

MARRIOTT INTERNATIONAL INC /MD/  
Form DEF 14A  
April 05, 2016  
Table of Contents

**SCHEDULE 14A**

**(RULE 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, For Use of the Commission Only**

Definitive Proxy Statement

**(as permitted by Rule 14a-6(e)(2))**

Definitive Additional Materials

Soliciting Material Under §240.14a-12

**Marriott International, 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):

Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

x No fee required.

.. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:
2. Aggregate number of securities to which transaction applies:
3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
4. Proposed maximum aggregate value of transaction:
5. Total fee paid:

.. Fee paid previously with preliminary materials:

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1. Amount previously paid:
2. Form, Schedule or Registration Statement No.:
3. Filing Party:
4. Date Filed:

**Table of Contents**

Corporate Headquarters and Mailing Address:

10400 Fernwood Road

Bethesda, Maryland 20817

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD FRIDAY, MAY 6, 2016**

---

*To our Stockholders:*

April 6, 2016

The 2016 annual meeting of stockholders of Marriott International, Inc. (the *Company*) will be held at the JW Marriott Hotel, 1331 Pennsylvania Avenue, N.W., Washington, D.C. 20004 on Friday, May 6, 2016, beginning at 10:30 a.m. Doors to the meeting will open at 9:30 a.m. At the meeting, stockholders will act on the following matters:

1. Election of each of the 11 director nominees named in the proxy statement;
2. Ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal 2016;
3. An advisory resolution to approve executive compensation;
4. A stockholder resolution recommending implementation of a simple majority voting standard in our governance documents, if properly presented at the meeting; and
5. Any other matters that may properly be presented at the meeting.

Stockholders of record at the close of business on March 14, 2016, are entitled to notice of and to vote at this meeting.

Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

For the convenience of our stockholders, proxies may be given either by telephone, electronically through the Internet, or by completing, signing, and returning the enclosed proxy card. In addition, stockholders may elect to receive future stockholder communications, including proxy materials, through the Internet. Instructions for each of these options can be found in the enclosed materials.

By order of the Board of Directors,

Bancroft S. Gordon  
Secretary

**PLEASE REFER TO THE LAST PAGE OF THIS PROXY STATEMENT FOR DIRECTIONS TO THE MEETING AND INFORMATION ON PARKING, PUBLIC TRANSPORTATION AND LODGING.**

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<b><u>Questions and Answers About the Meeting</u></b>	1
<b><u>Proposals to be Voted On</u></b>	7
<u>Item 1 Election of Directors</u>	7
<u>Item 2 Ratification of Appointment of Independent Registered Public Accounting Firm</u>	7
<u>Item 3 Advisory Resolution to Approve Executive Compensation</u>	8
<u>Item 4 A Stockholder Resolution Recommending Implementation of a Simple Majority Voting Standard in our Governance Documents</u>	8
<b><u>Corporate Governance</u></b>	12
<u>Board Leadership Structure</u>	12
<u>Selection of Director Nominees</u>	12
<u>Nominees to our Board of Directors</u>	13
<u>Board Meetings and Attendance</u>	18
<u>Governance Principles</u>	18
<u>Director Independence</u>	18
<u>Committees of the Board</u>	20
<u>Compensation Committee Interlocks and Insider Participation</u>	23
<u>Meetings of Independent Directors</u>	23
<u>Risk Oversight</u>	23
<u>Stockholder Communications with the Board</u>	24
<u>Code of Ethics and Business Conduct Guide</u>	24
<b><u>Audit Committee Report and Independent Auditor Fees</u></b>	25
<u>Report of the Audit Committee</u>	25
<u>Pre-Approval of Independent Auditor Fees and Services Policy</u>	25
<u>Independent Registered Public Accounting Firm Fee Disclosure</u>	26
<b><u>Executive and Director Compensation</u></b>	27
<u>Report of the Compensation Policy Committee</u>	27
<u>Compensation Discussion and Analysis</u>	27
<u>Executive Compensation Tables and Discussion</u>	45
<u>Director Compensation</u>	54
<u>Securities Authorized for Issuance under Equity Compensation Plans</u>	56
<b><u>Stock Ownership</u></b>	57
<u>Stock Ownership of our Directors, Executive Officers and Certain Beneficial Owners</u>	57
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	59
<b><u>Transactions With Related Persons</u></b>	60
<u>Policy on Transactions and Arrangements with Related Persons</u>	61
<b><u>Householding</u></b>	63
<b><u>Other Matters</u></b>	63

**Table of Contents**

**MARRIOTT INTERNATIONAL, INC.**

**10400 FERNWOOD ROAD, BETHESDA, MARYLAND 20817**

---

**PROXY STATEMENT**

---

Our Board of Directors (the *Board*) solicits your proxy for the 2016 annual meeting of stockholders of Marriott International, Inc. ( *we*, *us*, *Marriott* or the *Company* ) to be held on Friday, May 6, 2016, beginning at 10:30 a.m., at the JW Marriott Hotel, 1331 Pennsylvania Avenue, N.W., Washington, D.C. 20004, and at any postponements or adjournments of the meeting. This proxy statement is first being released to stockholders by the Company on or about April 6, 2016.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS**

**FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 6, 2016:**

**THE PROXY STATEMENT AND ANNUAL REPORT TO STOCKHOLDERS ARE**

**AVAILABLE AT [www.envisionreports.com/MAR](http://www.envisionreports.com/MAR).**

**QUESTIONS AND ANSWERS ABOUT THE MEETING**

*What is the purpose of the annual meeting?*

At our annual meeting, stockholders will act upon the matters described in the accompanying notice of meeting. These actions include the election of the 11 director nominees listed below, ratification of the appointment of the independent registered public accounting firm (sometimes referred to as the *independent auditor* ), an advisory resolution to approve executive compensation, a stockholder resolution recommending implementation of a simple majority voting standard in our governance documents (if properly presented at the meeting), and any other matters that may be properly presented at the meeting. In addition, our management will report on the Company's performance during fiscal year 2015 and respond to questions from stockholders.

***Who is entitled to vote?***

Only stockholders of record at the close of business on the record date, March 14, 2016, are entitled to receive notice of and to vote at the meeting, or any postponement or adjournment of the meeting. Each outstanding share of the Company's Class A common stock entitles its holder to cast ten votes on each matter to be voted upon.

***Who can attend the meeting?***

All stockholders of record at the close of business on the record date, or their duly appointed proxies, may attend the meeting. Cameras, recording devices and other electronic devices may not be used at the meeting.

## **Table of Contents**

You will find directions to the meeting, and information on parking, public transportation and lodging, on the last page of this proxy statement.

### ***What constitutes a quorum?***

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of Class A common stock of the Company outstanding on the record date and entitled to vote will constitute a quorum. A quorum is required for business to be conducted at the meeting. As of the March 14, 2016 record date, 254,125,449 shares of our Class A common stock were outstanding and entitled to vote. If you submit a properly executed proxy card, even if you abstain from voting, you will be considered part of the quorum. Similarly, broker non-votes (described below) will be counted in determining whether there is a quorum.

### ***How do I vote?***

You may vote either by casting your vote in person at the meeting, or by marking, signing, and dating each proxy card you receive and returning it in the prepaid envelope, by telephone, or electronically through the Internet by following the instructions included on your proxy card. Internet and telephone voting is available through 11:59 p.m. Eastern Time on Thursday, May 5, 2016. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number. The procedures, which are designed to comply with Delaware law, allow stockholders to appoint a proxy to vote their shares and to confirm that their instructions have been properly recorded.

If you hold your shares in street name through a broker or other nominee, you may be able to vote by telephone or electronically through the Internet in accordance with the voting instructions provided by that institution. You must obtain a legal proxy from the broker or other nominee that holds your shares if you wish to vote in person at the annual meeting. If you do not provide voting instructions to your broker in advance of the annual meeting, your broker will have discretionary authority to vote on routine matters. The ratification of the appointment of the independent registered public accounting firm in Item 2 is the only item on the agenda for the annual meeting that is considered routine.

### ***What does the Board recommend?***

The Board's recommendations are set forth after the description of each item in this proxy statement. In summary, the Board recommends a vote:

FOR election of the 11 director nominees (see Item 1 on page 7);

FOR ratification of the appointment of the independent auditor (see Item 2 on page 7);

FOR the advisory resolution to approve executive compensation (see Item 3 on page 8); and

AGAINST the stockholder resolution recommending implementation of a simple majority voting standard in our governance documents (see Item 4 on page 8).



*How will my shares be voted?*

Your shares will be voted as you indicate on the proxy card. Except as indicated below with respect to shares held in the 401(k) Plan, if you return your signed proxy card but do not mark the

## **Table of Contents**

boxes indicating how you wish to vote, your shares will be voted FOR the election of the 11 director nominees listed below; FOR the ratification of the appointment of Ernst & Young LLP as the Company's independent auditor for 2016, FOR the advisory resolution to approve executive compensation, and AGAINST the stockholder resolution recommending implementation of a simple majority voting standard in our governance documents.

### ***Can I change my vote or revoke my proxy after I return my proxy card, or after I vote by telephone or electronically?***

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised at the meeting. Regardless of the way in which you submitted your original proxy, you may change it by:

- (1) Returning a later-dated signed proxy card;
- (2) Delivering a written notice of revocation to Computershare Investor Services, P.O. Box 43006, Providence, RI 02940-3078;
- (3) Voting by telephone or the Internet until 11:59 p.m. Eastern Time on Thursday, May 5, 2016; or
- (4) Voting in person at the meeting.

If your shares are held through a broker or other nominee, you will need to contact that institution if you wish to change your voting instructions.

### ***How do I vote my 401(k) shares?***

If you participate in the Company's Employees' Profit Sharing, Retirement and Savings Plan and Trust (the "401(k) Plan"), you may give voting instructions as to the number of share equivalents allocated to your account as of the record date. You may provide voting instructions to the trustee under the 401(k) Plan by completing and returning the proxy card accompanying this proxy statement. The trustee will vote your shares in accordance with your duly executed instructions if they are received by 11:59 p.m. Eastern Time, Tuesday, May 3, 2016. If you do not send instructions by this deadline or if you do not vote by proxy, or return your proxy card with an unclear voting designation or no voting designation at all, the trustee will vote the number of shares equal to the share equivalents credited to your account in the same proportion that it votes shares for which it did receive timely instructions.

### ***What vote is required to approve each item?***

In the election of directors, each nominee must receive more FOR votes than AGAINST votes in order to be elected as a director. Instructions to ABSTAIN and broker non-votes will have no effect on the election of directors. ***Your broker or nominee will not be permitted to vote on the election of directors without instructions from the beneficial owner. As a result, if you hold your shares through a broker or nominee, they will not be voted in the election of directors unless you affirmatively vote your shares in accordance with the voting instructions provided by that institution.***

For ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm, the affirmative vote of the holders of a majority of the shares of Class A common stock present in person or represented by proxy and entitled to vote on the item will

## **Table of Contents**

be required for approval. Instructions to **ABSTAIN** with respect to this item will be counted for purposes of determining the number of shares represented and entitled to vote. Accordingly, an abstention will have the effect of a vote **AGAINST** this item. Broker non-votes will not have any effect on the outcome of votes for this item.

For approval of (i) the advisory resolution to approve executive compensation and (ii) the stockholder resolution recommending implementation of a simple majority voting standard in our governance documents, the affirmative vote of the holders of a majority of the shares of Class A common stock present in person or represented by proxy and entitled to vote on the items will be required for approval. ***Your broker or nominee will not be permitted to vote on these items without instructions from the beneficial owner. As a result, if you hold your shares through a broker or nominee, they will not be voted to approve on an advisory basis the Company's executive compensation, or to approve the stockholder resolution recommending implementation of a simple majority voting standard in our governance documents, unless you affirmatively vote your shares in accordance with the voting instructions provided by that institution.*** Instructions to **ABSTAIN** with respect to these two items will be counted for purposes of determining the number of shares represented and entitled to vote. Accordingly, an abstention will have the effect of a vote **AGAINST** these items. Broker non-votes will not have any effect on the outcome of votes for these items.

### ***Who will count the vote?***

Representatives of Computershare Investor Services, our independent stock transfer agent, will count the votes and act as the inspector of election.

### ***What shares are included on my proxy card(s)?***

The shares on your proxy card(s) represent ALL of your shares of Class A common stock that the Company's stock transfer records indicate that you hold, including (i) any shares you may hold through the Computershare Investor Services Program for Marriott International, Inc. Stockholders administered by Computershare Investor Services; and (ii) if you are a current or former Marriott employee, any shares that may be held for your account by The Northern Trust Company as custodian for the 401(k) Plan. Shares that you hold in street name through a broker or other nominee are not included on the proxy card(s) furnished by the Company, but the institution will provide you with a voting instruction form.

### ***What does it mean if I receive more than one proxy card?***

If your shares are registered under different names or are held in more than one account, you may receive more than one proxy card. In order to vote all your shares, please sign and return all proxy cards, or if you choose, vote by telephone or through the Internet using the personal identification number printed on each proxy card. We encourage you to have all accounts registered in the same name and address (whenever possible). You can accomplish this by contacting our transfer agent, Computershare Investor Services, at (800) 311-4816.

### ***How will voting on any other business be conducted?***

## Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

Although we currently do not know of any business to be considered at the 2016 annual meeting other than the proposals described in this proxy statement, if any other business is properly presented at the annual meeting, your proxy gives authority to J.W. Marriott, Jr. and/or Arne M. Sorenson (with full power of substitution) to vote on such matters at their discretion.

## **Table of Contents**

### ***When are stockholder proposals for the 2017 annual meeting of stockholders due?***

To be considered for inclusion in our proxy statement for the 2017 annual meeting of stockholders, stockholder proposals must be received at our offices no later than the close of business December 7, 2016. Proposals must comply with Rule 14a-8 under the Securities Exchange Act of 1934, and must be submitted in writing to the Corporate Secretary, Marriott International, Inc., Department 52/862, 10400 Fernwood Road, Bethesda, Maryland 20817.

In addition, our bylaws require that, if a stockholder desires to introduce a stockholder proposal, other than a nomination for the election of directors, from the floor of the 2017 annual meeting of stockholders, notice of such proposal must be delivered in writing to the Company's Secretary at the above address no earlier than January 6, 2017 and no later than February 5, 2017. However, if the 2017 annual meeting of stockholders is more than thirty days before or more than seventy days after the anniversary date of this year's annual meeting, the stockholder's notice must be delivered no earlier than the close of business on the 120th day prior to such annual meeting and no later than the close of business on the later of the 90th day prior to such meeting or the 10th day following the date on which public announcement of the meeting date is first made. If a stockholder desires to nominate a director from the floor of the 2017 annual meeting of stockholders, our bylaws require that notice of such nomination be delivered in writing to the Company's Secretary at the above address no later than February 5, 2017. However, in the event that the 2017 annual meeting of stockholders is more than thirty days before or more than sixty days after the anniversary date of this year's annual meeting, the stockholder's notice must be so delivered no later than the close of business on the seventh day following the date on which notice of such meeting is first given to stockholders. The notice of such written proposal or nomination must comply with our bylaws. The Chairman of the meeting may refuse to acknowledge or introduce any stockholder proposal or nomination if notice thereof is not received within the applicable deadlines or does not comply with our bylaws. If a stockholder fails to meet these deadlines or satisfy the requirements of Rule 14a-4 under the Securities Exchange Act of 1934, the proxies we solicit allow us to vote on such proposals as we deem appropriate. You can find a copy of our bylaws in the Investor Relations section of the Company's website ([www.marriott.com/investor](http://www.marriott.com/investor)) by clicking on Governance and then Documents & Charters, or you may obtain a copy by submitting a request to the Corporate Secretary, Marriott International, Inc., Department 52/862, 10400 Fernwood Road, Bethesda, Maryland 20817.

### ***Will there be a sign language interpreter at the meeting?***

If you would like to have a sign language interpreter at the annual meeting, please send your request in writing to the Corporate Secretary, Marriott International, Inc., Department 52/862, 10400 Fernwood Road, Bethesda, Maryland 20817. We must receive your request no later than April 28, 2016.

### ***How much did this proxy solicitation cost and who paid that cost?***

The Company paid for this proxy solicitation. We hired MacKenzie Partners, Inc. to assist in the distribution of proxy materials and solicitation of votes for an estimated fee of \$8,500, plus reimbursement of certain out-of-pocket expenses. We also reimburse brokerage houses and other custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to stockholders. Proxies will be solicited by mail, telephone, or other means of communication. Our directors, officers and regular employees who are not specifically employed for proxy solicitation purposes and who will not receive any additional compensation for such activities may also solicit proxies.

**Table of Contents**

*Can I receive future stockholder communications electronically through the Internet?*

Yes. You may elect to receive future notices of meetings, proxy materials, and annual reports electronically through the Internet. If you have previously consented to electronic delivery, your consent will remain in effect until withdrawn. To consent to electronic delivery:

If your shares are registered in your own name, and not in street name through a broker or other nominee, simply log in to the Internet site maintained by our transfer agent, Computershare Investor Services, at [www.computershare.com/investor](http://www.computershare.com/investor) and the step-by-step instructions will prompt you through enrollment.

If your shares are registered in street name through a broker or other nominee, you must first vote your shares using the Internet, at [www.proxyvote.com](http://www.proxyvote.com), and immediately after voting, fill out the consent form that appears on-screen at the end of the Internet voting procedure.

You may withdraw this consent at any time and resume receiving stockholder communications in print form.

**Table of Contents**

**PROPOSALS TO BE VOTED ON**

**ITEM 1 Election of Directors**

All of our directors are standing for election at the 2016 annual meeting, and each director elected will hold office for a term expiring at the 2017 annual meeting of stockholders or until his or her successor is elected or appointed and qualified.

The following 11 current directors of the Company have been nominated for re-election as a director:

J.W. Marriott, Jr.  
Mary K. Bush  
Deborah M. Harrison  
Frederick A. Henderson

Lawrence W. Kellner  
Debra L. Lee  
George Muñoz  
W. Mitt Romney

Steven S Reinemund  
Arne M. Sorenson  
Susan C. Schwab

You can find information on the director nominees beginning on page 13.

We do not know of any reason why any of the nominees would be unable to serve. However, if any of the nominees should become unable to serve as a director, the Board may designate a substitute nominee or reduce the size of the Board. If the Board designates a substitute nominee, the persons named as proxies will vote FOR that substitute nominee.

The Company's bylaws prescribe the voting standard for election of directors as a majority of the votes cast in an uncontested election, such as this one, where the number of nominees does not exceed the number of directors to be elected. Under this standard, a nominee must receive more FOR votes than AGAINST votes in order to be elected as a director. In a contested election, where the number of nominees exceeds the number of directors to be elected (which is not the case at the 2016 annual meeting), the directors will be elected by a plurality of the shares present in person or by proxy and entitled to vote on the election of directors. Under the Company's Governance Principles, if a nominee who already serves as a director is not elected, that nominee shall tender his or her resignation to the Board. The Nominating and Corporate Governance Committee will then recommend to the Board whether to accept or reject the resignation, or whether other action should be taken. Within 90 days of the certification of election results, the Board will determine whether to accept or reject the resignation and will publicly disclose its decision promptly thereafter.

**The Board recommends a vote FOR each of the 11 director nominees.**

**ITEM 2 Ratification of Appointment of Independent Registered Public Accounting Firm**

The Audit Committee of the Board has appointed Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2016. Ernst & Young LLP, a registered public accounting firm, has served as the Company's independent registered public accounting firm



## Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

since May 3, 2002. Ernst & Young LLP will examine and report to stockholders on the consolidated financial statements and the effectiveness of internal control over financial reporting of the Company and its subsidiaries.

We expect that representatives of Ernst & Young LLP will be present at the annual meeting, have an opportunity to make a statement if they so desire, and be available to respond to appropriate questions. You can find information on pre-approval of independent auditor fees and Ernst & Young LLP's fiscal years 2015 and 2014 fees beginning on page 25. Although the Audit Committee has

## **Table of Contents**

discretionary authority to appoint the independent auditors, the Board is seeking stockholder ratification of the appointment of the independent auditors as a matter of good corporate governance. If the stockholders do not ratify the appointment of Ernst & Young LLP, the Audit Committee will take that into consideration when determining whether to continue the firm's engagement.

**The Board recommends a vote FOR ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2016.**

### **ITEM 3 Advisory Resolution to Approve Executive Compensation**

We are asking stockholders to approve a non-binding advisory resolution on the compensation of our Named Executive Officers (NEOs), as disclosed in this proxy statement. Although the resolution, commonly referred to as a "say-on-pay" resolution, is non-binding, our Board of Directors and Compensation Policy Committee value your opinions and will consider the outcome of the vote when making future compensation decisions. After consideration of the vote of stockholders at the 2011 annual meeting of stockholders and consistent with the Board's recommendation, the Board's current policy is to hold an advisory vote on executive compensation on an annual basis, and accordingly, after the 2016 annual meeting, the next advisory vote on the compensation of our NEOs is expected to occur at our 2017 annual meeting of stockholders.

We urge you to read the Compensation Discussion and Analysis (CD&A) beginning on page 27 of this proxy statement, which describes in detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative, appearing on pages 45 through 53, which provide detailed information on the compensation of our NEOs.

The Board believes that our current executive compensation program achieves an appropriate balance of long- and short-term performance incentives, reinforces the link between executive pay and the Company's long-term performance and stock value, and thereby aligns the interests of our NEOs with those of stockholders.

In accordance with Section 14A of the Exchange Act, and as a matter of good corporate governance, we are asking stockholders to approve the following advisory resolution at the 2016 annual meeting:

RESOLVED, that the stockholders of Marriott International, Inc. (the Company) approve, on an advisory basis, the compensation of the Company's named executive officers disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables, notes and narrative in the Proxy Statement for the Company's 2016 Annual Meeting of Stockholders.

**The Board recommends that you vote FOR approval of the advisory resolution on executive compensation.**

### **ITEM 4 Stockholder Resolution Recommending Implementation of a Simple Majority Voting Standard in our Governance Documents**

## Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

Myra K. Young (the proponent ), 9295 Yorkship Court, Elk Grove, CA 95758 (owner of 75 shares of our Class A common stock), has advised the Company that she plans to present the following

## **Table of Contents**

proposal at the annual meeting. We have included the proponent's proposal in this proxy statement pursuant to SEC rules, and the Board's response to it follows. The proponent's proposal contains assertions about the Company or other statements that we believe are incorrect. We have not attempted to refute all inaccuracies.

## **The Proponent's Proposal**

### **Proposal 4 Simple Majority Vote**

**RESOLVED**, Shareholders request that our board take the steps necessary so that each voting requirement in our charter and bylaws that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.

Shareowners are willing to pay a premium for shares of companies that have excellent corporate governance. Supermajority voting requirements, the target of this proposal, have been found to be one of 6 entrenching mechanisms that are negatively related to company performance according to *What Matters in Corporate Governance* by Lucien Bebchuk, Alma Cohen and Allen Ferrell of the Harvard Law School. Supermajority requirements are used to block initiatives supported by most shareowners but opposed by a status quo management.

This proposal topic won from 74% to 88% support at Weyerhaeuser, Alcoa, Waste Management, Goldman Sachs, FirstEnergy, McGraw-Hill and Macy's. The proponents of these proposals included Ray T. Chevedden and William Steiner.

Currently a 1%-minority can frustrate the will of our 90%-shareholder majority. Our company has certain 67% voting thresholds to transition to improved corporate governance. On top of this formidable 67% barrier, the status quo Marriott family owns 24% of our stock. Thus certain changes might require an impossible 91% vote from independent shareholders in order to pass.

We gave 47% support to this proposal topic in 2014. This 47% vote represented the substantial majority of independent Marriott shareholders. The Marriott family controlled 24% of the shares eligible to vote in 2014 and significantly more than 24% of the shares that were actually voted at the 2014 annual meeting. Yet the 2014 version of this proposal still received 47% of the total votes cast for and against this topic – an impressive showing.

Please vote to enhance shareholder value:

### **Simple Majority Vote Proposal 4**

## **Board Response**

**The Board will oppose this proposal if it is properly presented at the 2016 annual meeting and recommends a vote AGAINST this proposal for the following reasons:**

The Board recommends that stockholders vote against this stockholder proposal for a number of reasons, as discussed below. After careful consideration, the Board has determined that adopting this proposal would not serve to enhance stockholder value and, therefore, it is not in the best interests of the Company or its stockholders. The Board also notes that, at both the 2014 and 2015 annual

## Table of Contents

meetings, stockholders considered and rejected virtually identical stockholder proposals. The proponent notes that the proposal received 47 percent support in 2014 but failed to note that it received only 41.7 percent support at the 2015 annual meeting. The Board believes that the downward trend in support for the proposal reflects a growing sentiment among stockholders that the proposal is not appropriate for the Company.

### *Voting Thresholds.*

A majority of votes cast is already the voting standard for electing the Company's directors in uncontested director elections under the Company's existing Restated Certificate of Incorporation (the "Certificate") and Amended and Restated Bylaws (collectively with the Certificate, the "Governance Documents"). The approval of 66 2/3% of outstanding shares is required under the Governance Documents only for certain fundamental changes to the Company's corporate governance, including the removal of directors, certain amendments to the Governance Documents, certain transactions with Interested Stockholders (described below) and the approval of certain fundamental corporate changes such as a merger, consolidation, or sale of substantially all of the assets of the Company.

### *Benefit to Stockholders of Supermajority Provisions.*

Delaware law permits companies to adopt supermajority voting requirements, and a number of publicly-traded companies have adopted these provisions to preserve and maximize long-term value for all stockholders. Supermajority voting requirements on fundamental corporate matters help to protect stockholders against self-interested and potentially abusive transactions proposed by certain stockholders who may seek to advance their interests over the interests of the majority of the Company's stockholders. For example, if the stockholder proposal were implemented, certain transactions between the Company and Interested Stockholders (which include stockholders who beneficially own, and affiliates of the Company that at any time in the two years preceding such a transaction have beneficially owned, at least 25% of the voting power of the Company's stock) could be approved by only a majority of votes cast. The Board believes that the current supermajority voting standard is preferable because it would encourage Interested Stockholders to negotiate transaction terms that take into account the interests of all of the Company's stockholders and that do not sacrifice the long-term success of the Company for short-term benefits.

### *Marriott has an Excellent Corporate Governance Structure.*

The Company's Board is firmly committed to good corporate governance and has adopted a wide range of practices and procedures that promote effective Board oversight, and the Company has earned a reputation as being a leader in this area. The Board believes that the corporate governance concerns raised by the proponent are misplaced. Some of the Company's progressive governance policies and practices include the following:

directors are elected annually by a majority of votes cast in uncontested elections

the Nominating and Corporate Governance Committee evaluates each director each year and makes a recommendation to the Board on the nomination of each for election

the Board has appointed an independent Lead Director who also chairs our Nominating and Corporate Governance Committee and presides over regular executive sessions and other meetings of the independent directors on the Board

in December 2011, the Board separated the positions of Chairman and Chief Executive Officer

**Table of Contents**

the Board established a mandatory retirement age of 72 for all directors except for Mr. Marriott, Jr.

the Company did not renew a stockholder rights plan (also known as a poison pill) when it expired in 2008.

In addition, the Company's commitment to corporate governance has been recognized by independent third parties, including by *Corporate Secretary Magazine*, which named the Company a finalist in the category of "Best Overall Governance, Compliance and Ethics (large cap)" in 2012, and by the Ethisphere Institute, which named Marriott among the "World's Most Ethical Companies" in 2015, for the eighth year.

Consistent with its current practice, the Board will continue to evaluate the future implementation of appropriate corporate governance measures. However, for the reasons discussed above, the Board does not believe it is in the best interests of stockholders or the Company to implement the stockholder proposal's request for the lowest possible voting thresholds on all matters on which stockholders vote.

**For these reasons, the Board opposes this proposal and recommends a vote AGAINST the proposal.**



## **Table of Contents**

### **CORPORATE GOVERNANCE**

#### **Board Leadership Structure**

While the Board has not mandated a particular leadership structure, historically, the positions of Chairman of the Board and Chief Executive Officer ( CEO ) were held by the same person. In December 2011, as a result of J.W. Marriott, Jr. 's discussions with the Board about relinquishing the role of CEO and as part of its ongoing review of the Board leadership structure and succession planning process, the Board determined that, effective March 31, 2012, the two positions should be held by separate individuals. The Board elected J.W. Marriott, Jr., who had served as the Chairman and CEO of the Company and its predecessors since 1985, to the position of Executive Chairman and Chairman of the Board and Arne M. Sorenson, the former President and Chief Operating Officer, to the position of President and CEO. In his current role, Mr. Marriott continues to provide leadership to the Board by, among other things, working with the CEO, the independent Lead Director (discussed below), and the Corporate Secretary to set Board calendars, determine agendas for Board meetings, ensure proper flow of information to Board members, facilitate effective operation of the Board and its Committees, help promote Board succession planning and the orientation of new directors, address issues of director performance, assist in consideration and Board adoption of the Company 's long-term and annual operating plans, and help promote senior management succession planning.

In 2013, the Board created the position of Lead Director, who is the independent Chairman of our Nominating and Corporate Governance Committee, currently Mr. Kellner. The Lead Director 's responsibilities include chairing the meetings of the independent directors, coordinating the activities of the independent directors, having the authority to convene meetings of the independent directors, and serving as a liaison between the Chairman of the Board and the independent directors. The Lead Director also is a standing member of the Company 's Executive Committee. The Lead Director also reviews Board meeting agendas, coordinates the evaluation of Board and Committee performance, coordinates the assessment and evaluation of Board candidates, makes recommendations for changes to the Company 's governance practices, and is available for consultation and direct communication with major stockholders. We believe that the role played by the Lead Director provides strong, independent Board leadership.

Eight of our 11 director nominees are independent, and the Audit, Compensation Policy and Nominating and Corporate Governance committees are composed solely of independent directors. Consequently, the independent directors directly oversee such critical items as the Company 's financial statements, executive compensation, the selection and evaluation of directors and the development and implementation of our corporate governance programs.

The Board will continue to review our Board leadership structure as part of the succession planning process that is described in our Governance Principles. We believe that our leadership structure, in which the roles of Chairman and CEO are separate, together with an experienced and engaged Lead Director and independent key committees, is and will continue to be effective and is the optimal structure for our Company and our stockholders at this time.

#### **Selection of Director Nominees**

The Nominating and Corporate Governance Committee will consider candidates for Board membership suggested by its members, other Board members, management, and stockholders. As a stockholder, you may recommend any person for consideration as a nominee for director by writing to the Nominating and Corporate Governance Committee of the Board of Directors, c/o Marriott



## Table of Contents

International, Inc., Department 52/862, 10400 Fernwood Road, Bethesda, Maryland 20817. Recommendations must include the name and address of the stockholder making the recommendation, a representation that the stockholder is a holder of record of Class A common stock, biographical information about the individual recommended and any other information the stockholder believes would be helpful to the Nominating and Corporate Governance Committee in evaluating the individual recommended.

Once the Nominating and Corporate Governance Committee has identified a candidate, the Committee evaluates the candidate against the qualifications set out in the Company's Governance Principles, including:

character, judgment, personal and professional ethics, integrity, values, and familiarity with national and international issues affecting business;

depth of experience, skills, and knowledge complementary to the Board and the Company's business; and

willingness to devote sufficient time to carry out the duties and responsibilities effectively.

In addition, while the Committee does not maintain a formal diversity policy, it may consider diversity in identifying candidates for the Board as one of several criteria that it uses as part of that process. The Committee assesses the effectiveness of its Board membership criteria in evaluating the composition of the Board. The Committee makes a recommendation to the full Board as to any persons it believes should be nominated by the Board, and the Board determines the nominees after considering the recommendation and report of the Committee. The procedures for considering candidates recommended by a stockholder for Board membership are consistent with the procedures for candidates recommended by members of the Nominating and Corporate Governance Committee, other members of the Board or management.

## **Nominees to Our Board of Directors**

Each of the following director nominees presently serves on our Board and has a term of office expiring at the 2016 annual meeting or until his or her successor is elected and qualified. The age shown below for each director nominee is as of May 6, 2016, which is the date of the annual meeting. Each director nominee has been nominated to serve until the 2017 annual meeting of stockholders and until his or her successor is elected and qualified, or until his or her earlier death, resignation or removal. Set forth below is each director nominee's biography as well as the qualifications and experiences each director nominee brings to our Board, in addition to the general qualifications discussed above.

**J.W. Marriott, Jr. (Executive Chairman of the Board), age: 84.** Mr. Marriott was elected Executive Chairman effective March 31, 2012, having relinquished his position as Chief Executive Officer. He served as Chief Executive Officer of the Company and its predecessors since 1972. He continues to serve as Chairman of the Board, a position he has held since 1985. He joined Marriott Corporation in 1956, became President in 1964, Chief Executive Officer in 1972 and Chairman of the Board in 1985. He serves on the board of trustees of The J. Willard & Alice S. Marriott Foundation and is a member of the Executive Committee of the World Travel & Tourism Council. He is the father of Deborah M. Harrison, a member of the Company's Board of Directors. Mr. Marriott has been a director of the Company and its predecessors since 1964.

## **Table of Contents**

As a result of his service as CEO of the Company for over 40 years, Mr. Marriott brings to the Board extensive leadership experience with, and knowledge of, the Company's business and strategy as well as a historical perspective on the Company's growth and operations. Mr. Marriott's iconic status in the hospitality industry provides a unique advantage to the Company.

**Mary K. Bush, age: 68.** The Honorable Mary K. Bush has served as President of Bush International, LLC, an advisor to U.S. corporations and foreign governments on international capital markets, strategic business and economic matters, since 1991. She has held several Presidential appointments including the U.S. Government's representative on the IMF Board and Director of Sallie Mae. She also was head of the Federal Home Loan Bank System during the aftermath of the Savings and Loan crisis and was advisor to the Deputy Secretary of the U.S. Treasury Department. Earlier in her career, she managed global banking and corporate finance relationships at New York money center banks including Citibank, Banker's Trust, and Chase. In 2006, President Bush appointed her Chairman of the Congressionally chartered HELP Commission on reforming foreign aid. In 2007, she was appointed by the Secretary of the Treasury to the U.S. Treasury Advisory Committee on the Auditing Profession. She is a member of the board of directors of Discover Financial Services, ManTech International Corporation, and T. Rowe Price Group, Inc. Ms. Bush also was a director of Briggs & Stratton, Inc. from 2004 to April 2009, of United Airlines from 2006 to 2010 and of the Pioneer Family of Mutual Funds from 1997 to 2012. She also serves on the Kennedy Center's Community Advisory Board and on the U.S. Advisory Board of the Global Leadership Foundation. Ms. Bush has been a director of the Company since May 2008.

Ms. Bush brings to the Board extensive financial, international and governmental affairs experience, her knowledge of corporate governance and financial oversight gained from her membership on the boards of other public companies, knowledge of public policy matters and her significant experience providing strategic advisory services in the political and international arenas.

**Deborah Marriott Harrison, age: 59.** Ms. Harrison has been the company's Global Officer, Marriott Culture and Business Councils since October 2013. She formerly served as Senior Vice President of Government Affairs for the company from June 2007 through October 2013 and as Vice President of Government Affairs from May 2006 to June 2007. Ms. Harrison is an honors graduate of Brigham Young University and has held several positions within the company since 1975, including accounting positions at Marriott Headquarters and operations positions at Key Bridge and Dallas Marriott hotels. She has been actively involved in serving the community through participation on various committees and boards including, but not limited to, the Mayo Clinic Leadership Council for the District of Columbia and the boards of the Bullis School, the D.C. College Access Program, and the J. Willard and Alice S. Marriott Foundation. She has also served on the boards of several mental health organizations, including The National Institute of Mental Health Advisory Board, Depression and Related Affective Disorders Association, and the Center for the Advancement of Children's Mental Health in association with Columbia University. Ms. Harrison also served as a member of the board of directors of Marriott Vacations Worldwide Corporation from November 2011 to September 2013. Ms. Harrison has been a director of the Company since June 2014.

## Table of Contents

As the daughter of the Executive Chairman and the granddaughter of Marriott International's founders, Ms. Harrison brings to our Board, our Finance Committee, and Committee for Excellence an extensive knowledge of the company, its history, its culture and its mission. Ms. Harrison's enthusiasm, judgment and deep experience with our company and our culture provides the board valuable insight and strategic focus.

**Frederick A. Fritz Henderson, age: 57.** Frederick A. Fritz Henderson has been Chairman and CEO of SunCoke Energy, Inc., the largest U.S. independent producer of metallurgical coke for the steel industry, since December 2010. Since July 2012, he has also been Chairman and CEO of SunCoke Energy Partners GP LLC, the general partner of SunCoke Energy Partners, L.P., a publicly traded master limited partnership. He previously served as a Senior Vice President of Sunoco, Inc., a petroleum refiner and chemicals manufacturer with interests in logistics, from September 2010 until the completion of SunCoke Energy, Inc.'s initial public offering and separation from Sunoco in July 2011. Prior to Sunoco/SunCoke, Mr. Henderson served as President and CEO of General Motors Corporation ( GM ) from March 2009 until December 2009. He held a number of other senior management positions during his more than 25 years with GM, including President and Chief Operating Officer from March 2008 until March 2009, Vice Chairman and Chief Financial Officer, Chairman of GM Europe, President of GM Asia Pacific and President of GM Latin America, Africa and Middle East, and served as a consultant for GM from February 2010 to September 2010 before joining Sunoco. Mr. Henderson also served as a consultant for AlixPartners LLC, a business consulting firm, from March 2010 until August 2010. He is a Trustee of the Alfred P. Sloan Foundation and previously served on the board of directors of Compuware Corporation from April 2011 to December 2014. He has been a director of the Company since May 2013.

Mr. Henderson's significant accounting skills, experience in leading the initial public offering of a subsidiary of a public company, and expertise in large organization management and emerging markets, make him a valuable member of the Board. During his tenure as President and CEO of GM, that company filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The Nominating and Corporate Governance Committee does not believe that this proceeding is material to the evaluation of Mr. Henderson's ability to serve as a director.

**Lawrence W. Kellner, age: 57.** Mr. Kellner has been President of Emerald Creek Group LLC, a private equity firm, since January 2010. He served as Chairman and Chief Executive Officer of Continental Airlines, Inc., an international airline company, from December 2004 through December 2009. He served as President and Chief Operating Officer of Continental Airlines from March 2003 to December 2004, as President from May 2001 to March 2003 and was a member of Continental Airlines' board of directors from May 2001 to December 2009. Mr. Kellner serves as non-executive Chairman of the Board of Directors of the Sabre Corporation and serves on the board of directors for The Boeing Company and Chubb Limited. He also served on the Board of Directors of the Chubb Corporation from 2011 to January 2016 (when the Chubb Corporation was acquired by ACE Limited and changed its name to Chubb Limited). He is active in numerous community and civic organizations. Mr. Kellner has been a director of the Company since 2002.

Mr. Kellner is our Lead Director and brings to the Board and our Nominating and Corporate Governance Committee, of which he is Chairman, experience as CEO of one of the largest airline

## Table of Contents

companies in the world with significant management, strategic and operational responsibilities in the travel and leisure industry. He also provides extensive knowledge in the fields of finance and accounting gained from his background as Chief Financial Officer at Continental and other companies.

**Debra L. Lee, age: 61.** Ms. Lee is Chairman and Chief Executive Officer of BET Networks, a media and entertainment subsidiary of Viacom, Inc. that owns and operates BET Networks and several other ventures. She joined BET in 1986 and served in a number of executive posts before ascending to her present position in January 2006, including President and Chief Executive Officer from June 2005, President and Chief Operating Officer from 1995 to May 2005, Executive Vice President and General Counsel, and Vice President and General Counsel. Prior to joining BET, Ms. Lee was an attorney with the Washington, D.C.-based law firm Steptoe & Johnson. She serves on the board of directors of WGL Holdings, Inc. She also was a director of Eastman Kodak Company from 1999 to May 2011, and Revlon, Inc. from 2006 to 2015. She also serves on the board of a number of professional and civic organizations including as Immediate Past Chair of the Advertising Council, as the President of the Alvin Ailey Dance Theater, and as a Trustee Emeritus at Brown University. Ms. Lee has been a director of the Company since 2004.

Ms. Lee provides our Board and our Committee for Excellence, which she chairs, with proven leadership and business experience as the CEO of a major media and entertainment company, extensive management and corporate governance experience gained from that role as well as from her membership on the boards of other public companies, her legal experience, and insights gained from her extensive involvement in civic, community and charitable activities.

**George Muñoz, age: 64.** Mr. Muñoz has been a principal in the Washington, D.C.-based investment banking firm Muñoz Investment Banking Group, LLC since 2001. He has also been a partner in the Chicago-based law firm Tobin, Petkus & Muñoz LLC (now Tobin & Muñoz) since 2002. He served as President and Chief Executive Officer of Overseas Private Investment Corporation from 1997 to January 2001. Mr. Muñoz was Chief Financial Officer and Assistant Secretary of the U.S. Treasury Department from 1993 until 1997. Mr. Muñoz is a certified public accountant and an attorney. He is a director of Altria Group, Inc. and Anixter International, Inc. He also serves on the board of trustees of the National Geographic Society. Mr. Muñoz has been a director of the Company since 2002.

Mr. Muñoz provides our Board with extensive knowledge in the fields of finance and accounting, his knowledge of investment banking, legal experience, corporate governance experience and audit oversight experience gained from his membership on the boards and audit committees of other public companies.

**Steven S Reinemund, age: 67.** Mr. Reinemund served as the Dean of Business at Wake Forest University from July 2008 until June 2014. In 2007, Mr. Reinemund retired from PepsiCo, Inc., a multinational food and beverage company, where he served as Chairman and Chief Executive Officer from 2001 until 2006 and Chairman until May 2007. He joined PepsiCo in 1984 and held the positions of President and Chief Executive Officer Pizza Hut, Chairman and Chief Executive Officer Frito-Lay and President and Chief Operating Officer PepsiCo. He was a director of PepsiCo from 1996 until May 2007. Mr. Reinemund is a director of



## **Table of Contents**

Chick-fil-A, Inc., ExxonMobil Corp., and Wal-Mart Stores, Inc. He was also a director of American Express Company from 2007 to April 2015. Mr. Reinemund is also a member of the board of directors of the Cooper Clinic Institute and serves on the Board of Trustees of Wake Forest University and the United States Naval Academy Foundation. Mr. Reinemund has been a director of the Company since 2007.

As a result of his background as Chairman and CEO of PepsiCo, a Fortune 500 company, Mr. Reinemund brings to the Board and our Compensation Policy Committee, of which he is Chairman, demonstrated leadership capability and extensive knowledge of complex financial and operational issues facing large branded companies, as well as extensive management and corporate governance experience gained from that role and from membership on the boards of other public companies.

**W. Mitt Romney, age: 69.** Governor Romney has been Executive Partner and Group Chairman of Solamere Capital LLC, a private investment firm, since March 2013. Prior to that he was the 2012 Republican nominee for the office of President of the United States. He also was a candidate for the 2008 Republican presidential nomination. Before that, he served as the Governor of the Commonwealth of Massachusetts from 2003 through 2007. Prior to his time as Governor, he was President and Chief Executive Officer of the 2002 Winter Olympic Games in Salt Lake City. Gov. Romney started his career in business in 1978 as a Vice President of Bain & Company, Inc., a management consulting firm based in Boston, Massachusetts. In 1984, he left Bain & Company, Inc. to co-found a spin-off private equity investment company, Bain Capital, where he worked until 1998. Gov. Romney served as a director of the Company or its predecessors from 1993 through 2002 and again from January 2009 through January 2011. He rejoined the Board in December 2012.

Gov. Romney brings to our Board and our Finance Committee, his unique blend of management experience in both the corporate and government sectors, knowledge of public policy matters as a result of his service as the Governor of the Commonwealth of Massachusetts and financial services experience from his positions with Bain & Company and Bain Capital.

**Arne M. Sorenson, age: 57.** Mr. Sorenson became President and Chief Executive Officer of the Company on March 31, 2012. Prior to that, he was President and Chief Operating Officer of the Company since May 2009. Mr. Sorenson joined Marriott in 1996 as Senior Vice President of Business Development and was appointed Executive Vice President and Chief Financial Officer in 1998, and assumed the additional title of President, Continental European Lodging, in January 2003. Prior to joining Marriott, he was a Partner in the law firm of Latham & Watkins in Washington, D.C. Mr. Sorenson serves as chairman of the board of directors of Brand USA, is a member of the board of regents of Luther College, and is Vice-Chair of the President of the United States Export Council. In April 2015, he was elected to the board of trustees of the Brookings Institute. He served on the Board of Directors of Wal-Mart Stores, Inc. from 2008 to June 2013. Mr. Sorenson was appointed to the Board of Directors in February 2011.

Mr. Sorenson brings to the Board extensive management experience with the Company, his prominent status in the hospitality industry and a wealth of knowledge in dealing with financial and accounting matters as a result of his prior service as the Company's Chief Financial Officer.



## **Table of Contents**

**Susan C. Schwab, age: 61.** Ambassador Schwab has been a Professor at the University of Maryland School of Public Policy since January 2009 and a strategic advisor to Mayer Brown, LLP (global law firm) since March 2010. She served as U.S. Trade Representative from June 2006 to January 2009 and as Deputy U.S. Trade Representative from October 2005 to June 2006. Prior to her service as Deputy U.S. Trade Representative, Ambassador Schwab served as President and Chief Executive Officer of the University System of Maryland Foundation from June 2004 to October 2005, as a consultant for the U.S. Department of Treasury from July 2003 to December 2003 and as Dean of the University of Maryland School of Public Policy from July 1995 to July 2003. Ambassador Schwab also serves on the boards of The Boeing Company, Caterpillar Inc. and FedEx Corporation. She joined the Board in May 2015.

Ambassador Schwab brings unique global and governmental perspectives to the Board's deliberations. Her extensive experience leading large international trade negotiations positions her well to advise her fellow directors and our senior management on a wide range of key global issues facing the Company. Ambassador Schwab's experience in the U.S. government also allows her to advise the Company on the many challenges and opportunities that relate to government relations. As a result of Ambassador Schwab's prior business experience and current service on other Fortune 100 corporate boards, she brings expertise to the Board on a wide range of strategic, operational, corporate governance and compensation matters.

**Sterling D. Colton**, a former director of the Company's predecessors, and **William J. Shaw**, a former director and Vice Chairman of the Company, both hold the title of director emeritus, but do not vote at or attend Board meetings and are not nominees for election.

## **Board Meetings and Attendance**

The Board met seven times in fiscal year 2015. The Company encourages all directors to attend the annual meeting of stockholders. Eleven directors attended the Company's 2015 annual meeting. During fiscal 2015, no director attended fewer than 75% of the total number of meetings of the Board and Committees on which such director served (held during the period that such director served).

## **Governance Principles**

The Board has adopted Governance Principles that provide a framework for our governance processes. The portion of our Governance Principles addressing director independence appears below, and the full text of the Governance Principles can be found in the Investor Relations section of the Company's website ([www.marriott.com/investor](http://www.marriott.com/investor)) by clicking on Governance and then Documents & Charters. You also may request a copy from the Company's Corporate Secretary. Our Governance Principles establish the limit on the number of board memberships for the Company's directors at three, including Marriott, for directors who are chief executive officers of public companies, and five for other directors.

## **Director Independence**

Our Governance Principles include the following standards for director independence:

5. **Independence of Directors**. At least two-thirds of the directors shall be independent, provided that having fewer independent directors due to the departure, addition or change in independent status of one or more directors is permissible temporarily, so long as the two-thirds

**Table of Contents**

requirement is again satisfied by the later of the next annual meeting of stockholders or nine months. To be considered independent, the board must determine that a director has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director of Marriott. The board has established the guidelines set forth below to assist it in determining director independence. For the purpose of this section 5, references to Marriott include any of Marriott's consolidated subsidiaries.

a. A director is not independent if (i) the director is, or has been within the preceding three years, employed by Marriott; (ii) the director or an immediate family member is a current partner or employee of Marriott's independent auditor, or was a partner or employee of Marriott's independent auditor and worked on the audit of Marriott at any time during the past three years; (iii) an immediate family member of the director is, or has been within the preceding three years, employed by Marriott as an executive officer; (iv) the director or an immediate family member is, or has been within the preceding three years, part of an interlocking directorate in which the director or an immediate family member is employed as an executive officer of another company where at any time during the last three years an executive officer of Marriott at the same time serves on the compensation committee of that other company; (v) the director has accepted, or an immediate family member has accepted, during any 12-month period within the preceding three years, more than \$120,000 in direct compensation from Marriott, other than compensation for board or board committee service, compensation paid to an immediate family member who is an employee (other than an executive officer) of Marriott, or benefits under a tax-qualified retirement plan, or non-discretionary compensation; (vi) the director or an immediate family member is an executive officer of a charitable organization to which Marriott made discretionary charitable contributions in the current or any of the last three fiscal years that exceed five percent of that organization's consolidated gross revenues for that year, or \$200,000, whichever is more; or (vii) the director or an immediate family member is a partner in, or a controlling stockholder or current executive officer of, any organization to which Marriott made, or from which Marriott received, payments for property or services in the current or any of the last three fiscal years that exceed five percent of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than payments arising solely from investments in Marriott securities or payments under non-discretionary charitable contribution matching programs.

b. The following commercial or charitable relationships are not relationships that would impair a Marriott director's independence: (i) service as an executive officer of another company which is indebted to Marriott, or to which Marriott is indebted, where the total amount of either company's indebtedness to the other is less than two percent of the total consolidated assets of the other company; and (ii) service by a Marriott director or his or her immediate family member as director or trustee of a charitable organization, where Marriott's discretionary charitable contributions to that organization are in an amount equal to or less than the greater of \$200,000 or five percent of that organization's consolidated gross annual revenues. The board annually reviews all commercial and charitable relationships of directors, and publishes whether directors previously identified as independent continue to satisfy the foregoing tests.

c. For relationships not covered by the guidelines in paragraph (b) above, the determination of whether the relationship would interfere with the exercise of independent judgment in carrying out the responsibilities of a director of Marriott, and therefore whether the director would be independent, shall be made by the directors who satisfy the independence guidelines set forth in paragraphs (a) and (b) above.

## **Table of Contents**

The Board undertook its annual review of director independence in February 2016. As provided in the Governance Principles, the purpose of these reviews is to determine whether any relationships or transactions are inconsistent with a determination that the director or nominee is independent. During these reviews, the Board recognized the current employment of J.W. Marriott, Jr., Deborah M. Harrison, and Arne M. Sorenson and the family relationships of J.W. Marriott, Jr. and Deborah M. Harrison with other Company executives. The Board considered that Ms. Bush, Mr. Henderson, Mr. Kellner, Ms. Lee, Mr. Muñoz, Mr. Reinemund, and Ms. Schwab each serve, or recently served, as directors or executive officers of companies that do business with Marriott and that, in each case, the payments to and from Marriott were significantly less than the thresholds in Marriott's Governance Principles. The Board further considered that Ms. Bush, Ms. Lee and Mr. Kellner are affiliated with charitable organizations that received contributions from the J. Willard and Alice S. Marriott Foundation and that the contribution amounts were significantly below the charitable contribution threshold set forth in Marriott's Governance Principles.

Based on the standards set forth in the Governance Principles and after reviewing the relationships described above, the Board affirmatively determined that Mary K. Bush, Frederick A. Henderson, Lawrence W. Kellner, Debra L. Lee, George Muñoz, Steven S Reinemund, W. Mitt Romney, and Susan C. Schwab are each independent of the Company and its management. In addition, the Board previously determined that Harry J. Pearce, who served on the Board until the 2015 annual meeting, was independent. J.W. Marriott, Jr., Deborah M. Harrison, and Arne M. Sorenson are considered not independent as a result of their employment with the Company and/or family relationships.

## **Committees of the Board**

The Board has six standing committees: Audit, Compensation Policy, Finance, Nominating and Corporate Governance, Committee for Excellence, and Executive. The Board has adopted a written charter for each committee, and those charters are available on the Investor Relations section of our website ([www.marriott.com/investor](http://www.marriott.com/investor)) by clicking on Governance and then Documents & Charters. You also may request copies of the committee charters from the Company's Corporate Secretary.

### ***Audit Committee***

*Members:* Frederick A. Henderson (Chair), Mary K. Bush, and  
Lawrence W. Kellner.

The members of the Committee are not employees of the Company. The Board of Directors has determined that the members of the Committee are independent as defined under our Governance Principles, the NASDAQ Listing Standards and applicable SEC rules.

The Audit Committee met seven times in fiscal year 2015.

There is unrestricted access between the Audit Committee and the independent auditor and internal auditors.

The Board of Directors has determined that all current members of the Audit Committee (Mary K. Bush, Frederick A. Henderson, and Lawrence W. Kellner) are financial experts as defined in SEC rules.

*Responsibilities include:*

Overseeing the accounting, reporting, and financial practices of the Company and its subsidiaries, including the integrity of the Company's financial statements.

**Table of Contents**

Overseeing the Company's internal control environment and compliance with legal and regulatory requirements.

Appointing, retaining, overseeing, and determining the compensation and services of the Company's independent auditor.

Pre-approving the terms of all audit services, and any permissible non-audit services, to be provided by the Company's independent auditor.

Overseeing the independent auditor's qualifications and independence, including considering whether any circumstance, including the performance of any permissible non-audit services, would impair the independence of the Company's independent registered public accounting firm.

Overseeing the performance of the Company's internal audit function and internal auditor.

Reviewing the Company's conflict of interest and related party transactions policies, and approving certain related party transactions as provided for in those policies.

***Compensation Policy Committee***

*Members:* Steven S Reinemund (Chair), Mary K. Bush, and Susan C. Schwab.

The members of the Committee are not employees of the Company. The Board has determined that the members of the Committee are independent as defined under our Governance Principles and satisfy the standards of independence under the NASDAQ Listing Standards for directors and compensation committee members.

The Compensation Policy Committee met four times in fiscal year 2015.

*Responsibilities include:*

Overseeing the evaluation of the Company's senior executives and reviewing and approving, subject to Board approval in some cases, the appropriateness of senior executive compensation program objectives and the plans designed to accomplish these objectives.

Approving and recommending to the Board:

Compensation actions for the Executive Chairman and the President and Chief Executive Officer

Incentive compensation plans and other equity based plans

Corporate officer nominations

Setting and recommending to the Board the annual compensation for non-employee directors.

Overseeing the assessment of the risks relating to the Company's compensation policies and programs, and reviewing the results of the assessment.

Reviewing the annual Executive Talent assessment conducted by the President and Chief Executive Officer and the Chief Human Resources Officer.

Adopting and reviewing compliance with the Company's stock ownership guidelines for senior executive officers and non-employee directors.

*Finance Committee*

*Members:* W. Mitt Romney (Chair), Deborah M. Harrison, Lawrence W. Kellner, George Muñoz, and Susan C. Schwab.

The members of the Committee are not employees of the Company. The Board has determined that the members of the Committee other than Deborah M. Harrison are independent as defined under our Governance Principles and the NASDAQ Listing Standards.

## **Table of Contents**

The Finance Committee met three times in 2015.

### *Responsibilities include:*

Making recommendations to the Board for approval of an annual consolidated budget and reviewing the Company's performance against such budget.

Providing guidance to the Board and management on proposed mergers, acquisitions, divestitures and other significant transactions and investments that are required to be submitted for Board approval.

Providing guidance to the Board and management on the Company's capital adequacy, credit rating, borrowing needs and proposed debt and equity programs.

Providing guidance to the Board and management on the Company's stockholder distribution activities including dividend payments, share repurchases and similar activities.

Providing guidance to the Board and management on the Company's corporate insurance coverage.

### *Nominating and Corporate Governance Committee*

*Members:* Lawrence W. Kellner (Chair), Debra L. Lee, and Steven S Reinemund.

The members of the Committee are not employees of the Company. The Board has determined that the members of the Committee are independent as defined under our Governance Principles and the NASDAQ Listing Standards.

The Nominating and Corporate Governance Committee met three times in 2015.

### *Responsibilities include:*

Making recommendations to the Board regarding corporate governance matters and updates to the Governance Principles.

Reviewing qualifications of candidates for Board membership.

Advising the Board on a range of matters affecting the Board and its committees, including making recommendations with respect to qualifications of director candidates, selection of committee chairs, committee assignments and related matters affecting the functioning of the Board.



Resolving conflict of interest questions involving directors and senior executive officers.

*Committee for Excellence*

*Members:* Board members include Debra L. Lee (Chair), Deborah M. Harrison, George Muñoz, and Arne M. Sorenson. Company officer members include Raymond Bennett, Chief Global Officer, Global Operations; Anthony G. Capuano, Executive Vice President and Global Chief Development Officer; David J. Grissen, Group President; Stephanie C. Linnartz, Executive Vice President and Chief Marketing and Commercial Officer; Tricia A. Primrose, Executive Vice President and Chief Global Communications and Public Affairs Officer; and David A. Rodriguez, Executive Vice President and Chief Human Resources Officer.

The members of the Committee consist of at least three members of the Board. The Committee may also consist of officers and employees of the Company who are not directors. At least one member of the Committee must be independent as defined under our Corporate Governance Principles and the NASDAQ Listing Standards. The Committee's charter provides that an independent director will always be the Chairman of the Committee.

The Committee for Excellence met twice in fiscal year 2015.

## **Table of Contents**

### *Responsibilities include:*

Identifying and encouraging efforts the Company undertakes to promote and leverage the recruitment, retention, and advancement of women and minorities as employees of the Company.

Identifying and evaluating efforts the Company undertakes to promote and leverage an increasingly diverse ownership, franchisee, customer, and vendor base of the Company.

Enhancing the public's recognition of the Company's efforts and successes to promote diversity and value people of different backgrounds, experiences, and cultures to benefit Marriott's strategic competitive advantage.

### ***Executive Committee***

*Members:* J.W. Marriott, Jr. (Chair), Lawrence W. Kellner, Steven S Reinemund, and Arne M. Sorenson.

The Executive Committee did not meet in fiscal year 2015.

### *Responsibilities include:*

Exercising the powers of the Board when the Board is not in session, subject to specific restrictions as to powers retained by the full Board. Powers retained by the full Board include those relating to amendments to the certificate of incorporation and bylaws, mergers, consolidations, sales, or exchanges involving substantially all of the Company's assets, dissolution and, unless specifically delegated by the Board to the Executive Committee, those powers relating to declarations of dividends and issuances of stock.

## **Compensation Committee Interlocks and Insider Participation**

During fiscal 2015, the Compensation Policy Committee consisted of Steven S Reinemund (Chair), Mary K. Bush, Harry J. Pearce (through May 8, 2015) and, Susan C. Schwab (as of May 8, 2015), and none of the members of the Compensation Policy Committee is or has been an officer or employee of the Company or had any relationship that is required to be disclosed as a transaction with a related party.

## **Meetings of Independent Directors**

Company policy requires that the independent directors meet without management present at least twice a year. In 2015, the independent directors met seven times without management present. The Lead Director, currently Mr. Kellner, presides at the meetings of the independent directors.

## **Risk Oversight**

The Board of Directors is responsible for overseeing the Company's processes for assessing and managing risk. The Board considers our risk profile when reviewing our annual business plan and incorporates risk assessment into its decisions impacting the Company. In performing its oversight responsibilities, the Board receives an annual risk assessment report from the Chief Financial Officer and discusses the most significant risks facing the Company.

The Board also has delegated certain risk oversight functions to the Audit Committee. In accordance with its charter, the Audit Committee periodically reviews and discusses the Company's

## **Table of Contents**

business and financial risk management and risk assessment policies and procedures with senior management, the Company's independent auditor, and the Chief Audit Executive. The Audit Committee incorporates its risk oversight function into its regular reports to the Board.

In addition, the Compensation Policy Committee reviewed a risk assessment to determine whether the amount and components of compensation for the Company's employees and the design of compensation programs might create incentives for excessive risk-taking by the Company's employees. As explained in the CD&A below, the Compensation Policy Committee believes that our compensation programs encourage employees, including our executives, to remain focused on a balance of the short- and long-term operational and financial goals of the Company, and thereby reduces the potential for actions that involve an excessive level of risk.

## **Stockholder Communications with the Board**

Stockholders and others interested in communicating with the Lead Director, the Audit Committee, the non-employee directors, or any of the employee directors may do so by e-mail to [business.ethics@marriott.com](mailto:business.ethics@marriott.com) or in writing to the Business Ethics Department, Department 52/924.09, 10400 Fernwood Road, Bethesda, Maryland 20817. All communications are forwarded to the appropriate directors for their review, except that the Board has instructed the Company not to forward solicitations, bulk mail or communications that do not address Company-related issues. The Company reports to the directors on the status of all outstanding concerns addressed to the non-employee directors, the Chair of the Nominating and Corporate Governance Committee, or the Audit Committee on a quarterly basis. The non-employee directors, the Chair of the Nominating and Corporate Governance Committee, or the Audit Committee may direct special procedures, including the retention of outside advisors or counsel, for any concern addressed to them.

## **Code of Ethics and Business Conduct Guide**

The Company has long maintained and enforced a Code of Ethics that applies to all Marriott associates, including our Chairman of the Board, Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer and to each member of the Board. The Code of Ethics is encompassed in our Business Conduct Guide, which is available in the Investor Relations section of our website ([www.marriott.com/investor](http://www.marriott.com/investor)) by clicking on Corporate Governance and then Documents & Charters. We will promptly post on that website any future changes or amendments to our Code of Ethics, and any waiver of our Code of Ethics that applies to our Chairman of the Board, any of our executive officers, or a member of our Board.

**Table of Contents**

**AUDIT COMMITTEE REPORT AND INDEPENDENT AUDITOR FEES**

**Report of the Audit Committee**

The Audit Committee reviews the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements, the reporting process, and maintaining an effective system of internal control over financial reporting. The Company's independent auditor is engaged to audit and express opinions on the conformity of the Company's financial statements to accounting principles generally accepted in the United States and the effectiveness of the Company's internal control over financial reporting.

In this context, the Audit Committee has reviewed and discussed the audited financial statements together with the results of management's assessment of the internal control over financial reporting with management and the Company's independent auditor. The Audit Committee also discussed with the independent auditor those matters required to be discussed by the independent auditor with the Audit Committee under the rules adopted by the Public Company Accounting Oversight Board ( *PCAOB* ). The Audit Committee has received the written disclosures and the letter from the independent auditor required by applicable requirements of the PCAOB, regarding the independent auditor's communications with the Audit Committee concerning independence, and has discussed with the independent auditor the independent auditor's independence.

Relying on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on SEC Form 10-K for the year ended December 31, 2015, for filing with the SEC.

Members of the Audit Committee:

Frederick A. Henderson (Chair)

Mary K. Bush

Lawrence W. Kellner

**Pre-Approval of Independent Auditor Fees and Services Policy**

The Audit Committee's Pre-Approval of Independent Auditor Fees and Services Policy provides for pre-approval of all audit, audit-related, tax and other permissible non-audit services provided by our principal independent auditor on an annual basis and additional services as needed. The policy also requires additional approval of any engagements that were previously approved but are anticipated to exceed pre-approved fee levels. The policy permits the Audit Committee Chair to pre-approve principal independent auditor services with estimated fees up to \$100,000 (provided that the Audit Committee Chair reports to the full Audit Committee at the next meeting on any pre-approval determinations).

**Table of Contents****Independent Registered Public Accounting Firm Fee Disclosure**

The following table presents fees for professional services rendered by our independent registered public accounting firm for the audit of our annual financial statements for fiscal 2015 and fiscal 2014 and fees billed for permissible audit-related services, tax services and all other services rendered by our independent registered public accounting firm for fiscal 2015 and fiscal 2014. The Audit Committee approved all of the fees presented in the table below.

	<b>Independent Registered Public Accounting Firm Fees Paid Related to Fiscal Year 2015</b>	<b>Independent Registered Public Accounting Firm Fees Paid Related to Fiscal Year 2014</b>
	<b>Ernst &amp; Young LLP</b>	<b>Ernst &amp; Young LLP</b>
<b>Audit Fees:</b>		
Consolidated Audit(1)	\$ 4,155,000	\$ 3,954,700
International Statutory Audits(2)	984,000	1,870,700
	<b>5,139,000</b>	<b>5,825,400</b>
Audit-Related Fees(3)	512,000	414,900
Tax Fees(4)	622,000	641,000
All Other Fees		
<b>Total Fees</b>	<b>\$ 6,273,000</b>	<b>\$ 6,881,300</b>

(1) Principally fees for the audit of the Company's annual financial statements, the audit of the effectiveness of the Company's internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, the auditors' review of the Company's quarterly financial statements, and services provided in connection with the Company's regulatory filings.

(2) Fees for statutory audits of our international subsidiaries.

(3) Principally audits as required under our agreements with our hotel owners.

(4) Principally tax compliance services related to our international entities.

**Table of Contents**

**EXECUTIVE AND DIRECTOR COMPENSATION**

**Report of the Compensation Policy Committee**

The Compensation Policy Committee (the *Committee*), which is composed solely of independent members of the Board, assists the Board in fulfilling its responsibilities relating to executive compensation. The Committee is responsible for overseeing compensation programs that enable the Company to attract, retain and motivate executives capable of establishing and implementing business plans in the best interests of the stockholders. The Committee, on behalf of and, in certain instances, subject to the approval of the Board, reviews and approves compensation programs for certain senior officer positions. In this context, the Committee reviewed and discussed with management the Company's CD&A required by Item 402(b) of SEC Regulation S-K. Following the reviews and discussions referred to above, the Committee recommended to the Board that the CD&A be incorporated by reference in the Company's annual report on Form 10-K and included in this proxy statement.

Members of the Compensation Policy Committee:

Steven S Reinemund (Chair)

Mary K. Bush

Susan C. Schwab

**Compensation Discussion and Analysis**

This section explains the Company's executive compensation program for the following NEOs for 2015:

J.W. Marriott, Jr.	Executive Chairman and Chairman of the Board
Arne M. Sorenson	President and Chief Executive Officer
Anthony G. Capuano	Executive Vice President and Global Chief Development Officer
David J. Grissen	Group President
Carl T. Berquist	Executive Vice President and Chief Financial Officer*

\* Mr. Berquist resigned from this position as of December 31, 2015. He continued working for the Company for a transition period in early 2016.

**Executive Summary**

***Overview***

Our executive compensation program is designed to drive performance through a combination of near-term financial and operational objectives and long-term focus on our stock price performance. We believe that the consistency in how we manage our executive compensation program and our goals under that program has proven to be an important factor in the Company's long-term success in the highly cyclical hospitality industry. Our philosophy continues to emphasize equity compensation as the most significant component of the NEOs' total pay opportunity which supports our pay-for-performance objectives.



## **Table of Contents**

### ***2015 Financial and Operational Results under Our Annual Cash Incentive Program***

Our performance-based compensation arrangements are directly linked with key financial and operational goals. In 2015, the Company's achievements continued to be very strong, which contributed to an above target payout under our annual incentive plan. 2015 year-end financial and operational results included:

24% increase in diluted earnings per share ( *EPS* ) over the prior year, totaling \$3.15

9% increase in the calculated net present value of rooms approved for development over the prior year

0.4 percentage point increase in Revenue Per Available Room Index ( *RevPAR Index* ) during the year

Exceeded Associate Engagement goals

Exceeded Guest Satisfaction goals

### ***2015 Compensation Actions At a Glance***

In his role as Executive Chairman, Mr. Marriott is compensated primarily through his annual salary and is not eligible for annual cash incentives or equity awards. His annual salary was unchanged from 2014. Because of this arrangement, references to the NEOs' annual compensation in the remainder of this CD&A do not pertain to Mr. Marriott unless specifically stated otherwise.

For 2015, the Committee took the following compensation actions:

**Base Salary:** Messrs. Grissen and Berquist received base salary increases of approximately 3% in February 2015, which was consistent with increases for all eligible management associates and with salary increases in the marketplace. Mr. Capuano received a base salary increase of 9.3% as a result of the Committee's review of external market data as well as a consideration of internal equity. Mr. Sorenson did not receive a base salary increase as a result of the Committee's review of external market data and its preference for not making CEO salary changes as an annual routine.

**Annual Incentive:** Payments under the Company's annual cash incentive program are based on achievement of a pre-established EPS target and a combination of other financial and business operational performance measures tailored for each executive's area of responsibility. The annual cash incentive program resulted in an overall above target but less than maximum payout for each NEO for 2015. Specifically, the Committee noted that the Company achieved EPS of \$3.15, which was greater than the target achievement level of \$2.95 and resulted in an above target payout. In addition, the Committee approved payouts at levels that were above target for 2015 but varied among the NEOs based on: (i) room growth, associate engagement and guest satisfaction at maximum achievement level, (ii) Company-wide RevPAR Index at above target achievement level, and (iii) each NEO achieving certain key individual objectives.



## **Table of Contents**

The following graph illustrates how the aggregate annual incentives paid to the NEOs change relative to changes in the Company's annual EPS results over the past ten years.

**Equity Compensation:** Consistent with the Company's pay-for-performance philosophy, the majority of each NEO's total pay opportunity has historically been in the form of long-term equity awards. Based on a careful review of our compensation program and to further enhance our pay-for-performance philosophy and align our executive compensation program with stockholders' interests, annual stock awards for NEOs for 2015 generally consisted of an equal mix of three-year vesting Performance Share Units ( PSUs ), Restricted Stock Units ( RSUs ) and Stock Appreciation Rights ( SARs ). In February 2015, the Committee approved awards with values at approximately the same level as the 2014 annual stock awards for Mr. Sorenson and at slightly higher values for each of the other NEOs based on the Committee's review of external market data, individual performance, and internal pay equity considerations.

### ***Alignment between Executive Pay and Company Performance***

The Committee believes that there should be a strong correlation between executive pay and Company performance. Therefore, the Company's executive compensation program includes many features designed to maintain this alignment, while also protecting the Company against inappropriate risk-taking and conflicts among the interests of the Company, its stockholders and its executives. The following graph shows the historical alignment between Company performance (measured as total stockholder return ( TSR )) and average annual Realizable Pay (as defined below) of the CEO over 3-year rolling periods. The Company believes that this analysis strongly demonstrates that, in addition to aligning pay and performance with respect to the compensation opportunity that is *awarded* each year, the Company's executive compensation program also has been effective in creating close long-term alignment between performance and the value of compensation that actually may be *realized* by the NEOs.

**Table of Contents**

\* Realizable Pay is the sum of salary paid, annual incentive earned and balances of stock awards granted over each 3-year period. Stock award balances are valued at the end of the 3-year period and include the in-the-money value of options, SARs, PSUs (valued assuming target performance) and RSUs granted during the 3-year period. TSR reflects both stock price appreciation and reinvested dividends. The 3-year TSR rolling percentage is determined using 60-day average opening and closing prices.

***Corporate Governance and Best Practices***

Consistent with our commitment to executive compensation best practices, the Company continued the following NEO compensation practices for 2015:

What We Do

- ü Executive Compensation is strongly linked to the Company's operating and financial performance
  
- ü NEOs are subject to stock ownership requirements and must retain 50% of the net after-tax shares received under any equity awards until they satisfy the applicable stock ownership requirement
  
- ü NEOs are subject to compensation clawback requirements
  
- ü The Committee follows a rigorous process in determining NEO pay, including detailed review of multiple performance factors and market compensation information
  
- ü The Committee oversees and reviews an annual compensation risk assessment
  
- ü The Committee is composed solely of independent members of the Board and retains an independent compensation consultant
  
- ü We provide only double trigger change in control benefits

What We Do Not Do

- × We do not have employment contracts
  
- × We do not offer defined benefit pension plans or supplemental executive retirement plans
  
- × We do not provide tax gross-ups
  
- × We do not have executive severance plans
  
- × We do not provide single trigger change in control benefits
  
- × We do not reprice options or SARs without stockholder approval nor do we buy out underwater options or SARs
  
- × We do not allow employees or directors to engage in hedging or derivative transactions related to Marriott securities
  
- × We do not allow NEOs to hold Company stock in margin accounts or pledge such stock as collateral for loans

ü The Company provides stockholders with an annual vote to approve, on a non-binding, advisory basis, the compensation of the NEOs

× We do not provide dividend equivalents on unearned performance equity awards

## **Table of Contents**

### ***2015 Say-on-Pay Advisory Vote on Executive Compensation and Stockholder Engagement***

At the Company's 2015 Annual Meeting, stockholders once again expressed substantial support for the compensation of our NEOs with approximately 97% of the votes cast for approval of the say-on-pay advisory vote on our 2014 NEO compensation. During 2015, the Committee also sought comments from some of the Company's largest institutional stockholders. The Committee also reviewed with its independent compensation consultant, Pearl Meyer (the *Compensation Consultant*), the elements and mix of annual and long-term executive officer compensation, the peer group, and the long-term effectiveness of the Company's compensation programs. Based on the foregoing, the Committee determined that the structure and operation of the executive compensation program have been effective in aligning executive compensation with long-term stockholder value, and therefore determined to maintain the basic structure of the program.

### **Compensation Philosophy and Objectives**

Marriott is consistently recognized as a global hospitality leader. The Company believes that strong and consistent leadership is the key to long-term success in the hospitality industry. Each of the NEOs is a long-standing member of our senior management team. For example, J.W. Marriott, Jr. and Arne M. Sorenson have over 80 years of combined hospitality experience with the Company. They have led Marriott's long history of delivering results for stockholders by relying on talented, hard-working employees (associates) who uphold the Company's ideals and unique culture. This culture is reflected in, and reinforced by, the design and implementation of the Company's executive compensation program, which emphasizes the following principles.

There should be a strong correlation between NEO pay and Company performance. Therefore, a substantial portion of NEO pay should be tied to achieving key performance goals.

NEOs should be paid in a manner that contributes to long-term stockholder value. Therefore, equity compensation should be the most significant component of total pay opportunity for the NEOs.

Compensation should be designed to motivate the NEOs to perform their duties in ways that will help the Company meet its short- and long-term objectives. Therefore, compensation should consist of an appropriate mix of cash and non-cash elements.

The executive compensation program must be competitive so that the Company can attract key talent from within and outside of our industry and retain key talent at costs consistent with market practice. Therefore, compensation should reflect market data, individual performance, and internal pay equity considerations.

In keeping with these principles, the following charts<sup>1</sup> show the percentage breakdown of target total direct compensation between performance-based (i.e., target annual incentive, PSUs and SARs) and other compensation (base salary, RSUs and other) for 2015.

## **Table of Contents**

Also reflecting the principles listed above, the following charts show the percentage breakdown of target total direct compensation among base salary, target annual incentive, and target annual equity compensation.

<sup>1</sup> These two charts exclude pay for Mr. Marriott.

## **Compensation Process**

### *The Compensation Committee*

In designing and determining 2015 NEO pay, the Committee considered recommendations from the Company's Executive Vice President, Global Chief Human Resources Officer and from Mr. Sorenson with regard to the compensation of the NEOs other than himself and Mr. Marriott, as well as the advice and recommendations of the Committee's Compensation Consultant. The Committee also obtained input and approval from the full Board, with the independent directors meeting in executive session, regarding the compensation packages for Messrs. Marriott and Sorenson.

In its determinations, the Committee does not set rigid, categorical guidelines or formulae to determine the mix or levels of compensation for the NEOs. Rather, it relies upon its collective judgment as applied to the challenges confronting the Company as well as subjective factors such as leadership ability, individual performance, retention needs, and future potential as part of the Company's management development and succession planning process.

The Committee carefully reviews numerous factors when setting NEO total pay opportunity, allocating total pay opportunity among base salary, annual incentives and annual stock awards, and determining final pay outcomes based on performance. The Committee considers our executives' job responsibilities, tenure and experience, Company and individual performance against internal targets as well as performance of competitors, competitive recruiting and retention pressures, internal pay equity and succession and development plans.

The Committee also reviews total pay opportunity for executives at the 50<sup>th</sup> percentile of a broad-based and select group of companies described in the discussion of Market Data below. In reviewing relevant market data, the Committee may utilize discretion in determining the relevance of each

## **Table of Contents**

compensation survey. For 2015, because the surveys do not reflect a comparable position for Mr. Capuano, our Executive Vice President and Global Chief Development Officer, the Committee considered multiple factors, including a review of publicly-disclosed compensation data for development and real estate executives at other hotel companies, internal pay equity and Mr. Capuano's historical contributions to the Company and his experience in the Marriott development organization.

This review of total pay opportunity is designed as a market check to align the potential range of total direct compensation outcomes with our long-term performance expectations and actual results. An understanding of external market data helps the Company attract and retain key executive talent without serving as a rigid standard for benchmarking compensation. For example, although performance comparisons are difficult given the differences in size, customer distribution, global geographic exposure and price tier distribution, the Committee considers historical and annual business results relative to other individual lodging companies to provide additional context for evaluating annual compensation actions. The Committee also regularly reviews historical financial, business and total stockholder return results for lodging companies as well as a selected group of comparator companies prior to determining final pay amounts.

### ***Independent Compensation Consultant***

The Committee selected and retained the Compensation Consultant to assist the Committee in establishing and implementing executive and director compensation strategy. The Compensation Consultant reports to and is instructed in its duties by the Committee and carries out its responsibilities in coordination with the Human Resources Department. Other than providing executive compensation survey data to the Company as described below, the Compensation Consultant performs no other services for the Company. Based on materials presented by management and the Compensation Consultant and the factors set forth in the SEC's Exchange Act Rule 10C-1, the Committee determined that the Compensation Consultant is independent and that the Compensation Consultant's engagement did not raise any conflicts of interest.

### **Market Data**

The external market data utilized by the Company for 2015 includes several broad, revenue-based surveys as well as a custom survey of companies specifically selected by the Committee. The Committee believes, based on the advice of the Compensation Consultant, that the similarly-sized companies participating in the revenue-based surveys and the companies selected for the custom survey represent the broad pool of executive talent for which the Company competes. To avoid over-emphasizing the results of one or more surveys, the Company considers the results of the revenue-based surveys as well as those of the custom survey, in terms of total pay and each component of pay. The Committee also considers compensation practices at select lodging companies. This process for identifying relevant market data is used consistently for all senior executives of the Company, including the NEOs.

### ***Revenue-Based Survey***

In general, the revenue-based surveys used as a market reference for NEO pay include companies with annual revenue ranging from \$10 billion to \$20 billion. For 2015, the surveys were the *CHiPS Executive & Senior Management Total Compensation Survey*, the *Hewitt TCM General Industry Executive Total Compensation Survey*, the *Towers Watson CDB Executive Compensation Database*,



**Table of Contents**

the *Equilar Top 25 Survey*, and the *Fred Cook Survey of Long-Term Incentives*. The same set of surveys was also referenced last year. The Committee did not consider the individual companies in the revenue-based surveys when making compensation decisions.

**Custom Survey**

There are a limited number of U.S. publicly-traded lodging companies similar to our size. Therefore, in consultation with the Compensation Consultant, the Committee selected appropriate comparator group companies from a broad universe of companies that compete with Marriott for executive talent, are of similar size in annual revenue and have a similar focus on consumers and brand image even if they do not compete directly in the lodging business. The final list of 20 comparator group companies is shown below along with select financial and non-financial metrics the Committee considered and Marriott's percentile ranking on each of these metrics.

	2015 Revenues(1) as of the Fiscal Year-End	Market Capitalization(1) as of December 31, 2015	Enterprise Value(1) as of December 31, 2015	Number of Employees
<b>Lodging Companies</b>				
Hilton Worldwide Holdings	\$ 11,272	\$ 21,132	\$ 31,036	164,000
Hyatt Hotels	4,328	6,406	7,282	45,000
Starwood Hotels & Resorts	5,763	11,691	13,005	188,000
Wyndham	5,536	8,268	11,178	37,700
<b>Travel Industry Related Companies</b>				
Carnival	15,714	39,009	46,401	82,200
Las Vegas Sands	11,689	34,837	43,727	46,500
Hertz Global	10,535	6,019	21,440	31,000
MGM Resorts International	9,190	12,833	26,510	44,600
Royal Caribbean Cruises	8,299	22,063	30,609	63,400
Wynn Resorts	4,076	7,028	14,310	20,800
<b>Other Consumer or Brand Focus Companies</b>				
Campbell Soup	8,082	15,286	19,124	18,600
Colgate-Palmolive	16,034	59,474	65,269	37,900
Darden Restaurants	6,764	8,304	9,290	150,000
Estee Lauder	10,780	32,487	32,190	44,000
General Mills	17,630	33,617	42,903	42,000
Kellogg	13,530	25,296	32,814	33,577
Nike	30,601	87,131	82,467	62,600
Nordstrom	14,437	8,519	10,729	67,000
Starbucks	19,163	86,121	86,859	238,000
Yum! Brands	13,105	31,080	34,384	70,000
Marriott International(2)	14,486	17,182	21,193	127,500
Percentile Rank	<i>73rd</i>	<i>43rd</i>	<i>36th</i>	<i>82nd</i>

Source: Bloomberg

- (1) Amounts are reported in millions. Enterprise Value is the sum of market capitalization, debt and preferred stock, less cash and cash equivalents.
- (2) Revenue amount for the Company is shown as reflected in our financial statements. However, system-wide revenues, including revenues of our franchisees, are much higher. Similarly, the number of employees is shown as reflected in our annual report. Including employees working at franchised and certain third-party owned hotels, our system has about 325,000 employees.

**Table of Contents**

The Committee reviews the comparator group annually for potential changes (e.g. due to mergers and acquisition activity or changes in company size and business mix), but does not generally anticipate making significant changes every year, in order to allow for consistency and comparability of market data from year-to-year.

**2015 Compensation in Detail****Base Salary**

The Committee reviews individual base salaries for the NEOs each February for the current fiscal year. As a part of this review, the Committee considers whether base salary levels are commensurate with the executives' responsibilities, the external market and the Company's and executive's performance. For 2015, the Human Resources Department presented to the Committee market data on base salary levels at approximately the 50<sup>th</sup> percentile for each position and recommended base salary increases of approximately 3% for Messrs. Grissen and Berquist. This was consistent with salary increases in the marketplace for NEOs and for management associates at the Company for the same period. For Mr. Capuano, management recommended a 9.3% salary increase after it reviewed market data and considered internal equity. Mr. Sorenson did not receive a base salary increase based on the Committee's review of external market data and the Committee's preference for not making CEO salary changes as an annual routine. The Compensation Consultant reviewed and supported the recommendations which were approved by the Committee and, with respect to Messrs. Marriott and Sorenson, by the independent members of the Board.

	<u>2015 Base Salary (\$)</u>	<u>2014 Base Salary (\$)</u>	<u>2014 to 2015 Increase (%)</u>
J.W. Marriott, Jr.	3,000,000	3,000,000	0
Arne M. Sorenson	1,236,000	1,236,000	0
Anthony G. Capuano	725,000	663,063	9.3
David J. Grissen	725,000	700,000	3.6
Carl T. Berquist	764,909	742,630	3.0

**Annual Incentives**

To promote growth and profitability, the Company's annual cash incentive program is based on actual performance measured against pre-established financial and business operational targets. The annual cash incentive design rewards executives for achieving annual corporate and individual performance objectives that support long-term financial and operational success.

At its February 2015 meeting, the Committee approved specific performance objectives and targets under the annual cash incentive program for 2015. In February 2016, upon review of the 2015 fiscal year financial results and taking into account the Company's performance relative to lodging and other comparator companies, the Committee reviewed each NEO's performance against the pre-established performance objectives to determine the actual cash incentive payments, as discussed below. All of the Committee's decisions regarding annual cash incentives for Mr. Sorenson were subject to and received Board approval.

As reflected in the following table, target awards under the annual cash incentive program range from 150% of salary for Mr. Sorenson to 75% for the other NEOs. The Committee determined the differences in the target award percentages between NEOs primarily by considering internal

factors, including pay equity with other executives, differences in responsibilities, significant promotions and

**Table of Contents**

future potential. The Committee also reviewed market data for each position and determined that the incentive amounts payable upon achievement of target performance levels would result in total cash compensation (base salary plus annual incentive) that would be at or near the 50<sup>th</sup> percentile.

Name	Target Award as a % of Salary
J.W. Marriott, Jr.	n/a
Arne M. Sorenson	150
Anthony G. Capuano	75
David J. Grissen	75
Carl T. Berquist	75

The annual cash incentive plan performance factors are intended to establish high standards consistent with the Company's quality goals, which are achievable, but not certain to be met. The Company believes that these factors are critical to achieving success within the hospitality and service industry. The weighting of each performance factor varies slightly among the NEOs by position due to differences in responsibility. The table below displays the respective weightings of the relevant performance measures and the aggregate actual performance for 2015 under the annual cash incentive program.

Name	Annual Cash Incentive Plan Program Components									Actual Payout
	Earnings Per Share	Operating Profit - Americas	Room Growth(1)	Associate Engagement(1)	RevPAR Index(1)	Guest Satisfaction(1,2)	Individual Achievement	Total	Percent of Target(3)	
J.W. Marriott, Jr.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Arne M. Sorenson	60	n/a	10	5	10	5	10	100	196	
Anthony G. Capuano	10	n/a	75	5	5	0	5	100	198	
David J. Grissen	25	25	15	5	15	5	10	100	165	
Carl T. Berquist	60	n/a	10	5	10	5	10	100	196	

- (1) Each of these factors is measured against Company-wide results except that Mr. Grissen's components are measured against the Americas division, his primary area of responsibility.
- (2) The guest satisfaction factor used in prior years was removed for 2014 but was reintroduced in 2015 after the Company launched a new guest feedback program.
- (3) We report the potential awards under the annual cash incentive program for 2015 in dollars in the Grants of Plan-Based Awards for Fiscal Year 2015 table, and the actual award amounts earned under the annual cash incentive program for 2015 in dollars in the Summary Compensation Table following the CD&A.

The performance factors for each NEO under the annual cash incentive program for 2015 were:

**EPS and Operating Profit:** The Company places a heavy emphasis on EPS as a performance measure because EPS is an important indicator of Company profitability and aligns the interests of management with those of stockholders. The Company uses EPS as reported under U.S. GAAP, as may be modified during the target-setting process for items that are not expected to have a direct impact on the business going forward, although no such adjustments were made for 2015 EPS targets.

## Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

For 2015, the Company established the EPS target primarily through an extensive annual budgeting process whereby each hotel and individual corporate unit developed and submitted a budget. The Company then developed a consolidated Company budget considering external market factors such as global and domestic economic forecasts, and lodging industry outlook, as well as internal factors such as current revenue from group bookings, expected unit growth for the year, and expected capital needs. In addition, in setting the EPS target, the Committee incorporates

**Table of Contents**

what it anticipates will be the approximate impact on EPS of the Company's planned share buy-back program for the year. The Board reviewed and approved the budget in February 2015. Considering these factors, the Committee set the EPS target for 2015 at a level that the Committee believed was achievable but not certain to be met, which was \$2.95. This target was approximately 16% higher than the Company's reported U.S. GAAP diluted EPS for 2014 of \$2.54. For 2015, the Committee established the following payout scale for EPS performance:

EPS	<u>Incentive</u> <u>Award</u>	<u>Payout as % of Target*</u>
<u>Achievement vs. Target</u>		
Below 87%	No Payment	0%
87%	Threshold Payment	25%
100%	Target Payment	100%
107% and Above	Maximum Payment	200%

\* If the achievement falls between two of the stated performance levels, the incentive payment is interpolated between the corresponding incentive levels

The Company's diluted EPS as reported under U.S. GAAP for 2015 was \$3.15, which resulted in an above target achievement level and payout.

For Mr. Grissen, in addition to EPS, his financial performance objectives included operating profit from the Americas division, his primary area of responsibility. The Americas operating profit target was \$1.248 billion and the results were \$1.283 billion, corresponding with an above target achievement level and payout.

**Room Growth:** Assessment of room growth is based on a net present value estimate/calculation utilized by our management and Board in evaluating the potential performance of completed development projects. The room growth target was reviewed and approved by the Board in February 2015 at a level that is significantly above 2014 targets. This target level is based on an extensive annual budgeting process whereby a budget was developed for each geographic region that was identified for potential growth and consolidated and finalized by the Company's Lodging Development Department after consideration of external market factors such as global and domestic economic forecasts and lodging industry outlook. For Mr. Grissen, this same process is followed to establish the room growth target for the Americas division.

For each NEO except Mr. Capuano, achievement of less than the target results in no component payout, and for Mr. Capuano achievement of 59% of the target results in a threshold component payout. Maximum payout is achieved at achievement of 118% of the room growth target for each NEO other than Mr. Capuano, for whom maximum is achievement of 176% of target. The Committee established a wider performance and payout range for Mr. Capuano to more accurately measure and incentivize him for achieving growth goals. For 2015, the net present value of rooms approved for development exceeded the 2014 growth by approximately 9% and exceeded each NEO's performance target.

**Associate Engagement:** Assessment of associate engagement is measured by the results of the Company's annual associate engagement survey (conducted by a third party) as compared against external benchmark results provided by the third party company. For 2015, the Company and the Americas division exceeded the "Best Employer" benchmark, which resulted in a maximum achievement level and payout.

**RevPAR Index:** The Company retains a third party to collect and compile the data used to calculate a worldwide RevPAR Index, or Americas RevPAR Index for Mr. Grissen. RevPAR Index measures each hotel's RevPAR against the RevPAR of a group of comparable hotels



---

**Table of Contents**

generally in the same market and lodging segment, stated as a percentage. RevPAR Index is an industry-specific measure of relative performance. Worldwide RevPAR Index is a weighted average of the RevPAR Index of all our hotels (or all hotels in the Americas for Mr. Grissen) except for such hotels that recently opened, recently underwent a significant renovation, or had incomplete competitive reporting. In order for any payout to occur, the Company's worldwide (or Americas) RevPAR Index score must exceed 100. A score above 100 indicates that the Company has a premium RevPAR relative to its competitors. RevPAR Index must reflect an increase over prior year RevPAR Index results to exceed target component payout. Since the Company's historical positioning relative to competitors has been strong, year-over-year increases in RevPAR Index indicate additional improvements in relative performance. For 2015, the Company achieved an overall RevPAR Index score above 100 and a year-over-year increase of 0.4 percentage points resulting in an above target but below maximum payout. For the Americas, the Company achieved a RevPAR Index score above 100 and a year-over-year decrease of 0.1 percentage points resulting in a below target but above threshold payout.

**Guest Satisfaction:** Assessment of Guest Satisfaction is based on Company-wide guest satisfaction survey results for the year, of the Americas division for Mr. Grissen, compared with pre-established goals. Company-wide results, are based on a compilation of survey results from numerous satisfaction surveys across the Company's brands. The annual goals are designed to be difficult to accomplish and not certain to be met. For 2015, each of the NEOs achieved guest satisfaction scores that corresponded with a maximum payout.

**Individual Achievement:** Each year the Company sets specific, individual management objectives for the NEOs. Each NEO has a different set of objectives that is aligned to his unique responsibilities and role within the Company. The objectives are developed by the Chief Executive Officer and members of his executive team, and reviewed, modified as necessary and approved by the Committee (or the Board in the case of Mr. Sorenson's management objectives). The management objectives generally are difficult to accomplish and relate to key duties of the positions. Examples of the types of management objectives are: execute brand distinction strategy; win with the next generation travelers; execute agreements in support of continued growth; and optimize the benefits of the Company's major infrastructure initiatives.

The Committee applies a rigorous and largely subjective assessment of each NEO's qualitative performance relative to the management objectives. The management objectives are not assigned specific weightings and may be modified by the Committee during the performance period if a change in business circumstances warrants. The actual payments relating to management objectives are determined by the Committee based on its subjective assessment of each NEO's job performance for the year. Maximum or above target payouts typically occur if the Committee views the NEO's overall performance to have been superior after its review of the achievement levels for each of the objectives. No payments are made if performance is below threshold expectations. For each of the five years preceding 2015, the NEOs received award levels varying from above target to a maximum payout for individual achievement reflecting consistently strong performance in recent years. For 2015, each NEO achieved key individual objectives, including operational objectives such as the initiatives identified above, resulting in maximum payouts.



**Table of Contents****Long-Term Incentive Awards***Annual Stock Awards*

The Company grants equity compensation awards to the NEOs under the Marriott International, Inc. Stock and Cash Incentive Plan (the "Stock Plan") on an annual basis to help link NEO pay to long-term Company performance and to align the interests of NEOs with those of stockholders. The Committee approved 2015 annual equity awards with values at approximately the same level as in 2014 for Mr. Sorenson and slightly higher for each of the other NEOs based on the Committee's review of external market data, individual performance, and internal pay equity considerations.

	<b>2015 Target Grant Date Fair Value of Annual Stock Awards (\$)</b>	<b>2014 Target Grant Date Fair Value of Annual Stock Awards (\$)</b>	<b>2014 to 2015 Increase (%)</b>
J.W. Marriott, Jr.	n/a	n/a	n/a
Arne M. Sorenson	5,830,347	5,741,022	2
Anthony G. Capuano	2,701,071	2,410,146	12
David J. Grissen	2,283,699	2,129,036	7
Carl T. Berquist	1,943,817	1,722,327	13

The NEOs' stock awards for 2015 were granted on February 23, 2015, in an equal mix (based on the grant date fair value) of RSUs vesting ratably over three years, SARs vesting ratably over three years and PSUs vesting after three years, with the exception of Mr. Capuano. Mr. Capuano's annual stock award for 2015 consisted of a grant of PSUs, RSUs and SARs in the same form and manner as the other NEOs as well as a separate grant of RSUs which remain unvested until the third anniversary of the grant date, at which time they vest in full assuming Mr. Capuano remains continuously employed during that period. This separate RSU award had a grant value approximately the same as the annual cash incentive that Mr. Capuano earned for fiscal year 2014. The Committee established the separate RSU award based on Mr. Capuano's most recent annual cash incentive in order to further the objective of compensating Mr. Capuano primarily in recognition of his development activities and performance. By also imposing three-year cliff vesting, this grant offers additional retention value and further links Mr. Capuano's pay with the long-term interests of stockholders.

*PSUs*

PSUs are restricted stock units that may be earned after three years based on achievement of pre-established targets for RevPAR Index, gross room openings, and net administrative expenses over a three-year period, with one-third of the target number of shares subject to each performance measure. These three financial and operating metrics (the same measures that were selected for the 2014-2016 PSU performance period) were selected by the Committee because they reflect management efforts that are directly tied to the long-term strength of our brands, as opposed to other performance measures that are more prone to be impacted by economic or other factors beyond our executives' control. We believe these are key drivers of long-term value creation. For the 2015-2017 PSU performance period, the performance measures are:

**RevPAR Index:** Although RevPAR Index is a component under the annual cash incentive program as described above, the Committee determined that longer-term goals for RevPAR Index, which measures performance relative to the Company's competitors, should be included to reflect our executives' longer term accomplishments in both driving traffic to and maintaining quality at our hotels.

Gross Room Openings: Gross room openings includes the total number of system-wide, managed, franchised and owned/leased rooms added to our system, excluding rooms added through merger and

## **Table of Contents**

acquisition activity, and reflects our executives' achievements in attracting financing and owner/franchisee interest in our brands over those of our competitors.

Net Administrative Expense Growth: Net administrative expense measures our operating efficiency through our ability to control certain expenses, including direct and indirect expenses, unrecovered expenses, development expenses, and architecture and construction expenses, but excluding costs for mergers and acquisitions.

For each of the three metrics, NEOs can receive 50% of the target PSU award level if performance is at least threshold and up to 150% of the target PSU award level if performance is above target. PSUs do not accrue dividend equivalents or pay dividends until they vest and shares are issued. The Committee approved the performance goals, which are competitively sensitive, at levels that are consistent with our strong historical performance and with internal forecasts at the time of grant, which indicated that target performance would be difficult, but attainable. It is also reasonably possible that awards could fall to zero or rise to maximum achievement levels.

### *Supplemental Stock Awards*

Supplemental stock awards tend to be infrequent and may be presented for consideration at quarterly Board meetings in recognition of special performance, promotions, assumption of additional responsibilities, to retain key talent or as a sign-on employment inducement. None of the NEOs received a supplemental stock award in 2015.

### *Grant Timing and Pricing*

The Company typically grants annual stock awards in February each year on the second business day following the release of its prior fiscal year annual earnings. This timing is designed to avoid the possibility that the Company could grant stock awards prior to the release of material, non-public information that may result in an increase or decrease in its stock price. Similarly, supplemental stock awards may be granted throughout the year, but not during Company-imposed black-out periods.

Executives derive value from their SARs based on the appreciation in the value of the underlying shares of Company stock. For purposes of measuring this appreciation, the Company sets the exercise or base price as the average of the high and low quoted prices of the Company stock on the date the awards are granted. This average price valuation is common practice and offers no inherent pricing advantage to the executive or the Company.

## **Other Compensation**

### *Perquisites*

The Company offers limited perquisites to its executives that make up a very small portion of total compensation for NEOs. One benefit that is consistent with practices within the hospitality industry is complimentary rooms, food and beverages at Company-owned, operated or franchised hotels and the use of hotel-related services such as Marriott-managed golf and spa facilities while on personal travel. These benefits are offered

to encourage executive officers to visit and personally evaluate our properties. In addition, to enhance their efficiency and maximize the time that they can devote to Company business, NEOs are permitted to use the Company jet for personal travel in limited circumstances. The value of these benefits is included in the executives' wages for tax purposes, and the Company does not provide tax gross-ups to the executives with respect to these benefits.

## **Table of Contents**

### *Other Benefits*

Executives also may participate in the same Company-wide plans and programs offered to all eligible employees. Some of these benefits are paid for by the executives such as 401(k) plan elective deferrals, vision coverage, long- and short-term disability, group life and accidental death and dismemberment insurance, and health care and dependent care spending accounts. Other benefits are paid for or subsidized by the Company for all eligible employees such as the 401(k) Company match, certain group medical and dental benefits, \$50,000 Company-paid life insurance, business travel accident insurance and tuition reimbursement.

### *Nonqualified Deferred Compensation Plan*

In addition to a tax-qualified 401(k) plan, the Company offers the NEOs and other senior management the opportunity to supplement their retirement and other tax-deferred savings under the Marriott International, Inc. Executive Deferred Compensation Plan ( EDC ). The Committee believes that offering this plan to executives is critical to achieve the objectives of attracting and retaining talent, particularly because the Company does not offer a defined benefit pension plan.

Under the EDC, NEOs may defer payment and income taxation of a portion of their salary and annual cash incentive. The plan also provides participants the opportunity for long-term capital appreciation by crediting their accounts with notional earnings (at a fixed annual rate of return of 4.9% for 2015), which is explained in the discussion of Nonqualified Deferred Compensation for Fiscal Year 2015 below.

The Company may make a discretionary matching contribution to participants (including the NEOs ) EDC accounts. The match is intended to provide the NEOs (and other highly-paid associates) with matching contributions that are similar to matching contributions that would have been made under the Company's tax-qualified section 401(k) plan but for the application of certain nondiscrimination testing and annual compensation limitations under the Internal Revenue Code. For 2015, the Board approved a 75% match on up to the first 3% of eligible compensation deferred by the NEO, and a 50% match on up to the next 3% of eligible compensation deferred, under the EDC for 2015. The Board has discretion to adjust the actual match allocation based on fiscal year financial results, but did not make an adjustment for 2015.

The Company also may make an additional discretionary contribution to the NEOs' EDC accounts based on subjective factors such as individual performance, key contributions and retention needs. There have been no additional discretionary contributions for the NEOs in several years, including 2015.

### *Change in Control*

The Company provides limited, double trigger change in control benefits under the Stock Plan and the EDC. The Committee believes that, with these carefully structured benefits, the NEOs are better able to perform their duties with respect to any potential proposed corporate transaction without the influence of or distraction by concerns about their employment or financial status. In addition, the Committee believes that stockholder interests are protected and enhanced by providing greater certainty regarding executive pay obligations in the context of planning and negotiating any potential corporate transactions.

Under these arrangements, if an NEO is terminated by the Company (other than for the executive's misconduct) or the executive resigns for good reason (as defined under the Stock Plan)

## **Table of Contents**

during the period beginning three months before and ending 12 months following a change in control (as defined under the Stock Plan) of the Company, the NEO will immediately vest in all unvested equity awards (including at the target performance level for PSUs) and EDC balances, subject to plan terms. In those circumstances, all SARs will remain exercisable until the earlier of the original expiration date of the awards or twelve months (or in the case of an approved retiree, five years) following the termination of employment, and all other stock awards shall be immediately distributed following the later of the termination of employment or the change in control event, subject in certain cases to a six-month delay under Section 409A of the Internal Revenue Code. In addition, any cash incentive payments under the annual cash incentive program will be made immediately based on the target performance level, pro-rated based on the days worked during the year until the NEO's date of termination in connection with or following a change in control.

The Company does not provide for tax gross-ups on these benefits, but instead limits the benefits to avoid adverse tax consequences to the Company. Specifically, each of these benefits is subject to a cut-back, so that the benefit will not be provided to the extent it would result in the loss of a tax deduction by the Company or imposition of excise taxes under the golden parachute excess parachute payment provisions of the Internal Revenue Code. The discussion of Potential Payments Upon Termination or Change in Control below includes a table that reflects the year-end intrinsic value of unvested stock awards, unvested EDC accounts and cash incentive payments that each NEO would receive if subject to an involuntary termination of employment in connection with a change in control.

## **Stock Ownership Policies**

The Company reinforces its performance-based and long-term philosophy through its stock ownership policy which requires that, within five years of becoming subject to the policy, each NEO own Company stock with a total value equal to a multiple of between three to six times his individual salary grade midpoint. Each NEO met or exceeded this requirement in 2015. Mr. Marriott is not included in the table below because he beneficially owns over 15% of the Company's outstanding shares and thus significantly exceeds his ownership requirement.

We have adopted a number of related policies that further reflect alignment with long-term stockholder value.

Executive officers and directors are required to retain 50% of the net after-tax shares received under any equity awards until they satisfy the required stock ownership levels.

The Company prohibits all associates and directors from engaging in short sale transactions or entering into any other hedging or derivative transaction related to Marriott stock or securities.

PSUs and RSUs do not provide for accelerated distribution of shares upon retirement to ensure that executives have a continuing stake in the Company's performance beyond the end of their employment, thereby strengthening their interest in the Company's long-term success.

## **Table of Contents**

### **Clawbacks**

In addition to the compensation clawback provisions of the Sarbanes-Oxley Act that apply to the Chief Executive Officer and Chief Financial Officer, the Company's Stock Plan includes a separate clawback provision that applies to all equity awards issued to all of the NEOs. Under the Stock Plan, the Company has the authority to limit or eliminate the ability of any executive to exercise options and SARs or to receive a distribution of Company stock under PSUs, RSUs or other stock awards if the executive engages in criminal or tortious conduct that is injurious to the Company or engages in competition with the Company.

The Committee has discretion to require reimbursement of any annual cash incentive payment awarded to an NEO if the amount of such incentive payment is calculated based upon the achievement of certain financial results that are required to be restated, provided that such discretion may only be exercised if the NEO has engaged in intentional misconduct that caused or partially caused the need for the restatement. The amount of the reimbursement would be the difference in the amount determined before and after the restatement. The Company continues to monitor the SEC's rulemaking for the clawback requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act, including its proposed rule and form amendments published in the Federal Register on July 1, 2015, and will modify its executive compensation program accordingly when final rules go into effect.

### **Tax Considerations**

Internal Revenue Code Section 162(m) limits the Company's federal income tax deduction for compensation in excess of one million dollars paid annually to any NEO except for the Chief Financial Officer. However, performance-based compensation can be excluded from the limitation so long as it meets certain requirements. The Committee has taken steps that are designed to conform with the requirements under Section 162(m) so that payments under the annual cash incentive program and compensation attributable to PSUs, RSUs and SARs granted in 2015 may qualify as deductible compensation under Section 162(m). For these purposes, payments under certain components of the annual cash incentive program and the vesting of RSUs granted in 2015 are conditioned on achieving earnings before interest, taxes, depreciation and amortization ( *EBITDA* ) of \$1.379 billion for 2015, a threshold established to support our compensation objectives with a meaningful level of cash flow. Actual EBITDA of \$1.718 billion exceeded the threshold. (See the section of the Company's Annual Report for fiscal year 2015 entitled *Non-GAAP Financial Measures Reconciliations* for a reconciliation of 2015 EBITDA.) Although the Committee designed certain awards to satisfy those requirements, because deductibility under Section 162(m) is determined under a set of standards which may be subject to different interpretations in application, we cannot be certain that compensation intended by the Committee to satisfy the deductibility requirements under Section 162(m) will in fact be deductible.

We preserve the ability to manage our compensation programs to meet the objectives of our executive compensation philosophy and a variety of other corporate objectives, such as equity dilution management, workforce planning, and customer satisfaction. For this reason, the Committee has discretion to make awards of compensation which will not qualify for the performance-based exception when appropriate.



## **Table of Contents**

### **Risk Considerations**

The Committee considered risk in determining 2015 NEO compensation and believes that the following aspects of NEO pay discourage unreasonable or excessive risk-taking by executives:

Base salary levels are commensurate with the executives' responsibilities (and the external market) so that the executives are not motivated to take excessive risks to achieve an appropriate level of financial security.

Annual cash incentive plans include a diverse mix of corporate and individual performance metrics.

Annual cash incentive opportunities are capped so that no payout exceeds a specified percentage of salary, thereby moderating the impact of short-term incentives.

The Committee and the Board have discretion to decrease annual cash incentive payouts, for example, if they believe the operational or financial results giving rise to those payouts are unsustainable or if they believe the payout would unfairly reward the NEOs for events that are unrelated to their performance.

The mix of short- and long-term incentives is balanced so that at least 50% of total pay opportunity is in the form of long-term equity awards.

PSUs are subject to relative and absolute performance measures that are directly tied to executives' individual performance and the strength of our brands over a three-year period, which balances the annual cash incentive focus on near-term results.

Annual stock awards are generally granted as an equal mix of PSUs, RSUs, and SARs that generally vest over or after at least 3 years, which together encourage the NEOs to focus on sustained stock price performance.

The Committee reviews and compares total compensation and each element of compensation to external market data to confirm that compensation is within an acceptable range relative to the external market also taking into consideration the Company's relative performance.

The NEOs are subject to compensation clawback provisions (as discussed above).

Stock ownership requirements align the long-term interests of NEOs with the interests of stockholders.

All associates and directors are prohibited from engaging in hedging or derivative transactions related to Marriott stock or securities.

The NEOs are prohibited from holding Company stock in margin accounts or pledging such stock as collateral for loans.

**Table of Contents****Executive Compensation Tables and Discussion****Summary Compensation Table**

The following Summary Compensation Table presents the compensation we paid in fiscal years 2013, 2014, and 2015 to our Chief Executive Officer, our Chief Financial Officer and our other three most highly compensated executive officers.

Name and Principal Position	Fiscal Year	Salary (\$)(1)	Stock Awards (\$)(2)(3)	Option/ SAR Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation (\$)(6)	Total (\$)
						(\$)(5)		
J.W. Marriott, Jr. Executive Chairman	2015	3,000,000	0	0	0	434,283	194,016	3,628,299
	2014	3,000,000	0	0	0	320,816	201,750	3,522,566
	2013	3,000,000	0	0	0	399,276	245,108	3,644,384
Arne M. Sorenson President and Chief Executive Officer	2015	1,236,000	3,830,311	2,000,036	3,626,919	75,740	206,411	10,975,417
	2014	1,236,000	7,936,137	2,000,046	3,553,500	49,179	117,974	14,892,836
Anthony G. Capuano Executive Vice President and Global Chief Development Officer	2015	725,000	2,101,005	600,065	1,078,873	13,922	44,169	4,563,034
	2014	663,062	1,876,794	533,352	967,275	9,976	40,083	4,090,542
	2013	643,750	1,634,879	800,043	896,035	11,959	41,545	4,028,211
David J. Grissen Group President	2015	725,000	1,500,304	783,395	898,566	86,410	65,241	4,058,916
	2014	700,003	1,387,328	741,707	802,764	59,501	46,347	3,737,650
	2013	566,545	834,090	875,028	519,768	69,453	45,023	2,909,928
Carl T. Berquist Executive Vice President and Chief Financial Officer	2015	764,909	1,277,087	666,731	1,122,274	58,456	67,733	3,957,190
	2014	742,630	1,122,293	600,034	829,294	38,305	52,820	3,385,376
	2013	721,000	834,090	875,028	686,968	41,640	54,020	3,212,746

- (1) This column reports all amounts earned as salary during the fiscal year, whether paid or deferred under certain Company employee benefit plans.
- (2) The value reported for Stock Awards and Option/SAR awards is the aggregate grant date fair value of the awards granted in the fiscal year as determined in accordance with accounting guidance for share-based payments, although the Company recognizes the value of the awards for financial reporting purposes over the service period of the awards. The assumptions for making the valuation determinations are set forth in the footnotes captioned *Share-Based Compensation* to our financial statements in each of the Company's Forms 10-Ks for fiscal years 2013 through 2015. For additional information on 2015 awards, see the *Grants of Plan-Based Awards for Fiscal Year 2015* table, below.
- (3) Approximately one-half of the amount reported for 2015 (disregarding Mr. Capuano's separate RSU described in the CD&A) represents the value of PSUs at the grant date based upon target performance. Assuming that the highest level of performance conditions will be achieved for all PSUs, the grant date fair values of the PSUs included in the 2015 Stock Awards column for Messrs. Sorenson, Capuano, Grissen and Berquist would be \$2,926,627, \$878,170, \$1,146,338 and \$975,784 respectively. Mr. Sorenson's 2014 stock awards include a supplemental PSU that the Committee granted Mr. Sorenson in recognition of his accomplishments since becoming CEO, including the Company's strong 2014 performance.
- (4) This column reports all amounts earned under the Company's annual cash incentive program during the fiscal year, which were paid in February of the following fiscal year unless deferred under certain Company employee benefit plans.

## Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

- (5) The values reported equal the earnings credited to accounts in the Marriott International, Inc. Executive Deferred Compensation Plan ( EDC ) to the extent they were credited at a rate of interest exceeding 120% of the applicable federal long-term rate, as discussed below under Nonqualified Deferred Compensation for Fiscal year 2015.
- (6) All Other Compensation consists of Company contributions to the Company s qualified 401(k) plan, Company contributions to the Company s non-qualified Executive Deferred Compensation Plan and perquisites and personal benefits including personal use of the Company jet, spousal accompaniment while on business travel and rooms, food and beverages at Company-owned, operated or franchised hotels while on personal travel and use of other hotel-related services such as golf and spa facilities at Company-managed properties. The values in this column do not include perquisites and personal benefits that were less than \$10,000 in aggregate for each NEO for the fiscal year. The following table identifies the total amount the Company contributed to each NEO s qualified 401(k) plan and non-qualified EDC for fiscal year 2015. It also specifies values for perquisites and personal benefits for each NEO that comprise more than the greater of 10% of his aggregate perquisites or personal benefits or \$25,000.

**Table of Contents**

Name	Company Contributions to the 401(k) Plan (\$)	Company Contributions to the Executive Deferred Compensation Plan (\$)	Personal Use of the Company Jet (\$)	Other (\$)
Mr. Marriott	7,950	112,500	73,566	
Mr. Sorenson	7,950	179,606		18,855
Mr. Capuano	7,950	16,313		19,907
Mr. Grissen	7,950	57,291		
Mr. Berquist	7,950	59,783		

The value of the personal use of the Company jet is the sum of allocable flight-specific costs of the personal flights (including, where applicable, return flights with no passengers) such as landing fees, crew costs and other related items, and the product of (i) all other costs of maintaining and flying the jet for the billable year other than certain fixed expenses such as pilot compensation, management fee and hangar rental costs, multiplied by (ii) a fraction the numerator of which is the individual's personal flight hours on the jet for the billable year and the denominator of which is the total flight hours of the jet for the billable year. Although amounts are reported for aircraft use during the Company's fiscal year, incremental cost is calculated on the basis of a December 1 through November 30 billable year, which reflects the contract service period used for billing by a third-party aircraft management company.

**Grants of Plan-Based Awards for Fiscal 2015**

The following table presents the plan-based awards granted to the NEOs in 2015.

Name	Grant Date(1)	Board Approval Date(1)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(2)			Estimated Possible Payouts Under Equity Incentive Plan Awards(3)			All Other Stock Awards: (Number of Shares of Stock or Units) (#)	All Other Option/SAR Awards: (Number of Securities Underlying Options/SARs) (#)	Exercise or Base Price (\$/sh)	Grant Date Fair Value of Stock/Option/SAR Awards (\$)(4)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Mr. Marriott			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr. Sorenson												
Cash Incentive			417,150	1,854,000	3,708,000							
PSU	2/23/15	2/13/15				12,098	24,195	36,293				1,951,085
RSU	2/23/15	2/13/15							24,195			1,879,226
SAR	2/23/15	2/13/15								77,043	82.67	2,000,036
Mr. Capuano												
Cash Incentive			305,859	543,750	1,087,500							
PSU	2/23/15	2/11/15				3,630	7,260	10,890				585,446
RSU	2/23/15	2/11/15							7,260			585,446
RSU	2/23/15	2/11/15							11,701			930,112
SAR	2/23/15	2/11/15								23,115	82.67	600,065
Mr. Grissen												
Cash Incentive			115,547	543,750	1,087,500							
PSU	2/23/15	2/11/15				4,739	9,477	14,216				764,225

Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

RSU	2/23/15	2/11/15						9,477			736,079
SAR	2/23/15	2/11/15							30,177	82.67	783,395
Mr. Berquist Cash Incentive			129,078	573,682	1,147,364						
PSU	2/23/15	2/11/15				4,034	8,067	12,101			650,523
RSU	2/23/15	2/11/15							8,067		626,564
SAR	2/23/15	2/11/15							25,683	82.67	666,731

- (1) Grant Date applies to equity awards reported in the All Other Stock Awards and All Other Option/SAR Awards columns. The Committee approved the annual stock awards for Messrs. Berquist, Capuano, and Grissen at its February 11, 2015 meeting, and the Board approved the annual stock awards for Mr. Sorenson at its February 13, 2015 meeting. Pursuant to the Company's equity compensation grant procedures described in the CD&A, the grant date of these awards was February 23, 2015, the second trading day following the release of the Company's 2014 earnings.
- (2) The amounts reported in these columns include potential payouts corresponding to achievement of the threshold, target and maximum performance objectives under the Company's annual cash incentive plans.
- (3) These columns report the number of shares issuable under PSUs granted to the NEOs for the 2015-2017 performance period. Each PSU reported in these columns is conditioned on the achievement over a three-year performance period of RevPAR Index, Gross Room Openings or Net Administrative Expense goals respectively, with threshold representing 50% of the target number of shares and maximum representing 150% of target. For these PSUs, each NEO received one award for an equal number of shares for each performance objective, with otherwise identical terms.

**Table of Contents**

- (4) The value reported for Stock Awards and Option/SAR awards is the aggregate grant date fair value of the awards granted in 2015 as determined in accordance with accounting standards for share-based payments, although the Company recognizes the value of the awards for financial reporting purposes over the service period of the awards. The assumptions for making the valuation determinations are set forth in the footnotes captioned "Share-Based Compensation" to our financial statements in the Company's Form 10-K for the fiscal year 2015.
- (5) This award vests in full following the completion of three years of service or upon death or disability.

The Grants of Plan-Based Awards table reports the dollar value of cash-based annual incentive program awards (at their threshold, target and maximum achievement levels) and the number and grant date fair value of PSUs, RSUs and SARs granted under the Stock Plan to each NEO during the 2015 fiscal year. With regard to cash incentives, this table reports the range of potential amounts that could have been earned by the executive under the annual cash incentive program for 2015, whereas the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table reports the actual value earned by the executive for 2015.

Annual SAR and RSU grants under the Stock Plan typically vest 33% on each of the first 3 anniversaries of their grant date, contingent on continued employment with the Company. Annual PSU grants under the Stock Plan typically vest following the end of a 3-year performance period based on the achievement of pre-established performance measures. As described in the discussion of Stock Awards in the CD&A, Mr. Capuano received an additional grant of RSUs. Even when vested, an executive may lose the right to exercise or receive a distribution of any outstanding stock awards if the executive terminates employment due to serious misconduct as defined in the Stock Plan, or if the Committee determines that the executive has engaged in competition with the Company or has engaged in criminal conduct or other behavior that is actually or potentially harmful to the Company. In addition, under the terms of their RSU awards, NEOs do not receive an accelerated distribution of shares upon retirement from the Company, but must continue to wait for the scheduled distribution dates following retirement as specified in their awards. The Company believes that these provisions serve its objectives of retention and aligning the executives' long-term interests to those of the Company. These awards do not offer dividend or voting rights until they vest (in the case of PSUs and RSUs) or are exercised (in the case of SARs) and shares are issued to the grantee.

**Outstanding Equity Awards at 2015 Fiscal Year-End**

The following table shows information about outstanding Company options, SARs, RSUs and PSUs at December 31, 2015, our fiscal year-end. This table also includes Marriott Vacations Worldwide ( *MVW* ) stock awards resulting from adjustments to the Company stock awards for the spin-off of the Company's timeshare business in 2011, and reflects adjustments to the Exercise Price of options and SARs resulting from the spin-off. The Intrinsic Value and Market Value figures for the Company stock awards are based on the closing price as of December 31, 2015 of the Company's Class A common stock, which was \$67.04. The Intrinsic Value and Market Value figures for the MVW stock awards are based on the closing price of MVW's common stock (traded on the New York Stock Exchange under ticker symbol VAC) as of December 31, 2015, which was \$56.95. The reported Grant Dates for the MVW stock awards are the same as the grant dates for the related Company stock awards.

**Table of Contents**

Name	Grant Date	Award Type	Option/SAR Awards				Stock Awards			
			Number of Securities Underlying Unexercised Options/SARs: Exercisable/Unexercisable (#)	Option/SAR Exercise Price (\$)	Option/SAR Expiration Date	Option/SAR Intrinsic Value: (\$ Exercisable/Unexercisable)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)		
Mr. Marriott	2/19/08	MAR SARs	447,304		2/19/18	15,003,202				
	2/19/08	MVW SARs	44,730		2/19/18	1,634,246				
	2/16/10	MAR SARs	278,588		2/16/20	11,589,344				
	2/16/10	MVW SARs	27,858		2/16/20	1,154,628				
	2/17/11	MAR SARs	190,236		2/17/21	5,430,439				
	2/17/11	MVW SARs	19,023		2/17/21	637,109				
Mr. Sorenson	2/13/06	MAR SARs	133,600		2/13/16	4,616,508				
	2/13/06	MVW SARs	13,360		2/13/16	496,368				
	2/12/07	MAR SARs	88,400		2/12/17	1,841,045				
	2/12/07	MVW SARs	8,840		2/12/17	254,479				
	2/19/08	MAR SARs	143,916		2/19/18	4,827,144				
	2/19/08	MVW SARs	14,391		2/19/18	525,787				
	2/17/09	MAR SARs	187,008		2/17/19	9,954,716				
	2/17/09	MVW SARs	18,700		2/17/19	907,605				
	2/16/10	MAR SARs	155,040		2/16/20	6,449,711				
	2/16/10	MVW SARs	15,504		2/16/20	642,593				
	2/17/11	MAR SARs	126,824		2/17/21	3,620,293				
	2/17/11	MVW SARs	12,682		2/17/21	424,739				
	2/21/12	MAR SARs	168,921	56,307(1)	34.67	2/21/22	5,467,973	1,822,658		
	2/22/13	MAR SARs	114,504	114,504(1)	39.27	2/22/23	3,179,776	3,179,776		
	2/24/14	MAR SARs	39,472	78,944(1)	53.25	2/24/24	544,319	1,088,638		
	2/23/15	MAR SARs		77,043(1)	82.67	2/23/25				
		MAR RSUs						107,263(2)	7,190,912	
		MAR PSUs						37,560(3)	2,518,022	
		MAR PSUs						89,683(4)	6,012,348	
Mr. Capuano	2/17/11	MAR SARs	9,909		38.4942	2/17/21	282,860			
	2/21/12	MAR SARs	16,381	16,381(1)	34.67	2/21/22	530,253	530,253		
	2/22/13	MAR SARs	15,268	30,536(1)	39.27	2/22/23	423,992	847,985		
	2/24/14	MAR SARs	10,526	21,052(1)	53.25	2/24/24	145,154	290,307		
	2/23/15	MAR SARs		23,115(1)	82.67	2/23/25				
			MAR RSUs						81,960(5)	5,494,598
			MAR PSUs						10,017(3)	671,540
			MAR PSUs						7,260(4)	486,710
Mr. Grissen	2/12/07	MAR SARs	14,640		46.2137	2/12/17	304,897			
	2/19/08	MAR SARs	23,360		33.4986	2/19/18	783,527			
	8/7/08	MAR SARs	28,912		25.8827	8/7/18	1,189,940			
	8/7/08	MVW SARs	1,291		15.773	8/7/18	53,160			
	2/16/10	MAR SARs	96,900		25.4397	2/16/20	4,031,069			
	2/16/10	MVW SARs	9,690		15.5031	2/16/20	401,620			
	2/17/11	MAR SARs	39,636		38.4942	2/17/21	1,131,441			
	2/17/11	MVW SARs	3,936		23.4585	2/17/21	132,727			
	2/21/12	MAR SARs	35,972		34.67	2/21/22	1,164,414			
	2/22/13	MAR SARs	33,398	33,398(1)	39.27	2/22/23	927,462	927,462		
	2/24/14	MAR SARs	14,638	29,276(1)	53.25	2/24/24	201,858	403,716		
	2/23/15	MAR SARs		30,177(1)	82.67	2/23/25				
			MAR RSUs						40,722(6)	2,730,003
			MAR PSUs						13,929(3)	933,800
		MAR PSUs						9,477(4)	635,338	
Mr. Berquist	2/19/08	MVW SARs	3,500		20.4142	2/19/18	127,875			
	3/3/08	MVW SARs	1,418		19.5928	3/3/18	52,973			

Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

8/7/08	MAR SARs	30,232		25.8827	8/7/18	1,244,267	
8/7/08	MVW SARs	6,023		15.773	8/7/18	248,009	
2/16/10	MAR SARs	72,676		25.4397	2/16/20	3,023,343	
2/16/10	MVW SARs	7,267		15.5031	2/16/20	301,195	
2/17/11	MAR SARs	55,488		38.4942	2/17/21	1,583,949	
2/17/11	MVW SARs	5,548		23.4585	2/17/21	185,811	
2/21/12	MAR SARs	53,748	17,916(1)	34.67	2/21/22	1,739,823	579,941
2/22/13	MAR SARs	33,398	33,398(1)	39.27	2/22/23	927,462	927,462



**Table of Contents**

Name	Option/SAR Awards						Stock Awards	
	Grant Date	Award Type	Number of Securities Underlying Unexercised Options/SARs: Exercisable/Unexercisable (#)	Option/SAR Exercise Price (\$)	Option/SAR Expiration Date	Option/SAR Intrinsic Value: (\$)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
	2/24/14	MAR SARs	11,842 23,684(1)	53.25	2/24/24	163,301 326,602		
	2/23/15	MAR SARs	25,683(1)	82.67	2/23/25			
		MAR RSUs					33,031(7)	2,214,398
		MAR PSUs					11,268(3)	755,407
		MAR PSUs					8,067(4)	540,812

- (1) SARs granted prior to 2014 are exercisable in 25% annual increments beginning one year from the grant date; beginning in 2014, grants are exercisable in 33% increments.
- (2) These RSUs are scheduled to vest as follows, 59,514 on February 15, 2016; 39,684 on February 15, 2017; 8,065 on February 15, 2018.
- (3) PSUs vest on February 15, 2017, pending performance results and continued service.
- (4) PSUs vest on February 15, 2018, pending performance results and continued service.
- (5) These RSUs are scheduled to vest as follows, 40,160 on February 15, 2016; 27,679 on February 15, 2017; 14,121 on February 15, 2018.
- (6) These RSUs are scheduled to vest as follows, 24,190 on February 15, 2016; 13,373 on February 15, 2017; 3,159 on February 15, 2018.
- (7) These RSUs are scheduled to vest as follows, 18,326 on February 15, 2016; 12,016 on February 15, 2017; 2,689 on February 15, 2018.

PSUs, RSUs and SARs are described above in the discussion of Grants of Plan-Based Awards for Fiscal 2015.

**Option and SAR Exercises and Stock Vested During Fiscal 2015**

The following table shows information about Option and SAR exercises and vesting of RSU awards during fiscal year 2015. MVW options and SARs resulted from adjustments to the Company options to reflect the spin-off of the timeshare business.

Name	Option/SAR Awards				Stock Awards			
	Award Type	Exercise Date	Number of Shares Acquired on Exercise (#)(1)	Value Realized on Exercise (\$)(2)	Award Type	Vesting Date	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(3)
Mr. Marriott	MAR RSU	2/17/15			MAR RSU	2/17/15	18,365	1,469,935
	MVW RSU	2/17/15			MVW RSU	2/17/15	1,836.5	141,668
Mr. Sorenson	MAR RSU	2/17/15			MAR RSU	2/17/15	63,692	5,097,908
	MVW RSU	2/17/15			MVW RSU	2/17/15	1,224.3	94,443

Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

Mr. Capuano	MVW SAR	5/1/15	1,983	120,906	MAR RSU	2/17/15	42,239	3,380,810
					MVW RSU	2/17/15	382.6	29,514
Mr. Grissen	MVW Option	1/29/15	984	57,945	MAR RSU	2/17/15	24,857	1,989,555
	MVW Option	2/25/15	1,600	108,702	MVW RSU	2/17/15	382.6	29,514
	MVW SAR	9/28/15	3,800	163,110				
	MVW SAR	12/18/15	1,600	65,419				
Mr. Berquist	MVW SAR	5/26/15	3,008	196,465	MAR RSU	2/17/15	20,994	1,680,359
					MVW RSU	2/17/15	535.7	41,324

- (1) For SARs that were exercised, the number of shares in this column reflects the nominal number of shares that were subject to SARs. The number of shares actually delivered under the SARs was lower and represented the value realized on exercise divided by the stock price on the day of exercise.
- (2) The value realized upon exercise is based on the current trading price at the time of exercise.
- (3) The value realized upon vesting is based on the average of the high and low stock price on the vesting date.

**Table of Contents**

The following table includes additional information regarding the value realized by the NEOs in 2015 on the vesting of Marriott stock awards reported in the table above.

**2015 Restricted Stock and Restricted Stock Unit Award Vesting**

	<b>Grant Date</b>	<b>Vesting Date</b>	<b>Number of Shares Vested</b>	<b>Average Market Value at Grant (\$)</b>	<b>Average Market Value at Vesting (\$)</b>	<b>Stock Price Increase/Decrease from Grant to Vesting Date (%)</b>	<b>Value Realized Upon Vesting (\$)</b>
Mr. Marriott	2/17/11	2/17/15	18,365	40.84	80.04	96	1,469,935
Mr. Sorenson	2/17/11	2/17/15	12,243	40.84	80.04	96	979,930
	2/21/12	2/17/15	19,830	34.67	80.04	131	1,587,193
	2/22/13	2/17/15	19,099	39.27	80.04	104	1,528,684
	2/24/14	2/17/15	12,520	53.25	80.04	50	1,002,101
Mr. Capuano	2/17/11	2/17/15	3,826	40.84	80.04	96	306,233
	2/21/12	2/17/15	5,769	34.67	80.04	131	461,751
	2/21/12	2/17/15	24,212	34.67	80.04	131	1,937,928
	2/22/13	2/17/15	5,093	39.27	80.04	104	407,644
	2/24/14	2/17/15	3,339	53.25	80.04	50	267,254
Mr. Grissen	2/17/11	2/17/15	3,826	40.84	80.04	96	306,233
	2/21/12	2/17/15	10,817	34.67	80.04	131	865,793
	2/22/13	2/17/15	5,571	39.27	80.04	104	445,903
	2/24/14	2/17/15	4,643	53.25	80.04	50	371,626
Mr. Berquist	2/17/11	2/17/15	5,357	40.84	80.04	96	428,774
	2/21/12	2/17/15	6,310	34.67	80.04	131	505,052
	2/22/13	2/17/15	5,571	39.27	80.04	104	445,903
	2/24/14	2/17/15	3,756	53.25	80.04	50	300,630

**Nonqualified Deferred Compensation for Fiscal Year 2015**

The following table presents contributions, earnings, distributions and balances under the EDC for the 2015 fiscal year.

<b>Name</b>	<b>Executive Contributions in Last FY (\$)(1)</b>	<b>Company Contributions in Last FY (\$)</b>	<b>Aggregate Earnings in Last FY (\$)(2)</b>	<b>Aggregate Withdrawals / Distributions (\$)</b>	<b>Aggregate Balance at Last FYE (\$)(3)</b>
Mr. Marriott	180,000	112,500	1,097,213		23,651,258
Mr. Sorenson	478,950	179,606	190,585		4,285,654
Mr. Capuano	21,750	16,313	35,139		771,638
Mr. Grissen	345,691	57,291	217,818		4,807,474
Mr. Berquist	360,305	59,783	147,135		3,304,405

(1) The amounts in this column consist of elective deferrals by the NEOs of salary for the 2015 fiscal year and non-equity incentive plan compensation for 2014 (otherwise payable in 2015) under the EDC. The following table indicates the portion of each executive's 2014 elective contributions that was attributable to 2015 salary that is reported in the Summary Compensation Table.

Name	Amounts that Relate to the Contribution of Salary (\$)
Mr. Marriott	180,000
Mr. Sorenson	123,600
Mr. Capuano	21,750
Mr. Grissen	145,000
Mr. Berquist	152,982

**Table of Contents**

- (2) The amounts in this column reflect aggregate notional earnings during 2015 of each NEO's account in the EDC. Such earnings are reported in the Summary Compensation Table only to the extent that they were credited at a rate of interest in excess of 120% of the applicable federal long-term rate. The following table indicates the portion of each executive's aggregate earnings during 2015 that is reported in the Summary Compensation Table.

<b>Name</b>	<b>Amounts Included in the Summary Compensation Table for 2015 (\$)</b>
Mr. Marriott	434,283
Mr. Sorenson	75,740
Mr. Capuano	13,922
Mr. Grissen	86,410
Mr. Berquist	58,456

- (3) This column includes amounts in each NEO's total EDC account balance as of the last day of the 2015 fiscal year. The following table presents the portion of the Aggregate Balance that was reported as compensation in the Summary Compensation Table in the Company's prior-year proxy statements since we became a public company on March 27, 1998.

<b>Name</b>	<b>Amounts that were Reported as Compensation in Prior Year Proxy Statements (\$)</b>
Mr. Marriott	13,154,635
Mr. Sorenson	2,888,661
Mr. Capuano	119,105
Mr. Grissen	839,307
Mr. Berquist	1,464,424

Under the EDC, participants are eligible to defer the receipt of up to 80% of their salary, bonus, non-equity incentive plan compensation and/or commissions. Such amounts are immediately vested. In addition, the NEOs may receive a discretionary Company match which is vested when made. For 2015, the NEOs received a discretionary match which is described in the discussion of Nonqualified Deferred Compensation Plan in the CD&A. No additional discretionary Company contribution was made for 2015.

For 2015, the Company credited participant plan accounts with a rate of return determined by the Company. The rate of return was determined largely by reference to the Company's estimated long-term cost of borrowing and was set at 4.9% for 2015. To the extent that this rate exceeds 120% of the applicable federal long-term rate, the excess is reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table.

Executives may receive a distribution of the vested portion of their EDC accounts upon termination of employment or, in the case of deferrals by the executive (and related earnings), upon a specified future date while still employed (an *in-service distribution*), as elected by the executive. Each year's deferrals may have a separate distribution election. Distributions payable upon termination of employment may be elected as (i) a lump sum cash payment; (ii) a series of annual cash installments payable over a designated term not to exceed twenty years; or (iii) five annual cash payments beginning on the sixth January following termination of employment. In-service distributions may be elected by the executive as a single lump sum cash payment or annual cash payments over a term of one to five years, in either case beginning not earlier than the third calendar year following the calendar year of the deferral. However, in the case of amounts of \$10,000 or less, or when no election regarding the form of distribution is made, the distribution will be made in a lump sum. When the executive is a specified employee for purposes of Section 409A of the Internal Revenue Code, any distribution payable on account of termination of employment will not occur until after six months following termination of employment. Typically, the NEOs are specified employees.



---

**Table of Contents**

**Potential Payments Upon Termination or Change in Control**

The Company does not have employment agreements or severance agreements with any of the NEOs.

Upon retirement or permanent disability (as defined in the pertinent plan), a NEO may continue to vest in and receive distributions under outstanding stock awards (with the exception of certain supplemental RSU awards granted after 2005) for the remainder of their vesting period; may exercise options and SARs for up to five years subject to the awards' original terms; and immediately vests in the unvested portion of his EDC account. However, annual stock awards granted after 2005 provide that if the executive retires within one year after the grant date, the executive forfeits a portion of the stock award proportional to the number of days remaining within that one-year period. For these purposes, retirement means a termination of employment with retirement approval of the Committee by an executive who has attained age 55 with 10 years of service with the Company, or, for the EDC and for Stock Plan annual stock awards granted before 2006, has attained 20 years of service with the Company. In all cases, however, the Committee or its designee has the authority to revoke approved retiree status if an executive terminates employment for serious misconduct or is subsequently found to have engaged in competition with the Company or engaged in criminal conduct or other behavior that is actually or potentially harmful to the Company. A NEO who dies as an employee or is an approved retiree immediately vests in his EDC account, options/SARs and other stock awards. These provisions were developed based on an analysis of external market data. As of December 31, 2015, Messrs. Marriott, Sorenson, Berquist and Grissen met the age and service conditions for retirement eligibility. Mr. Capuano will meet those conditions if he remains employed until December 17, 2020.

Under the Stock Plan, in the event of certain transactions involving a capital restructuring, reorganization or liquidation of the Company or similar event as defined in the plan, the Company or its successor may in its discretion provide substitute equity awards under the Stock Plan or, if no similar equity awards are available, an equivalent value as determined at that time will be credited to each NEO's account in the EDC, provided that such action does not enlarge or diminish the value and rights under the awards. If the Company or its successor does not substitute equity awards or credit the EDC accounts, the Company or its successor will provide for the awards to be exercised, distributed, canceled or exchanged for value. The intrinsic values of the vested and unvested options/SARs and unvested stock awards as of the last day of the fiscal year are indicated for each NEO in the Outstanding Equity Awards at 2015 Fiscal Year-End table.

In addition, if any NEO's employment is terminated by the Company other than for the executive's misconduct or the executive resigns for good reason (as defined under the Stock Plan) beginning three months before and ending twelve months following a change in control of the Company, the NEO will become fully vested in all unvested equity awards under the Stock Plan (including at the target performance level for PSUs) and unvested balances in the EDC. In those circumstances, all options and SARs will be exercisable until the earlier of the original expiration date of the awards or 12 months (or five years for an approved retiree) following the termination of employment, and all other stock awards shall be immediately distributed following the later of the termination of employment or the change in control event, except that certain stock awards subject to the requirements of Section 409A of the Internal Revenue Code may not be distributable for six months following termination of employment if the NEO is a specified employee under Section 409A, which is typical. In addition, any cash incentive payments under the annual cash incentive program will be made immediately based on the target performance level, pro-rated based on the days worked during the year until the NEO's termination of employment. The Company does not

**Table of Contents**

provide any tax gross-ups on these benefits, but instead limits the benefits to avoid adverse tax consequences to the Company. Specifically, each of these benefits is subject to a cut-back, so that the benefit will not be provided to the extent it would result in the loss of a deduction or imposition of excise taxes under the golden parachute excess parachute payment provisions of the Internal Revenue Code. Similar rules apply to the NEOs' outstanding MVW stock awards.

The table below reflects the intrinsic value of unvested stock awards and cash incentive payments that each NEO would receive upon retirement, disability, death, or involuntary termination of employment in connection with a change in control as of December 31, 2015, the end of our fiscal-year (based on the Company's closing stock price of \$67.04). Each of the NEOs was fully vested in their EDC accounts as of December 31, 2015.

Name	Plan	Retirement (\$)(1)	Disability (\$)(1)	Death (\$)	Change in Control and Termination (\$)
Mr. Marriott	Stock Plan				
	Total Cash Incentive				
Mr. Sorenson	Stock Plan	16,942,094	21,332,410	21,812,354	21,812,354
	Total Cash Incentive		1,854,000	1,854,000	1,854,000
Mr. Capuano	Stock Plan		8,177,380	8,321,393	8,321,393
	Total Cash Incentive		543,750	543,750	543,750
Mr. Grissen	Stock Plan	5,442,329	5,442,329	5,630,320	5,630,320
	Total Cash Incentive		543,750	543,750	543,750
Mr. Berquist	Stock Plan	5,184,601	5,184,601	5,344,622	5,344,622
	Total Cash Incentive		573,682	573,682	573,682

<sup>(1)</sup> These amounts will become exercisable or be received following employment over the period described in the awards, subject to the conditions not to engage in competition or other conduct injurious to the Company as described in more detail above.

The benefits presented in the table above are in addition to benefits available prior to the occurrence of any termination of employment, including benefits available under then-exercisable SARs and options and vested EDC balances, and benefits available generally to salaried employees such as benefits under the Company's 401(k) plan, group medical and dental plans, life and accidental death insurance plans, disability programs, health and dependent care spending accounts, and accrued paid time off. The actual amounts that would be paid upon a NEO's termination of employment can be determined only at the time of any such event. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed above, any actual amounts paid or distributed may be higher or lower than reported above. Factors that could affect these amounts include the timing during the year of any such event, the Company's stock price and the executive's age. In addition, in connection with any actual termination of employment or change in control transaction, the Company may determine to enter into an agreement or to establish an arrangement providing additional benefits or amounts, or altering the terms of benefits described above, as the Committee determines appropriate.



**Table of Contents****Director Compensation**

Following a management review and report based on market practice as well as our consultation with the Compensation Consultant, the Compensation Policy Committee recommended, and the Board approved, an increase in director fees and share awards effective May 1, 2015. As a result of these changes, for 2015, we paid non-employee directors compensation in the form of annual cash retainer fees and Non-Employee Director Share Awards under the Stock Plan, as follows:

Type of Fee (all fees below are annual)	Amount of Fee through April 31 <sup>st</sup> (\$)	Amount of Fee beginning May 1 <sup>st</sup> (\$)
Board Retainer Fee	75,000	85,000
Share Award	125,000	140,000
Audit Committee Chair Fee	20,000	20,000
Other (Non-Audit) Committee Chair Fee	10,000	10,000
Audit Committee Member Retainer	10,000	10,000

We pay a retainer and chair fees on a quarterly basis. However, in accordance with established Company procedures, a director may elect to defer payment of all or a portion of his or her director fees pursuant to the Stock Plan and/or the EDC. Annual retainer and chair fees that are deferred pursuant to the Stock Plan may be replaced with Director SARs having equivalent grant-date value, or credited to the director's stock unit account in the plan, at the election of the director. We grant director SARs at fair market value, with a 10-year term, which immediately vest but cannot be exercised until one year following grant. As elected by the director, retainer and chair fees that are credited to the director's stock unit account may be distributed in a lump sum or in one to 10 annual installments following termination of service as a Board member. Amounts deferred under the Stock Plan accrue dividend equivalents but do not provide voting rights until the stock is distributed.

The Company grants the Non-Employee Director Share Awards following the Company's annual meeting of stockholders. A Director Share Award is a grant of stock that the director may choose to have distributed in a lump sum on the one-year anniversary of the grant or in a lump sum or one to 10 annual installments following termination of service as a Board member. Directors make their elections in the year prior to grant of the award. The annual Non-Employee Director Share Awards neither accrue dividend equivalents nor provide voting rights until the stock is distributed. The pricing practices for executive stock awards discussed in the CD&A above are followed for director stock awards.

The Company reimburses directors for travel expenses, other out-of-pocket costs they incur when attending meetings and, for one meeting per year, attendance by spouses. To encourage our directors to visit and personally evaluate our properties, the directors also receive complimentary rooms, food and beverages at Company-owned, operated or franchised hotels, as well as the use of hotel-related services such as Marriott-managed golf and spa facilities, when on personal travel. We report the value of these benefits to the directors as taxable compensation and do not provide the directors any gross-up to cover such taxes.

The Board of Directors believes that stock ownership by non-employee directors is essential for aligning their interests with those of stockholders. To emphasize this principle, Board stock ownership guidelines require that each non-employee director own Company stock or stock units valued at three times the director's combined annual cash and stock retainers, or roughly eight times the annual cash retainer. All non-employee directors who have served as directors of the Company for five years or more have met this goal.



**Table of Contents****Director Compensation for Fiscal Year 2015**

The following Director Compensation Table presents the compensation we paid in 2015 to our non-employee directors. As officers, Deborah Marriott Harrison, J.W. Marriott, Jr. and Arne M. Sorenson are not paid for their service as directors.

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(2)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(4)	All Other Compensation (\$)(5)(6)	Total (\$)
Mary K. Bush	91,667	140,035			231,702
Frederick A. Henderson	101,667	140,035			241,702
Lawrence W. Kellner	101,667	140,035			241,702
Debra L. Lee	91,667	140,035	1,606	20,154	253,462
George Muñoz	84,818	140,035	2,381	3,063	230,297
Harry J. Pearce (retired effective May 8, 2015)	32,083		1,523	1,203	34,809
Steven S Reinemund	91,667	140,035	2,595	3,438	237,735
W. Mitt Romney	91,667	140,035			231,702
Susan C. Schwab (elected to the board effective May 8, 2015)	56,667	140,035			196,702

(1) This column includes any cash retainer fees that the directors elected to defer to their stock unit accounts in the Stock Plan, fees that the directors elected to receive as Director SARs, and fees that were deferred pursuant to the EDC, as follows:

Name	Fees Credited to Stock Unit Account in the Stock Plan (\$)	Fees Elected as a Director SAR Award (\$)	Fees Deferred Pursuant to the EDC (\$)
Ms. Lee			5,500
Mr. Muñoz		79,918	4,900
Mr. Pearce	30,158		1,925
Mr. Reinemund			91,667

Because cash retainers otherwise are paid quarterly, fees were credited to the directors' stock unit accounts in the Stock Plan on April 10, 2015 and July 10, 2015. The number of shares credited to each director's stock unit account was determined by dividing the dollar amount that the director elected to defer by the average of the high and low trading prices of the Company's Class A common stock on the respective credit dates, which were \$80.37 and \$75.39. In addition, as he had elected, Mr. Muñoz received a grant of SARs on May 11, 2015, in lieu of cash payment of a portion of his annual cash retainer.

- (2) In 2015, each non-employee director was granted a Director Share Award on May 11, 2015, for 1,750 shares. In accordance with the Company's equity compensation grant procedures, the awards were determined by dividing the value of the Director Share Award by the average of the high and low prices of a share of the Company's Class A common stock on the date the awards were granted, which was \$80.02 per share. The amounts reported in the Stock Awards column reflect the grant-date fair value of the award, determined in accordance with accounting guidance for share-based payments.
- (3) The following table indicates the number of outstanding Company Director Options, SARs and deferred stock ( DS ) held by each director at the end of 2015. This table also includes MVW stock awards and reflects adjustments made to the Company stock awards for the timeshare

business spin-off.

Name	Award Type	Number of Securities Underlying Unexercised Director Options/ SARs		Number of Shares or Units of Stock That Have Not Vested (#)	Number of Shares or Units of Stock That Have Vested (#)
		Exercisable (#)	Unexercisable (#)		
Ms. Bush	MAR DS				21,278
	MVW DS				1,175
Mr. Henderson	MAR DS				6,724
Mr. Kellner	MAR DS				16,936
	MVW DS				1,021
Ms. Lee	MAR DS				26,572
	MVW DS				1,704
Mr. Muñoz	MAR SARs	15,095	2,773		
	MAR DS				42,877
	MVW DS				3,342

**Table of Contents**

Name	Award Type	Number of Securities Underlying Unexercised Director Options/ SARs		Number of Shares or Units of Stock That Have Not Vested (#)	Number of Shares or Units of Stock That Have Vested (#)
		Exercisable (#)	Unexercisable (#)		
Mr. Pearce	MAR DS				93,867
	MVW DS				7,852
Mr. Reinemund	MAR DS				3,480
	MVW DS				173
Mr. Romney	MAR DS				6,724
Ms. Schwab	MAR DS				1,750

- (4) The values reported equal the earnings credited to accounts in the EDC to the extent they were credited at a rate of interest exceeding 120% of the applicable federal long-term rate, as discussed for the NEOs under Nonqualified Deferred Compensation for Fiscal Year 2015 above.
- (5) This column includes Company allocations made by the Company under the Executive Deferred Compensation Plan for fiscal year 2015.
- (6) The directors receive complimentary rooms, food and beverages at Company-owned, operated or franchised hotels, as well as the use of hotel-related services such as Marriott-managed golf and spa facilities, when on personal travel. The values in this column do not include perquisites and personal benefits that were less than \$10,000 in aggregate for each director for the fiscal year.

**Securities Authorized for Issuance under Equity Compensation Plans**

The following table sets forth information about the securities authorized for issuance under the Company's equity compensation plans as of December 31, 2015.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in the first column)
Equity compensation plans approved by stockholders	11,818,132(1)	\$ 37.13	22,752,822(2)
Equity compensation plans not approved by stockholders(3)			
<b>Total</b>	<b>11,818,132</b>		<b>22,752,822</b>

- (1) Includes 5,839,173 shares of outstanding PSU, RSU, and deferred stock bonus awards, as well as DS awards to directors under the Stock Plan, that are not included in the calculation of the Weighted-Average Exercise Price column. Includes 298,930 shares issuable at target under outstanding PSUs.

Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

- (2) Consists of 12,543,088 securities available for issuance under the Stock Plan and 10,209,734 securities available for issuance under the Employee Stock Purchase Plan.
- (3) All of the Company's equity compensation plans have been approved by stockholders.

**Table of Contents****STOCK OWNERSHIP****Stock Ownership of our Directors, Executive Officers and Certain Beneficial Owners**

The table below sets forth the beneficial ownership of Class A common stock by our directors, director nominees and executive officers as of February 2, 2016 (unless otherwise noted), as well as additional information about beneficial owners of more than 5 percent of the Company's Class A common stock. Ownership consists of sole voting and sole investment power, except as indicated in the notes below, and except for shares registered in the name of children sharing the same household or subject to any community property laws. Unless otherwise noted, the address for all greater than five percent beneficial owners is Marriott International, Inc., 10400 Fernwood Road, Bethesda, Maryland 20817.

**Note on Various Marriott Family Holdings:** SEC rules require reporting of beneficial ownership of certain shares by multiple parties, resulting in multiple counting of some shares. After eliminating double-counting of shares beneficially owned, J.W. Marriott, Jr. and Deborah M. Harrison together have an aggregate beneficial ownership of 16.2 percent of Marriott's outstanding shares. The aggregate total beneficial ownership of J.W. Marriott, Jr., Deborah M. Harrison, and each of the Other 5% Beneficial Owners shown below, except for The Vanguard Group, T. Rowe Price Associates, Inc., and Prudential Financial, Inc., is 26.6 percent of outstanding shares after removing the shares counted multiple times. These individuals and entities each disclaim beneficial ownership over shares owned by other members of the Marriott family and the entities named below except as specifically disclosed in the footnotes following the table below.

Name	Shares Beneficially Owned		Percent of Class(1)
<b>Directors and Director Nominees:</b>			
J.W. Marriott, Jr.	39,785,965	(2)(3)(4)(5)	15.62%
Mary K. Bush	21,553	(7)	*
Frederick A. Henderson	6,724	(7)	*
Deborah M. Harrison	29,439,452	(3)(4)(6)	11.56%
Lawrence W. Kellner	18,936	(7)	*
Debra L. Lee	29,232	(7)	*
George Muñoz	56,195	(7)(8)	*
Steven S Reinemund	29,139	(7)	*
W. Mitt Romney	11,504	(7)	*
Arne M. Sorenson	1,102,630	(8)	*
Susan C. Schwab	2,471	(7)	*
<b>Other Named Executive Officers:</b>			
Carl T. Berquist**	289,119	(8)	*
Anthony G. Capuano	156,031	(8)	*
David J. Grissen	212,500	(8)	*
<b>All Directors and Executive Officers as a Group:</b>			
(21 persons)	43,474,873	(9)	17.07%
<b>Other 5% Beneficial Owners:</b>			
Richard E. Marriott	36,006,681	(2)(11)	14.14%
John W. Marriott III	25,420,750	(4)(10)	9.98%
Juliana B. Marriott	25,287,034	(4)(12)	9.93%
Stephen Blake Marriott	24,386,049	(4)(13)	9.57%
David S. Marriott	30,054,961	(4)(14)	11.80%
JWM Family Enterprises, Inc.	24,227,118	(4)	9.51%
JWM Family Enterprises, L.P.	24,227,118	(4)	9.51%
The Vanguard Group 100 Vanguard Blvd.	15,426,449	(15)	6.06%

Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

Malvern, PA 19355			
T. Rowe Price Associates, Inc.	16,197,205	(16)	6.36%
100 E. Pratt Street			
Baltimore, MD 21202			
Prudential Financial, Inc.	15,131,381	(17)	5.94%
751 Broad Street			
Newark, NJ 07102			



**Table of Contents**

\* Less than 1 percent.

\*\* Mr. Berquist resigned from the position of Chief Financial Officer effective December 31, 2015.

- (1) Based on the number of shares outstanding (254,579,935) on February 2, 2016, plus the number of shares acquirable by the specified person(s) within 60 days of February 2, 2016, as described below.
- (2) Includes the following 12,116,803 shares that both J.W. Marriott, Jr. and his brother Richard E. Marriott report as beneficially owned: (a) 3,746,956 shares held by trusts for the benefit of their children and grandchildren, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees; (b) 3,523,737 shares owned by The J. Willard & Alice S. Marriott Foundation, a charitable foundation, for which J.W. Marriott, Jr., Richard E. Marriott, David S. Marriott III, and Deborah M. Harrison serve as co-trustees; and (c) 4,846,110 shares held by a limited liability company for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-managers.
- (3) Includes 240,000 shares owned by The JWM Generations Trust, for which J.W. Marriott, Jr. s spouse and each of his children serve as co-trustees that both J.W. Marriott, Jr. and his daughter Deborah M. Harrison report as beneficially owned.
- (4) Includes the following 24,227,118 shares that J.W. Marriott, Jr., his children John W. Marriott III, Deborah M. Harrison, and David S. Marriott, his grandson Stephen Blake Marriott, his daughter-in-law Juliana B. Marriott, and JWM Family Enterprises, Inc. and JWM Family Enterprises, L.P. each report as beneficially owned: (a) 9,199,999 shares owned by Thomas Point Ventures, L.P.; (b) 4,200,000 shares owned by Anchorage Partners, L.P.; (c) 2,904,028 shares owned by Terrapin Limited Holdings, LLC; and (d) 7,923,091 shares owned by JWM Family Enterprises, L.P. JWM Family Enterprises, Inc., a corporation in which J.W. Marriott, Jr. each of his children and his grandson, Stephen Blake Marriott, is a director, is the sole general partner of JWM Family Enterprises, L.P., a limited partnership, which in turn is the sole general partner of Thomas Point Ventures, L.P. and Anchorage Partners, L.P., which also are limited partnerships, and the sole member of Terrapin Limited Holdings, LLC. The address for the corporation, the three limited partnerships and the limited liability company is 9737 Washington Boulevard, Suite 404, Gaithersburg, Maryland 20878.
- (5) Includes the following 3,325,473 shares that J.W. Marriott, Jr. reports as beneficially owned, in addition to the shares referred to in footnotes (2), (3) and (4): (a) 259,957 shares held in a 401(k) account for the benefit of J.W. Marriott, Jr.; (b) 240,024 shares held in a revocable trust for the benefit of J.W. Marriott, Jr., for which he is the sole trustee; (c) 539,937 shares subject to Options, SARs and RSUs currently exercisable or exercisable within 60 days after February 2, 2016; (d) 285,758 shares held in a revocable trust for the benefit of J.W. Marriott, Jr. s spouse, for which his spouse is the sole trustee (Mr. Marriott disclaims beneficial ownership of such shares); (e) 1,759,775 shares owned by separate trusts for the benefit of J.W. Marriott, Jr. s children and grandchildren, for which his spouse serves as a co-trustee; (f) 41,635 shares owned by three trusts for the benefit of J.W. Marriott, Jr. s grandchildren, for which Juliana B. Marriott (the widow of Stephen G. Marriott) and the spouse of J.W. Marriott, Jr. serve as co-trustees; (g) 147,387 shares owned by three trusts for the benefit of J.W. Marriott, Jr. s grandchildren, for which Juliana B. Marriott and the spouse of J.W. Marriott, Jr. serve as co-trustees; and (h) 49,000 shares owned by the J. Willard Marriott, Jr. Foundation, for which J.W. Marriott, Jr. and his spouse serve as trustees.
- (6) Includes the following 4,967,466 shares that Deborah M. Harrison reports as beneficially owned in addition to the shares referred to in footnotes (3) and (4): (a) 272,122 shares directly held; (b) 15,241 shares owned by Deborah M. Harrison s spouse (Mrs. Harrison disclaims beneficial ownership of such shares) (c) 6,420 shares held in two trusts for the benefit of Deborah M. Harrison s grandchildren, for which Deborah M. Harrison s spouse serves as trustee; (d) 303,142 shares held in four trusts for the benefit of Deborah M. Harrison s children, for which Deborah M. Harrison serves as trustee; (e) 209,210 shares held in a trust for the benefit of Deborah M. Harrison s descendants, for which Deborah M. Harrison serves as trustee; (f) 179,166 shares held by three trusts for the benefit of John W. Marriott III s children, for which John W. Marriott III and Deborah M. Harrison serve as co-trustees; (g) 251,000 shares held by a life insurance trust for the benefit of J.W. Marriott, Jr., for which each of his children serve as trustees; (h) 54,920 shares held in a limited liability company of which Deborah M. Harrison s spouse is a manager; (i) 110,561 shares held in a limited liability company of which Deborah M. Harrison is a manager; (j) 2,223 shares subject to RSUs held by Deborah M. Harrison currently exercisable or exercisable within 60 days after February 2, 2016; (k) 39,714 shares subject to SARs and RSUs held by Deborah M. Harrison s spouse currently exercisable or exercisable within 60 days after February 2, 2016 (Mrs. Harrison disclaims beneficial ownership of such shares) and (l) 3,523,737 shares owned by The J. Willard & Alice S. Marriott Foundation, a charitable foundation, for which J.W. Marriott, Jr., Richard E. Marriott, David S. Marriott, and Deborah M. Harrison serve as co-trustees (referenced in footnote (2)(b) above).
- (7) Includes the combined numbers of shares (a) subject to non-employee director deferred share awards, and (b) in stock unit accounts of non-employee directors, and that were beneficially owned as of February 2, 2016, as follows: Ms. Bush: 21,278 shares; Mr. Henderson: 6,724 shares; Mr. Kellner: 16,936 shares; Ms. Lee: 26,572 shares; Mr. Muñoz: 42,877 shares; Mr. Reinemund: 3,480 shares; Mr. Romney: 6,724 shares; and Ms. Schwab: 1,750 shares.
- (8) Includes shares subject to Options, SARs and RSUs currently exercisable or exercisable within 60 days after February 2, 2016, as follows: Mr. Berquist: 144,742 shares; Mr. Capuano: 69,452 shares; Mr. Grissen: 157,239 shares; Mr. Muñoz: 3,541 shares; and Mr. Sorenson: 635,300 shares.
- (9) The 3,523,737 shares described in footnote (2)(b), the 240,000 shares described in footnote (3) and the 24,227,118 shares described in footnote (4) are reported as beneficially owned by each of J.W. Marriott, Jr. and Deborah M. Harrison, but are included only once in reporting the number of shares owned by all directors, nominees and executive officers as a group. All directors and executive officers as a group held 1,825,417 Options, SARs, RSUs and non-employee director deferred share awards and deferred stock units currently exercisable or exercisable within 60 days after February 2, 2016. All directors and executive officers as a group, other than J.W. Marriott, Jr. and Deborah M. Harrison, beneficially owned an aggregate of 2,240,987 shares (including 1,364,971 Options, SARs, RSUs and non-employee director deferred share awards and deferred stock units currently exercisable or exercisable within 60 days after February 2, 2016), or 0.9 percent of our Class A common stock outstanding as of February 2, 2016.
- (10) Includes the following 1,193,632 shares that John W. Marriott III reports as beneficially owned, in addition to the shares referred to in footnote (4): (a) 436,644 shares directly held; (b) 179,166 shares held by three trusts for the benefit of John W. Marriott III s children, for which John W. Marriott III and Deborah M. Harrison serve as co-trustees (referenced in footnote (6)(f) above); (c) 75,000 shares owned by a trust for the benefit of John W. Marriott III s descendants, for which John W. Marriott III and David S. Marriott serve as co-trustees; (d) 251,000 shares held by a life insurance trust for the benefit of J.W. Marriott, Jr., for which each of his children serve as co-trustees (referenced in footnote (6)(g) above); (e) 240,000 shares owned by The JWM Generations Trust, for which J.W. Marriott, Jr. s spouse and each of his children serve as co-trustees (referenced in footnote (3) above); and (f) 11,822 shares held in a 401(k) account for the benefit of John W. Marriott III.
- (11) Includes the following 23,889,878 shares that Richard E. Marriott reports as beneficially owned, in addition to the 12,116,803 shares referred to in footnote (2): (a) 18,050,969 shares directly held; (b) 286,177 shares owned by Richard E. Marriott s spouse (Mr. Marriott

**Table of Contents**

- disclaims beneficial ownership of these shares); (c) 1,119,239 shares owned by three trusts for the benefit of Richard E. Marriott's children, for which his spouse serves as a co-trustee; (d) 2,978,744 shares owned by First Media, L.P., a limited partnership whose general partner is a corporation in which Richard E. Marriott is the controlling voting stockholder; (e) 1,437,749 shares held in a charitable annuity trust created by Richard E. Marriott, for which he serves as co-trustee; and (f) 17,000 shares held by a trust established for the benefit of J.W. Marriott, Jr., for which Richard E. Marriott serves as trustee. Richard E. Marriott is the brother of J.W. Marriott, Jr. and is a former director and officer of the Company. His address is Host Hotels & Resorts, Inc., 10400 Fernwood Road, Bethesda, Maryland 20817.
- (12) Includes the following 1,059,917 shares that Juliana B. Marriott reports as beneficially owned in addition to the shares referred to in footnote (4): (a) 42,000 shares directly held; (b) 41,635 shares owned by three trusts for the benefit of J.W. Marriott, Jr.'s grandchildren, for which Juliana B. Marriott (the widow of Stephen G. Marriott) and the spouse of J.W. Marriott, Jr. serve as co-trustees (referenced in footnote (5)(f) above); (c) 147,387 shares owned by three trusts for the benefit of Stephen G. Marriott's children, for which Juliana B. Marriott and the spouse of J.W. Marriott, Jr. serve as co-trustees (referenced in footnote (5)(g) above); (d) 290,000 shares owned by a trust for the benefit of Stephen G. Marriott's descendants, for which David S. Marriott and Juliana B. Marriott serve as co-trustees; and (e) 538,895 shares owned by a trust for the benefit of Juliana B. Marriott, for which David S. Marriott and Juliana B. Marriott are co-trustees.
- (13) Includes the following 158,931 shares that Stephen Blake Marriott reports as beneficially owned in addition to the shares referred to in footnote (4): (a) 153,834 shares directly held; and (b) 5,097 shares held by two trusts for the benefit of his nephews for which Stephen Blake Marriott serves as a trustee.
- (14) Includes the following 5,827,843 shares that David S. Marriott reports as beneficially owned in addition to the shares referred to in footnote (4): (a) 647,250 shares directly held; (b) 15,418 shares held by David S. Marriott's spouse (Mr. Marriott disclaims beneficial ownership of such shares); (c) 75,252 shares held by four trusts for the benefit of David S. Marriott's children, for which David S. Marriott and another individual serve as trustees; (d) 142,565 shares owned by a trust for the benefit of David S. Marriott's descendants, for which David S. Marriott and another individual serve as trustees; (e) 75,000 shares owned by a trust for the benefit of John W. Marriott III's descendants, for which John W. Marriott III and David S. Marriott serve as co-trustees; (referenced in footnote 10(c) above); (f) 290,000 shares owned by a trust for the benefit of Stephen G. Marriott's descendants, for which David S. Marriott and Juliana B. Marriott serve as trustees (referenced in footnote (12)(d) above); (g) 538,895 shares owned by a trust for the benefit of Juliana B. Marriott, for which David S. Marriott and Juliana B. Marriott are co-trustees (referenced in footnote (12)(e) above); (h) 240,000 shares owned by The JWM Generations Trust, for which J.W. Marriott, Jr.'s spouse and each of his children serve as co-trustees (referenced in footnote (3) above); (i) 251,000 shares held by a life insurance trust for the benefit of J.W. Marriott, Jr., for which each of his children serve as co-trustees (referenced in footnote (6)(g) above); (j) 3,523,737 shares owned by The J. Willard & Alice S. Marriott Foundation, a charitable foundation, for which John W. Marriott III serves as co-trustee with J.W. Marriott, Jr., Richard E. Marriott and Deborah M. Harrison (referenced in footnote (2)(b) above) and (k) 28,726 shares subject to Options and RSUs currently exercisable or exercisable within 60 days after February 2, 2016.
- (15) Based on a review of a Schedule 13G/A report filed with the SEC on February 10, 2016, The Vanguard Group beneficially owned 15,426,449 shares as of December 31, 2015, with sole voting power as to 365,220 shares, shared voting power as to 21,500 shares, sole dispositive power as to 15,030,660 shares, and shared dispositive power as to 395,789 shares.
- (16) Based on a review of a Schedule 13G report filed with the SEC on February 12, 2016, T. Rowe Price Associates, Inc. beneficially owned 16,197,205 shares as of December 31, 2015, with sole voting power as to 4,844,759 shares, and sole dispositive power as to all such shares.
- (17) Based on a review of a Schedule 13G report filed with the SEC on February 3, 2016, Prudential Financial, Inc. (Prudential) beneficially owned 15,131,381 shares as of December 31, 2015, with sole voting power as to 766,192 shares, sole dispositive power as to 776,192 shares, shared voting power as to 7,220,859 shares and shared dispositive power as to 14,355,189 shares. According to the Schedule 13G, Prudential is the parent holding company and indirect parent of Jennison Associates LLC (Jennison), which beneficially owns 14,737,575 of these shares. Jennison filed a separate Schedule 13G report with the SEC on February 3, 2016 reporting beneficial ownership, as of December 31, 2015, of these 14,737,575 shares, with sole voting power as to 7,603,245 shares and shared dispositive power as to 14,737,575 shares. The address of Jennison is 466 Lexington Avenue, New York, NY 10017.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended (the *Exchange Act*), requires the Company's directors and executive officers and persons who own more than 10% of a registered class of the Company's equity securities (the *Reporting Persons*) to file with the SEC and the NASDAQ reports on Forms 3, 4 and 5 concerning their ownership of and transactions in the common stock and other equity securities of the Company, generally within two business days of a reportable transaction. As a practical matter, the Company seeks to assist its directors and executives by monitoring transactions and completing and filing reports on their behalf.

Based solely upon a review of SEC filings furnished to the Company and written representations that no other reports were required, we believe that all Reporting Persons complied with these reporting requirements during fiscal year 2015 except for a late filing by Richard E. Marriott to report a transfer of 240,419 shares to an exchange fund by a corporation for which he is the controlling voting stockholder. The untimely report was the result of an administrative error.

**Table of Contents****TRANSACTIONS WITH RELATED PERSONS**

JWM Family Enterprises, L.P. ( *Family Enterprises* ) is a Delaware limited partnership which is beneficially owned and controlled by members of the family of J.W. Marriott, Jr., the Company's Executive Chairman and Chairman of the Board, including Deborah M. Harrison (daughter of J.W. Marriott, Jr.), a member of the Company's Board of Directors and an officer of the Company, and J.W. Marriott, Jr. himself. Family Enterprises indirectly holds varying percentages of ownership in the following 16 hotels:

<b>Location</b>	<b>Brand</b>	<b>Initial Year of Company Management</b>
Long Beach, California	Courtyard	1994
San Antonio, Texas	Residence Inn	1994
Anaheim, California	Fairfield Inn	1996
Herndon, Virginia	SpringHill Suites	1999
Milpitas, California	Courtyard	1999
Milpitas, California	TownePlace Suites	1999
Novato, California	Courtyard	1999
Washington, D.C. (Thomas Circle)	Residence Inn	2001
West Palm Beach, Florida	Marriott	2003
Columbus, Ohio	Renaissance	2004
Charlotte, North Carolina	Marriott	2006
Dallas, Texas	Renaissance	2006
Trumbull, Connecticut	Marriott	2007
Charlotte, North Carolina	Renaissance	2007
Cleveland, Ohio	Marriott	2007
Newark, New Jersey	Renaissance	2007

Our subsidiaries operate each of these properties pursuant to management agreements with entities controlled by Family Enterprises, and provide procurement and/or renovation services for some of these properties pursuant to contracts entered into with the ownership entities. We expect such arrangements to continue in 2016. In fiscal year 2015, we received management fees of approximately \$13.1 million plus reimbursement of certain expenses, and procurement and renovation services fees of approximately \$238,424 from our operation of and provision of services for these hotels. The Company has no financial involvement beyond the foregoing roles in either the hotels listed above or in Family Enterprises.

Our Company was founded by J.W. Marriott, Jr.'s father, and the Board believes that the involvement of a number of Marriott family members in responsible positions of the Company makes a significant long-term contribution to the value of our corporate name and identity and to the maintenance of Marriott's reputation for providing quality products and services. In addition to J.W. Marriott, Jr.'s service as Executive Chairman and Chairman of the Board and Deborah M. Harrison's membership on the Board of Directors and position as Global Officer, Marriott Culture and Business Councils, the Company employs a number of members of the Marriott family in management positions, including J.W. Marriott, Jr.'s son, David S. Marriott, his son-in-law (and Mrs. Harrison's husband) Ronald T. Harrison, and his grandson (and Ms. Harrison's son), Christopher Harrison. The Company also employs family members of other executive officers (under SEC rules, family members include children, stepchildren, parents, stepparents, spouses, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and other persons sharing the household with a director or executive officer, other than as a tenant or employee). The compensation levels of family

**Table of Contents**

members of our directors and executive officers are set based on reference to external market practice of similar positions and/or internal pay equity when compared to the compensation paid to non-family members in similar positions. Employed family members with total compensation for 2015 in excess of \$120,000, which includes base salary, bonus, the value of stock-based awards, and other compensation, are shown in the table below.

<u>Director / Executive Officer</u>	<u>Family Member</u>	<u>Family Member Position</u>	<u>Total Compensation for 2015</u>
J.W. Marriott, Jr. and Deborah M. Harrison	David S. Marriott	Chief Operations Officer, Americas East	\$ 1,145,606
	Ronald T. Harrison	Global Officer, Architecture and Construction	\$ 1,011,717
	Deborah M. Harrison	Global Officer, Marriott Culture and Business Councils	\$ 558,846
	Christopher Harrison	Director, Hotel Operations	\$ 133,239

J.W. Marriott, Jr. reimbursed the Company for the cost of non-business related services provided by Company employees in the amount of \$436,693 for 2015.

**Policy on Transactions and Arrangements with Related Persons**

The Company has adopted a written policy for approval of transactions and arrangements between the Company and the Company's current and recent former directors, director nominees, current and recent former executive officers, greater than five percent stockholders, and their immediate family members where the amount involved exceeds \$120,000. Each of the related person transactions described above is subject to, and has been approved or ratified under, this policy.

The policy provides that the Audit Committee reviews certain transactions subject to the policy and determines whether or not to approve or ratify those transactions. In doing so, the committee takes into account, among other things, whether the transaction is on terms that are no less favorable to the Company than terms generally available to an unaffiliated third-party under similar circumstances and the materiality of the related person's interest in the transaction. The policy also provides that the Company's Corporate Growth Committee, an internal management committee whose members include each of the Company's Continental Presidents, the Company's Chief Financial Officer, Executive Vice President and General Counsel, and other executive officers responsible for lodging development and lodging operations, reviews all such transactions that involve the management, operation, ownership, purchase, sale, or lease of a hotel, timeshare property, land and/or improvements.

The Audit Committee and the Corporate Growth Committee have considered and adopted standing pre-approvals under the policy for certain limited transactions with related persons that meet specific criteria. Information on transactions subject to pre-approval is provided to the appropriate committee at its next regularly scheduled meeting. Pre-approved transactions are limited to:

certain lodging transactions with specified maximum dollar thresholds where the Corporate Growth Committee has both approved the transaction and determined that its terms are no less favorable to the Company than those of similar contemporaneous transactions with unrelated third parties and, in some cases, where the transaction is the result of an open auction process involving at least three unrelated third-party bidders;

**Table of Contents**

certain other lodging transactions with specified maximum dollar thresholds that are consistent with general terms and conditions that the Audit Committee has previously approved;

employment and compensation relationships that are subject to Compensation Policy Committee or other specified internal management approvals and which, in the case of executive officers, are subject to required proxy statement disclosure;

certain transactions with other companies and certain charitable contributions that satisfy the independence criteria under both the Company's Governance Principles and the NASDAQ corporate governance listing standards; and

non-lodging transactions involving less than \$500,000 that are approved by at least two members of the Corporate Growth Committee for whom the transactions pose no conflict of interest.

**Table of Contents**

**HOUSEHOLDING**

The SEC allows us to deliver a single proxy statement and annual report to an address shared by two or more of our stockholders. This delivery method, referred to as householding, can result in significant cost savings for us. In order to take advantage of this opportunity, the Company and banks and brokerage firms that hold your shares have delivered only one proxy statement and annual report to multiple stockholders who share an address unless one or more of the stockholders has provided contrary instructions. The Company will deliver promptly, upon written or oral request, a separate copy of the proxy statement and annual report to a stockholder at a shared address to which a single copy of the documents was delivered. A stockholder who wishes to receive a separate copy of the proxy statement and annual report, now or in the future, may obtain one, without charge, by addressing a request to the Corporate Secretary, Marriott International, Inc., Dept. 52/862, 10400 Fernwood Road, Bethesda, Maryland 20817 or by calling (301) 380-6601. You may also obtain a copy of the proxy statement and annual report from the Company's website ([www.marriott.com/investor](http://www.marriott.com/investor)) by clicking on SEC Filings. Stockholders of record sharing an address who are receiving multiple copies of proxy materials and annual reports and wish to receive a single copy of such materials in the future should submit their request by contacting us in the same manner. If you are the beneficial owner, but not the record holder, of the Company's shares and wish to receive only one copy of the proxy statement and annual report in the future, you will need to contact your broker, bank or other nominee to request that only a single copy of each document be mailed to all stockholders at the shared address in the future.

**OTHER MATTERS**

The Company's management knows of no other matters that may be presented for consideration at the 2016 annual meeting. However, if any other matters properly come before the annual meeting, the persons named in the proxy intend to vote such proxy in accordance with their judgment on such matters.

**Any stockholder who would like a copy of our 2015 Annual Report on Form 10-K may obtain one, without charge, by addressing a request to the Corporate Secretary, Marriott International, Inc., Dept. 52/862, 10400 Fernwood Road, Bethesda, Maryland 20817. The Company's copying costs will be charged if copies of exhibits to the Form 10-K are requested. You may also obtain a copy of the Form 10-K, including exhibits, from the investor relations portion of our website ([www.marriott.com/investor](http://www.marriott.com/investor)) by clicking on SEC Filings.**

BY ORDER OF THE BOARD OF  
DIRECTORS,  
Bancroft S. Gordon  
*Secretary*

**Table of Contents**

**2016 ANNUAL MEETING INFORMATION**

**Time and Location.** The 2016 annual meeting of stockholders will begin at 10:30 a.m. on Friday, May 6, 2016 at the JW Marriott Hotel at 1331 Pennsylvania Avenue, N.W., Washington, D.C. 20004.

**Parking.** Due to anticipated needs of other hotel guests on May 6, 2016, we expect that minimal parking will be available to stockholders in the parking garage adjacent to the hotel. Several public lots are located within three blocks of the hotel.

**Public Transportation.** As parking is limited in the general area, we recommend that stockholders attending the annual meeting consider using public transportation. Two Metro subway stations, Federal Triangle and Metro Center, are located less than three blocks from the hotel, and the area is served by Metro buses.

**Lodging.** A local Marriott hotel will offer a Stockholder Annual Meeting rate for Thursday, May 5, 2016, the night before the meeting. To receive this rate, call the number shown below and ask for the stockholder annual meeting rate for May 5, 2016. *Please note that a limited number of rooms are offered at this rate and you must call by Tuesday, April 18, 2016.* Applicable taxes and gratuities are extra and advance reservations are required. This discount may not be used in conjunction with other discounts, coupons, or group rates.

JW Marriott Hotel \$335 single/double

1331 Pennsylvania Avenue, N.W.

Washington, D.C. 20004

202-393-2000

Near Metro Center Metro Station



**Table of Contents**

**PROXY**

**PROXY**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF  
MARRIOTT INTERNATIONAL, INC.**

**THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED BY THE UNDERSIGNED STOCKHOLDER(S), OR IF NO DIRECTION IS INDICATED, FOR EACH DIRECTOR NOMINEE IN PROPOSAL 1, FOR PROPOSALS 2, AND 3, AND AGAINST PROPOSAL 4, AND IT WILL BE VOTED IN ACCORDANCE WITH THE DISCRETION OF THE PROXIES AS TO ANY OTHER MATTER THAT IS PROPERLY PRESENTED.**

The undersigned acknowledge(s) receipt of a Notice of Annual Meeting of Stockholders, the accompanying Proxy Statement and the Annual Report for the fiscal year ended December 31, 2015. The undersigned further hereby appoint(s) J.W. Marriott, Jr. and Arne M. Sorenson, and each of them, with power to act without the other and with full power of substitution in each, as proxies and attorneys-in-fact and hereby authorizes them to represent and vote, as provided on the other side, all the shares of Marriott International, Inc. (the Company) Class A Common Stock which the undersigned is entitled to vote, and, in their discretion, to vote upon such other business as may properly come before the Annual Meeting of Stockholders of the Company to be held May 6, 2016 or any adjournment or postponement thereof, with all powers which the undersigned would possess if present at the Meeting.

If the undersigned has voting rights with respect to shares of Company common stock under the Company's 401(k) savings plan, the undersigned hereby direct(s) the trustee of the 401(k) savings plan to vote shares equal to the number of share equivalents allocated to the undersigned's accounts under the plan in accordance with the instructions given herein. The trustee will vote shares for which it does not receive instructions by 11:59 p.m. Eastern Time, Tuesday, May 3, 2016, in the same proportion that it votes the shares for which it received timely instructions from other participants in the plan.

**(Continued and to be marked, dated and signed, on the other side)**

**Address Change/Comments (Mark the corresponding box on the reverse side)**

**FOLD AND DETACH HERE**

*You can now access your MARRIOTT INTERNATIONAL, INC. account online.*

## Edgar Filing: MARRIOTT INTERNATIONAL INC /MD/ - Form DEF 14A

Access your MARRIOTT INTERNATIONAL, INC. shareholder/stockholder account online via Investor ServiceDirect® (ISD).

The transfer Agent for MARRIOTT INTERNATIONAL, INC., now makes it easy and convenient to get current information on your stockholder account.

View account status

View payment history for dividends

View certificate history

Make address changes

View book-entry information

Obtain a duplicate 1099 tax form

Establish/change your PIN

*Visit us on the web at <http://www.computershare.com/investor>*

*For Technical Assistance Call 1-877-978-7778 between 9am-7pm*

*Monday-Friday Eastern Time*

**\*\*\*\*TRY IT OUT\*\*\*\***

[www.computershare.com/investor](http://www.computershare.com/investor)

***Investor ServiceDirect®***

**Available 24 hours per day, 7 days per week**

**TOLL FREE NUMBER: 1-800-311-4816**

**Table of Contents**

Please Mark Here for  
Address Change or ..  
Comments

**SEE REVERSE SIDE**

ITEM 1 ELECTION OF 11 DIRECTORS

**(The Board of Directors recommends a vote FOR each of these nominees)**

01 J.W. Marriott, Jr.	FOR AGAINST ABSTAIN .. .. .	05 Lawrence W. Kellner	FOR AGAINST ABSTAIN .. .. .	09 W. Mitt Romney	FOR AGAINST ABSTAIN .. .. .
02 Mary K. Bush	FOR AGAINST ABSTAIN .. .. .	06 Debra L. Lee	FOR AGAINST ABSTAIN .. .. .	10 Arne M. Sorenson	FOR AGAINST ABSTAIN .. .. .
03 Deborah M. Harrison	FOR AGAINST ABSTAIN .. .. .	07 George Muñoz	FOR AGAINST ABSTAIN .. .. .	11 Susan C. Schwab	FOR AGAINST ABSTAIN .. .. .
04 Frederick A. Henderson	FOR AGAINST ABSTAIN .. .. .	08 Steven S Reinemund	FOR AGAINST ABSTAIN .. .. .		

ITEM 2 RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2016

	FOR	AGAINST	ABSTAIN
	..	..	..

**(The Board of Directors recommends a vote FOR Item 2)**

ITEM 3 ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION

	FOR	AGAINST	ABSTAIN
	..	..	..

**(The Board of Directors recommends a vote FOR Item 3)**

ITEM 4 STOCKHOLDER RESOLUTION RECOMMENDING SIMPLE MAJORITY VOTING STANDARD

	FOR	AGAINST	ABSTAIN
	..	..	..

**(The Board of Directors recommends a vote AGAINST**

**Item 4)**

**Signature**

**Signature**

**Date**

**NOTE: Please sign as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.**

**Table of Contents**

**FOLD AND DETACH HERE**

**WE ENCOURAGE YOU TO TAKE ADVANTAGE OF INTERNET OR TELEPHONE VOTING,  
BOTH ARE AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.**

**Internet and telephone voting is available through 11:59 PM Eastern Time  
on Thursday, May 5, 2016 the day before the meeting.**

**Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner  
as if you marked, signed and returned your proxy card.**

**INTERNET**

**<http://www.envisionreports.com/Mar>**

Use the Internet to vote. Have this card in hand when you access the website.

**OR**

**TELEPHONE**

**1-800-652-VOTE (8683)**

Use any touch-tone telephone to vote. Have this card in hand when you call.

If you vote by Internet or telephone, you do NOT need to mail back your proxy card.

To vote by mail, mark, sign and date your proxy card and return it in the enclosed postage-paid envelope.

Your Internet and telephone vote authorizes the named proxies to vote your shares  
in the same manner as if you mark, signed and returned your proxy card.