & Lybrand, L.L.P., a certified public accounting company

Current public company board experience as a director of CorePoint Lodging Inc. and Ocwen Financial Corporation

Mr. Bowers has been a member of our Board since December 2010. Prior to Mr. Bowers' retirement in 2005, Mr. Bowers was the president and chief executive officer and a board member of Cape Success, LLC, a private equity-backed staffing service and information technology solutions business, from 2001 to 2004. Mr. Bowers was also the president and chief executive officer and a board member of MarketSource Corporation, a marketing and sales support service firm, from 2000 to 2001, and of MBL Life Assurance Corporation, a life insurance firm, from 1995 to 1999. Mr. Bowers has been a certified public accountant since 1978 and served as staff auditor, audit partner and managing partner, serving a diverse client base during his tenure at Coopers & Lybrand, L.L.P. from 1978 to 1995

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and a staff accountant with Laventhol & Horwath, CPAs from 1976 to 1978. Mr. Bowers is member of the board of directors of CorePoint Lodging Inc., a publicly traded U.S. lodging real estate investment trust, where he is the audit committee chairman and a member of the compensation and nominating and corporate governance committees, and Ocwen Financial Corporation, a publicly traded residential mortgage lending and servicing company, where he is audit committee chairman and a member of the risk and compliance committee. Mr. Bowers previously served on the board and as audit committee chairman of La Quinta Holdings Inc., a publicly traded hotel chain from April 2014 to May 2018. Mr. Bowers earned his Master's in business administration from St. John's University and his Bachelor of Science in accounting from Montclair State University.

Ellen D. Levy
Managing Director, Silicon Valley Connect, LLC, a management consulting firm

Committees: None

EXPERIENCES, QUALIFICATIONS, SKILLS & ATTRIBUTES

Executive leadership and strategic planning and technology experience as vice president of strategic investments at LinkedIn Corporation

Current public company board experience as a director of Instructure, Inc.

Ellen Levy has been a member of our Board since March 2019. Dr. Levy serves as managing director of Silicon Valley Connect, LLC, a management consulting company she founded. From 2008 to April 2012, Dr. Levy served in various roles at LinkedIn Corporation, a professional social networking internet service, including as its vice president of strategic initiatives from March 2010 to April 2012. Dr. Levy is a member of the board of directors of Instructure, Inc., a publicly traded educational technology company where she is a member of the compensation and nominating and corporate governance committees. Dr. Levy received her Bachelor of Arts from the University of Michigan and a Master's and Doctorate in cognitive psychology from Stanford University.

Michael D. Malone
Retired Managing Director, Fortress Investment Group LLC, a global private equity firm

Committees: Audit; Compensation (chair)

EXPERIENCES, QUALIFICATIONS, SKILLS & ATTRIBUTES

Executive leadership and strategic planning experience as managing director of Fortress Investment Group LLC

Investment banking experience at Banc of America Securities

Current public company board experience as a director of Mr. Cooper Group Inc. and New Senior Investment Group Inc.

Mr. Malone has been a member of our Board since November 2012. From February 2008 to February 2012, Mr. Malone served as managing director of Fortress Investment Group LLC, where he was in charge of the Charlotte, North Carolina office and responsible for the business of the capital formation group in the southeast and southwest regions of the United States. Mr. Malone retired from Bank of America in November 2007, after nearly 24 years of service as a senior executive banker and managing director. Over those years, Mr. Malone worked in and ran a number of investment banking businesses for the bank and its subsidiary, Banc of America Securities, including real estate, gaming,

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lodging, leisure, and the financial sponsors businesses. Mr. Malone is member of the board of directors of Mr. Cooper Group Inc., a publicly traded non-bank residential mortgage lender, where he is the nominating and corporate governance committee chairman and a member of the audit and compensation committees, and New Senior Investment Group Inc., a publicly traded internally managed real estate investment trust, where he is the nominating and corporate governance committee chairman and a member of the audit committee. Mr. Malone received his Bachelor of Science in General Studies from the University of Kentucky.

John Rice

Chief Executive Officer, Management Leadership for Tomorrow, a national non-profit organization

Committees: **Compensation;** **Nominating & Corporate Governance (chair)**

EXPERIENCES, QUALIFICATIONS, SKILLS & ATTRIBUTES

Executive leadership and strategic planning experience as CEO of Management Leadership for Tomorrow and previously as managing director of NBA Japan, an affiliate of the National Basketball Association

Marketing experience as director of marketing for Latin America for the National Basketball Association

Experience as a university trustee

Mr. Rice has been a member of our Board since July 2010 and served as our Lead Director from September 2010 to June 2012. Mr. Rice is the chief executive officer of Management Leadership for Tomorrow, a national non-profit organization that he founded in 2001. Management Leadership for Tomorrow equips under-represented minorities with the skills, coaching and relationships that unlock their potential as senior business and community leaders. Prior to Management Leadership for Tomorrow, Mr. Rice was an executive with the National Basketball Association from 1996 to 2000, where he served as managing director of NBA Japan and as director of marketing for Latin America. Before joining the National Basketball Association, Mr. Rice spent four years with the Walt Disney Company in new business development and marketing, and two years with AT&T. Mr. Rice is a member of the Yale University board of trustees and serves on the boards of several non-profits including the Woodrow Wilson Fellowship Foundation and New Profit. Mr. Rice received his Bachelor of Arts from Yale University and his Master's in Business Administration from Harvard University.

Dana L. Schmaltz

Founder and Partner, Yellow Wood Partners, LLC, a private equity firm focused on the consumer products industry

Committees: **Compensation;** **Nominating & Corporate Governance**

EXPERIENCES, QUALIFICATIONS, SKILLS & ATTRIBUTES

Executive leadership and strategic planning experience as founder and partner at Yellow Wood Partners, LLC

Experience acquiring and operating several portfolio companies in various roles

Chief financial officer experience at Blacksmith Brands, Inc.

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Mr. Schmaltz has been a member of our Board since December 2010. Mr. Schmaltz is currently a partner at Yellow Wood Partners, LLC, a private equity firm he founded, which is focused on the consumer products industry. Mr. Schmaltz was the co-founder, director and chief financial officer of Blacksmith Brands, Inc., a privately owned consumer products company that was created in September 2009. As the co-founder and a senior manager of Blacksmith Brands, Mr. Schmaltz was responsible for overseeing the operations of the business with the senior management team, as well as for developing future acquisition opportunities for the company. Prior to founding Blacksmith Brands, Mr. Schmaltz was a managing partner of West Hill Partners, LLC, a Boston-based private equity firm from 2007 to 2009. Prior to that, Mr. Schmaltz was the president of J.W. Childs Associates, LP, a private equity fund, where he focused on investments in the consumer/specialty retail sector, and served as partner of J.W. Childs from 1997 to 2007. Mr. Schmaltz received his Bachelor of Arts in History from Dartmouth College and his Master's in Business Administration from Harvard University.

Michael J. Warren

Global Managing Director, Albright Stonebridge Group, a global strategic advisory and commercial diplomacy firm

Committees: **Nominating & Corporate Governance**

EXPERIENCES, QUALIFICATIONS, SKILLS & ATTRIBUTES

Executive leadership and strategic planning experience as the global managing director of Albright Stonebridge Group

U.S. Government service (former senior advisor, treasury and economic agencies and as co-lead, treasury and federal reserve agency review teams of the Obama-Biden presidential transition)

Chief financial officer experience at Stonebridge International

Experience as a university trustee

Mr. Warren has been a member of our Board since February 2017. Mr. Warren is the global managing director of Albright Stonebridge Group ("ASG"), a global strategic advisory and commercial diplomacy firm. He served as ASG's managing partner from 2013 to 2017 and as its partner from 2009 to 2013. Prior to ASG, he served as the chief operating officer and chief financial officer of Stonebridge International from 2004 to 2009, where he managed operations, business development, finance, and personnel portfolios before leading the firm's merger with The Albright Group. Mr. Warren served in various capacities in the Obama Administration, including as senior advisor, treasury and economic agencies and as co-lead, treasury and federal reserve agency review teams of the Obama-Biden presidential transition. He also serves as chairman of the board and trustee of the District of Columbia retirement board, chairman of the audit committee of the Overseas Private Investment Corporation, a member of the board of trustees and of the risk and audit committees of Commonfund, and as a member of the Yale University board of trustees and Yale School of Management board of advisors. He holds Bachelor of Arts degrees from Yale University and Balliol College, University of Oxford, where he was a Rhodes Scholar.

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Corporate Governance Information

We are committed to maintaining the highest standards of business conduct and corporate governance, which we believe are essential to running our business efficiently, serving our stockholders well and maintaining our integrity in the marketplace. Accordingly, our Board has adopted and maintains the following corporate governance guidelines, codes and charters:

Corporate Governance Guidelines;

Code of Business Conduct and Ethics;

Code of Ethics for Principal Executive Officer and Senior Financial Officers;

Charter of the Audit Committee of the Board of Directors;

Charter of the Compensation Committee of the Board of Directors;

Charter of the Nominating and Corporate Governance Committee of the Board of Directors; and

Complaint Procedures for Accounting and Auditing Matters.

From time to time, we may revise the above-mentioned corporate governance guidelines, codes and charters in response to changing regulatory requirements, evolving best practices and the concerns of our stockholders and other constituents. Please visit our website at www.walkerdunlop.com to view or obtain a copy of the current version of any of these documents. We will provide any of the above-mentioned documents, free of charge, to any stockholder who sends a written request to:

Walker & Dunlop, Inc.
Attn: Investor Relations
7501 Wisconsin Avenue, Suite 1200E
Bethesda, Maryland 20814

Director Independence

Our bylaws and Corporate Governance Guidelines conform to the NYSE rules, which require us to have a majority of independent board members and a nominating/corporate governance committee, compensation committee and audit committee, each comprised solely of independent directors. Under the NYSE listing standards, no director of a company qualifies as "independent" unless the board of directors of the company affirmatively determines that the director has no material relationship with the company (either directly or as a partner, stockholder or officer of an organization that has a relationship with such company). In addition, the NYSE listing standards contain the following further restrictions upon a listed company's director independence:

a director who is an employee, or whose immediate family member is an executive officer, of the listed company is not independent until three years after the end of such employment relationship;

a director who has received, or has an immediate family member who has received, during any 12-month period within the last three years, more than $120,000 in direct compensation from the listed company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent;

a director who is, or whose immediate family member is, a current partner of a firm that is the company's internal or external auditor is not independent; a director who is a current employee of such a firm is not independent; a director who has an immediate family member who is a current employee of such a firm and personally works on the company's audit is not

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independent; and a director who was, or whose immediate family member was, within the last three years a partner or employee of such a firm and personally worked on the company's audit within that time is not independent;

a director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the listed company's present executive officers at the same time serve or served on the other company's compensation committee is not independent until three years after the end of such service or the employment relationship; and

a director who is an executive officer or an employee, or whose immediate family member is an executive officer, of another company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million, or 2% of such other company's consolidated gross revenues, is not independent.

To adequately assess and ensure that (i) at least a majority of our directors qualify as independent and (ii) each of the Board committees is comprised of solely independent directors, the Board assesses annually the independence of all directors and director nominees. In accordance with the independence criteria established by the Board from time to time, our Board considers all relevant facts and circumstances in order to make an affirmative determination as to whether any director has a direct or indirect material relationship to the Company. In assessing the materiality of a director's or nominee's relationship with the Company, the Board considers the issues from the director's or nominee's standpoint and from the perspective of the persons or organization with which the director or nominee has an affiliation. Our Board has evaluated the status of each current director, and has affirmatively determined, after considering the relevant facts and circumstances and the independence standards set forth above, that each of Alan J. Bowers, Cynthia A. Hallenbeck, Ellen D. Levy, Michael D. Malone, John Rice, Dana L. Schmaltz and Michael J. Warren is independent, as defined in the NYSE rules, and that none of these directors has a material relationship with us.

Board Leadership Structure

Mr. Walker serves as the Company's Chairman and Chief Executive Officer. The Board has determined that combining the Chairman and Chief Executive Officer positions is the appropriate leadership structure for the Company and believes that combining the Chairman and Chief Executive Officer roles fosters clear accountability, effective decision-making and alignment on corporate strategy.

Nevertheless, the Board understands that the structure of the Board must encourage the free and open dialogue of competing views and provide for strong checks and balances. Specifically, an effective governance structure must balance the powers of the Chief Executive Officer and the independent directors and ensure that the independent directors are fully informed, able to discuss and debate the issues that they deem important, and able to provide effective oversight of management.

The Board is committed to maintaining a "Lead Director" as a matter of good corporate governance. The Lead Director is an independent director consistent with criteria established by the NYSE, and will be selected on an annual basis by a majority of the independent directors then serving on the Board. The role of the Lead Director is to serve as liaison between (i) the Board and management, including the Chief Executive Officer, (ii) independent directors and (iii) interested third parties and the Board. The Lead Director serves as the focal point of communication to the Board regarding management plans and initiatives and ensures that the role between board oversight and management operations is respected. The Lead Director reviews and provides input on full Board meeting agendas, and plays a central role in developing, managing and overseeing our annual Board self-assessment process along with the Chairman of the Nominating and Corporate Governance Committee. The Lead Director acts as chairman of executive sessions of our independent directors and also provides the medium for informal dialogue with and among independent directors, allowing for

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free and open communication within that group. In addition, the Lead Director serves as the communication conduit for third parties who wish to communicate with the Board. Our current Lead Director is Mr. Bowers.

The Board carefully considers the effectiveness of the Board leadership structure at least annually in connection with its self-assessment.

Executive Sessions of Non-Management and Independent Directors

Pursuant to our Corporate Governance Guidelines and the NYSE rules, in order to promote open discussion among independent directors, our Board devotes a portion of each regularly scheduled Board meeting to executive sessions of only independent directors. See " Director Independence" for a list of our independent directors. The Lead Director acts as chairman of each of the executive sessions described above.

Communications with the Board

Stockholders and other interested parties may communicate with the Board (i) by sending any correspondence they may have in writing to the "Lead Director" c/o the General Counsel & Secretary of Walker & Dunlop, Inc., at 7501 Wisconsin Avenue, Suite 1200E, Bethesda, Maryland 20814, who will then directly forward such correspondence to the Lead Director, or (ii) by e-mailing correspondence directly to the Lead Director at leaddirector@walkerdunlop.com. The Lead Director will decide what action should be taken with respect to the communication, including whether such communication should be reported to the Board.

Board Meetings and Director Attendance

Pursuant to our Corporate Governance Guidelines, (i) we are required to have at least four regularly scheduled Board meetings in each calendar year and additional unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company; and (ii) directors are expected to attend, in person or by telephone or video conference, all Board meetings and meetings of committees on which they serve. Our Board held 10 Board meetings in 2018. Each of our directors attended at least 75% of the total regularly scheduled and special meetings of the Board and the committees on which he or she served. Additionally, pursuant to our Corporate Governance Guidelines, the directors are encouraged, but not required, to attend our annual meetings of stockholders. One of the eight directors elected to the Board at the 2018 annual meeting of stockholders attended the meeting.

Criteria for Board Membership

The Board has adopted a policy to be used for considering potential director candidates to further the Nominating and Corporate Governance Committee's goal of ensuring that our Board consists of a diversified group of qualified individuals that function effectively as a group. The policy provides that qualifications and credentials for consideration as a director nominee may vary according to the particular areas of expertise being sought as a complement to the existing composition of the Board. However, at a minimum, candidates for director must possess:

high integrity;

an ability to exercise sound judgment;

an ability to make independent analytical inquiries;

a willingness and ability to devote adequate time and resources to diligently perform Board duties; and

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a reputation, both personal and professional, consistent with the image and reputation of the Company.

In addition to the aforementioned minimum qualifications, the Nominating and Corporate Governance Committee also believes that there are other qualities and skills that, while not a prerequisite for nomination, should be taken into account when considering whether to recommend a particular person. These factors include:

diversity, age, background, skills and experience;

knowledge and contacts in the communities in which the Company conducts business and in the Company's industry or other industries relevant to the Company's business;

knowledge and expertise in various areas deemed appropriate by the Board;

fit of the individual's skills, experience, and personality with those of other directors in maintaining an effective, collegial, and responsive Board;

whether the person's nomination and election would enable the Board to have a member that qualifies as an "audit committee financial expert" as such term is defined by the SEC; and

whether the person would qualify as an "independent" director under the NYSE's listing standards and our Corporate Governance Guidelines.

Neither the Nominating and Corporate Governance Committee nor the Board has adopted a formal policy with respect to diversity of its directors. However, in connection with its overall director candidate review, the Nominating and Corporate Governance Committee does consider diversity of experience in areas that are relevant to the Company's activities, including, for example, experience in commercial real estate, commercial lending, technology and finance and experience as a board member of a publicly traded company. Directors must be willing and able to devote sufficient time to carrying out their duties effectively. The Nominating and Corporate Governance Committee takes into account the other demands on the time of a candidate, including, for example, occupation and memberships on other boards.

The Nominating and Corporate Governance Committee will seek to identify director candidates based on input provided by a number of sources, including (i) Nominating and Corporate Governance Committee members, (ii) our stockholders and (iii) others as it deems appropriate. The Nominating and Corporate Governance Committee also has the authority to consult with or retain advisors or search firms to assist in identifying qualified director candidates; however, we do not currently employ a search firm, or pay a fee to any other third party, to locate qualified director candidates.

As part of the identification process, the Nominating and Corporate Governance Committee considers the number of expected director vacancies and whether existing directors have indicated a willingness to continue to serve as directors if re-nominated. Once a director candidate has been identified, the Nominating and Corporate Governance Committee will then evaluate this candidate in light of his or her qualifications and credentials, and any additional factors that it deems necessary or appropriate. Existing directors who are being considered for re-nomination will be re-evaluated as part of the Nominating and Corporate Governance Committee's process of recommending director candidates. The Nominating and Corporate Governance Committee will consider all persons recommended by stockholders in the same manner as all other director candidates, provided that such recommendations are submitted in accordance with the procedures set forth in our bylaws and summarized below.

After completing the identification and evaluation process described above, the Nominating and Corporate Governance Committee will recommend to the Board the nomination of a number of candidates equal to the number of director vacancies that will exist at the annual meeting of stockholders. The Board will then select the Board's director nominees for stockholders to consider and vote upon at the stockholders' meeting.

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Our Growth Strategy and Alignment of Director Skills and Experience

In 2016, we implemented a strategy with the goal of reaching at least $1 billion of annual revenues by the end of 2020 by accomplishing the following milestones: (i) $30 to $35 billion of annual loan origination volume, (ii) annual multifamily property sales volume of $8 to $10 billion, (iii) an unpaid principal balance of at least $100 billion in our servicing portfolio, and (iv) $8 to $10 billion of assets under management. To reach these milestones, we will focus on the following areas:

Defend our market position as a leading provider of capital to multifamily borrowers;

Continue to expand our capital markets and property sales teams; and

Develop proprietary sources of capital through our interim lending program, our joint venture with an affiliate of Blackstone Mortgage Trust, Inc. and our investment management platform

Successful execution of our growth strategy will involve organic growth, recruiting additional bankers and brokers and acquisitions. The Board believes that, collectively, the nominees bring to the Board, through a variety of backgrounds and experiences, including through education, direct hands-on experience and managerial roles, a diverse range of skills and experience in relevant areas that align with our growth strategy, as depicted in the following table:

	Director Experience				
	Commercial Real Estate	**Commercial Lending**	**Investment Advisory/Mergers & Acquisitions**	**Executive Leadership**	**Other Public Board Experience**
Alan J. Bowers	ü			ü	ü
Ellen D. Levy			ü	ü	ü
Michael D. Malone	ü	ü	ü	ü	ü
John Rice				ü	
Dana L. Schmaltz			ü	ü	
Howard W. Smith	ü	ü		ü	
William M. Walker	ü	ü	ü	ü	ü
Michael J. Warren		ü	ü	ü	

Stockholder Recommendations of Director Nominees

For nominations for election to the Board to be properly brought before an annual meeting by a stockholder, the stockholder must comply with the advance notice provisions and other requirements of Article II, Section 12 of our bylaws. These notice provisions require that nominations for directors must be received by the Secretary at our principal executive offices (the "Stockholder Notice") not later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting nor earlier than the 150th day prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, such Stockholder Notice to be timely must be so delivered not earlier than the 150th day prior to such annual meeting and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. The Stockholder Notice must set forth:

as to each person whom the stockholder proposes to nominate for election or reelection as a director, (A) a description of all agreements, arrangements or understandings between such stockholder and such potential nominee (and any other person or persons), pursuant to which the nomination is made, and (B) all other information relating to such potential nominee that is required to be disclosed pursuant to Regulation 14A under the Securities Exchange Act of 1934,

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as amended (the "Exchange Act"), including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; and

as to the stockholder giving such Stockholder Notice, (A) the name and address of such stockholder, as they appear on the Company's books; (B) the class or series and number of shares of stock of the Company which are, directly or indirectly, owned beneficially and of record by such stockholder, including through general or limited partnerships, as of the date of the Stockholder Notice, and a representation that such stockholder will notify the Company in writing of such information as of the record date for the meeting; (C) a description of any agreement, arrangement or understanding (including, without limitation, any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into by such stockholder as of the date of the Stockholder Notice, the effect or intent of which is to mitigate loss to, manage the risk or benefit of share price changes for, or increase or decrease the voting power of such stockholder or any affiliates, and a representation that such stockholder will notify the Company in writing of any such agreement, arrangement or understanding in effect as of the record date for the meeting; (D) a representation that such stockholder intends to appear at the meeting in person or by proxy to make the nomination or propose the other business specified in such Stockholder Notice, as the case may be; and (E) a representation as to whether such stockholder intends, or is intended to be part of a group (within the meaning ascribed to such term under Section 13(d)(3) of the Exchange Act) that intends, (i) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Company's outstanding shares of stock required to elect the proposed director nominee or to approve or adopt the other business proposal, and/or (ii) otherwise to solicit proxies from stockholders in support of such nominee or other business proposal.

For purposes of the bulleted paragraphs above, references to "stockholder" include any beneficial owners on whose behalf the director nomination is made. See also "OTHER MATTERS Stockholder Proposals and Nominations for the 2020 Annual Meeting."

Code of Ethics for Principal Executive Officer and Senior Financial Officers; Code of Business Conduct

We have adopted the Code of Ethics for Principal Executive Officer and Senior Financial Officers, which is applicable to our Chief Executive Officer, Chief Financial Officer and all other senior financial officers. This code is intended to:

deter wrongdoing;

encourage honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the SEC and in other public communications made by the Company;

ensure compliance with applicable governmental laws, rules and regulations;

support the prompt internal reporting of violations of the Code of Ethics for Principal Executive Officer and Senior Financial Officers to the appropriate persons identified in the Code of Ethics for Principal Executive Officer and Senior Financial Officers; and

create accountability for adherence to the Code of Ethics for Principal Executive Officer and Senior Financial Officers.

We have also adopted the Code of Business Conduct and Ethics, which is applicable to all of our directors, officers and employees. This code covers areas of professional conduct, including honest and

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candid conduct, conflicts of interest, disclosure, compliance with all applicable laws, rules and regulations, corporate opportunities, confidentiality, fair dealing and the protection and proper use of Company assets.

We have posted both our Code of Ethics for Principal Executive Officer and Senior Financial Officers and Code of Business Conduct and Ethics to our website and intend to promptly post any waiver or amendment of our Code of Ethics for Principal Executive Officer and Senior Financial Officers to our website.

In addition to the Code of Ethics for Principal Executive Officer and Senior Financial Officers and Code of Business Conduct and Ethics, our Audit Committee has in place a whistleblower reporting procedure that enables it to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters. The procedures in place permit our employees to confidentially and anonymously submit their concerns regarding questionable accounting or auditing matters directly to the Audit Committee. Upon receiving a concern or complaint pursuant to these procedures, the individual designated by our Chief Executive Officer as our compliance officer (currently, our Executive Vice President, General Counsel & Secretary, Richard M. Lucas), or Audit Committee Chairman, will:

- determine whether the complaint or concern is an accounting complaint and, when possible, acknowledge receipt of the complaint or concern to the reporting person;
- review the complaint in a manner determined by and with the oversight of the Audit Committee and with input from the compliance officer or such other persons, including any third-party investigative parties, as the Audit Committee determines to be appropriate;
- appoint one or more internal and/or external investigators to promptly and fully investigate such accounting complaints under the supervision of the compliance officer and, as may be appropriate, the Audit Committee;
- provide the reporting person, to the extent possible and appropriate, the name and contact information for the investigator(s) assigned to the accounting complaint;
- maintain confidentiality to the fullest extent possible, consistent with the need to conduct an adequate review;
- coordinate with other Board committees and government authorities, as appropriate, to the extent that an accounting complaint relates to an ongoing government audit, inspection or investigation;
- obtain advice and assistance from and retain, at the Company's expense, investigators, internal or outside legal counsel and other advisors, as may be appropriate; and
- take prompt and appropriate corrective or remedial action when and as warranted in the judgment of the Audit Committee.

Risk Oversight

One of the important roles of our Board is to oversee various risks that we may face from time to time. While the full Board has primary responsibility for risk oversight, it utilizes its committees, as appropriate, to monitor and address the risks that may be within the scope of a particular committee's expertise or charter. For example, the Audit Committee oversees our financial statements, internal control over financial reporting, compliance with legal and regulatory requirements and the performance of our internal audit function. The Audit Committee also receives reports, at least quarterly, on information security matters. Generally, the ongoing monitoring of risk and risk mitigation activities have been implemented under the oversight of the full Board, which will use the Board committees as appropriate to oversee management's monitoring and mitigation of risks identified by

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management that are consistent with the respective Committees' oversight authorities. The Board believes that the composition of its committees, and the distribution of the particular expertise of each committee's members, makes this an appropriate structure to more effectively monitor the risks that relate to the committees' respective oversight authorities.

An important feature of the Board's risk oversight function is to receive regular updates from its committees and management, as appropriate. For example, each year our senior management will work with the head of our internal audit function, who reports directly to the Audit Committee, to develop an audit plan designed to address key corporate governance controls, financial reporting and internal control risks and pre-implementation reviews of significant corporate projects. This plan will subsequently be reviewed by the Audit Committee, and our internal auditors will report the audit results to the Audit Committee on a quarterly basis, or more frequently as needed. The internal auditors also meet regularly with the Audit Committee in executive session. In addition, our General Counsel meets regularly in executive session with the Audit Committee and the Nominating and Corporate Governance Committee and provides them with regular updates regarding material litigation and legal and regulatory compliance matters.

The Compensation Committee is responsible for overseeing compensation risk, including evaluating and assessing risks arising from our compensation policies and practices for all employees and ensuring executive compensation is aligned with performance. The Compensation Committee is charged with monitoring our equity-based compensation plans, including employee benefit plans. The Nominating and Corporate Governance Committee oversees risk related to our overall governance, including Board and committee composition, Board size and structure, director independence and ethical and business conduct.

A committee of senior management comprised of the leaders of our loan origination, loan underwriting, accounting, legal, human resources, information technology, information security and internal audit groups prepare a written report to the full Board at least quarterly describing key risks faced by us, and how they are addressed. Additionally, the full Board is kept informed of each committee's risk oversight and related activities through standard reports to the Board by each committee chairman, frequent non-member attendance at committee meetings and committee meeting minutes and resolutions which are made available to all directors. Strategic, operational and competitive risks are presented and discussed at the Board's regular quarterly meetings. In addition to receiving direct information from its committees, the Board receives updates directly from members of management. As needed between Board meetings, Mr. Walker, our Chairman and Chief Executive Officer, provides reports to the Board on the critical issues we face and the recent developments in our business units, including identified risks. Additionally, Mr. Smith, due to his position as President, is able to frequently communicate with other members of our management and update the Board regularly on the important aspects of the Company's day-to-day operations.

Board Committees

The Board has a standing Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. All members of the committees described below are "independent" under NYSE rules as discussed under "BOARD OF DIRECTORS AND CORPORATE GOVERNANCE Corporate Governance Information Director Independence." In addition, the members of the Audit and Compensation Committees satisfy the additional independence criteria applicable to members of such committees under SEC and NYSE rules.

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The table below provides membership information for each of the Board committees as of March 14, 2019 and the number of meetings held by each committee in 2018:

Name	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Alan J. Bowers	X *		X
Cynthia A. Hallenbeck	X	X	
Michael D. Malone	X	X*	
John Rice		X	X*
Dana L. Schmaltz		X	X
Michael J. Warren			X
2018 Meetings	6	7	6

*
Committee Chairman

Audit Committee Financial Expert

Audit Committee

Our Audit Committee consists of Alan J. Bowers, Cynthia A. Hallenbeck and Michael D. Malone, three of our independent directors, with Mr. Bowers serving as the Audit Committee's Chairman. Each of Mr. Bowers, Ms. Hallenbeck and Mr. Malone qualifies as an "audit committee financial expert" as that term is defined by the applicable SEC regulations and NYSE corporate governance listing standards. Our Board has also determined that each Audit Committee member is "financially literate" as that term is defined by the NYSE corporate governance listing standards. We have adopted an Audit Committee charter that details the principal functions of the Audit Committee, including oversight related to:

our accounting and financial reporting processes;

the integrity of our consolidated financial statements and financial reporting process;

our systems of disclosure controls and procedures and internal control over financial reporting;

our compliance with financial, legal and regulatory requirements;

the evaluation of the qualifications, independence and performance of our independent registered public accounting firm;

the performance of our internal audit function;

our policies and procedures with respect to risk assessment and risk management, including key risks to which we are subject and the steps we have taken to monitor and control exposure to such risks, which is overseen in consultation with our management, and the full Board, as appropriate; and

review and approval of any related party transactions.

The Audit Committee is responsible for engaging an independent registered public accounting firm, reviewing with the independent registered public accounting firm the plans and results of the audit engagement, approving professional services provided by the independent registered public accounting firm, including all audit and non-audit services, reviewing the independence of the independent registered public accounting firm, considering the range of audit and non-audit fees and reviewing the adequacy of our internal accounting controls. The Audit Committee also prepares the Audit Committee report required by SEC regulations to be included in our annual proxy statement.

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Our Audit Committee charter and the corporate governance rules of the NYSE require that in the event a director simultaneously serves on the audit committee of more than three public companies, the Board must determine that such simultaneous service would not impair the ability of that member to effectively serve on our Audit Committee and disclose that determination. None of our Audit Committee members serves on the audit committees of more than three public companies (including our Audit Committee).

The Audit Committee met six times in 2018.

Compensation Committee

Our Compensation Committee consists of Cynthia A. Hallenbeck, Michael D. Malone, John Rice and Dana L. Schmaltz, four of our independent directors, with Mr. Malone serving as the Compensation Committee's Chairman. We have adopted a Compensation Committee charter that details the principal functions of the Compensation Committee, including:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our executive officers' compensation, evaluating our executive officers' performance in light of such goals and objectives and determining and approving the remuneration of our executive officers based on such evaluation;
- reviewing and approving the compensation of our executive officers, subject to the terms and conditions of any pre-existing employment agreements;
- reviewing and evaluating, as it deems appropriate, the compensation for directors, including board committee retainers, meeting fees, equity-based compensation and such other forms of compensation as the compensation committee may consider appropriate and recommending to the Board, as appropriate, changes to such compensation;
- reviewing our executive compensation policies and plans;
- implementing and administering our annual cash incentive plan and equity-based compensation plan;
- determining the number and terms of equity awards to be granted to our directors, executive officers and other employees pursuant to these plans;
- assisting management in complying with our proxy statement and annual report disclosure requirements;
- producing a report on executive compensation to be included in our annual proxy statement; and
- reviewing the Company's policies and procedures with respect to risk assessment and risk management for compensating all employees, including non-executive officers, and reporting its findings to the Board.

Pursuant to its charter, the Compensation Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee consisting of one or more members.

The Board has established a special committee of the Board (the "Non-Executive Equity Award Committee"), currently comprised of Messrs. Walker, our Chairman and Chief Executive Officer and Smith, our President, and delegated to that committee limited authority to grant equity awards to non-executive officers and non-director employees pursuant to the 2015 Equity Incentive Plan. As of March 14, 2019, those grants may not exceed a total of 357,618 shares. The Non-Executive Equity Award Committee's authority does not in any way limit the Compensation Committee's authority to administer the 2015 Equity Incentive Plan.

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Under its charter, the Compensation Committee has authority to retain compensation consultants, outside counsel and other advisors that the Compensation Committee deems appropriate, in its sole discretion, to assist it in discharging its duties. The Compensation Committee engaged Pay Governance LLC ("Pay Governance") in 2018 to act as its compensation consultant. Pay Governance reported directly to the Compensation Committee and the Compensation Committee had the sole authority to terminate the engagement.

Pay Governance's primary roles for 2018 were to:

- re-assess the peer group identified by our Compensation Committee in 2017 against which our 2018 performance and non-employee director and executive pay should be examined;
- advise on the performance metrics and structure of our 2018 annual cash incentive plan and our 2018-2020 long-term performance share plan;
- evaluate our executive compensation programs and provide recommendations regarding executive compensation strategy and policies, including a review of philosophy, comparative review of total direct compensation at our peer group companies (for example, base salary, short- and long-term incentives, and mix of pay, as applicable), and provide insight related to potential enhancements and/or modifications;
- assess the alignment of named executive officer ("NEO") compensation to our performance;
- evaluate and analyze our compensation policies and practices for our NEOs and our loan origination staff to determine whether they create risks that are reasonably likely to have a material adverse effect on us;
- review the Compensation Discussion and Analysis section of our annual proxy statement;
- advise the Compensation Committee on executive and director compensation trends and best practices;
- advise the Compensation Committee on our 2018 shareholder outreach program on compensation matters; and
- attend selected Compensation Committee meetings.

Pay Governance did not provide any other services to the Company. The Compensation Committee concluded that Pay Governance had no conflicts of interest during fiscal year 2018. In reaching this conclusion, the Compensation Committee considered all relevant factors, including the six independence factors relating to committee advisors that are specified in the NYSE rules. These factors are:

- the provision of other services to the company by an advisor's employer;
- the amount of fees received from the company by an advisor's employer as a percentage of the total revenue of the advisor's employer;
- the policies and procedures of an advisor's employer that are designed to prevent conflicts of interest;

any business or personal relationship of an advisor with a member of the committee;

any stock of the company owned by an advisor; and

any business or personal relationship of an advisor or the advisor's employer with an executive officer of the Company.

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For further discussion of the role of the Compensation Committee in the executive compensation decision-making process, and for a description of the nature and scope of Pay Governance's assignments, see the section titled "COMPENSATION DISCUSSION AND ANALYSIS."

Our Compensation Committee considers the recommendations of Mr. Walker regarding any Company and individual performance targets, assessments of performance and compensation levels generally for our named executive officers. Mr. Walker presents a self-assessment of his own individual performance to the Compensation Committee and makes recommendations regarding his own compensation, but the Compensation Committee considers the compensation determination without Mr. Walker and other members of management being present. Senior members of the human resources, legal, finance and accounting departments may also provide input to the Compensation Committee concerning matters relevant to the compensation plans and amounts, including compensation plan structure, individual and company-specific performance achievements and the impacts of the compensation plans and related payments on the Company's financial performance.

The Compensation Committee met seven times in 2018.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee consists of Alan J. Bowers, John Rice, Dana L. Schmaltz and Michael J. Warren, four of our independent directors, with Mr. Rice serving as the Nominating and Corporate Governance Committee's Chairman. We have adopted a nominating and corporate governance committee charter that details the principal functions of the Nominating and Corporate Governance Committee, including:

- identifying and recommending to the Board qualified candidates for election as directors and recommending nominees for election as directors at the annual meeting of stockholders;
- developing and recommending to the Board corporate governance guidelines and implementing and monitoring such guidelines;
- overseeing the Board's compliance with financial, legal and regulatory requirements and its ethics program as set forth in the Company's Code of Business Conduct and Ethics and the Code of Ethics for Principal Executive Officer and Senior Financial Officers;
- reviewing and making recommendations on matters involving the general operation of the Board, including board size and composition, and committee composition and structure;
- recommending to the Board nominees for each Board committee; and
- overseeing the annual evaluation process for the Board, management and the other committees of the Board, as required by applicable law, regulations and the NYSE corporate governance listing standards.

The Nominating and Corporate Governance Committee met six times in 2018.

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AUDIT RELATED MATTERS

Proposal 2: Ratification of Appointment of Independent Registered Public Accounting Firm

Our consolidated financial statements for the year ended December 31, 2018 were audited by KPMG LLP, which served as our independent registered public accounting firm for the last fiscal year. The Audit Committee has appointed KPMG LLP to serve as our independent registered public accounting firm for the year ending December 31, 2019. We have been advised by KPMG LLP that representatives of KPMG LLP will be present at our 2019 annual meeting. These representatives will have the opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

The Sarbanes-Oxley Act of 2002 requires the Audit Committee to be directly responsible for the appointment, compensation and oversight of the audit work of the independent registered public accounting firm. Nevertheless, our Board is submitting the appointment of KPMG LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the appointment of KPMG LLP, the Audit Committee may reconsider the appointment or may retain KPMG LLP or another accounting firm without resubmitting the matter to stockholders. Even if the stockholders ratify the appointment, the Audit Committee may select another firm if it determines such selection to be in our and our stockholders' best interest.

Vote Required

The ratification of the appointment of KPMG LLP requires the affirmative vote of the holders of a majority of the votes cast. Abstentions and broker non-votes will not count as votes cast with respect to the proposal.

Our Recommendation

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE PROPOSAL TO RATIFY THE APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2019.

Disclosure of KPMG LLP Fees for the Years Ended December 31, 2018 and December 31, 2017

The following table shows the fees for professional services rendered by KPMG LLP for the audit of the Company's annual financial statements for the years ended December 31, 2018, and December 31, 2017, and fees billed for other services rendered by KPMG LLP during those periods:

	2018	2017
Audit Fees(1)	$ 1,116,000	$ 1,061,000
Audit Related Fees(2)	141,600	151,600
Tax Fees(3)	332,307	283,868
All Other Fees		
Total	**$ 1,589,907**	**$ 1,496,468**

(1) Audit Fees include fees for audits of our 2018 and 2017 consolidated financial statements.

(2) Audit Related Fees include fees for our statutory and regulatory compliance audits and our employee benefit plan audits.

(3) Tax Fees include fees for tax compliance and advisory services.

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All services provided by KPMG LLP to us since we became a public company have been pre-approved by the Audit Committee, either pursuant to the Audit Committee's Audit and Non-Audit Services Pre-Approval Policy or through a separate pre-approval by the Audit Committee, which concluded that the provision of such services by KPMG LLP was compatible with the maintenance of that firm's independence from us.

Pre-Approval Policies and Procedures

The Audit Committee's policy is to review and pre-approve either pursuant to the Audit Committee's Audit and Non-Audit Services Pre-Approval Policy or through a separate pre-approval by the Audit Committee, any engagement of our independent registered public accounting firm to provide any audit or permissible non-audit service to the Company. Pursuant to the Audit and Non-Audit Services Pre-Approval Policy, which the Audit Committee will review and reassess annually, a list of specific services within certain categories of services, including audit and audit-related services, are specifically pre-approved for the upcoming or current fiscal year, subject to an aggregate maximum annual fee payable by us for each category of pre-approved services. Any service that is not included in the approved list of services must be separately pre-approved by the Audit Committee. Additionally, all audit and permissible non-audit services in excess of the pre-approved fee level, whether or not included on the pre-approved list of services, must be separately pre-approved by the Audit Committee. The Audit Committee has delegated authority to its Chairman to specifically pre-approve engagements for the performance of audit and permissible non-audit services, for which the estimated cost for each specified type of service shall not exceed $100,000. The Audit Committee Chairman must report all pre-approval decisions to the Audit Committee at its next scheduled meeting and provide a description of the terms of the engagement, including:

- the type of services covered by the engagement;
- the dates the engagement is scheduled to commence and terminate;
- the estimated fees payable by us pursuant to the engagement;
- other material terms of the engagement; and
- such other information as the Audit Committee may request.

Report of the Audit Committee

The Audit Committee is currently comprised of Mr. Bowers (Chairman), Mr. Malone and Ms. Hallenbeck. The members of the Audit Committee are appointed by and serve at the discretion of the Board.

One of the Audit Committee's principal purposes is to assist the Board in overseeing the integrity of our consolidated financial statements. Our management team has the primary responsibility for our consolidated financial statements and the reporting process, including the system of internal control over financial reporting and disclosure controls and procedures. KPMG LLP, our independent registered public accounting firm, audits the annual financial statements prepared by management and expresses an opinion on the conformity of those financial statements with U.S. generally accepted accounting principles ("GAAP"). In carrying out its responsibilities, the Audit Committee reviewed and discussed our audited consolidated financial statements as of and for the year ended December 31, 2018 with our management and representatives of KPMG LLP. Management represented to the Audit Committee that our consolidated financial statements were prepared in accordance with GAAP.

The Audit Committee also is responsible for assisting the Board in overseeing the qualification, independence and performance of our independent registered public accounting firm. The Audit Committee discussed with KPMG LLP the matters required to be discussed by Auditing Standard

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No. 1301, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board (the "PCAOB"). The Audit Committee received both the written disclosures and the letter from KPMG LLP, as well as engaged in a dialogue, as required by the applicable requirements of the PCAOB regarding KPMG LLP's communications with the Audit Committee concerning independence, and discussed with KPMG LLP the independence of KPMG LLP from us. The Audit Committee also has considered whether the provision of any non-audit services, and any fees charged for such non-audit services, by KPMG LLP are compatible with maintaining the independence of KPMG LLP from us.

Based on the reviews and discussions described above, the Audit Committee recommended to the Board that our audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2018.

Respectfully submitted,
The Audit Committee of the Board of Directors
Alan J. Bowers (Chairman)
Cynthia A. Hallenbeck
Michael D. Malone

The Audit Committee report above does not constitute "soliciting material" and will 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 that might incorporate our SEC filings by reference, in whole or in part, notwithstanding anything to the contrary set forth in those filings.

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EXECUTIVE OFFICERS

The following table sets forth information concerning our executive officers as of March 14, 2019. Executive officers are elected by and serve at the discretion of our Board.

Name	Age	Title
William M. Walker	51	Chairman of the Board of Directors and Chief Executive Officer
Howard W. Smith, III	60	President and Director
Richard M. Lucas	53	Executive Vice President, General Counsel and Secretary
Stephen P. Theobald	56	Executive Vice President & Chief Financial Officer
Richard C. Warner	63	Executive Vice President and Chief Credit Officer

Executive Officer Biographies

Set forth below are descriptions of the backgrounds of each of our executive officers, other than Messrs. Walker and Smith, whose backgrounds and positions are described above (See "BOARD OF DIRECTORS AND CORPORATE GOVERNANCE Nominees for Election for a One-Year Term Expiring at the 2020 Annual Meeting of Stockholders").

Richard M. Lucas serves as our Executive Vice President, General Counsel and Secretary. Mr. Lucas was a member of our Board from July to November 2010, when he joined the Company as Executive Vice President and General Counsel, and has served as a member of the board of managers of Walker & Dunlop, LLC since January 2010. Mr. Lucas is responsible for our Legal, Human Resources and Office Services groups, administrative oversight of the internal audit function and, together with the other executive officers, the overall strategic direction of our Company. Mr. Lucas joined Hilton Worldwide, Inc., a global hospitality company, in May 2008 as executive vice president, general counsel and corporate secretary and served as a member of Hilton's executive committee until he joined us in November 2010. Prior to joining Hilton, Mr. Lucas was a partner at the law firm of Arnold & Porter LLP in Washington, D.C., where he was in private practice for 18 years. At Arnold & Porter, his practice focused on real estate transactions and litigation, primarily in the hospitality and senior living areas. From 2005 to 2008, Mr. Lucas also served as an adjunct faculty member at The George Washington University Law School, where he taught a course on real estate transactions. Mr. Lucas is the former president and a member of the D.C. board of directors for the Capital Chapter of the non-profit JDRF. Mr. Lucas also is a member of the steering committee of Georgetown University's McDonough School of Business Steers Center for Global Real Estate. Mr. Lucas received his Bachelor of Science in Business Administration from Georgetown University's McDonough School of Business and his Juris Doctor from Yale Law School.

Stephen P. Theobald serves as our Executive Vice President and Chief Financial Officer. He also served as our Treasurer from April 2013 to February 2018. Mr. Theobald is responsible for our Financial Reporting, Budgeting and Accounting, Business Development, Corporate Treasury, Servicing, Asset Management, Marketing and Investor Relations groups and, together with the other executive officers, the overall strategic direction of our Company. Mr. Theobald also has served as a member of the board of managers of Walker & Dunlop, LLC since April 2013. From December 2010 to March 2013, Mr. Theobald served as the executive vice president and chief financial officer of Hampton Roads Bankshares, Inc., a publicly-traded holding company for Bank of Hampton Roads, a Virginia state-chartered commercial bank. From April 2010 to November 2010, Mr. Theobald served as a financial consultant to Hampton Roads Bankshares, Inc. Mr. Theobald also held a number of senior financial positions at Capital One Financial Corporation from 1999 to 2010, most recently serving as chief financial officer, local banking, a position he held from 2005 to 2010. Mr. Theobald began his career at KPMG LLP in 1984, and he served as audit partner, financial services, from 1996 to 1999. From 1990 to 1992, he served as a professional accounting fellow in the Office of the Chief Accountant at the

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Comptroller of the Currency. Mr. Theobald received a Bachelor of Science in Business Administration in Accounting from the University of Notre Dame.

Richard C. Warner serves as our Executive Vice President and Chief Credit Officer. As Executive Vice President and Chief Credit Officer, Mr. Warner is responsible for our Underwriting and Closing and Delivery groups and, together with the other executive officers, the overall strategic direction of our Company. Mr. Warner also has served as a member of the board of managers of Walker & Dunlop, LLC since December 2011. Prior to joining Walker & Dunlop, Mr. Warner held a number of leadership positions with Main America Capital, a company that originated commercial and multifamily loans nationwide, and its successors. From 1994 to 1998, Mr. Warner was the president of Main America Capital; from 1998 to 2000, he was vice president of originations for RFC Commercial; and from 2000 to 2002, he was vice president and branch manager for GMAC Commercial Mortgage. In 1978, Mr. Warner started his career with Canada's Confederation Life Insurance Company, where he held a number of successive positions, ending as mortgage and real estate vice president in 1994. Mr. Warner received his Bachelor of Arts in Urban Studies from McGill University.

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COMPENSATION DISCUSSION AND ANALYSIS

This section describes the compensation programs for our Chief Executive Officer and Chief Financial Officer in 2018 as well as our other three most highly compensated executive officers during 2018, all of whom we refer to collectively as our named executive officers or NEOs. Our NEOs for 2018 were:

Chairman and Chief Executive Officer (CEO), William M. Walker;

Executive Vice President and Chief Financial Officer (CFO), Stephen P. Theobald;

President, Howard W. Smith, III;

Executive Vice President, General Counsel and Secretary, Richard M. Lucas; and

Executive Vice President and Chief Credit Officer, Richard C. Warner

Executive Summary

Overview of 2018 Performance and Pay for Performance

One of the key elements of the Compensation Committee's executive compensation philosophy is that compensation should encourage and reward strong financial and management performance. Accordingly, our compensation programs are designed to motivate our employees, including the NEOs, to drive the growth of our business and, in turn, increase shareholder value. In furtherance of this philosophy, in March 2018, the Compensation Committee established the 2018 annual cash incentive plan, 75% of which was determined formulaically based on achievement against pre-established financial performance metrics and 25% of which was determined qualitatively based on each NEO's individual achievements with respect to leadership and execution against strategic initiatives. The financial performance metrics include diluted earnings per share (or EPS), total revenues and adjusted EBITDA(1). The target and maximum performance goals for these metrics under the 2018 cash incentive plan were based on achieving significant growth from our 2017 results. In 2018, we achieved record total transaction volume of $28.0 billion, grew total revenues by 2% and grew adjusted EBITDA 10%. Although we grew total transaction volume and total revenues in 2018, rising interest rates and increased competition between Fannie Mae and Freddie Mac caused the risk sharing component of the servicing fees we earn on Fannie Mae loans to decline 14% from 2017. This significant decline reduced the profitability of our Fannie Mae originations and resulted in a decline in diluted EPS. The financial performance metrics included in this plan are drivers of both short- and long-term shareholder value. Consequently, as a result of this financial performance, and consistent with the Company's pay for performance approach to executive compensation, the annual incentive bonus compensation paid to our NEOs declined an average of 61% from 2017.

In March 2018, the Compensation Committee also approved a new performance-based long-term equity incentive award for the NEOs and senior management to drive outstanding performance over the next three years. These awards, denoted as performance share units, vest in the form of shares of common stock. Under the 2018 performance-based long-term equity incentive awards, the NEOs are eligible to receive equity awards if certain pre-established performance goals tied to aggregate total revenues, average diluted EPS and return on equity are met over the course of the 2018-2020 performance period.

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(1) Adjusted EBITDA is not a financial measure calculated in accordance with GAAP. A reconciliation of adjusted EBITDA to GAAP net income is located on page 49 of our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission on March 1, 2019.

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The Compensation Committee established the award of performance share units as an "outperformance" award, setting very challenging performance targets designed to incentivize our senior management team, including the NEOs, to seek to achieve outstanding Company performance that results in significant long-term value creation for our stockholders.

Additionally, we have included in this proxy statement a say on pay proposal. We received majority support for our 2018 say on pay proposal, but saw a decline in the overall support of the proposal from 2017. As a result, we commenced a shareholder outreach program on compensation matters, meeting with several of our largest stockholders to obtain their direct input on our compensation philosophy, policies and practices. None of the investors with whom we met identified any structural issues with our pay practices and programs; however each of them identified opportunities for us to improve certain disclosures concerning our compensation programs and corporate governance. We have addressed the suggested disclosure improvements as discussed in more detail below.

Highlights of Our Compensation Program Practices

What We Do

We Pay for Performance We tie our NEOs' annual cash incentive and long-term equity incentive awards to financial performance metrics, consisting of diluted EPS, total revenues, return on equity and adjusted EBITDA. In 2018, the base salaries for the CEO, President and the other three NEOs represent only 18%, 21% and 25% of their respective total target direct compensation opportunity (i.e., base salary, annual cash incentive, long-term equity incentive and annual equity award), with the remainder of compensation being variable or "at risk."

We Have Executive and Director Stock Ownership Guidelines Our executive officers are expected to own shares of our common stock with a value equal to at least three to five times base salary depending on position. Our non-employee directors are expected to own shares in our common stock with a value equal to at least five times the value of the annual cash retainer paid to the directors. See description under " Compensation Policies Stock Ownership Guidelines for NEOs."

We Use an Independent Compensation Consulting Firm The Compensation Committee utilizes an independent compensation consulting firm that provides no other services to the Company.

We Have a "Clawback" Policy If we are required to prepare an accounting restatement, then awards under our 2015 Equity Incentive Plan are subject to mandatory forfeiture if the amount earned or vesting of the award is explicitly based on the achievement of pre-established performance goals that are later determined, as a result of the accounting restatement, not to have been achieved. We also have the right to recover any awards to participants under the 2015 Equity Incentive Plan in case of a financial restatement as a result of their knowing or gross negligence or failure to prevent misconduct or to the extent provided by clawback policies that we may adopt in the future.

We Evaluate Tally Sheets of NEO Compensation In reviewing compensation arrangements for 2018, the Compensation Committee reviewed and considered total compensation for each NEO, including reviews of reports that provide the value of: (1) historic and current elements of each NEO's target compensation and actual compensation received; and (2) equity awards granted to the NEO under our 2015 Equity Incentive Plan.

What We Don't Do

No Hedging All of our directors and employees, including our NEOs, are prohibited from hedging their economic interest in our stock through short-sales, trading in puts and calls, or the use of other derivative instruments.

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No Pledging All of our directors and employees, including our NEOs, are prohibited from pledging our stock, including through margin accounts or to secure other loans.

No Single-Trigger "Change in Control" Cash Severance Payments We have employment agreements with NEOs that provide only a limited severance package, and no cash severance payments that are triggered solely upon a "change in control."

No Perquisites We currently do not provide, and do not intend to provide, any perquisites exceeding $10,000 in the aggregate to our executives.

No Income Tax Gross-Ups We currently do not provide excise tax or income tax gross-ups for personal benefits.

2018 Investor Outreach and Say on Pay Voting Results

Since 2016, we have held a non-binding advisory vote with respect to the compensation of our NEOs (commonly referred to as a "say on pay" vote) at each annual stockholders' meeting. In 2016 and 2017, we received overwhelmingly strong stockholder support of our say on pay proposal, receiving at least 96% approval in both years. At our 2018 annual meeting, 63% of our stockholders voted in favor of our executive compensation programs. Additionally, the proxy advisory firm ISS recommended a vote against the say on pay proposal. Our Board and Compensation Committee took the low passage rate for the say on pay proposal very seriously and sought to better understand what drove this decline in the say on pay vote.

We contacted our 25 largest stockholders, who represented approximately 61.3% of our then-outstanding shares. Of the 25 stockholders, six agreed to meet with us, comprising approximately 38% of the then-outstanding shares. Mr. Malone, the Chairman of our Compensation Committee, and members of management, including our CFO, our Executive Vice President of Human Resources and our Executive Vice President, General Counsel and Secretary, met with these stockholders.

The information we received from our investors, which covered compensation program design, stockholder voting processes, corporate governance and disclosure matters, was shared with the Compensation Committee and the full Board. The Compensation Committee held in-depth discussions, considering the feedback and how to address it. Each investor with whom we met said that while it does review ISS's say on pay voting recommendation as part of its voting determination process, it does not always vote consistent with the ISS recommendation. As it relates to compensation, none of the investors with whom we met identified any significant structural concerns with respect to our compensation programs. Additionally, none of the investors who voted against our 2018 say on pay proposal identified any specific reason supporting their "against" vote. However, several of the investors encouraged us to enhance our proxy statement disclosure in a few areas. Below is a list of the feedback we received on our disclosure and how we have sought to address their concerns in this proxy statement:

Shareholder Feedback	Response
Rationale for overlapping performance metrics in the annual cash incentive program and performance share plans	Additional disclosure regarding the rationale for the use of overlapping performance metrics is included on page 32 of this proxy statement
Peer group company selection and comparability	Additional disclosure regarding the peer group selection process and how the peer companies compare to us appears on pages 33-34 of this proxy statement

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Shareholder Feedback	Response
Link between NEO incentive compensation programs and long-term shareholder value creation	Additional disclosure regarding the relationship between our NEO compensation programs and long-term value creation appears on pages 45-46 of this proxy statement
Skill sets and diversity of our Directors and how they align with our corporate strategy	Additional disclosure regarding our Directors' skill sets and how they align with our corporate strategy appears on pages 6-10 and 15 of this proxy statement

In addition to this outreach effort, throughout 2018 we engaged in our regular investor communications, which include conferences, non-deal road shows and individual and group conference calls.

Following the completion of our investor outreach effort on compensation matters, we held a separate meeting with proxy advisor ISS to discuss our concerns with respect to ISS's peer group methodology and the results of our outreach program. Specifically, we discussed with ISS that we believed their negative vote recommendation on our say on pay proposal to be flawed because the peer group chosen by ISS to which our compensation was compared was comprised mainly of small regional community banks with whom we do not compete for business or employees and that have significantly different operations, business models, and strategies, and consequently, whose executive compensation is much lower than ours. Additionally, ISS's methodology for determining our peer group relied heavily on a total asset comparison to us to determine the size of the companies included in ISS's peer group. We do not believe that total assets is a relevant metric based on our business model and asked ISS to modify its peer group methodology to select a peer group based on revenues instead of assets, which we believe would result in ISS selecting a more appropriate peer set comprised of larger companies with more diversified lending operations that are more consistent with the scope and complexity of our operations. ISS declined our request without providing any rationale. Accordingly, we believe that it is likely that ISS will continue to select a peer group comprised primarily of small community banks with whom we do not compete and whose executive compensation and financial performance are significantly lower than ours.

Compensation Philosophy

The compensation elements, amounts and target levels for our NEOs as of December 31, 2018 were determined by the Compensation Committee based on our belief that compensation should:

- align with shareholders' interests and drive long-term value creation;
- support our business strategies and objectives;
- pay for performance;
- be market competitive; and
- encourage short-term and long-term retention.

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We use a combination of measures and time horizons to foster and reward performance. The following chart summarizes the relevant 2018 performance measures and time frames used to assess our variable pay elements:

In developing both the 2018 annual cash incentive plan and the 2018-2020 long-term performance share plan, the Compensation Committee established diluted EPS and total revenues as performance metrics in both plans. The Compensation Committee established overlapping diluted EPS performance metrics between the plans because it believes that annual diluted EPS metrics are important for establishing short term goals that align with investor expectations while using average diluted EPS metrics over a three-year period aligns management towards making long term decisions that help sustain growth beyond any single annual period. Revenue growth also is an overlapping metric between the short- and long-term plans to further align management with making both short- and long-term investment decisions that benefit our stockholders through sustained growth in total revenues and the scale of our business.

Role of Board and Management in Compensation Decisions

CEO and other NEO pay is set by the Compensation Committee;

CEO, the Executive Vice President of Human Resources and senior members of the legal and accounting departments provide support to the Compensation Committee. The Executive Vice President of Human Resources and the Secretary or Assistant Secretary attend all Compensation Committee meetings, but neither they nor any other employee of the Company are present for executive sessions of the Compensation Committee;

CEO provides performance assessments and compensation recommendations for each of the NEOs, including a self-assessment of his own performance, but is not present during deliberations concerning his compensation, which is done without members of management present;

Compensation Committee meets in executive session, when appropriate, without members of management present;

Compensation Committee regularly updates, and receives feedback from, the full Board regarding matters relating to compensation and our equity plans; and

Compensation Committee chairman meets with the CEO, other members of senior management and the Committee's compensation consultant, outside of Compensation Committee meetings to discuss executive compensation matters, including compensation plan design and other ways to drive desired financial and operational results.

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Role of Compensation Consultant

The Compensation Committee retained Pay Governance in 2018 to provide the Compensation Committee with independent compensation data, analysis and advice. Pay Governance reported directly to the Compensation Committee, and the Compensation Committee had the sole authority to approve the terms of, and terminate, their engagement. For additional information regarding the Compensation Committee's use of Pay Governance, refer to "BOARD OF DIRECTORS AND CORPORATE GOVERNANCE Board Committees Compensation Committee" above.

Setting Executive Compensation

The Compensation Committee evaluates compensation levels for each NEO. In reviewing compensation for 2018, the Compensation Committee reviewed and considered total compensation for each NEO, including reviews of reports that provide the value of: (1) historic and current elements of each NEO's target compensation and actual compensation received; and (2) equity awards granted to the NEO under our 2015 Equity Incentive Plan.

Use of Peer Group and Survey Data

The Compensation Committee strives to set target opportunity compensation levels to be competitive with the market in which we compete for executive talent. We use compensation information from a "Peer Group" of publicly traded companies in specific industries in which we compete for executive talent; and financial industry companies with scope of operations comparable to ours through the use of pooled survey data. Pay Governance summarized the data from the Peer Group in conjunction with pooled survey data to create the market data reviewed by the Compensation Committee.

At the time 2018 compensation was determined, we did not have direct publicly traded peers. Therefore, the Peer Group was selected by the Compensation Committee with advice from Pay Governance, taking into consideration, among other things, industry relevance, business operations, comparability of size in terms of total revenue, market capitalization and number of employees, business competitors and input from management. The Peer Group was not chosen on the basis of executive compensation levels. The 2018 Peer Group is comprised of the 12 companies below, with one addition and one deletion from the 2017 Peer Group identified by underlining and strikethrough, respectively. The Compensation Committee added Arbor Realty Trust, Inc. in 2018 because, like us, its business operations focus on commercial real estate finance. The Compensation Committee removed Astoria Financial Corporation from the 2018 Peer Group because it was acquired and ceased to be a publicly traded company.

American Assets Trust, Inc.	Kennedy Wilson Holdings, Inc.
Arbor Realty Trust, Inc. (added)	Ladder Capital Corp.
~~Astoria Financial Corporation~~ (removed)	Marcus & Millichap, Inc.
Dime Community Bancshares Inc.	PennyMac Financial Services, Inc.
Encore Capital Group, Inc.	Redwood Trust, Inc.
HFF, Inc.	WSFS Financial Corporation
Investors Bancorp Inc.	

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The following table compares Walker & Dunlop's size and performance to that of our peer group.

Our Compensation Committee also used the Willis Towers Watson 2018 Financial Services Executive Compensation Survey Report-U.S. to evaluate executive compensation. This survey data includes pooled compensation data from many financial services companies.

Consistent with prior practice, comparative market data is not used by the Compensation Committee to "benchmark" the amount of total compensation or any specific element of compensation for the NEOs. Instead, the Compensation Committee aims to provide total pay opportunities to our executives based on consideration of a number of factors, including pay levels for executives in similar positions within our Peer Group, the nature and scope of each executive's duties, individual performance, and internal pay positioning, taking into account each executive's pay components and levels relative to other executives.

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2018 Elements of Compensation

Our compensation program for our NEOs consists of the following elements, each of which satisfies one or more of our alignment, performance and retention objectives:

Compensation Element	Objectives	Key Features
Base Salary	Provides a stable annual income at a level consistent with individual contributions.	Adjustments are considered annually based on individual performance, level of pay relative to the market, internal pay equity, and retention issues.
Annual Cash Incentive Award	Rewards Company and individual performance. Aligns NEOs' interests with those of our stockholders by promoting the achievement of targeted annual financial results. Retains NEOs by providing competitive compensation opportunity.	75% of the 2018 annual cash incentive award is tied to achieving pre-established financial goals and 25% is determined qualitatively based on the NEO's individual achievements with respect to leadership and execution against strategic initiatives. Payouts are based upon a combination of Company financial performance and individual performance, and the target financial performance goals are directly tied to achieving growth from our 2017 results.
Long-Term Annual Equity Awards (Restricted Stock)	Aligns NEOs' interests with long-term stockholder interests by linking a portion of each NEO's realizable compensation to long-term stock performance. Provides opportunities for wealth creation and ownership, which enables us to retain and motivate our NEOs. Retains NEOs through multi-year vesting of equity grants and by providing market-competitive compensation.	Targets 100% of base salary as an annual equity award. Long-term equity awards generally vest in ratable increments over a three year period.
Long-Term Equity Awards (Performance Share Units)	Promotes an executive decision-making process that maintains a balanced focus on both immediate measures of success and on the effective growth and development of the business at least three years into the future.	

In addition to restricted stock, performance share unit awards further our pay for performance objectives by directly linking long-term compensation earned by the NEOs to outperformance of certain key financial metrics and long-term creation of shareholder value.	Under our 2016-2018, 2017-2019 and 2018-2020 performance share plans, the performance share units vest in the form of shares of common stock if the performance goals (tied to aggregate total revenues, average diluted EPS and return on equity) underlying the award are met over the course of the performance period.

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Compensation Element	Objectives	Key Features
		For the CEO, targets 200% of grant date base salary as a performance-based equity award (100% of base salary as threshold award and 450% of base salary as maximum award).
		For the President, targets 150% of grant date base salary as a performance-based equity award (75% of base salary as threshold award and 337.5% of base salary as maximum award).
		For the other NEOs, targets 100% of grant date base salary as a performance-based equity award (75% of base salary as threshold award and 225% of base salary as maximum award).
Retirement Savings Opportunities and Deferral Programs		
	Allows all eligible employees to save for retirement in a tax efficient manner.	Under the 401(k) plan, employees are eligible to defer a portion of their pay, and we make a matching contribution.
	Allows for eligible employees to defer portions of their compensation in the form of Company stock units, further aligning interests of NEOs and senior management with stockholders.	Our 401(k) plan does not discriminate in scope, terms or operation in favor of officers and is available to all eligible employees.
		The Management Deferred Stock Unit Purchase Plan (the "MSPP") allows eligible employees to elect to purchase stock units settled in our common stock on a deferred basis with up to 100% of their annual cash incentive award and eligible sales commissions. MSPP participants generally receive an automatic grant of deferred stock units or restricted stock units as a matching award equal to 50% of the deferred stock units acquired in the MSPP (subject to a maximum matching amount). The matching award vests fully on March 15 of the third calendar year following the grant date.
Health and Welfare Benefits		
	Offers all eligible employees a competitive benefits package, which includes health and welfare benefits, such as medical, dental, disability and life insurance and wellness benefits.	The plans under which these benefits are offered do not discriminate in scope, terms or operation in favor of officers and are available to all eligible employees.

Perquisites and Other Benefits	We currently do not provide, and do not intend to provide, perquisites exceeding $10,000 in the aggregate to our NEOs because we believe that we can provide better incentives for desired performance with compensation in the forms described above.	N/A

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Mix of Total Direct Compensation

The charts below show the relative amounts that we targeted for each element of total direct compensation for 2018, which is comprised of base salary, target annual cash incentive and target long-term equity awards, which are comprised of the annual equity award and the performance share unit award (based on 2018 target levels). As shown below, total compensation for executives emphasizes variable performance-based pay.

Fixed vs. Variable Pay Opportunity of Total Pay For our CEO

Fixed vs. Variable Pay Opportunity of Total Pay For our President

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Fixed vs. Variable Pay Opportunity of Total Pay For our Other NEOs

2018 Executive Officer Compensation

Base Salary

Base salaries are set by the Compensation Committee. The Compensation Committee considers factors to determine whether to increase base salaries beyond the amounts required by the employment agreements. The Compensation Committee consults with the CEO with respect to the recommended base salaries for the other NEOs and takes into consideration market data provided by the Compensation Committee's compensation consultant, as previously described under " Setting Executive Compensation Use of Peer Group and Survey Data." In setting individual base salaries, consideration is given to factors such as: (1) the performance of the Company; (2) the individual performance of each NEO, taking into account the recommendation of the CEO with respect to the performance and contribution of individuals and the individual performance measures under the annual cash incentive plan; (3) the NEO's scope of responsibility in relation to other NEOs and key members of senior management within the Company and internal pay equity; and (4) any retention concerns.

Based on the foregoing factors, the Compensation Committee did not award salary increases to the NEOs in 2018. Base salary for each of our NEOs in 2018 and 2017 was as follows:

	Base Salary ($)		
Name	**2018**	**2017**	**% Change**
William M. Walker	900,000	900,000	0
Stephen P. Theobald	500,000	500,000	0
Howard W. Smith, III	625,000	625,000	0
Richard M. Lucas	500,000	500,000	0
Richard C. Warner	500,000	500,000	0

Base salary affects other elements of total compensation, including annual cash incentive, annual equity award, long-term equity compensation, and retirement benefits. In setting base salaries for the NEOs, the Compensation Committee considers the impact on other elements of total direct compensation.

Annual Cash Incentive Award

In March 2018, the Compensation Committee established the 2018 annual cash incentive plan. Under the plan, the CEO, President and each other NEO is eligible to receive awards of up to 375%,

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312.5% and 250% of their respective base salaries (at maximum performance levels) based on pre-determined Company and individual performance goals set by the Compensation Committee, as described below. The Company-specific performance goals included total revenues, diluted EPS and adjusted EBITDA, which were each weighted at 25%. The individual performance goals included corporate leadership and strategic initiatives, which were weighted at 10% and 15%, respectively.

The Compensation Committee chose the Company performance goals to focus the NEOs on the key operating metrics considered most important in driving Company results and shareholder value. Individual metrics were assigned based on each NEO's ability to drive performance in their respective areas of managerial responsibility. The NEOs' achievement of applicable performance criteria at the threshold, target or maximum levels results in bonuses set forth in the following table based on such NEO's base salary.

	Threshold as a Percentage of Base Salary	Target as a Percentage of Base Salary	Maximum as a Percentage of Base Salary
William M. Walker	75%	150%	375%
Stephen P. Theobald	50%	100%	250%
Howard W. Smith, III	62.5%	125%	312.5%
Richard M. Lucas	50%	100%	250%
Richard C. Warner	50%	100%	250%

The threshold, target and maximum payout levels are based on the NEO's position and responsibilities, applicable market data, and our overall compensation philosophy, which emphasizes performance-based compensation. Additionally, as described in the table below, the Compensation Committee set target and maximum performance goals for each financial metric that required significant year-over-year growth from our record 2017 results.

Goals:	Threshold	Req. Growth from 2017 Result	Target	Req. Growth from 2017 Result	Maximum	Req. Growth from 2017 Result
Total Revenues	$ 712,000,000	0%	$ 747,600,000	5%	$ 844,000,000	19%
Diluted EPS	$ 5.34	14%(1)	$ 5.61	20%(1)	$ 6.68	43%(1)
Adjusted EBITDA	$ 200,000,000	0%	$ 220,000,000	9%	$ 250,000,000	24%

(1) The diluted EPS growth is calculated against a baseline of $4.68 per share, which excludes the one-time $1.79 per share benefit recorded in 2017 as a result of the revaluation of our net deferred tax liabilities in connection with the 2017 Tax Cuts and Jobs Act.

Although we grew revenues and adjusted EBITDA from our 2017 results, rising interest rates and increased competition between the GSEs caused the risk sharing component of the servicing fees we earn on Fannie Mae loans to decline 14% from 2017. This significant decline reduced the profitability of our Fannie Mae originations and contributed to a year-over-year decline in diluted EPS. Accordingly, 2018 diluted EPS performance did not exceed the threshold, and therefore the NEOs did not receive any incentive compensation relating to that metric. Additionally, the Compensation Committee determined that the NEOs executed well on each of their strategic and leadership objectives, and awarded incentive compensation ranging from 60% to 100% of the NEOs'

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corresponding aggregate compensation opportunity under those metrics. As set forth in the table below, each NEO's 2018 annual cash bonus declined significantly from 2017.

	Annual Incentive Cash Bonus			Bonus as % of Target	
Name	2018 ($)	2017 ($)	Change (%)	2018 (%)	2017 (%)
William M. Walker	1,350,000	3,375,000	60	100	250
Stephen P. Theobald	650,000(1)	1,250,000	48	130	250
Howard W. Smith, III	781,250	1,953,125	60	100	250
Richard M. Lucas	400,000	1,250,000	68	80	250
Richard C. Warner	400,000	1,250,000	68	80	250

(1) Includes the payment of an additional, discretionary cash bonus of $126,234 to Mr. Theobald outside of the annual cash incentive plan for exceptional achievements delivered to the Company, as described in further detail below.

The following tables set forth for each NEO the performance needed to achieve each Company and individual performance goal, the actual performance achieved in 2018 as determined by the Compensation Committee and the corresponding payouts approved by the Compensation Committee.

William M. Walker
Chairman and Chief Executive Officer

	Threshold	Target	Maximum	2018 Performance Results	Actual Payout
Annual Cash Incentive	$675,000	$1,350,000	$3,375,000	N/A	$1,350,000 (total)
Goals:					
Total Revenues	$712,000,000	$747,600,000	$844,000,000	$725,246,277	$231,540
Diluted EPS	$5.34	$5.61	$6.68	$4.96	$
Adjusted EBITDA	$200,000,000	$220,000,000	$250,000,000	$220,081,685	$338,878
Corporate Leadership	N/A	N/A	N/A	Achieved, as described below	$337,500
Strategic Initiatives	N/A	N/A	N/A	Achieved, as described below	$442,082

Mr. Walker's corporate leadership and strategic initiative goals, and his accomplishments in attaining them, included:

successful management of our loan origination and property sales staff, as evidenced by our record 2018 total transaction volume of $28.0 billion;

continued support of our loan origination and business development activities, as demonstrated by holding 113 meetings with our customers nationwide;

overseeing our acquisition and integration of JCR Capital Investment Corporation, an SEC registered investment adviser, which was a foundational development in our ability to achieve our 2020 strategic goal of having $8-$10 billion in assets under management;

managing significant investments in our bankers and brokers, through recruiting efforts and overseeing our acquisition of iCap Realty Advisors, as evidenced by the net increase of 19 loan originators in 2018;

furthering extremely strong relationships with the Agencies who are our largest lending partners, as evidenced by being named the second largest Fannie Mae DUS lender in 2018, the number

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four Freddie Mac multifamily Seller/Servicer in 2018 and the number three multifamily HUD lender in 2018;

increasing the focus on diversity and inclusion across our bankers and brokers, which resulted in 66% growth in the number of diversity candidates hired as bankers and brokers in 2018 over 2017; and

maintaining our valued culture, as evidenced by our recognition as a Great Place to Work® Best Small & Medium Workplaces list, as published in *Fortune* magazine for the sixth time in seven years and as a Great Place to Work® in Financial Services & Insurance, as published in *Fortune* magazine.

Stephen P. Theobald
Executive Vice President and Chief Financial Officer

	Threshold	Target	Maximum	2018 Performance Results	Actual Payout
Annual Cash Incentive	$250,000	$500,000	$1,250,000	N/A	$523,766 (total)
Goals:					
Total Revenues	$712,000,000	$747,600,000	$844,000,000	$725,246,277	$85,755
Diluted EPS	$5.34	$5.61	$6.68	$4.96	$
Adjusted EBITDA	$200,000,000	$220,000,000	$250,000,000	$220,081,685	$125,511
Corporate Leadership	N/A	N/A	N/A	Achieved, as described below	$125,000
Strategic Initiatives	N/A	N/A	N/A	Achieved, as described below	$187,500

Mr. Theobald's corporate leadership and strategic initiative goals, and his accomplishments in attaining them, included:

successful management of our warehouse funding sources and amounts to facilitate our record $25.3 billion of loan origination volumes;

successful management of our available cash to be deployed for loans held for investment as evidenced by our origination of almost $1.0 billion in bridge loans through our interim loan program and our bridge loan joint venture with an affiliate of Blackstone Mortgage Trust, Inc.;

successful management of our Servicing department as our servicing portfolio totaled $85.7 billion at December 31, 2018, a 15.3% increase over 2017;

successful management of our Marketing department, including the deployment of a new brand narrative and social media campaign; and

maintaining our valued culture, as evidenced by our recognition as a Great Place to Work® Best Small & Medium Workplaces list, as published in *Fortune* magazine for the sixth time in seven years and as a Great Place to Work® in Financial Services & Insurance, as published in *Fortune* magazine.

During 2018, Mr. Theobald also assumed management responsibility of our Business Development function. In managing the Business Development function, Mr. Theobald led the acquisition and integration of JCR Capital Investment Corporation, an SEC registered investment adviser, which was a foundational development in our ability to achieve our 2020 strategic goal of having $8-$10 billion in assets under management. As it relates to his management of the treasury function, Mr. Theobald led the early refinancing of our $175 million term debt in November 2018 and increased it to $300 million all while significantly reducing the interest rate on the debt and obtaining a 50% reduction in

the original issue discount expenses compared to the original debt transaction. Mr. Theobald also initiated a new program in 2018 through which we invested our Fannie Mae pledged securities in higher yielding investments. These investments generated $2.3 million in additional revenue in 2018. In light of these extraordinary achievements, the Compensation Committee awarded Mr. Theobald an additional bonus of $126,234.

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Howard W. Smith, III
President

	Threshold	Target	Maximum	2018 Performance Results	Actual Payout
Annual Cash Incentive	$390,625	$781,250	$1,953,125	N/A	$781,250 (total)
Goals:					
Total Revenues	$712,000,000	$747,600,000	$844,000,000	$725,246,277	$133,993
Diluted EPS	$5.34	$5.61	$6.68	$4.96	$
Adjusted EBITDA	$200,000,000	$220,000,000	$250,000,000	$220,081,685	$196,110
Corporate Leadership	N/A	N/A	N/A	Achieved, as described below	$195,313
Strategic Initiatives	N/A	N/A	N/A	Achieved, as described below	$255,834

Mr. Smith's corporate leadership and strategic initiative goals, and his accomplishments in attaining them, included:

successful management of our loan origination and property sales staff, as evidenced by our record 2018 total transaction volume of $28.0 billion;

managing significant investments in our bankers and broker, as evidenced by the net increase of 19 loan originators in 2018;

increasing the focus of diversity and inclusion across our bankers and brokers, which resulted in 66% growth in the number of diversity candidates hired as bankers and brokers in 2018 over 2017;

furthering extremely strong relationships with the Agencies who are our largest lending partners, as evidenced by being named the second largest Fannie Mae DUS lender in 2018, the number four Freddie Mac multifamily Seller/Servicer in 2018 and the number three multifamily HUD lender in 2018; and

maintaining our valued culture, as evidenced by our recognition as a Great Place to Work® Best Small & Medium Workplaces list, as published in *Fortune* magazine for the sixth time in seven years and as a Great Place to Work® in Financial Services & Insurance, as published in *Fortune* magazine.

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Richard M. Lucas
Executive Vice President, General Counsel, and Secretary

	Threshold	Target	Maximum	2018 Performance Results	Actual Payout
Annual Cash Incentive	$250,000	$500,000	$1,250,000	N/A	$400,000 (total)
Goals:					
Total Revenues	$712,000,000	$747,600,000	$844,000,000	$725,246,277	$85,755
Diluted EPS	$5.34	$5.61	$6.68	$4.96	$
Adjusted EBITDA	$200,000,000	$220,000,000	$250,000,000	$220,081,685	$125,511
Corporate Leadership	N/A	N/A	N/A	Achieved, as described below	$108,457
Strategic Initiatives	N/A	N/A	N/A	Achieved, as described below	$80,277

Mr. Lucas's corporate leadership and strategic initiative goals, and his accomplishments in attaining them, included:

effective management of our legal department, including through the negotiation and execution of our acquisitions of JCR Capital Investment Corporation and iCap Realty Advisors and hiring and integrating a new Chief Compliance Officer for JCR;

effective management of our office services function, including managing our 29 offices nationwide, including the addition of five offices in 2018;

effective management of litigation and the operating budgets for the legal and human resources departments; and

maintaining our valued culture, as evidenced by our recognition as a Great Place to Work® Best Small & Medium Workplaces list, as published in *Fortune* magazine for the sixth time in seven years and as a Great Place to Work® in Financial Services & Insurance, as published in *Fortune* magazine.

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Richard C. Warner
Executive Vice President and Chief Credit Officer

	Threshold	Target	Maximum	2018 Performance Results	Actual Payout
Annual Cash Incentive	$250,000	$500,000	$1,250,000	N/A	$400,000 (total)
Goals:					
Total Revenues	$712,000,000	$747,600,000	$844,000,000	$725,246,277	$85,755
Diluted EPS	$5.34	$5.61	$6.68	$4.96	$
Adjusted EBITDA	$200,000,000	$220,000,000	$250,000,000	$220,081,685	$125,511
Corporate Leadership	N/A	N/A	N/A	Achieved, as described below	$108,457
Strategic Initiatives	N/A	N/A	N/A	Achieved, as described below	$80,277

Mr. Warner's corporate leadership and strategic initiative goals, and his accomplishments in attaining them, included:

outstanding management of credit risk by our Underwriting department and successful management of our Asset Management department's loss mitigation practices, as evidenced by having only two loans over 60-day delinquent in our Fannie Mae at risk portfolio during 2018;

facilitating the $14.8 billion in GSE loan originations in 2018, including a net $4.5 billion increase in our at risk loan portfolio; and

maintaining our valued culture, as evidenced by our recognition as a Great Place to Work® Best Small & Medium Workplaces list, as published in *Fortune* magazine for the sixth time in seven years and as a Great Place to Work® in Financial Services & Insurance, as published in *Fortune* magazine.

Equity Awards

The equity awards granted to our NEOs in 2018 consisted of: (1) an annual equity award of restricted stock, and (2) performance stock units for a performance-based long-term equity incentive award under our 2018-2020 performance share plan.

Annual Equity Award

The annual equity award for the NEOs comprised entirely of restricted stock (based on the fair value on the date of the grant). The restricted stock granted to the NEOs in 2018 vest ratably on February 15 in 2019, 2020 and 2021. The Compensation Committee determined to use a three-year vesting period because it believes such duration promotes long-term alignment with stockholders and longer-term decision making that provides an effective balance to the shorter-term incentive measures used in setting annual cash incentive awards.

The Compensation Committee granted our NEOs a total of 59,817 shares of restricted stock. In addition to serving as a retention tool, restricted stock further aligns the interests of the NEOs with our

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stockholders through the promotion of significant share ownership. Each NEO's 2018 restricted stock award is detailed below.

Name	Number of Shares of Restricted Stock Granted(1)
William M. Walker	17,797
Stephen P. Theobald	9,887
Howard W. Smith, III	12,359
Richard M. Lucas	9,887
Richard C. Warner	9,887

(1) Shares of restricted stock vest in one-third increments on each of February 15, 2019, 2020 and 2021, subject to the NEO's continued employment with the Company on the applicable vesting date.

2016-2018 Performance Share Plan

In March 2016, the Compensation Committee approved performance-based long-term equity incentive awards for the Company's NEOs and senior management to drive outstanding performance over the next three years. Over the 2016-2018 performance period, the Company achieved average diluted EPS of $4.40, well in excess of the maximum performance goal of $3.53, aggregate total revenues of $2,012,380,000, which was between the target and maximum goals of $1,870,000,000 and $2,045,000,000 respectively and return on equity of 21%, which exceeded the maximum goal of 18%. Accordingly, the Compensation Committee determined that the following number of shares were earned by each NEO: Mr. Walker: 137,442; Mr. Theobald 36,650; Mr. Smith: 68,720; Mr. Lucas: 36,650; and Mr. Warner: 36,650.

2017-2019 Performance Share Plan

In March 2017, the Compensation Committee approved a performance-based long-term equity incentive award for the Company's NEOs and senior management. These awards, denoted as performance share units, vest in the form of shares of common stock if certain pre-established performance goals (tied to average diluted EPS, aggregate total revenues and return on equity) underlying the award are met over the course of a 2017 through 2019 performance period.

The performance share units vest based on the achievement of average diluted EPS (50% weighting), aggregate total revenues (25% weighting) and return on equity (25% weighting) over the 2017 through 2019 performance period.

2018-2020 Performance Share Plan

In March 2018, the Compensation Committee approved a new performance-based long-term equity incentive award for the Company's NEOs and senior management to drive outstanding performance over the next three years. Under these 2018 performance-based long-term equity incentive awards, the NEOs are eligible to receive equity awards if certain pre-established performance goals (tied to average diluted EPS, aggregate total revenues and return on equity) underlying the award are met over the course of the 2018 through 2020 performance period.

The performance share units vest based on the achievement of average diluted EPS (50% weighting), aggregate total revenues (25% weighting) and return on equity (25% weighting) over the 2018 through 2020 performance period as set forth in the table below. In the event that one or more of

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the metrics falls between two of the levels in the table, the number of performance share units vested will be calculated by linear interpolation.

The Compensation Committee established the award of the performance share units as an "outperformance" award, setting extremely challenging performance targets designed to incentivize our senior management team, including the NEOs, to seek to achieve outstanding Company performance. As a result, the amounts that will be actually earned by the NEOs under the performance share units may be less, in some cases substantially so, than the amounts shown as compensation in the "2018 Summary Compensation Table" below.

In determining the appropriate performance metrics to apply under the 2018-2020 performance share plan, the Compensation Committee considered the appropriateness of the use of diluted EPS and total revenues as performance metrics in both the 2018 annual cash incentive plan and the performance share plan. The Compensation Committee recognizes that the most direct method of returning value to our stockholders, in both the short and long term, is through continued growth in diluted EPS. Therefore, the Compensation Committee chose the average diluted EPS metric and assigned it a 50% weighting to ensure that the NEOs and senior management are focused not only on driving earnings growth over the performance period. Additionally, in order to receive an award for achievement of the average diluted EPS performance goals, the Company will have to achieve such goals net of the expense associated with awards under the plan. The Compensation Committee also chose the aggregate total revenues and return on equity goals set forth in the table below for the 2018-2020 performance period because if achieved they would require dramatic growth and diversification of our loan origination and servicing platform and efficient use of capital. Additionally, as set forth in the table below, consistent with the "outperformance" design of the performance goals, achievement of the target average diluted EPS and target aggregate total revenues goals would require 15% annual growth from the 2017 diluted EPS of $4.68 (excluding the one-time $1.79 per share benefit recorded in 2017 as a result of the revaluation of our net deferred tax liabilities in connection with the 2017 Tax Cuts and Jobs Act) and 60% growth from 2015-2017 aggregate total revenues.

For the grant of performance share units in 2018, the Compensation Committee determined that: (i) Mr. Walker's grant would have a threshold number of performance share units equal to 100% of his base salary, a target number of performance share units equal to 200% of his base salary, and a maximum number of performance share units equal to 450% of his base salary, divided by the fair market value of a share of common stock on the grant date, (ii) Mr. Smith's grant would have a threshold number of performance share units equal to 75% of his base salary, a target number of performance share units equal to 150% of his base salary, and a maximum number of performance share units equal to 337.5% of his base salary, divided by the fair market value of a share of common stock on the grant date and (ii) each of Messrs. Lucas, Theobald, and Warner would receive a threshold number of performance share units equal to 75% of each of their respective base salaries, a target number of performance share units equal to 100% of each of their respective base salaries, and

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a maximum number of performance share units equal to 225% of each of their respective base salaries, divided by the fair market value of a share of common stock on the grant date.

Achievement Against Performance Goal	Average Diluted EPS for the Performance Period (50% Weighting)	Required Annual Growth from 2017 Diluted EPS(1)	Aggregate Total Revenues for the Performance Period (25% Weighting)	Required Growth from 2015-2017 Aggregate Total Revenues	Return on Equity (25% Weighting)	Number of Performance Share Units Eligible to be Vested
Threshold	$ 6.47	11%	$ 2.6 billion	48%	16.0%	Threshold Number of Performance Share Units
Target	$ 7.10	15%	$ 2.8 billion	60%	19.0%	Target Number of Performance Share Units
Maximum	$ 7.77	18%	$ 3.1 billion	77%	22.0%	Maximum Number of Performance Share Units

(1) The EPS growth is calculated using a baseline of $4.68, which excludes the one-time $1.79 per share benefit recorded in 2017 as a result of the revaluation of our net deferred tax liabilities in connection with the 2017 Tax Cuts and Jobs Act.

Management Deferred Stock Unit Purchase Plan

The Management Deferred Stock Unit Purchase Plan (the "MSPP") supports the Company's existing stock ownership goals for the NEOs and further aligns the interests of plan participants, including the NEOs, with our stockholders by providing a means for deferral of annual cash incentive compensation by eligible employees into deferred stock units that are settled in shares of the Company's common stock upon payout. In connection with the MSPP, participants who acquire deferred stock units are generally granted a matching deferred stock unit or restricted stock unit award equal to 50% of the deferred stock units acquired in the MSPP, which matching award vests fully on March 15 of the third calendar year following the grant date. The matching awards are reflected in the "2018 Summary Compensation Table" below. See the "2018 Nonqualified Deferred Compensation" table and related narrative below for additional information concerning the MSPP and the related matching component.

Employment Agreements

The compensation packages described above reflect, in part, the employment agreements that we entered into with each of our NEOs. The employment agreements with our NEOs also include severance provisions. See "COMPENSATION OF DIRECTORS AND OFFICERS Employment and Separation Agreements" and "COMPENSATION OF DIRECTORS AND OFFICERS Potential Payments Upon Termination or a Change in Control" for a description of the specific terms of these agreements.

Compensation Policies

We do not currently have any formal policies regarding long-term versus currently paid compensation but believe that both elements are necessary for achieving our compensation objectives. Currently paid compensation provides financial stability for each of our NEOs and immediate reward for superior Company and individual performance, while long-term compensation rewards achievement of long-term strategic objectives and contributes towards overall shareholder value.

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Clawback Policy

If we are required to prepare an accounting restatement, then awards under our 2015 Equity Incentive Plan are subject to mandatory forfeiture if the amount earned or vesting of the award is explicitly based on the achievement of pre-established performance goals that are later determined, as a result of the accounting restatement, not to have been achieved. We also have the right to recover awards made to participants under the 2015 Equity Incentive Plan in case of a financial restatement as a result of their knowing or gross negligence or failure to prevent misconduct or to the extent provided by clawback policies that we may adopt in the future.

Prohibition on Hedging

Our insider trading policy prohibits our directors and all employees, including our NEOs, from hedging their economic interest in the Company's stock through short-sales, trading in puts or calls, or the use of other derivative instruments.

Prohibition on Pledging

Our insider trading policy also prohibits our non-employee directors and all employees, including our NEOs, from pledging Company securities to secure margin or other loans. This prohibition means our non-employee directors and employees may not hold our securities in margin accounts.

Stock Ownership Guidelines for NEOs

We have stock ownership guidelines for our NEOs, which are intended to further align their interests with the interests of our stockholders. Under the guidelines, each NEO must hold an ownership stake in the Company that is significant in comparison to their base salary. The amount required to be retained varies depending on the NEO's position, as follows:

Chief Executive Officer and President: five times base salary; and

Chief Credit Officer, Chief Financial Officer and General Counsel: three times base salary.

Stock ownership for the purpose of these guidelines includes stock currently held by the NEO, restricted stock and stock units, excluding stock units that remain subject to achievement of performance goals. As of December 31, 2018, each NEO was in compliance with the stock ownership guidelines.

Tax Treatment of NEO Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended generally limits tax deductibility of compensation paid by a public company to its chief executive officer and certain other executive officers in any year to $1 million in the year compensation becomes taxable to the executive. Prior to the 2017 Tax Cuts and Jobs Act, certain compensation was exempt from the deduction limit to the extent it met the requirements to be considered "qualified performance-based compensation" as previously defined in Section 162(m). The 2017 Tax Cuts and Jobs Act eliminated that exemption.

The Compensation Committee has historically considered Section 162(m) in the design of incentive plans to preserve the corporate tax deductibility of compensation. However, in light of the changes to Section 162(m), the Compensation Committee anticipates that a larger portion of future compensation paid to the NEOs will be subject to a tax deduction disallowance under Section 162(m).

While the Compensation Committee considers the impact of 162(m) and other tax rules when developing, structuring and implementing our executive compensation programs, the Compensation Committee also believes that it is important to preserve flexibility in administering compensation

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programs in a manner designed to promote varying corporate goals. Accordingly, we have not adopted a policy that all compensation must qualify as deductible under Section 162(m) or any other tax rule.

Compensation Policies and Practices as they Relate to Risk Management

Management reports regularly to the Compensation Committee on our executive and employee compensation and benefit programs. The Compensation Committee engaged Pay Governance to perform a compensation risk assessment for the NEOs and our loan originators for 2018, and to advise the Compensation Committee on the findings of the assessment. Our Executive Vice President, Human Resources also reported on the compensation structure and benefit programs and risks associated with such structure and programs for all of our other employees. The Compensation Committee considered the findings of these reports and determined that the NEO and other employee compensation and benefit programs do not pose any material risks to us and therefore are not reasonably likely to have a material adverse effect on us. With respect to the NEO compensation programs, the Compensation Committee found that they continue to be well-balanced between fixed and variable compensation, cash and equity and short-term and long-term incentives, take into account both qualitative and quantitative performance factors, reflect an appropriate mix of compensative instruments, are well-aligned with stockholder interests and have elements and are subject to policies that discourage the NEOs from taking unnecessary or excessive risks, including with respect to compensation clawbacks and prohibitions on hedging and pledging. With the assistance of Pay Governance, the Compensation Committee continues to review all of the Company's executive compensation programs as they relate to risk management.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis set forth above with our management. Based on such review and discussion, the committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, for filing with the Securities and Exchange Commission.

Respectfully submitted,
The Compensation Committee of the Board of Directors
Michael D. Malone (Chairman)
Cynthia A. Hallenbeck
John Rice
Dana L. Schmaltz

The Compensation Committee report above does not constitute "soliciting material" and will 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 that might incorporate our SEC filings by reference, in whole or in part, notwithstanding anything to the contrary set forth in those filings.

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COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Executive Compensation

The following table sets forth the compensation paid to or earned by our NEOs in their capacities as executive officers of Walker & Dunlop, Inc. during 2018, 2017 and 2016:

2018 Summary Compensation Table

Name	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
William M. Walker	2018	900,000		1,799,926		1,350,000	4,500	4,054,426
Chairman and Chief	2017	887,500		1,454,961	719,999	3,375,000	8,000	6,445,460
Executive Officer	2016	750,000		1,112,504	600,002	1,500,000	9,000	3,971,506
Stephen P. Theobald	2018	500,000	129,734	874,924		523,766	4,500	2,032,924
Executive Vice								
President and	2017	491,667		1,049,933	124,993	1,250,000	8,000	2,924,593
Chief Financial								
Officer	2016	400,000	2,000	699,969	100,003	800,000	9,000	2,010,972
Howard W. Smith,								
III	2018	625,000		1,343,573		781,250	4,500	2,754,323
President	2017	614,583		1,043,682	499,987	1,953,125	8,000	4,119,377
	2016	500,000		714,973	400,004	1,000,000	9,000	2,623,988
Richard M. Lucas	2018	500,000		999,883		400,000	4,500	1,904,383
Executive Vice								
President,	2017	491,667		1,049,933	124,993	1,250,000	8,000	2,924,593
General Counsel								
and Secretary	2016	400,000		699,969	100,003	800,000	9,000	2,008,972
Richard C. Warner	2018	500,000		874,924		400,000	4,500	1,779,424
Executive Vice								
President and	2017	491,667		949,943	124,993	1,250,000	8,000	2,824,603
Chief Credit Officer	2016	400,000		599,983	100,003	800,000	9,000	1,908,986

(1) $2,000 and $3,500 in this column for 2016 and 2018, respectively, for Mr. Theobald represents a cash bonus award earned by Mr. Theobald in 2016 and 2018 under a Company program in which all full-time employees may participate and earn a cash-based award upon the completion of three and five years of continuous service with the Company. Amount for 2018 for Mr. Theobald also includes the payment of an additional, discretionary cash bonus of $126,234 paid to Mr. Theobald outside of the annual cash incentive plan for exceptional achievements delivered to the Company, as described in further detail above in the section entitled "COMPENSATION DISCUSSION AND ANALYSIS 2018 Executive Officer Compensation Annual Cash Incentive Award."

(2) Amounts shown in these columns represent the grant date fair value calculated in accordance with FASB ASC Topic 718 of shares of restricted common stock and non-qualified stock options. In addition, for Messrs. Walker, Theobald, Smith and Lucas, the Stock Awards column includes restricted stock units (some of which may be deferred stock units) awarded as the matching grant under the Management Deferred Stock Unit Purchase Matching Program. The Stock Awards column also includes the threshold value for the 2016-2018, 2017-2019, and 2018-2020 performance share units. The maximum possible value of the 2016-2018 performance share units was as follows: $3,375,000 for Mr. Walker, $900,000 for Mr. Theobald, $1,687,500 for Mr. Smith, $900,000 for Mr. Lucas, and $900,000 for Mr. Warner. The maximum possible value of the 2017-2019 performance share units was as follows: $4,050,000 for

Mr. Walker, $1,125,000 for Mr. Theobald, $2,109,375 for Mr. Smith, $1,125,000 for Mr. Lucas, and $1,125,000 for Mr. Warner. The maximum possible value of the 2018-2020 performance share units was as follows: $4,050,000 for Mr. Walker, $1,125,000 for Mr. Theobald, $2,109,375 for Mr. Smith, $1,125,000 for Mr. Lucas, and $1,125,000 for Mr. Warner. For a discussion of the assumptions made in the valuation reflected in this column, see notes 2 and 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018.

(3)

Amounts shown in this column represent annual cash incentive awards to each NEO.

(4)

This column includes the Company's $4,500 matching contribution to the executive's 401(k) plan for each year presented and an additional discretionary $4,500 and $3,500 contribution by the Company to the executive's 401(k) plan for 2016 and 2017, respectively. All full-time employees were eligible for these contributions.

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2018 Grants of Plan-Based Awards

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock	Grant Date Fair Value of Stock and Option Awards
Name/Award Type(1)	**Grant Date**	**Threshold ($)(2)**	**Target ($)(2)**	**Maximum ($)(2)**	**Threshold (#)(3)**	**Target (#)(3)**	**Maximum (#)(3)**	**(#)(4)**	**($)(5)**
William M. Walker									
Restricted Stock	2/14/2018							17,797	899,994
Cash Awards	3/5/2018	675,000	1,350,000	3,375,000					
Performance Share Units	3/5/2018				18,100	36,202	81,456		899,932
Stephen P. Theobald									
Restricted Stock	2/14/2018							9,887	499,986
Cash Awards	3/5/2018	250,000	500,000	1,250,000					
Performance Share Units	3/5/2018				7,541	10,056	22,625		374,939
Howard W. Smith, III									
Restricted Stock	2/14/2018							12,359	624,995
Restricted Stock Units	2/14/2018							4,943	249,968
Cash Awards	3/5/2018	390,625	781,250	1,953,125					
Performance Share Units	3/5/2018				9,425	18,855	42,424		468,611
Richard M. Lucas									
Restricted Stock	2/14/2018							9,887	499,986
Restricted Stock Units	2/14/2018							2,471	124,958
Cash Awards	3/5/2018	250,000	500,000	1,250,000					
Performance Share Units	3/5/2018				7,541	10,056	22,625		374,939
Richard C. Warner									
Restricted Stock	2/14/2018							9,887	499,986
Cash Awards	3/5/2018	250,000	500,000	1,250,000					
Performance Share Units	3/5/2018				7,541	10,056	22,625		374,939

(1) All plan-based awards were made pursuant to the 2015 Equity Incentive Plan.

(2) Represents awards that could be earned under our annual cash incentive plan. See "COMPENSATION DISCUSSION AND ANALYSIS 2018 Executive Officer Compensation Annual Cash Incentive Award." NEOs may elect to defer all or a portion of these amounts under our MSPP. Refer to the 2018 Non-Qualified Deferred Compensation table below for information regarding deferral elections made by the NEOs.

(3) Represents shares that could be earned under awards of performance share units, which vest based on the achievement of average diluted EPS (50% weighting), aggregate total revenues (25% weighting) and return on equity (25% weighting) over the 2018-2020 performance period. See "COMPENSATION DISCUSSION AND ANALYSIS 2018 Executive Officer Compensation Equity Awards 2018-2020 Performance Share Plan."

(4) Grants of restricted stock vest in one-third increments on each of February 15, 2019, 2020 and 2021, subject to the executive's continued employment with the Company on the applicable vesting date. Grants of restricted stock units and deferred stock units are awarded as matching grants under the Management Deferred Stock Unit Purchase Matching Program and vest on March 15 in the third calendar year following the grant date. The matching grants under the Management Deferred Stock Unit Purchase Matching Program are accompanied by dividend equivalent units, subject to the terms of the applicable deferral election.

(5) Amounts shown in this column represent the estimated grant date fair value calculated in accordance with FASB ASC Topic 718 of shares of restricted common stock, and performance share units awarded under the 2015 Equity Incentive Plan, as amended, as well as restricted stock units and deferred stock units awarded as matching grants under the Management Deferred Stock Unit Purchase Matching Program. For the performance share units, the amounts shown reflect the threshold value of the performance share units awarded to each NEO. The Compensation Committee established very challenging targets for the 2018-2020 performance cycle. As a result, the value of the shares of common stock that will actually be received by the

NEOs may be less or more, in some cases substantially so, than the amounts reported above as compensation. For a discussion of the assumptions made in the valuation reflected in this column, see notes 2 and 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018.

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Narrative Disclosures to Summary Compensation and Grants of Plan-Based Awards Tables

The 2018 performance share unit "threshold," "target," and "maximum" opportunities in the Table are 100%, 200%, and 450%, respectively, of the 2018 base salary for Mr. Walker, 75%, 150%, and 337.5%, respectively, of the 2018 base salary for Mr. Smith and 75%, 100%, and 225%, respectively, of the 2018 base salaries for the other NEOs. The matching grants under the Management Deferred Stock Unit Purchase Matching Program are accompanied by dividend equivalent units, subject to the terms of the applicable deferral election. Holders of restricted stock are entitled to dividends paid in cash at the same time paid to other stockholders of the Company. The applicable dividend rate is equal to the dividend rate payable to other stockholders of the Company.

Employment and Separation Agreements

We have entered into employment agreements with each of our NEOs. Each employment agreement had an initial three-year term, and automatically extends for a series of additional one-year terms at the end of the expiration of the then-current term, unless either party gives 60 days' prior notice that the term will not be extended. These employment agreements provide for an initial base salary, a target bonus of 100% of base salary, with the actual bonus payment to be determined by the Compensation Committee, and eligibility for grants of equity. For information regarding each NEO's 2018 base salary and other compensation arrangements with us, see "COMPENSATION DISCUSSION AND ANALYSIS 2018 Executive Officer Compensation" above. Additionally, each NEO employment agreement also contains customary non-competition and non-solicitation covenants that apply during the term and for up to 12 months after the termination of each executive's employment with us. For information concerning the termination-related terms of the NEOs' employment agreements, see " Potential Payments Upon Termination or a Change in Control" below.

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Outstanding Equity Awards at December 31, 2018

		Option Awards				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable(1)	Number of Securities Underlying Unexercised Options (#) Unexercisable(1)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(2)	Equity Incentive Plan Awards: Number of Unearned Units that Have Not Vested (#)(3)	Equity Incentive Plan Awards: Market Value of Unearned Units that Have Not Vested ($)(2)
William M. Walker	4/1/2013	97,879		18.03	4/1/2023				
	2/15/2014	94,488		17.05	2/15/2024				
	3/15/2014					8,090(5)	349,893		
	2/15/2015	101,695		16.72	2/15/2025				
	2/15/2016	55,479	27,739	20.40	2/15/2026	2,451(4)	106,006		
	2/19/2016					9,916(5)	428,850		
	3/21/2016							137,442	5,944,367
	2/15/2017	16,022	32,042	39.82	2/15/2027	9,291(4)	401,836		
	3/28/2017							43,072	1,862,864
	2/14/2018					17,797(4)	769,720		
	3/5/2018							18,101	782,868
Stephen P. Theobald	4/1/2013	28,548		18.03	4/1/2023				
	2/15/2014	31,496		17.05	2/15/2024				
	3/15/2014					3,236(5)	139,957		
	2/15/2015	16,949		16.72	2/15/2025				
	2/15/2015					3,005(5)	129,946		
	2/15/2016	9,247	4,623	20.40	2/15/2026	4,902(4)	212,012		
	2/19/2016					4,666(5)	201,791		
	3/21/2016							36,650	1,585,113
	2/15/2017	2,782	5,562	39.82	2/15/2027	9,626(4)	416,325		
	2/16/2017					2,574(5)	111,347		
	3/28/2017							11,964	517,443
	2/14/2018					9,887(4)	427,613		
	3/5/2018							7,542	326,192
Howard W. Smith, III	3/24/2011	32,000		12.52	3/24/2021				
	4/30/2012	55,268		13.05	4/30/2022				
	4/1/2013	65,253		18.03	4/1/2023				
	2/15/2014	62,992		17.05	2/15/2024				
	2/15/2015	67,797		16.72	2/15/2025				
	2/15/2016	36,986	18,493	20.40	2/15/2026	1,634(4)	70,671		
	2/19/2016					11,198(5)	484,325		
	3/21/2016							68,720	2,972,140
	2/15/2017	11,126	22,251	39.82	2/15/2027	6,278(4)	271,524		
	2/16/2017					5,149(5)	222,694		
	3/28/2017							22,433	970,227
	2/14/2018					12,359(4)	534,527		
	2/14/2018					5,040(5)	217,975		
	3/5/2018							9,427	407,718
Richard M. Lucas	2/15/2016	9,247	4,623	20.40	2/15/2026	4,902(4)	212,012		
	2/19/2016					4,666(5)	201,791		
	3/21/2016							36,650	1,585,113
	2/15/2017	2,782	5,562	39.82	2/15/2027	9,626(4)	416,325		
	2/16/2017					2,574(5)	111,347		
	3/28/2017							11,964	517,443
	2/14/2018					9,887(4)	427,613		
	2/14/2018					2,519(5)	108,966		

	3/5/2018							7,542	326,192
Richard C. Warner	2/15/2014	31,496		17.05	2/15/2024				
	2/15/2015	16,949		16.72	2/15/2025				
	2/15/2016	9,247	4,623	20.40	2/15/2026	4,902(4)	212,012		
	3/21/2016							36,650	1,585,113
	2/15/2017	2,782	5,562	39.82	2/15/2027	9,626(4)	416,325		
	3/28/2017							11,964	517,443
	2/14/2018					9,887(4)	427,613		
	3/5/2018							7,542	326,192

(1) These options were granted pursuant to our 2010 Equity Incentive Plan, as amended, and our 2015 Equity Incentive Plan, and vest ratably on each anniversary of the date of grant over a three-year period, conditioned upon the executive's continued employment with the Company on the applicable vesting date.

(2) Based on the closing stock price of our common stock on December 31, 2018 of $43.25 per share.

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(3)

Represents performance share units under our 2016-18 performance share plan, our 2017-2019 performance share plan, and our 2018-2020 performance share plan. The number of units reported for the 2016-2018 performance share plan is based on the actual level of performance achieved and awarded in February 2019. The number of performance share units reported for the 2017-2019 performance share plan is based on the target level of performance, which is reflective of performance during 2018. The number of performance share units reported for the 2018-2020 performance share plan is based on threshold level of performance, which is reflective of performance during 2018.

(4)

Represents restricted stock granted pursuant to our 2015 Equity Incentive Plan, and vest ratably on each anniversary of the date of grant over a three-year period, conditioned upon the executive's continued employment with the Company on the applicable vesting date.

(5)

Represents restricted stock units (some of which may be deferred stock units), and their associated dividend equivalent units, granted under the Management Deferred Stock Unit Purchase Matching Program, which vest on March 15 in the third calendar year following the grant date.

2018 Option Exercises and Stock Vested

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
William M. Walker			19,101	891,312
Stephen P. Theobald			15,696	807,088
Howard W. Smith, III			18,786	844,825
Richard M. Lucas	116,978	4,482,336	21,705	1,055,500
Richard C. Warner	82,533	3,387,038	15,696	807,088

2018 Nonqualified Deferred Compensation

Name	**Executive Contributions in Last Fiscal Year ($)(1)**	**Registrant Contributions in Last Fiscal Year ($)**	**Aggregate Earnings in Last Fiscal Year ($)(2)**	**Aggregate Withdrawals/ Distributions ($)(3)**	**Aggregate Balance at Last Fiscal Year End ($)(4)**
William M. Walker	349,989		(29,956)	48,207	2,240,923
Stephen P. Theobald			(125,689)	32,144	1,422,731
Howard W. Smith, III	234,361		(27,926)	49,635	2,122,397
Richard M. Lucas	199,978		(2,643)	22,136	1,028,043
Richard C. Warner					

(1)

These contributions were made by deferring a portion of the 2018 annual cash incentive award under our MSPP and represent the value of purchased deferred stock units based on the closing share price of our common stock on the purchase date. All of the amounts shown in this column were included as compensation in the "2018 Summary Compensation Table" for 2018.

(2)

Earnings (loss) represent a change in the value of our common stock underlying an NEO's deferred stock units and their associated dividends and dividend equivalent units. None of the amounts in this column have been included in the "2018 Summary Compensation Table" because the earnings are not preferential or above-market.

(3)

Distributions represent the value of cash dividends paid on deferred stock units during 2018.

(4)

Total aggregate balance calculated as the sum of the number of deferred stock units held as of December 31, 2018, multiplied by $43.25, the closing stock price of our common stock on December 31, 2018, plus the amount of executive contributions for 2018. The following amounts included in this column have been reported in the "2018 Summary Compensation Table" for 2018 or a prior fiscal

year: Mr. Walker $1,149,959, Mr. Theobald $699,940, Mr. Smith $1,700,244, Mr. Lucas $849,919, and Mr. Warner $0.

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Management Deferred Stock Unit Purchase Plan (MSPP)

Under the MSPP, eligible employees may voluntarily elect to purchase shares of the Company's common stock with up to 100% of their annual cash incentive award on a specified date each calendar year. On the date that the annual cash incentive award is paid (the "Award Date"), the portion of the bonus that is deferred is used to purchase deferred stock units at the fair market value of the Company's common stock on such date. These deferred stock units granted under the MSPP are fully vested and non-forfeitable on the date of purchase. With respect to each deferred stock unit granted under the MSPP, the Company issues to the participant one share of the Company's common stock on the date elected by the participant, which is either (i) January 31 of the year immediately following the participant's separation from the Company (the "Termination Date Election"); (ii) the first to occur of (A) March 15 of the third calendar year after the Award Date, and (B) January 31 of the year immediately following the participant's separation from the Company (the "Vesting Date Election"); or (iii) the first to occur of (A) January 31 of the fifth or tenth, as elected by the participant, calendar year after the Award Date, and (B) January 31 of the year immediately following the participant's separation from the Company (the "Deferred Distribution Date Election"). In connection with the MSPP, participants who acquire deferred stock units are generally granted a matching deferred stock unit or restricted stock unit award equal to 50% of the deferred stock units acquired in the MSPP, which matching award vests fully on March 15 of the third calendar year following the grant date.

In the event of a change in control of the Company, if the deferred stock units purchased under the MSPP and the deferred stock units and restricted stock units granted under the matching component of the MSPP are not assumed or continued, shares of the Company's common stock underlying the deferred stock units purchased under the MSPP and the deferred stock units and restricted stock units granted under the matching component of the MSPP are delivered immediately prior to the change in control. In the event of a change in control of the Company, the deferred stock units and restricted stock units granted under the matching component of the MSPP become 100% vested (i) if such units are not assumed or (ii) if such units are assumed and the participant is terminated without cause or for good reason (as such terms are defined in the Management Deferred Stock Unit Purchase Matching Program) within 24 months following the change in control of the Company.

Potential Payments Upon Termination or a Change in Control

Regardless of the reason for any termination of employment, each NEO is entitled to receive the following benefits upon termination: (a) payment of any unpaid portion of such executive's base salary through the effective date of termination, (b) reimbursement for any outstanding reasonable business expenses, (c) continued insurance benefits to the extent required by law, (d) payment of any vested but unpaid rights as may be required independent of the employment agreement, and (e) except in the case of termination by the company for cause, any bonus or incentive compensation that had been accrued through the effective date of termination but not paid, provided, however, that in the event of a termination without cause, a resignation for good reason or retirement, a pro rata incentive compensation will be paid only to the extent performance goals for the year are achieved.

In addition to the benefits described above in clauses (a)-(e), each NEO is entitled to receive a severance payment if we terminate his employment without cause or the executive resigns for good reason. The severance payment is equal to (i) continued payment by the company of the executive's base salary, as in effect as of the executive's last day of employment, for a period of 12 months, (ii) continued payment for life and health insurance coverage for 12 months, to the same extent the company paid for such coverage immediately prior to termination, (iii) two times the average annual bonus earned by the executive over the preceding two years (or if the executive has not been employed for two years, payments equal to two times the target bonus for the year of termination), and (iv) vesting as of the last day of employment in any unvested portion of any options and restricted

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stock previously issued to the executive. If the continued payment of health insurance coverage would result in violations of certain tax or other statutes or regulations, then we will instead pay the NEO a fully taxable cash payment each month equal to the insurance premiums plus an additional amount necessary to cover any additional taxes owed by the NEO (such additional amount, the "Indemnity Amount").The foregoing benefits are conditioned upon the executive's execution of a general release of claims and compliance with the terms of the employment agreement. In addition, pursuant to the terms of each NEO's performance share unit award agreements, upon such termination of employment, the NEO vests in a pro rata portion of his performance share units (based on the number of days in the performance period prior to termination) to the extent the applicable performance goals are otherwise satisfied.

If the NEO's employment terminates due to death or disability, in addition to the benefits described above in clauses (a)-(e), the executive or his estate, as applicable, is entitled to receive (i) vesting as of the last day of employment in any unvested portion of any options and restricted stock previously issued to the executive and (ii) payment of the pro rata share of any performance bonus to which such executive would have been entitled for the year of death or termination of employment. In addition, pursuant to the terms of each NEO's performance share unit award agreements, upon such termination of employment, the NEO vests in his target number of performance share units, and pursuant to the terms of the matching component under the MSPP, the deferred stock units and restricted stock units granted thereunder become 100% vested.

If the NEO's employment terminates due to retirement, in addition to the benefits described above in clauses (a)-(e), the executive is entitled to receive vesting as of the last day of employment in any unvested portion of any options and restricted stock previously issued to the executive. The NEO does not vest in any performance share units upon such a termination of employment.

While none of the employment agreements includes severance provisions that are tied to changes in control, pursuant to the 2015 Equity Incentive Plan and the award agreements governing the NEO's outstanding equity awards thereunder, upon a change in control of the Company, (i) the NEO's outstanding, unvested options and restricted stock become fully vested (A) if the equity awards are not assumed or (B) if the equity awards are assumed and the NEO's employment is terminated without cause or for good reason within 12 months following the change in control, and (ii) the NEO will vest in a number of performance share units equal to the greater of (A) a pro rata portion of his performance share units to the extent the applicable performance goals are otherwise satisfied and (B) his target number of performance share units. In addition, the deferred stock units and restricted stock units granted under the matching component of the MSPP become 100% vested (i) if such units are not assumed or (ii) if such units are assumed and the participant is terminated without cause or resigns for good reason (as such terms are defined in the matching component of the MSPP) within 24 months following the change in control of the Company.

Neither the employment agreements nor the equity award agreements provide for any excise or other tax gross-up other than the potential for payment of the Indemnity Amount discussed above.

The table below summarizes the potential cash payments and estimated equivalent cash value of benefits that will be generally owed to our NEOs under the terms of their employment agreements and equity award agreements described above in connection with the occurrence of the following various scenarios as of December 31, 2018. Amounts shown do not include (a) payment of any unpaid portion of such executive's base salary through the effective date of termination, (b) reimbursement for any outstanding reasonable business expense, (c) continued insurance benefits to the extent required by law, (d) payment of any vested but unpaid rights as may be required independent of the employment

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agreement, and (e) any bonus or incentive compensation that had been accrued through the effective date of termination but not paid.

Executive Officer	Benefit	Non-renewal by Company ($)(1)	Without Cause/ For Good Reason ($)(2)	Death ($)	Disability ($)(3)	Retirement ($)(4)
William M. Walker	Cash	5,625,000(5)	5,625,000(5)	N/A	N/A	N/A
	Continued Life and Health	21,635(6)	21,635(6)	N/A	N/A	N/A
	Equity Acceleration	2,021,302(7)(8)	9,468,534(7)(8)	8,940,810(7)(9)	8,940,810(7)(9)	2,021,302(7)
	Total	**7,667,937**	**15,115,169**	**8,940,810**	**8,940,810**	**2,021,302**
Stephen P. Theobald	Cash	2,400,000(5)	2,400,000(5)	N/A	N/A	N/A
	Continued Life and Health	306(6)	306(6)	N/A	N/A	N/A
	Equity Acceleration	1,180,662(7)(8)	3,219,467(7)(8)	3,439,294(7)(9)	3,439,294(7)(9)	1,180,662(7)
	Total	**3,580,968**	**5,619,773**	**3,439,294**	**3,439,294**	**1,180,662**
Howard W. Smith, III	Cash	3,359,375(5)	3,359,375(5)	N/A	N/A	N/A
	Continued Life and Health	21,635(6)	21,635(6)	N/A	N/A	N/A
	Equity Acceleration	1,375,607(7)(8)	5,130,471(7)(8)	5,333,358(7)(9)	5,333,358(7)(9)	1,375,607(7)
	Total	**4,756,617**	**8,511,481**	**5,333,358**	**5,333,358**	**1,375,607**
Richard M. Lucas	Cash	2,150,000(5)	2,150,000(5)	N/A	N/A	N/A
	Continued Life and Health	21,635(6)	21,635(6)	N/A	N/A	N/A
	Equity Acceleration	1,180,662(7)(8)	3,219,467(7)(8)	3,278,357(7)(9)	3,278,357(7)(9)	1,180,662(7)
	Total	**3,352,297**	**5,391,102**	**3,278,357**	**3,278,357**	**1,180,662**
Richard C. Warner	Cash	2,150,000(5)	2,150,000(5)	N/A	N/A	N/A
	Continued Life and Health	21,635(6)	21,635(6)	N/A	N/A	N/A
	Equity Acceleration	1,180,662(7)(8)	3,219,467(7)(8)	2,856,253(7)(9)	2,856,253(7)(9)	1,180,662(7)
	Total	**3,352,297**	**5,391,102**	**2,856,253**	**2,856,253**	**1,180,662**

(1) This column describes the payments and benefits that become payable if the Company elects not to renew the employment agreement.

(2) The term "cause" means any of the following, subject to any applicable cure provisions: (i) the conviction of the executive of, or the entry of a plea of guilty or nolo contendere by the executive to, any felony; (ii) fraud, misappropriation or embezzlement by the executive; (iii) the executive's willful failure or gross negligence in the performance of his assigned duties for the Company; (iv) the executive's breach of any of his fiduciary duties to the Company; (v) a material violation of a material Company policy; or (vi) the material breach by the executive of any material term of the employment agreement.

The term "good reason" means any of the following, subject to any applicable cure provisions, without the executive's consent: (i) the assignment to the executive of substantial duties or responsibilities inconsistent with the executive's position at the Company, or any other action by the Company which results in a substantial diminution of the executive's duties or responsibilities; (ii) a requirement that the executive work principally from a location that is 20 miles further from the executive's residence than the Company's address on the effective date of the executive's employment agreement; (iii) a 10% or greater reduction in the executive's aggregate base salary and other compensation (including the target bonus amount and retirement plan, welfare plans and fringe benefits) taken as a whole, excluding any reductions caused by the failure to achieve performance targets; or (iv) any material breach by the Company of the employment agreement.

(3) The term "disability" means such physical or mental impairment as would render the executive unable to perform each of the essential duties of the executive's position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than 12 months.

(4)

The term "retirement" means the point at which the executive has reached the age of 65 and has decided to exit the workforce completely. For purposes of the amounts disclosed in this column, we have assumed that each NEO has reached the retirement age of 65, regardless of his actual age.

(5)

Represents the sum of the following: (i) the executive's 2018 base salary at December 31, 2018, to be paid for a period of 12 months in approximately equal installments on the Company's regularly scheduled payroll dates, subject to payroll deductions and withholdings, and (ii) two times the average annual bonus earned by the executive for 2017 and 2018, assuming all performance targets have been met for 2018, half of such amount to be paid within 60 days of the end of the fiscal year of termination and the remaining half to be paid at the end of the 12-month non-compete period.

(6)

Represents the value of life and health benefits paid by the Company for 12 months.

(7)

Includes the value of accelerated vesting of restricted stock and options granted to the executives. The acceleration value of the restricted stock was calculated using the closing price of $43.25 per share on December 31, 2018. The acceleration value of the options was calculated using the closing price of $43.25 per share on December 31, 2018 and the option strike prices of $20.40, and $39.82 per share, the various exercise prices for all options included above.

The value of accelerated vesting of performance share units is included in the columns for termination without cause or for good reason, due to death, and due to disability. The acceleration value of the performance share units is calculated using the closing price of $43.25 per share on December 31, 2018 and the applicable number of performance share units under our 2016-18 performance, 2017-2019 performance, and 2018-2020 performance share plans that are eligible to vest upon such a termination pursuant to the terms of the applicable award agreement. For termination without cause or for good reason, the number of performance units reported for the 2016-2018 performance share plan is based on the actual level of performance. The number of performance share units reported for the 2017-2019 performance share plan is based on the target level of performance, which is reflective of performance during 2018, prorated for the portion of the performance period completed as of December 31, 2018. The number of performance share units reported for the 2018-2020 performance share plan is based on the threshold level of performance, which is reflective of performance during 2018, prorated for the portion of the performance period completed as of December 31, 2018. For termination due to death and disability, the number of performance share units for each of the 2016-2018, 2017-2019, and 2018-2020 performance plans is the number that would be achieved under the target level of performance.

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(8) Does not include the value of accelerated vesting of deferred stock units and restricted stock units granted under the matching component of the MSPP upon a termination of employment without cause or for good reason occurring within 24 months of a change in control. For additional information, see the table below.

(9) Includes the value of accelerated vesting of deferred stock units and restricted stock units granted under the matching component of the MSPP, calculated using the closing price of $43.25 per share on December 31, 2018.

In addition to the applicable amounts disclosed in the table above, the table below sets forth the estimated value as of December 31, 2018 of accelerated vesting that will be generally owed to our NEOs under the terms of the matching component of the MSPP described above if the NEO's employment is terminated without cause or the NEO resigns for good reason within 24 months of a change in control of the Company or if awards under the matching component of the MSPP are not assumed in the change in control transaction.

Executive Officer	Benefit	Without Cause/For Good Reason Within 24 Months of a Change in Control ($)(1)
William M. Walker	Equity Acceleration	778,743
Stephen P. Theobald	Equity Acceleration	583,041
Howard W. Smith, III	Equity Acceleration	815,984
Richard M. Lucas	Equity Acceleration	422,104
Richard C. Warner	Equity Acceleration	

(1) Represents the value of accelerated vesting of deferred stock units and restricted stock units granted under the matching component of the MSPP upon a termination of employment without cause or for good reason occurring within 24 months of a change in control. The acceleration value of the is calculated using the closing price of $43.25 per share on December 31, 2018.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information regarding the relationship of the annual total compensation of our employees and the annual total compensation of Mr. Walker, our CEO. We consider the pay ratio specified below to be a reasonable estimate, calculated in a manner intended to be consistent with Item 402(u) of Regulation S-K.

We identified the median employee by examining taxable earnings, excluding our CEO, for those who were employed by us on December 31, 2018. We included all employees, whether employed on a full-time or part-time basis and did not make any estimates, assumptions or adjustments to any annual base salaries.

After identifying the median employee based on taxable earnings, we calculated annual total compensation for 2018 for such employee using the same methodology we used for our NEOs as set forth in the 2018 Summary Compensation Table earlier in this section.

For 2018, the annual total compensation of the median employee was $123,882. For 2018, the annual total compensation of our CEO was $4,054,426. The resulting pay ratio of the annual total compensation of our CEO to the annual total compensation of the median employee for 2018 was 33:1.

Director Compensation

The following table sets forth 2018 compensation for each non-employee director who was a member of our Board in 2018. Messrs. Walker and Smith also serve as members of our Board but do not receive any additional compensation for providing these services. Refer to our "2018 Summary Compensation Table" for information regarding 2018 compensation for Messrs. Walker and Smith.

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2018 Director Compensation

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Total ($)
Alan J. Bowers	150,000(2)	99,954	249,954
Michael D. Malone	135,000	99,954	234,954
John Rice	125,000	99,954	224,954
Cynthia A. Hallenbeck	120,000	99,954	219,954
Dana L. Schmaltz	115,000	99,954	214,954
Michael J. Warren	105,000	99,954	204,954

(1) Amounts shown in this column represent the grant date fair value in accordance with FASB ASC Topic 718 of restricted common stock and restricted stock units multiplied by the number of shares or restricted stock units, respectively, granted to each Board member. As of December 31, 2018, each director held 1,790 shares of unvested restricted stock or unvested restricted stock units.

(2) Amount includes the value of restricted stock units received in lieu of directors' fees for service in 2018 and fees received in cash.

2018 compensation for our non-employee directors consisted of the following:

an annual base cash retainer of $100,000; and

an annual award of $100,000 of shares of restricted stock (rounded down to the nearest whole share) under our 2015 Equity Incentive Plan granted on the date of the 2018 annual meeting of stockholders, which vests on the one-year anniversary of the date of grant, subject to the director's continued service on our Board.

In addition, our compensation program for non-employee directors provided for the following additional annual cash retainers:

Audit Committee: Chairman $25,000; Member $10,000;

Compensation Committee: Chairman $25,000; Member $10,000;

Nominating and Corporate Governance Committee: Chairman $15,000; Member $5,000; and

the Lead Director receives an additional annual cash retainer of $20,000.

Under the Deferred Compensation Plan for Non-Employee Directors ("Director Deferred Compensation Plan"), non-employee directors may voluntarily elect to purchase shares of the Company's common stock with up to 100% of their annual director compensation. On the date that the compensation would otherwise be paid, the portion of the compensation that is deferred will be used to purchase deferred stock units at the fair market value of the Company's common stock on such date. These deferred stock units granted under the Director Deferred Compensation Plan are fully vested and non-forfeitable on the date of purchase with respect to deferred stock units received in respect of cash compensation, and the deferred stock units granted in respect of restricted stock are subject to the same vesting or other forfeiture restrictions that would have otherwise applied to such restricted stock. With respect to each deferred stock unit granted under the Director Deferred Compensation Plan, the Company will issue to the participant one share of the Company's common stock on the date elected by the participant, which will be the first to occur of (i) within 90 days following the participant's separation from the Company; (ii) immediately prior to, on, or within 30 days following a change in control, (iii) within 90 days following the participant's disability, (iv) within 90 days following the participant's death, or (v) if the participant has elected to receive payment while still a member of our

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Board, the date that is three, five or ten years following the last day of the applicable plan year in which an amount was deferred.

Stock Ownership Guidelines for our Non-Employee Directors

Our Board has adopted stock ownership guidelines for our non-employee directors. Under those guidelines, our non-employee directors, are required to own stock equal to five times the annual base cash retainer. Stock ownership for the purpose of these guidelines includes stock, restricted stock and stock units, but does not include shares underlying vested or unvested stock options. Non-employee directors are required to achieve the ownership threshold by the five-year anniversary of the director joining our Board.

Equity Compensation Plan Information

The table below sets forth information as of the end of our 2018 fiscal year for (i) all equity compensation plans approved by our stockholders, and (ii) all equity compensation plans not approved by our stockholders. See note 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018 for a description of our 2015 Equity Incentive Plan. See " Management Deferred Stock Unit Purchase Plan" above for a description of our MSPP.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (#)(3)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights ($)(4)	Number of Securities Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column)(#)
Equity compensation plans approved by security holders(1)	2,254,808	19.76	1,571,064
Equity compensation plans not approved by security holders(2)	237,750		152,960
Total	2,492,558	N/A	1,724,024

(1) The 2015 Equity Incentive Plan was approved by our stockholders on June 4, 2015, and amended and restated our 2010 Equity Incentive Plan.

(2) Represents shares registered on a Registration Statement on Form S-8 on May 10, 2013 to be used for purchases under the MSPP.

(3) Represents the purchased and matching deferred and restricted stock units under the MSPP, dividend equivalent units associated with the matching deferred and restricted stock units under the MSPP, units under the 2016-2018, 2017-2019, 2018-2020 performance share plans, and shares to be issued upon exercise of options. Amounts representing units under the 2016-2018 performance share plan, the 2017-2019 performance share plan, and the 2018-2020 performance share plan assume maximum performance and amounts.

(4) Restricted and deferred stock units under the MSPP and performance share units under the 2016-2018, 2017-2019, and 2018-2020 performance share plans have no exercise price and were not factored into the calculation of the weighted average exercise price. This

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column represents the weighted average exercise price of 1,048,264 options outstanding under the 2015 Equity Incentive Plan.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee currently consists of Michael Malone (Chairman), Cynthia Hallenbeck, John Rice and Dana Schmaltz. None of our current committee members is or was an officer or employee, or former officer or employee, of ours. No interlocking relationship exists or existed between members of the Compensation Committee or the Board, and the board of directors or compensation or similar committees of any other company.

Proposal 3: Advisory Resolution to Approve Executive Compensation

We are presenting this proposal, commonly known as a "say on pay" proposal pursuant to Section 14A of the Exchange Act, to provide stockholders the opportunity to vote to approve, on a non-binding advisory basis, the compensation of our named executive officers as described in this proxy statement.

Pay for Performance Policies and Philosophy

We believe our executive compensation policies and procedures are centered on pay for performance principles and are closely aligned with the long-term interests of our stockholders. As described under the heading "COMPENSATION DISCUSSION AND ANALYSIS," our executive compensation program is designed to attract and retain outstanding executives, to reward them for superior performance and to ensure that compensation provided to them remains competitive. We seek to align the interests of our executives and stockholders by tying compensation to the achievement of key financial and operating objectives that we believe enhance stockholder value over the long term and by encouraging executive share ownership so that a portion of each executive's compensation is tied directly to stockholder value.

Responsiveness to Shareholder Feedback

Prior to 2018, we consistently received strong shareholder support of our say on pay proposal, averaging more than 96% approval from 2015 through 2017. At our 2018 annual meeting, 63% of our shareholders voted in favor of our executive compensation programs. Our Board and Compensation Committee took this matter very seriously and sought to better understand what drove this decline in the say on pay vote.

We contacted our 25 largest shareholders, who represented approximately 61.3% of our then-outstanding shares. Of the 25 shareholders, six agreed to meet with us, comprising approximately 38% of the then-outstanding shares. We also met with proxy advisor ISS. We describe the feedback we received and our response in the Compensation Discussion and Analysis section of this Proxy Statement. We encourage you to consider our actions in response to shareholder feedback in deciding how to vote on this proposal.

We ask our stockholders to vote "FOR" the following resolution:

"RESOLVED, that the stockholders hereby approve the compensation of the NEOs, as disclosed pursuant to the compensation disclosure rules of the SEC, including in the Compensation Discussion and Analysis, the compensation tables and the related narrative executive compensation disclosure contained in this proxy statement."

While the vote on this resolution is advisory in nature and therefore will not bind us to take any particular action, our Compensation Committee and Board intend to carefully consider the stockholder vote resulting from the proposal in making future decisions regarding the compensation of our NEOs.

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Unless the Board modifies its policy on the frequency of future "say on pay" advisory votes, the "say on pay" advisory vote occurs every year and, accordingly, the next "say on pay" advisory vote will be held at the 2020 annual meeting of stockholders.

Vote Required

The affirmative vote of a majority of the votes cast at the annual meeting with respect to the matter is required to approve (on a non-binding advisory basis) the compensation of the NEOs. For purposes of the vote on this proposal, abstentions and other shares not voted (whether by broker non-vote or otherwise) will not be counted as votes cast and will have no effect on the result of the vote.

Our Recommendation

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE PROPOSAL.

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VOTING SECURITIES OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 14, 2019, certain information regarding the beneficial ownership of our common stock by:

- each person known to us to be the beneficial owner of more than 5% of our common stock;
- each NEO;
- each of our directors; and
- all of our executive officers and directors as a group.

Beneficial ownership is determined according to the rules of the SEC, and generally means that a person has beneficial ownership of a security if he or she possesses sole or shared voting or investment power of that security, and includes for each executive officer and director options that are currently exercisable or exercisable within 60 days of March 14, 2019. Each director, officer or 5% or more stockholder, as the case may be, furnished us with information with respect to beneficial ownership. Except as otherwise indicated, we believe that the beneficial owners of common stock listed below, based on the information each of them has given to us, have sole investment and voting power with respect to their shares, except where community property laws may apply. We have based our calculations of the percentage of beneficial ownership of 30,646,518 shares of common stock outstanding as of March 14, 2019.

Unless otherwise noted below, the address of the persons and entities listed on the table is c/o Walker & Dunlop, Inc., 7501 Wisconsin Avenue, Suite 1200E, Bethesda, Maryland 20814.

Beneficial Owner	Shares of Common Stock Beneficially Owned	% of Shares of Common Stock Beneficially Owned
5% Stockholders:		
The Vanguard Group(1)	4,270,209	13.93%
BlackRock, Inc.(2)	4,154,541	13.56%
Dimensional Fund Advisors LP(3)	1,835,756	5.99%
Directors and Named Executive Officers:		
William M. Walker(4)	1,784,820	5.75%
Howard W. Smith, III(5)	885,906	2.86%
Stephen P. Theobald(6)	182,402	*
Richard C. Warner(7)	137,278	*
Richard M. Lucas(8)	134,035	*
Dana L. Schmaltz(9)	51,773	*
Alan J. Bowers(9)	34,238	*
John Rice(9)	22,579	*
Cynthia A. Hallenbeck	20,639	*
Michael D. Malone	21,519	*
Michael J. Warren	2,519	*
Ellen D. Levy		
Executive Officers and Directors as a group (11 persons)	3,277,708	10.37%

* Less than 1%.

(1) This amount includes 32,103 shares, 4,003 shares, 4,237,487 shares and 32,722 shares in which the holder exercises sole voting power, shared voting power, sole dispositive power and shared dispositive power, respectively. The information provided is based

solely on

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information obtained from a Schedule 13G/A filed with the SEC on February 11, 2019 by The Vanguard Group. The information has been included solely in reliance upon, and without independent investigation of, the disclosures contained in such Schedule 13G/A. The address of the principal business office of The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.

(2)

This amount includes 4,088,491 shares and 4,154,541 shares in which the holder exercises sole voting power and sole dispositive power, respectively. The information provided is based solely on information obtained from a Schedule 13G/A filed with the SEC on January 31, 2019 by BlackRock, Inc. The information has been included solely in reliance upon, and without independent investigation of, the disclosures contained in such Schedule 13G/A. The address of the principal business office of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

(3)

This amount includes 1,723,266 shares and 1,835,756 shares in which the holder exercises sole voting power and sole dispositive power, respectively. The information provided is based solely on information obtained from a Schedule 13G/A filed with the SEC on February 8, 2019 by Dimensional Fund Advisors LP. The information has been included solely in reliance upon, and without independent investigation of, the disclosures contained in such Schedule 13G/A. The address of the principal business office of Dimensional Fund Advisors LP is Building One, 6300 Bee Cave Road, Austin, TX 78746.

(4)

Includes 33,027 shares of restricted stock, which represent the unvested portions of restricted stock grants. All restricted stock grants were made to vest ratably on each anniversary of the applicable grant date over a three-year period. Includes 3,955 shares of common stock held as custodian for each of his three sons, for an aggregate of 11,865 shares of common stock. The reported number also includes 409,323 shares underlying currently exercisable stock options and 0 shares underlying options exercisable within the next 60 days.

(5)

Includes 22,848 shares of restricted stock, which represent the unvested portions of restricted stock grants. All restricted stock grants were made to vest ratably on each anniversary of the applicable grant date over a three-year period. Includes 388,497 shares of common stock held by HIII 2011 Trust, 4,764 shares of common stock held as custodian for one daughter, 4,764 shares of common stock held by ADS 2015 Trust, 4,560 shares of common stock held by HWS IV 2012 Trust, 4,764 shares of common stock held by MHS 2010 Trust and 4,422 shares of common stock held by MMAS 2008 Trust. The reported number also includes 361,041 shares underlying currently exercisable stock options and 0 shares underlying options exercisable within the next 60 days.

(6)

Includes 20,580 shares of restricted stock, which represent the unvested portions of restricted stock grants. All restricted stock grants were made to vest ratably on each anniversary of the applicable grant date over a three-year period. The reported number also includes 96,426 shares underlying currently exercisable stock options and 0 shares underlying options exercisable within the next 60 days.

(7)

Includes 20,580 shares of restricted stock, which represent the unvested portions of restricted stock grants. All restricted stock grants were made to vest ratably on each anniversary of the applicable grant date over a three-year period. The reported number also includes 67,878 shares underlying currently exercisable stock options and 0 shares underlying options exercisable within the next 60 days.

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(8) Includes 20,580 shares of restricted stock, which represent the unvested portions of restricted stock grants. All restricted stock grants were made to vest ratably on each anniversary of the applicable grant date over a three-year period. The reported number also includes 19,433 shares underlying currently exercisable non-qualified stock options and 0 shares underlying options exercisable within the next 60 days.

(9) Includes 1,790 shares of restricted stock, which represent the unvested portions of restricted stock grants.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers, directors and persons who own more than ten percent of a registered class of our equity securities, or Reporting Persons, to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC and the NYSE. The Reporting Persons are required by SEC regulations to furnish us with copies of all Forms 3, 4 and 5 they file with the SEC. Based on the review of filings made with the SEC and representations made by the Reporting Persons, we believe that each Reporting Person complied with all Section 16(a) filing requirements applicable to them during the fiscal year ended December 31, 2018.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transaction Policies

Our Board has adopted a written policy regarding the approval of any "related person transaction," which is any transaction or series of transactions in which we or any of our subsidiaries is (or are to be) a participant, the amount involved exceeds $100,000, and a "related person" (as defined under SEC rules) has a direct or indirect material interest; provided, however, that approval is not required for competitive bidding and similar transactions that are not deemed to be related party transactions under Item 404(a) of Regulation S-K of the Securities Act of 1933, as amended (the "Securities Act"). Under the policy, a related person would need to promptly disclose to our compliance officer any related person transaction and all material facts about the transaction. Our compliance officer would then assess and promptly communicate that information to the Audit Committee of our Board. Based on its consideration of all of the relevant facts and circumstances, the Audit Committee will either approve or reject the transaction or refer the transaction to the full Board or other appropriate Board committee, in its discretion. If we become aware of an existing related person transaction that has not been pre-approved under this policy, the transaction will be referred to the Audit Committee which will evaluate all options available, including ratification, revision or termination of such transaction, and will either approve or reject the transaction or refer the transaction to the full Board or other appropriate Board committee, in its discretion. Our policy provides that any director who may be interested in a related person transaction should recuse himself or herself from any consideration of such related person transaction.

2010 Registration Rights Agreement

In December 2010, in connection with our initial public offering, we completed formation transactions through which Walker & Dunlop, LLC became our wholly owned subsidiary. In connection with such formation transactions, we entered into a registration rights agreement with regard to shares of our common stock issued to former direct and indirect equity holders of Walker & Dunlop, LLC, which we refer to collectively as the 2010 registrable shares. Among the parties to such registration rights agreement, which we refer to as the 2010 registration rights agreement, were Column Guaranteed LLC ("Column"), three of our NEOs, Messrs. Walker, Smith and Warner, our then Executive Vice President, Chief Financial Officer & Treasurer, Deborah Wilson and certain employees and non-employees, together with their permitted assignees and transferees, we refer to collectively as holders of 2010 registrable shares.

Pursuant to the 2010 registration rights agreement, we granted to holders of 2010 registrable shares demand registration rights, subject to certain limitations, to have such shares registered for resale on a registration statement that must remain effective for the shorter of: (a) two (2) years from its date of effectiveness, (b) the period ending on the date on which all of the 2010 registrable shares covered by such registration are eligible for sale without registration pursuant to Rule 144 or any successor provision under the Securities Act, without volume limitations or other restrictions on transfer thereunder and (c) the date on which the parties to the 2010 registration rights agreement complete the sale of all of the 2010 registrable shares. We also granted to holders of 2010 registrable shares holding a number of 2010 registrable shares equal to at least ten percent (10%) of the total number of shares of our common stock issued in the formation transactions described above demand registration rights, subject to certain limitations, pursuant to which such holder will be entitled to effect the sale of such 2010 registrable shares through an underwritten public offering.

In addition to demand registration rights, we also granted to holders of 2010 registrable shares tag-along (or "piggy-back") rights, subject to certain limitations, pursuant to which such holders have the right to have such shares registered if we propose to file a registration statement with respect to an underwritten offering of shares for our own account.

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Notwithstanding the foregoing, in the event of certain corporate events affecting us for certain periods, we are permitted under the 2010 registration rights agreement, subject to certain limitations, to postpone the filing of a registration statement and from time to time to require holders of 2010 registrable shares not to sell under a registration statement or to suspend the effectiveness of such registration statement. We will bear all of the costs and expenses incident to our registration obligations under the 2010 registration rights agreement, including, among other things, fees and disbursements of one counsel retained by the selling holders of 2010 registrable shares. We have also agreed, subject to certain limitations, to indemnify holders of 2010 registrable shares against specified liabilities, including certain potential liabilities arising under the Securities Act.

As of March 14, 2019, there are 1.6 million shares of our common stock that are registrable under the 2010 registration rights agreement all of which are owned directly or indirectly by Messrs. Walker and Smith.

Family Relationship

During 2018, Michelle Warner, the spouse of Mr. Warner, was employed by Walker & Dunlop, LLC, our operating subsidiary, as Executive Vice President & FHA Group Head until August 7, 2018. Ms. Warner received aggregate compensation of $1.58 million consisting of salary, a matching contribution to her 401(k) plan and severance. Her compensation is consistent with our overall compensation principles based on her many years of experience, performance and position.

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OTHER MATTERS

Other Matters to Come Before the 2019 Annual Meeting

No other matters are to be presented for action at the annual meeting other than as set forth in this proxy statement. If other matters properly come before the meeting, however, the persons named in the accompanying proxy will vote all proxies solicited by this proxy statement as recommended by the Board, or, if no recommendation is given, in their own discretion.

Stockholder Proposals and Nominations for the 2020 Annual Meeting

Any stockholder proposal pursuant to Rule 14a-8 of the rules promulgated under the Exchange Act to be considered for inclusion in our proxy materials for the next annual meeting of stockholders must be received at our principal executive offices no later than November 30, 2019.

Any stockholder who wishes to propose a nominee to the Board or propose any other business to be considered by the stockholders (other than a stockholder proposal included in our proxy materials pursuant to Rule 14a-8 of the rules promulgated under the Exchange Act) must comply with the advance notice provisions and other requirements of Article II, Section 12 of our bylaws, which are on file with the SEC, posted on our investor relations web page and may be obtained from the Secretary of the Company upon request. These notice provisions require that nominations for directors must be received by the Secretary at our principal executive offices not later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting nor earlier than the 150th day prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting. However, in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, such notice to be timely must be so delivered not earlier than the 150th day prior to such annual meeting and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made.

* * * *

By Order of the Board of Directors

Name: Richard M. Lucas
Title: *Executive Vice President, General Counsel and Secretary*

Bethesda, Maryland
March 29, 2019