The following information is excerpted from Marriott International's 2020 Proxy Statement, issued April 8, 2020. We advise you to refer to the Proxy in its entirety for the most complete Executive Compensation information.

MARRIOTT INTERNATIONAL, INC.
EXECUTIVE AND DIRECTOR COMPENSATION

Report of the Compensation Policy Committee

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, averaging over 25 years of hospitality experience with the Company. They have continued Marriott's long history of delivering results for stockholders by working with talented, dedicated 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-term and long-term objectives. Therefore, compensation should consist of an appropriate mix of the following compensation elements: cash and non-cash, annual and multi-year, and performance-based and service-based.
- 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, including the ratio of the CEO's compensation to the other NEOs' compensation.

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
Eric Hippeau
Aylwin B. Lewis
Susan C. Schwab

Compensation Discussion and Analysis

This section discusses the Company's executive compensation program for the following NEOs for 2019:

Arne M. Sorenson	President and Chief Executive Officer
Anthony G. Capuano	Group President, Global Development, Design and Operations Services
Stephanie C. Linnartz	Group President, Consumer Operations, Technology & Emerging Businesses
David J. Grissen	Group President, The Americas
Kathleen K. Oberg	Executive Vice President and Chief Financial Officer

The above reflects the principal positions of Mr. Capuano and Ms. Linnartz based on appointments effective January 1, 2020.

Overview

Our executive compensation program continues to be 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 our NEOs' total pay opportunity, which supports our pay-for-performance objectives.

Compensation for 2019 reflects that financial and operational performance for the year was strong. The Company achieved record gains in RevPAR index (which measures our hotels' revenue market share), drove higher guest satisfaction scores, and maintained global hotel profit margins in a low RevPAR growth environment.

2019 Executive Compensation at a Glance

- Base Salary: The Committee did not increase Mr. Sorenson's base salary and increased the base salaries of the other NEOs between 3.2% and 3.6% based on the Committee's review of external market data, internal equity, tenure and individual performance.
- Annual Incentive: The annual cash incentive program resulted in an overall above target but less than maximum payout for each NEO for 2019. Specifically, the Committee noted that the Company achieved Adjusted EPS (defined below) of $5.94 which was above the target achievement level of $5.91 established under the annual cash incentive program at the beginning of the year. The Committee approved payouts at levels that varied among the NEOs based on: (i) the value of our room growth, RevPAR Index, and Company-wide associate engagement at maximum achievement level (except for Mr. Capuano whose room growth achievement was less than the maximum due to higher goals for maximum payout), (ii) Guest Satisfaction results at above target but below maximum achievement level, (iii) Global Sales (applicable only to Ms. Linnartz) at below threshold achievement level, and (iv) each NEO achieving key individual performance objectives.
- Equity Compensation: In February 2019, the Committee approved awards with values at the same level as the 2018 annual stock awards for Mr. Sorenson and that were slightly higher than the 2018 annual stock awards for each of the other NEOs based on the Committee's review of external market data, individual performance, and internal pay equity considerations. PSUs continued to comprise the largest component of the NEOs' equity awards, representing 50% of equity for the CEO and 40% of equity for the other NEOs.
- 2017-2019 PSUs: PSUs granted in 2017 were earned for the three-year performance period ending in 2019 at an overall payout of 111% of target based on performance over the three-year performance period against pre-established goals for Global Gross Room Openings (87% of target payout), Global RevPAR Index (122% of target payout) and Global Net Administrative Expenses (123% of target payout).

2019 Compensation in Detail

Base Salary

For 2019, the Human Resources Department presented to the Committee market data on base salary levels at the 50th percentile for each position and recommended base salary increases of 3.2% for Mr. Capuano, Ms. Linnartz and Mr. Grissen, and 3.6% for Ms. Oberg after it completed a comprehensive review of market data in 2019 as described below. These increases were consistent with salary increases for other management. Further, notwithstanding the Company's continued success under Mr. Sorenson's leadership, following its review of the external market data the Committee determined not to increase Mr. Sorenson's base salary for 2019. The Company's independent compensation consultant, Pearl Meyer (the "Compensation Consultant"), reviewed and supported the recommendations which were discussed in detail and approved by the Committee and, with respect to Mr. Sorenson, by the independent members of the Board.

	2019 Base Salary ($)	2018 Base Salary ($)	2018 to 2019 Increase (%)
Arne M. Sorenson	1,300,000	1,300,000	0
Anthony G. Capuano	850,000	824,000	3.2
Stephanie C. Linnartz	850,000	824,000	3.2
David J. Grissen	850,000	824,000	3.2
Kathleen K. Oberg	800,000	772,500	3.6

Base Salary for 2020

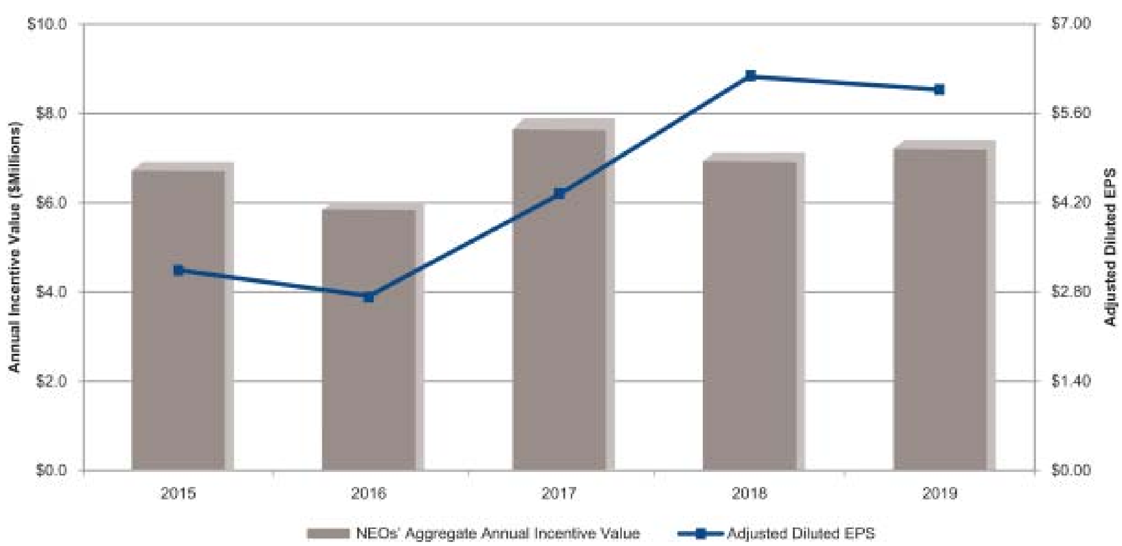
At its meeting in February 2020, following a comprehensive review of market data, the Committee determined to increase the base salaries by 7.7% for Mr. Sorenson and by approximately 3% for the other NEOs. The increase for Mr. Sorenson was the first increase to his base salary since 2017. However, in March 2020, in light of the rapidly evolving coronavirus (COVID-19) situation, the Committee discussed with management the appropriateness of adjusting senior executive compensation as part of the Company's numerous initiatives to mitigate the negative financial and operational impacts of COVID-19. Mr. Sorenson recommended that he receive no base salary (except as necessary for benefit deductions) for the remainder of the year and the other NEOs requested, and Mr. Sorenson recommended, that they receive 50% of their base salary for the remainder of the year, in each case beginning in April 2020. The Committee and Board accepted these recommendations.

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.

The following graph illustrates how the aggregate annual incentives paid to the NEOs have changed relative to changes in the Company's adjusted diluted earnings per share for each year except 2015 and 2016, in which there were no adjustments ("Adjusted Diluted EPS"). Adjusted Diluted EPS is as reported in the schedules to the Company's press release reporting financial results for the fourth quarter and year end for the applicable year, attached as an exhibit to our Form 8-K filed on February 14, 2018, February 28, 2019, and February 26, 2020.

NEOs' Aggregate Annual Incentive Value vs. Adjusted Diluted EPS



At its February 2019 meeting, the Committee approved specific performance objectives and targets under the annual cash incentive program for 2019. In February 2020, upon review of the 2019 fiscal year's strategic business priorities and financial and operational 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 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 were 200% of salary for Mr. Sorenson and 75% for the other NEOs. In setting the target awards, the Committee 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 50th percentile.

Name	Target Award as a % of Salary
Arne M. Sorenson	200
Anthony G. Capuano	75
Stephanie C. Linnartz	75
David J. Grissen	75
Kathleen K. Oberg	75

The annual cash incentive program performance factors are intended to establish high standards consistent with the Company's quality goals, which are designed to be 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 performance factors varies 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 payout as a percent of target for 2019 under the annual cash incentive program.

Name	Adjusted EPS	Adjusted Operating Profit - Americas	Room Growth(1)	Global Sales(1)	Associate Engagement(1)	RevPAR Index(1)	Guest Satisfaction(1)(2)	Individual Achievement	Total	Actual Payout as a Percent of Target(3)
Arne M. Sorenson	55	n/a	10	n/a	5	10	15	5	100	135%
Anthony G. Capuano	10	n/a	75	n/a	5	5	n/a	5	100	188%
Stephanie C. Linnartz	50	n/a	n/a	10	5	15	15	5	100	122%
David J. Grissen	25	25	15	n/a	5	10	15	5	100	145%
Kathleen K. Oberg	55	n/a	10	n/a	5	10	15	5	100	134%

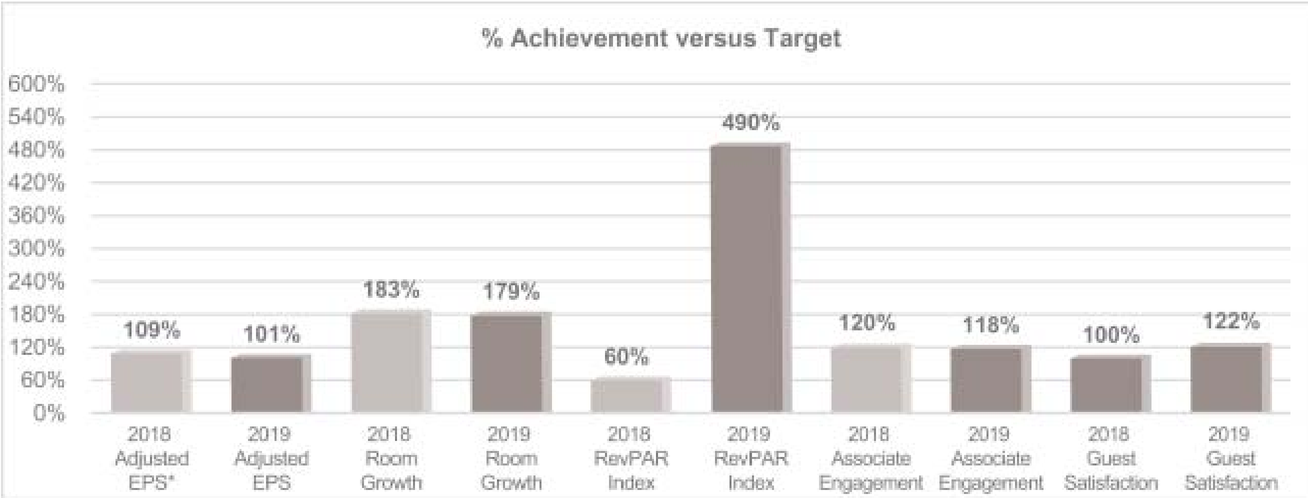
(1) Each of these factors is measured against Company-wide results except that Mr. Grissen's components are measured against the Americas division, his primary area of responsibility. Ms. Linnartz's annual cash incentive plan includes a Global Sales component, a core area of responsibility for her. For 2019, however, 10% of the target annual incentive was reallocated from her Global Sales component (20% weight in 2018) to her Adjusted EPS component to reflect her significant responsibilities for driving Company profitability beyond global sales, aligning her more closely with the weightings of our Chief Executive Officer and Chief Financial Officer.

(2) For 2019, the target annual incentive weighting allocated to the Guest Satisfaction component was increased by 5% for each NEO (except Ms. Linnartz) to reflect an additional corporate emphasis on guest satisfaction, so that the component had a 15% weighting for each NEO to whom it applied. As a result, the weighting applied to the Adjusted EPS component for Mr. Sorenson and Ms. Oberg and to the RevPAR Index measure for Mr. Grissen was correspondingly reduced by 5 percentage points.

(3) We report the potential payouts under the annual cash incentive program for 2019 in dollars in the Grants of Plan-Based Awards for Fiscal 2019 table, and the actual amounts earned under the annual cash incentive program for 2019 in dollars in the Summary Compensation Table following the CD&A.

The performance factors for each NEO under the annual cash incentive program for 2019 are described following the Grants of Plan-Based Awards for Fiscal 2019 table on page 45.

The graph below sets forth the Company's performance, compared to target, for the Company-wide performance goals applicable to our NEOs under the annual cash incentive program for 2019 compared to 2018.



* For Mr. Grissen, in addition to Adjusted EPS, his financial performance objectives included operating profit from the Americas division. The 2019 Americas Adjusted Operating Profit achievement versus target was 101.8% and 2018 Americas Adjusted Operating Profit achievement versus target was 106%.

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 link NEO pay to long-term Company performance and to align the interests of NEOs with those of our stockholders. The Committee approved 2019 annual equity awards based on its review of external market data, individual performance, and internal pay equity considerations. The aggregate target values of the awards granted to the NEOs are set forth in the following table (amounts reflected in the Summary Compensation Table reflect actual grant date fair value as determined in accordance with accounting guidance):

	2019 Target Value of Annual Stock Awards ($)	2018 Target Value of Annual Stock Awards ($)	2018 to 2019 Change (%)
Arne M. Sorenson	9,000,000	9,000,000	0
Anthony G. Capuano	3,887,590	3,733,040	4
Stephanie C. Linnartz	3,200,000	3,100,000	3
David J. Grissen	3,200,000	3,100,000	3
Kathleen K. Oberg	3,100,000	3,000,000	3

The NEOs' stock awards for 2019 were granted on March 5, 2019, in a mix (based on the target values) of 50% PSUs, 25% SARs and 25% RSUs for Mr. Sorenson and 40% PSUs, 30% SARs and 30% RSUs for other NEOs, vesting ratably over three years for SARs and RSUs and vesting after three years for PSUs (as described below). The number of RSUs and PSUs granted was determined based on the average of the high and low prices of a share of our Class A common stock on the grant date, which was $124.79 per share, and the number of SARs granted was determined based on an estimated binomial value of 30% of that stock price. In addition, as in prior years, Mr. Capuano received a separate grant of RSUs which vest on the third anniversary of the grant date, subject to Mr. Capuano's continuous employment. This separate RSU award had a target value approximately the same as the annual cash incentive that Mr. Capuano earned for fiscal year 2018. 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

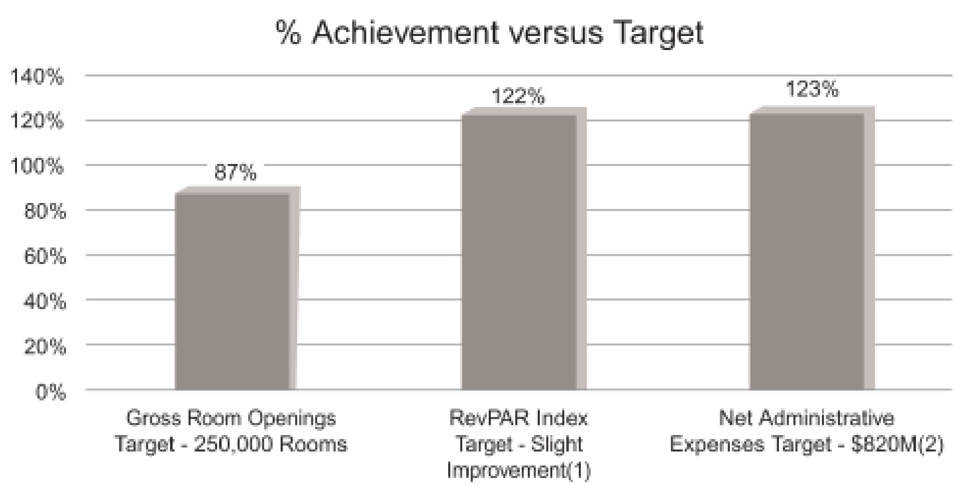
PSUs are restricted stock units that may be earned after three years based on achievement of pre-established performance targets. The PSUs granted in February 2019 for the 2019-2021 PSU performance period will vest based on gross room openings (the same measure used for prior PSU grants) and two new performance measures: Active Marriott Bonvoy Member Growth and adjusted operating income growth. The Committee determined that these new operational and financial metrics should replace the RevPAR Index and net administrative expense measures used for the prior PSU grants to reflect current areas of focus under the Company's long-term business strategy. Specifically, all three measures for the 2019 grants address three key constituencies – our owners, our guests, and our stockholders, and focus upon key drivers of long-term growth of the business. In addition, the Committee believes that these performance measures appropriately complement the performance factors used in our annual cash incentive program. The 2019-2021 PSU performance period, the performance measures are described below.

- Global Gross Room Openings: Gross room openings measures success of development activities and brand strength, reflecting our executives' achievements in attracting financing and owner/franchisee interest in our brands over those of our competitors. Gross room openings include the total number of system-wide, managed, franchised and owned/leased rooms added to our system, excluding rooms added through merger and acquisition activity.
- Active Marriott Bonvoy Member Growth: Marriott Bonvoy Member Growth measures success in attracting and retaining high-value guests through our unified loyalty program. Active Marriott Bonvoy Member Growth is calculated as the total number of room nights from Marriott Bonvoy Loyalty members as a percentage of system-wide total room nights sold across Marriott's portfolio of brands.
- Adjusted Operating Income Growth: Adjusted operating income growth measures success in balancing both revenue and expense considerations to deliver increased financial profits from business operations to our stockholders.

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; NEOs receive dividends and other rights of stockholders only after the awards 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 so that target performance would be difficult, but attainable. It is also reasonably possible that the number of shares that are earned could fall to zero or rise to maximum achievement levels based on the level of performance.

Settlement of 2017-2019 PSU Grants

In February 2020, the PSUs granted for the 2017-2019 performance period were settled at an overall payout of 111% of target, based on performance over the three-year performance period against three equally weighted pre-established goals for Global Gross Room Openings (87% of target payout), Global RevPAR Index (122% of target payout) and Global Net Administrative Expenses (123% of target payout). The target and results for each component relative to target are shown in the graph below.



(1) RevPAR Index measures the strength/performance of our brands by comparing each hotel's RevPAR against the RevPAR of a group of comparable hotels generally in the same market and lodging segment, stated as a percentage. RevPAR Index is an industry-specific measure of relative performance. Global RevPAR Index is a weighted average of the RevPAR Index of all our hotels, except for hotels that recently opened, recently underwent a significant renovation, or had incomplete competitive reporting.
(2) Global 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.

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 or 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 2019.

Grant Timing and SAR Exercise Price

The Company typically grants annual stock awards each year on the second trading day following the Company's annual earnings conference call for the prior fiscal year. 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 trading black-out periods in Company stock.

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. None of the NEOs used the corporate jet for personal travel during 2019.

Other Benefits

Executives may participate in the same Company-wide benefit programs offered to all eligible U.S. associates. Some programs are paid for solely by the enrollees (including executives) such as 401(k) plan elective deferrals, vision coverage, long-term and short-term disability, group life and accidental death and dismemberment insurance, and health care and dependent care spending accounts. Other benefit programs are paid for or subsidized by the Company for all enrollees such as the 401(k) Company match, group medical and dental coverage, $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 Company 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. The EDC, including each NEO's benefits under the EDC and the Company's 2019 contributions to the EDC, is described under "Nonqualified Deferred Compensation for Fiscal Year 2019" on page 51.

Change in Control

The Company provides limited, “double trigger” change in control benefits under the Stock Plan and the EDC upon an NEO’s qualifying termination of employment in connection with a change in control of the Company, as described under “Potential Payments Upon Termination or Change in Control” on page 52. 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.

The Company does not provide for tax gross-ups on these benefits and limits the Stock Plan benefits to avoid adverse tax consequences to the Company. Specifically, the Stock Plan benefits are 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 and cash incentive payments that each NEO would receive if subject to an involuntary termination of employment in connection with a change in control.

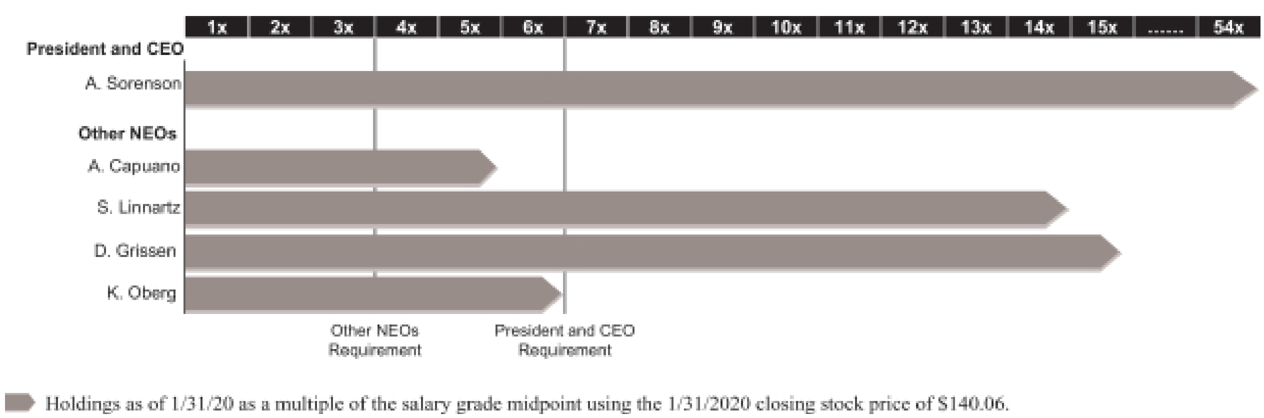
Compensation Process and Policies

2019 “Say-on-Pay” Advisory Vote on Executive Compensation and Stockholder Engagement

At the Company’s 2019 annual meeting, stockholders once again expressed substantial support for the compensation of our NEOs with approximately 98% of the votes cast for approval of the “say-on-pay” advisory vote on our 2018 NEO compensation. During 2019, the Committee also sought and received comments from some of the Company’s significant institutional stockholders regarding the Company’s compensation process and policies. The Committee also reviewed with its Compensation Consultant the elements and mix of annual and long-term executive officer compensation, the external compensation market data described below, 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.

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 three to six times his or her individual salary grade midpoint. Each NEO is in compliance with this policy.



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, including the NEOs, and directors from engaging in short sale transactions related to Marriott stock.

- 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.

Hedging Prohibited

The Company prohibits all associates, including the NEOs, and directors from buying, selling, writing or otherwise entering into any hedging or derivative transaction related to Marriott stock or securities, including options, warrants, puts, calls, and similar rights that have an exercise or conversion privilege that is related to the price of a Marriott security, or similar instruments with a value derived from the value of a Marriott security, except that they may hold SARs or other derivative securities awarded to them as compensation under the Company's equity compensation plans.

Clawbacks

In addition to the compensation clawback provisions of the Sarbanes-Oxley Act of 2002 that apply to the Chief Executive Officer and Chief Financial Officer, there is a separate clawback provision that applies to all equity awards issued to all NEOs. Under the Stock Plan and the NEOs' award agreements, 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 terminates employment for serious misconduct, engages in criminal or tortious conduct or other behavior that is actually or potentially 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.

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 the Company with executive compensation data from one survey, which was pre-approved by the Committee, 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.

The Compensation Determination Process

In designing and determining 2019 NEO pay, the Committee considered recommendations from the Company's Executive Vice President and Global Chief Human Resources Officer, from Mr. Sorenson with regard to the compensation of the NEOs other than himself, and from the Company's Executive Chairman and Chairman of the Board, J.W. Marriott, Jr., as well as the advice and recommendations of the Compensation Consultant. The Committee also obtained input and approval from the full Board, with the independent directors meeting in executive session, regarding the compensation for Mr. Sorenson.

In its determinations, the Committee does not set rigid, categorical guidelines or formulae to determine the 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, and 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 50th percentile of a broad-based and select group of companies described in the discussion of Market Data below. 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.

Market Data

The external market data utilized by the Company for 2019 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 similar to that of the Company. For 2019, the surveys were the *Executive & Senior Management Total Compensation Survey (provided by Pearl Meyer), the Aon Hewitt TCM Total Compensation by Industry Executive and Senior Management Survey, the WTW CDB Executive Compensation Database*, *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 no other 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 or have a similar focus on marketing, e-commerce, consumers and brand image even if they do not compete directly in the lodging business. The Committee annually reviews the comparator group 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. The comparator group companies reviewed for 2019 are shown below along with select financial and non-financial metrics the Committee considered and Marriott's percentile ranking on each of these metrics.

	2019 Revenues(1) as of December 31, 2019	Market Capitalization(1) as of December 31, 2019	Enterprise Value(1) as of December 31, 2019	Number of Employees
Lodging Companies(2)				
Hilton Worldwide Holdings Inc.	$ 9,452	$ 30,942	$ 39,822	173,000
Hyatt Hotels Corp	5,020	9,112	10,204	55,000
Wyndham Hotels & Resorts, Inc.	2,053	5,892	7,949	14,200
Other Hotel, Restaurant & Leisure Companies				
Carnival Corp	20,825	30,835	41,819	92,000
Las Vegas Sands Corp	13,739	52,747	62,674	50,000
McDonald's Corp	21,077	147,476	194,134	205,000
MGM Resorts International	12,900	16,740	34,993	63,000
Royal Caribbean Cruises Ltd	10,951	27,877	39,937	85,300
Starbucks Corp	26,509	103,509	121,031	346,000

	2019 Revenues(1) as of December 31, 2019	Market Capitalization(1) as of December 31, 2019	Enterprise Value(1) as of December 31, 2019	Number of Employees
Other Retail & Consumer Branded Companies				
Best Buy Company, Inc.	43,638	21,916	23,756	125,000
Macy's Inc.	25,331	4,928	7,078	130,000
Nike, Inc.	39,117	113,883	117,303	76,700
The TJX Companies, Inc.	41,717	71,036	79,284	270,000
The Walt Disney Company	69,570	259,580	318,725	223,000
E-Commerce Companies				
eBay Inc.	10,800	28,744	34,341	13,300
Expedia Group, Inc.	12,067	15,421	18,753	25,400
Booking Holdings Inc.	15,066	85,060	82,524	26,400
Marriott International, Inc.(2)	20,972	49,063	60,790	174,000
Percentile Rank	*59th*	*70th*	*61st*	*75th*

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 Marriott employees shown does not include hotel personnel employed by our owners, franchisees, and management companies hired by our franchisees.

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 our Chief Executive Officer and certain other executive officers ("covered employees"). Following adoption of the 2017 Tax Cuts and Jobs Act (the "Tax Cuts and Jobs Act"), the exceptions from Section 162(m)'s deduction limit for performance-based compensation and for the chief financial officer's compensation were eliminated effective for taxable years beginning after December 31, 2017. Under the Tax Cuts and Jobs Act, compensation paid to covered employees in excess of one million dollars annually will not be deductible except for certain arrangements in place as of November 2, 2017. We cannot be certain that compensation arrangements that were in place before such date that were intended to qualify as performance-based compensation under Section 162(m) will in fact be deductible. Because the Committee believes it is important to manage our compensation programs to meet the objectives of our executive compensation philosophy and a variety of other corporate objectives, such as attracting and retaining key management in a competitive marketplace, managing equity dilution, workforce planning, and customer satisfaction, the Committee expects to maintain its performance-based and other executive compensation programs without regard to whether such arrangements will be fully tax deductible.

Risk Considerations

The Committee considered risk in determining 2019 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 programs 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-term 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 performance measures that are directly tied to long-term growth, revenue and expense considerations, the success of our unified loyalty program, 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 a mix of PSUs, RSUs, and SARs that generally vest over or after at least three 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, while 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, including the NEOs, 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.

Executive Compensation Tables and Discussion

Summary Compensation Table

The following Summary Compensation Table presents the compensation we paid in fiscal years 2017, 2018 and 2019 to our Chief Executive Officer, our Chief Financial Officer and our other three most highly compensated executive officers.

Name and Principal Position(1)	Fiscal Year	Salary ($)(2)	Bonus ($)	Stock Awards ($)(3)(4)	SAR Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(5)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(6)	All Other Compensation ($)(7)	Total ($)
Arne M. Sorenson President and Chief Executive Officer	2019	1,300,000	0	6,182,815	2,192,342	3,519,765	44,004	196,961	13,435,887
	2018	1,300,000	0	6,222,315	2,207,473	2,925,000	23,309	255,895	12,933,992
	2017	1,300,000	1,000,000	5,310,583	1,838,959	3,628,950	45,635	187,490	13,311,617
Anthony G. Capuano Group President, Global Development, Design and Operations Services	2019	850,000	0	2,905,435	867,306	1,198,416	6,569	52,113	5,879,839
	2018	824,000	0	2,857,618	822,221	1,187,590	3,630	52,285	5,747,344
	2017	800,000	500,000	2,528,334	735,220	1,133,040	7,358	45,247	5,749,199
Stephanie C. Linnartz Group President, Consumer Operations, Technology & Emerging Businesses	2019	850,000	0	2,143,134	1,027,896	774,874	2,616	75,390	4,873,910
	2018	824,000	0	2,104,657	980,480	917,730	528	111,483	4,938,878
	2017	800,000	500,000	1,916,238	891,608	1,074,880	226	71,938	5,254,890
David J. Grissen Group President, The Americas	2019	850,000	0	2,057,387	935,415	921,430	54,186	76,644	4,895,062
	2018	824,000	0	2,005,349	912,502	951,376	26,620	97,186	4,817,033
	2017	800,000	500,000	1,878,664	838,610	1,029,280	49,398	68,641	5,164,593
Kathleen K. Oberg Executive Vice President and Chief Financial Officer	2019	800,000	0	1,993,105	906,186	805,254	11,331	76,470	4,592,346
	2018	772,500	0	1,940,374	883,017	996,526	4,683	107,957	4,705,057
	2017	750,000	500,000	1,713,792	765,020	1,046,850	7,141	77,167	4,859,970

(1) This table reflects the principal positions of Mr. Capuano and Ms. Linnartz based on appointments effective January 1, 2020.

(2) This column reports all amounts earned as salary during the fiscal year, whether paid or deferred under the EDC.

(3) The value reported for Stock Awards and 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, and therefore differs from the target award values approved by the Committee. The assumptions for making the valuation determinations for SAR Awards are set forth in the footnotes to the Grants of Plan-Based Awards for Fiscal 2019 table, below.

(4) Approximately 67% of the value reported in this column for Mr. Sorenson in 2019, and 57% of the value reported for the other NEOs in 2019, (disregarding Mr. Capuano's separate RSU described in the CD&A) represents the value of PSUs at the grant date based upon target performance which is the most probable outcome with respect to 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 2019 Stock Awards column for Messrs. Sorenson and Capuano, Ms. Linnartz, Mr. Grissen and Ms. Oberg would be $6,127,284, $1,511,812, $1,820,945, $1,743,225 and $1,688,686, respectively.

(5) 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 the EDC.

(6) 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 below under "Nonqualified Deferred Compensation for Fiscal Year 2019."

(7) All Other Compensation consists of Company contributions to the Company's qualified 401(k) plan of $9,100 for each NEO other than Mr. Capuano, and $8,950 for Mr. Capuano; Company contributions to the EDC of $158,438, $19,125, $66,290, $67,544 and $67,370 for Messrs. Sorenson and Capuano, Ms. Linnartz, Mr. Grissen and Ms. Oberg, respectively; and perquisites and personal benefits, including spousal accompaniment while on business travel and complimentary rooms, food and beverages at Company-owned, operated or franchised hotels and the use of other hotel-related services such as golf and spa facilities while on personal travel. The values in this column do not include perquisites and personal benefits that were less than $10,000 in aggregate for any NEO for the fiscal year.

Grants of Plan-Based Awards for Fiscal 2019

The following table presents the plan-based awards granted to the NEOs in 2019.

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 SAR Awards (Number of Securities Underlying SARs) (#)	Exercise or Base Price of SARs ($/sh)	Grant Date Fair Value of Stock/ SAR Awards ($)(4)
			Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Mr. Sorenson												
Cash Incentive			585,000	2,600,000	5,200,000	—	—	—	—	—	—	—
PSU	3/5/19	2/15/19	—	—	—	18,032	36,063	54,095	—	—	—	4,084,856
RSU	3/5/19	2/15/19	—	—	—	—	—	—	18,033	—	—	2,097,959
SAR	3/5/19	2/15/19	—	—	—	—	—	—	—	62,106	124.79	2,192,342
Mr. Capuano												
Cash Incentive			358,594	637,500	1,275,000	—	—	—	—	—	—	—
PSU	3/5/19	2/13/19	—	—	—	4,328	8,655	12,983	—	—	—	1,007,875
RSU	3/5/19	2/13/19	—	—	—	—	—	—	6,492	—	—	771,509
RSU	3/5/19	2/13/19	—	—	—	—	—	—	9,517	—	—	1,126,051
SAR	3/5/19	2/13/19	—	—	—	—	—	—	—	22,359	124.79	867,306
Ms. Linnartz												
Cash Incentive			135,469	637,500	1,275,000	—	—	—	—	—	—	—
PSU	3/5/19	2/13/19	—	—	—	5,130	10,260	15,390	—	—	—	1,213,963
RSU	3/5/19	2/13/19	—	—	—	—	—	—	7,695	—	—	929,171
SAR	3/5/19	2/13/19	—	—	—	—	—	—	—	26,499	124.79	1,027,896
Mr. Grissen												
Cash Incentive			159,375	637,500	1,275,000	—	—	—	—	—	—	—
PSU	3/5/19	2/13/19	—	—	—	5,130	10,260	15,390	—	—	—	1,162,150
RSU	3/5/19	2/13/19	—	—	—	—	—	—	7,695	—	—	895,236
SAR	3/5/19	2/13/19	—	—	—	—	—	—	—	26,499	124.79	935,415
Ms. Oberg												
Cash Incentive			135,000	600,000	1,200,000	—	—	—	—	—	—	—
PSU	3/5/19	2/13/19	—	—	—	4,970	9,939	14,909	—	—	—	1,125,791
RSU	3/5/19	2/13/19	—	—	—	—	—	—	7,455	—	—	867,315
SAR	3/5/19	2/13/19	—	—	—	—	—	—	—	25,671	124.79	906,186

(1) The Committee approved the annual stock awards for Mr. Capuano, Ms. Linnartz, Mr. Grissen and Ms. Oberg at its February 13, 2019 meeting, and the Board approved the annual stock awards for Mr. Sorenson at its February 15, 2019 meeting. Pursuant to the Company's equity compensation grant procedures described in the CD&A, the grant date of these awards was March 5, 2019, the second trading day following the Company's annual earnings conference call for the 2018 fiscal year.

(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 program.

(3) These columns report the number of shares issuable under PSUs granted to the NEOs for the 2019-2021 performance period. Annual PSUs reported in these columns are conditioned on the achievement over a three-year performance period of Global Gross Room Openings, Active Marriott Bonvoy Loyalty Member Growth, and Adjusted Global Operating Income Growth goals, with threshold representing 50% of the target number of shares and maximum representing 150% of target. For these PSUs, one-third of the target number of shares is subject to each performance objective, with otherwise identical terms.

(4) The value reported for Stock Awards and SAR Awards is the aggregate grant date fair value of the awards granted in 2019 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. We used the following assumptions to determine the fair value of the SAR Awards granted in 2019: expected volatility = 25.52%; dividend yield = 1.37%; risk-free rate = 2.66–2.72%; and expected term = 8–10 years. In making these assumptions, we base expected volatility on the historical movement of the Company's stock price. We base risk-free rates on the corresponding U.S. Treasury spot rates for the expected duration at the date of grant, which we convert to a continuously compounded rate. The dividend yield assumption takes into consideration both historical levels and expectations of future dividend payout. The weighted average expected terms for SAR Awards are an output of our valuation model which utilizes historical data in estimating the time period that the SARs are expected to remain unexercised. We calculate the expected terms for SARs for separate groups of retirement eligible and non-retirement eligible employees. Our valuation model also uses historical data to estimate exercise behaviors, which include determining the likelihood that employees will exercise their SARs before expiration at a certain multiple of stock price to exercise price. For PSUs, the value reported is based on the grant date stock price of the target number of shares subject to the award.

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 2019 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 2019, whereas the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table reports the actual value earned by the executive for 2019.

Annual Cash Incentives. The Compensation Policy Committee carefully evaluates rigorous performance factors for each NEO under the annual cash incentive program. The performance factors used for 2019 are described below.

- Adjusted EPS and Operating Profit: The Company places a heavy emphasis on adjusted EPS as a performance measure because adjusted EPS is an important indicator of Company profitability and aligns the interests of management with those of our stockholders. For purposes of the annual cash incentive program, the Company modifies EPS as reported under U.S. GAAP during the target-setting process, which is an extensive annual budgeting process. Each hotel and individual corporate unit develops and submits a budget, which the Company then consolidates and adjusts based on 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. The adjusted EPS target is determined based on the anticipated approximate impact on EPS of the Company's planned share buy-back program for the year and excluding items that are not expected to have a direct impact on the business going forward, such as merger and related costs, changes in accounting standards, tax adjustments and gains/losses on sale.

The Board reviewed and approved the budget in February 2019. In setting the adjusted EPS target for 2019 ("Adjusted EPS"), EPS was adjusted to exclude the impact of asset sales, impact of differences in cost reimbursement revenues and reimbursed expenses, and merger and related costs.

Considering these factors, the Committee set the Adjusted EPS target for 2019 at a level that the Committee believed was achievable but not certain to be met, which was $5.91. This target was approximately 8% higher than the Company's full-year Adjusted EPS for 2018 of $5.46. Adjusted EPS for 2019 was $5.94, which resulted in an above target achievement level and payout relative to target. For 2019, the Committee had established the following payout scale for Adjusted EPS performance:

Adjusted EPS Achievement vs. Target	Incentive Award	Payout as % of Target*
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.

For Mr. Grissen, in addition to Adjusted EPS, his financial performance objectives included operating profit from the Americas division, his primary area of responsibility. The Americas Adjusted Operating Profit target was $2,160 million and the results were $2,200 million, 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 2019 at a level significantly above 2018 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 was 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 whose cash incentive plan includes the room growth performance measure, 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 payout 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 2019, the net present value of rooms approved for development significantly exceeded each NEO's target performance level.

- Global Sales: Assessment of sales is measured by percentage point difference between the actual growth rate over the prior year versus the budgeted growth percentage for global constant dollar RevPAR. For 2019, the Company's results were below threshold performance level, resulting in no payout.
- 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 2019, the Company exceeded the "Best Employer" benchmark, which resulted in a maximum achievement level and payout. The Americas division was slightly below the "Best Employer" benchmark but significantly above the "Consumer Services" benchmark, which resulted in an above target but below maximum 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 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 2019, the Company and the Americas division achieved an overall RevPAR Index score above 100 and year-over-year increases that were significantly higher than target, resulting in a maximum payout.
- Guest Satisfaction: Assessment of guest satisfaction is based on Company-wide guest satisfaction survey results for the year compared with pre-established goals. Results are based on a compilation of survey results from numerous satisfaction surveys across the Company's brands and for the Americas division for Mr. Grissen. The annual goals are designed to be difficult to accomplish and not certain to be met. For 2019, the Company exceeded target Guest Satisfaction performance that corresponded with an above target payout. The Americas division met target Guest Satisfaction performance that corresponded with a target payout.
- Individual Achievement: Each year the Company sets specific, individual performance objectives for the NEOs. Each NEO has a different set of objectives that is aligned to his or her 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 performance objectives). The performance objectives generally are difficult to accomplish and relate to key duties of the positions. Examples of the types of performance objectives are: launch unified loyalty program, Marriott Bonvoy, which now has 141 million members; execute brand distinction strategies; execute relevant diversity and inclusion strategies; achieve enhancements in digital and distribution technologies; and execute agreements in support of continued growth.

  The Committee applies a rigorous and largely subjective assessment of each NEO's qualitative performance relative to the individual performance objectives. The performance 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 performance 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 2019, the NEOs received award levels varying from target to a maximum payout for individual achievement (except for the CEO's payout for 2018). For 2019, each NEO continued to achieve key individual objectives, including operations objectives such as the initiatives identified above, resulting in payouts ranging from above target but below maximum to maximum.

Outstanding Equity Awards at 2019 Fiscal Year-End

The following table shows information about outstanding Company SARs, RSUs and PSUs at December 31, 2019, our fiscal year-end. The Intrinsic Value and Market Value figures for the Company stock awards are based on the closing price as of December 31, 2019 of the Company's Class A common stock, which was $151.43.

			SAR Awards						Stock Awards	
Name	Grant Date	Award Type	Number of Securities Underlying Unexercised SARs: Exercisable/ Unexercisable (#)		SAR Exercise Price ($)	SAR Expiration Date	SAR Intrinsic Value: ($) 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. Sorenson	2/21/12	SARs	225,228	—	34.67	2/21/22	26,297,621	—	—	—
	2/22/13	SARs	229,008	—	39.27	2/22/23	25,685,537	—	—	—
	2/24/14	SARs	118,416	—	53.25	2/24/24	11,626,083	—	—	—
	2/23/15	SARs	77,043	—	82.67	2/23/25	5,297,477	—	—	—
	2/22/16	SARs	91,536	—	66.86	2/22/26	7,741,200	—	—	—
	2/21/17	SARs	41,432	20,716(1)	88.31	2/21/27	2,615,188	1,307,594	—	—
	2/20/18	SARs	15,797	31,594(1)	139.54	2/20/28	187,826	375,653	—	—
	3/5/19	SARs	—	62,106(1)	124.79	3/5/29	—	1,654,504	—	—
		RSUs	—	—	—		—	—	35,861(2)	5,430,431
		PSUs	—	—	—		—	—	42,465(3)	6,430,475
		PSUs	—	—	—		—	—	32,250(4)	4,883,617
		PSUs	—	—	—		—	—	36,063(5)	5,461,020
Mr. Capuano	2/24/14	SARs	31,578	—	53.25	2/24/24	3,100,328	—	—	—
	2/23/15	SARs	23,115	—	82.67	2/23/25	1,589,387	—	—	—
	2/22/16	SARs	30,513	—	66.86	2/22/26	2,580,484	—	—	—
	2/21/17	SARs	15,580	7,790(1)	88.31	2/21/27	983,410	491,705	—	—
	2/20/18	SARs	5,476	10,952(1)	139.54	2/20/28	65,110	130,219	—	—
	3/5/19	SARs	—	22,359(1)	124.79	3/5/29	—	595,644	—	—
		RSUs	—	—	—		—	—	41,784(6)	6,327,351
		PSUs	—	—	—		—	—	10,647(3)	1,612,275
		PSUs	—	—	—		—	—	7,455(4)	1,128,910
		PSUs	—	—	—		—	—	8,655(5)	1,310,626
Ms. Linnartz	2/21/17	SARs	—	9,447(1)	88.31	2/21/27	—	596,295	—	—
	2/20/18	SARs	6,530	13,060(1)	139.54	2/20/28	77,642	155,283	—	—
	3/5/19	SARs	—	26,499(1)	124.79	3/5/29	—	705,933	—	—
		RSUs	—	—	—		—	—	15,367(7)	2,327,024
		PSUs	—	—	—		—	—	12,912(3)	1,955,264
		PSUs	—	—	—		—	—	8,889(4)	1,346,061
		PSUs	—	—	—		—	—	10,260(5)	1,553,671
Mr. Grissen	2/21/12	SARs	35,972	—	34.67	2/21/22	4,200,091	—	—	—
	2/22/13	SARs	66,796	—	39.27	2/22/23	7,491,839	—	—	—
	2/24/14	SARs	43,914	—	53.25	2/24/24	4,311,477	—	—	—
	2/23/15	SARs	30,177	—	82.67	2/23/25	2,074,971	—	—	—
	2/22/16	SARs	38,139	—	66.86	2/22/26	3,225,415	—	—	—
	2/21/17	SARs	18,894	9,447(1)	88.31	2/21/27	1,192,589	596,295	—	—
	2/20/18	SARs	6,530	13,060(1)	139.54	2/20/28	77,642	155,283	—	—
	3/5/19	SARs	—	26,499(1)	124.79	3/5/29	—	705,933	—	—
		RSUs	—	—	—		—	—	15,367(7)	2,327,024
		PSUs	—	—	—		—	—	12,912(3)	1,955,264
		PSUs	—	—	—		—	—	8,889(4)	1,346,061
		PSUs	—	—	—		—	—	10,260(5)	1,553,671
Ms. Oberg	2/22/16	SARs	27,462	—	66.86	2/22/26	2,322,461	—	—	—
	2/21/17	SARs	17,236	8,618(1)	88.31	2/21/27	1,087,936	543,968	—	—
	2/20/18	SARs	6,319	12,638(1)	139.54	2/20/28	75,133	150,266	—	—
	3/5/19	SARs	—	25,671(1)	124.79	3/5/29	—	683,875	—	—
		RSUs	—	—	—		—	—	14,700(8)	2,226,021
		PSUs	—	—	—		—	—	11,778(3)	1,783,542
		PSUs	—	—	—		—	—	8,601(4)	1,302,449
		PSUs	—	—	—		—	—	9,939(5)	1,505,062

(1) SARs are exercisable in 33% increments on each of the first, second, and third anniversary of the grant date.
(2) These RSUs are scheduled to vest as follows, 18,464 on February 15, 2020; 11,386 on February 15, 2021; 6,011 on February 15, 2022.
(3) These PSUs are equity incentive plan awards that have not been earned and will vest on February 15, 2020, pending performance results and continued service.
(4) These PSUs are equity incentive plan awards that have not been earned and will vest on February 15, 2021, pending performance results and continued service.
(5) These PSUs are equity incentive plan awards that have not been earned and will vest on February 15, 2022, pending performance results and continued service.
(6) These RSUs are scheduled to vest as follows, 17,955 on February 15, 2020; 12,148 on February 15, 2021; 11,681 on February 15, 2022.
(7) These RSUs are scheduled to vest as follows, 8,015 on February 15, 2020; 4,787 on February 15, 2021; 2,565 on February 15, 2022.
(8) These RSUs are scheduled to vest as follows, 7,580 on February 15, 2020; 4,635 on February 15, 2021; 2,485 on February 15, 2022.

SAR Exercises and Stock Vested During Fiscal 2019

The following table shows information about SAR exercises and vesting of RSU and PSU awards during fiscal year 2019.

	SAR Awards				Stock Awards			
Name	Award Type	Exercise Date	Number of Shares Acquired on Exercise (#)(2)	Value Realized on Exercise ($)(3)	Award Type	Vesting Date	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(4)
Mr. Sorenson	SAR	2/15/19	187,008	20,055,018	RSU/PSU	2/15/19	53,638	6,447,288
	SAR	3/26/19	155,040	15,299,394	PSU	5/15/19	35,308	4,582,978
	SAR	12/11/19	126,824	13,158,726				
	MVW SAR(1)	12/11/19	15,504	1,701,361				
Mr. Capuano	SAR	3/29/19	78,566	6,887,676	RSU/PSU	2/15/19	34,391	4,133,798
					PSU	5/15/19	28,035	3,638,943
Ms. Linnartz	SAR	12/20/19	65,460	4,852,349	RSU/PSU	2/15/19	19,178	2,305,196
					PSU	5/15/19	28,035	3,638,943
Mr. Grissen	SAR	5/21/19	15,000	1,558,505	RSU/PSU	2/15/19	22,611	2,717,842
	SAR	6/17/19	16,900	1,825,290	PSU	5/15/19	28,035	3,638,943
	SAR	6/20/19	30,000	3,348,609				
	SAR	6/26/19	30,000	3,316,809				
	SAR	6/28/19	39,636	4,030,815				
Ms. Oberg					RSU/PSU	2/15/19	18,209	2,188,722
					PSU	5/15/19	28,035	3,638,943

(1) Marriott Vacations Worldwide (“MVW”) SARs resulted from adjustments to the Company SARs to reflect the spin-off of the Company’s timeshare business in 2011.
(2) 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 market price at the time of exercise.
(3) The value realized upon exercise is based on the spread between the market price of the Company’s Class A common stock (or for the MVW SARs, MVW common stock) at the time of exercise and the exercise price.
(4) The value realized upon vesting is based on the average of the high and low stock price on the vesting date.

The following tables include additional information regarding the value realized by the NEOs in 2019 on the exercise or vesting of Marriott stock awards reported in the table above.

	2019 SAR Exercises							
Name	Grant Date	Grant Term	Exercise Date	Number of Shares Exercised	Exercise Price ($)	Average Market Value at Exercise ($)	Stock Price Increase from Grant to Exercise Date (%)	Value Realized Upon Exercise ($)
Mr. Sorenson	2/17/09	10 years	2/15/19	187,008	13.81	121.05	777	20,055,018
	2/16/10	10 years	3/26/19	155,040	25.44	124.12	388	15,299,394
	2/17/11	10 years	12/11/19	126,824	38.49	142.25	270	13,158,726
Mr. Capuano	2/21/12	10 years	3/29/19	32,762	34.67	125.06	261	2,961,357
	2/22/13	10 years	3/29/19	45,804	39.27	124.99	218	3,926,319
Ms. Linnartz	2/23/15	10 years	12/20/19	16,053	82.67	151.01	83	1,097,062
	2/22/16	10 years	12/20/19	30,513	66.86	151.07	126	2,569,500
	2/21/17	10 years	12/20/19	18,894	88.31	151.07	71	1,185,787
Mr. Grissen	2/16/10	10 years	5/21/19	15,000	25.44	129.34	408	1,558,505
	2/16/10	10 years	6/17/19	16,900	25.44	133.445	425	1,825,290
	2/16/10	10 years	6/20/19	30,000	25.44	137.06	439	3,348,609
	2/16/10	10 years	6/26/19	30,000	25.44	136.00	435	3,316,809
	2/17/11	10 years	6/28/19	39,636	38.49	140.19	264	4,030,815

	2019 Restricted/Performance Stock Unit Award Vesting						
Name	Grant Date	Vesting Date	Number of Shares Vested	Average Market Value at Grant ($)	Average Market Value at Vesting ($)	Stock Price Increase/ Decrease from Grant to Vesting Date (%)	Value Realized Upon Vesting ($)
Mr. Sorenson	2/22/16	2/15/19	41,185	66.86	120.20	80	4,950,437
	2/21/17	2/15/19	7,078	88.31	120.20	36	850,776
	2/20/18	2/15/19	5,375	139.54	120.20	-14	646,075
	5/5/16	5/15/19	35,308	69.44	129.80	87	4,582,978
Mr. Capuano	2/22/16	2/15/19	29,865	66.86	120.20	80	3,589,773
	2/21/17	2/15/19	2,662	88.31	120.20	36	319,972
	2/20/18	2/15/19	1,864	139.54	120.20	-14	224,053
	5/5/16	5/15/19	28,035	69.44	129.80	87	3,638,943
Ms. Linnartz	2/22/16	2/15/19	13,728	66.86	120.20	80	1,650,106
	2/21/17	2/15/19	3,228	88.31	120.20	36	388,006
	2/20/18	2/15/19	2,222	139.54	120.20	-14	267,084
	5/5/16	5/15/19	28,035	69.44	129.80	87	3,638,943
Mr. Grissen	2/22/16	2/15/19	17,161	66.86	120.20	80	2,062,752
	2/21/17	2/15/19	3,228	88.31	120.20	36	388,006
	2/20/18	2/15/19	2,222	139.54	120.20	-14	267,084
	5/5/16	5/15/19	28,035	69.44	129.80	87	3,638,943
Ms. Oberg	2/23/15	2/15/19	757	82.67	120.20	45	90,991
	2/22/16	2/15/19	12,357	66.86	120.20	80	1,485,311
	2/21/17	2/15/19	2,945	88.31	120.20	36	353,989
	2/20/18	2/15/19	2,150	139.54	120.20	-14	258,430
	5/5/16	5/15/19	28,035	69.44	129.80	87	3,638,943

Nonqualified Deferred Compensation for Fiscal Year 2019

The following table presents contributions, earnings, distributions and balances under the EDC for the 2019 fiscal year.

Name	Executive Contributions in Last FY ($)(1)	Company Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)(2)	Aggregate Withdrawals / Distributions ($)	Aggregate Balance at Last FYE ($)(3)
Mr. Sorenson	253,500	158,438	246,744	—	7,217,203
Mr. Capuano	25,500	19,125	36,959	—	1,080,734
Ms. Linnartz	106,064	66,290	13,524	—	443,272
Mr. Grissen	900,588	67,544	300,549	—	8,970,417
Ms. Oberg	273,132	67,370	62,143	—	1,864,118

(1) The amounts in this column consist of elective deferrals by the NEOs of salary for the 2019 fiscal year and non-equity incentive plan compensation for 2018 (otherwise payable in 2019) under the EDC. The following table indicates the portion of each executive's elective contributions that was attributable to 2019 salary that is reported in the Summary Compensation Table.

Name	Amounts that Relate to the Contribution of Salary ($)
Mr. Sorenson	78,000
Mr. Capuano	25,500
Ms. Linnartz	51,000
Mr. Grissen	424,900
Ms. Oberg	24,000

(2) The amounts in this column reflect aggregate notional earnings during 2019 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 2019 that is reported in the Summary Compensation Table.

Name	Amounts Included in the Summary Compensation Table for 2019 ($)
Mr. Sorenson	44,004
Mr. Capuano	6,569
Ms. Linnartz	2,616
Mr. Grissen	54,186
Ms. Oberg	11,331

(3) This column includes amounts in each NEO's total EDC account balance as of the last day of the 2019 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.

Name	Amounts that were Reported as Compensation in Prior Year Proxy Statements ($)
Mr. Sorenson	4,960,163
Mr. Capuano	281,802
Ms. Linnartz	371,832
Mr. Grissen	3,691,377
Ms. Oberg	1,059,325

Under the EDC, the NEOs and other 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 fully vested. In addition, the Company may make a discretionary matching contribution to participants' (including the NEOs') EDC accounts, which, under the current plan, is vested when made. 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 401(k) plan but for the application of certain nondiscrimination testing and annual compensation limitations under the Internal Revenue Code. For 2019, the Company approved a 75% match on up to the first 3% of eligible compensation deferred under the EDC, and a 50% match on up to the next 3% of eligible compensation deferred under the EDC, in each case, subject to certain compensation thresholds.

The Company also may make an additional discretionary contribution to participants' (including the NEOs') EDC accounts based on subjective factors such as individual performance, key contributions and retention needs. There were no additional discretionary contributions for the NEOs for 2019.

The EDC also provides participants the opportunity for long-term capital appreciation by crediting participant 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 3.6% for 2019. 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.

Participants may receive a distribution of the vested portion of their EDC accounts upon termination of employment or, in the case of participant deferrals and Company matching contributions (and related earnings), upon a specified future date while still employed (an "in-service distribution"), as elected by the participant. Each year's deferrals and Company match 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 20 years; or (iii) five annual cash payments beginning on the sixth January following termination of employment. In-service distributions may be elected by the participant as a single lump sum cash payment or annual cash payments over a term of two 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 participant 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.

Potential Payments Upon Termination or Change in Control

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

Under the Stock Plan and the relevant award agreements (other than Mr. Capuano's separate RSU awards described in the CD&A), upon retirement, an NEO may continue to vest in and receive distributions under outstanding RSUs and PSUs for the remainder of their vesting period and may exercise SARs for up to five years subject to the awards' original terms. However, the stock awards 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 to the first vesting date. Stock awards will vest in full upon permanent disability (as defined in the Stock Plan), including at target performance level for PSUs.

Under the EDC, upon retirement or termination due to permanent disability (as defined in the EDC), an NEO will immediately vest in any unvested portion of his or her EDC account.

Any cash incentive payments under the annual cash incentive program will be forfeited if an executive is not employed on the last day of the year, except that the annual cash incentive will be paid based on the target performance level, pro-rated based on the days worked during the year, upon death or disability, in addition to payment upon an NEO's termination of employment in connection with or following a change in control as discussed below.

For purposes of Stock Plan awards, retirement means a termination of employment by an executive who has attained age 55 with 10 years of service with the Company, or, for the EDC, has attained 20 years of service with the Company. However, for Stock Plan awards, retiree status is subject to the Committee's (or its designee's) prior approval, and the Committee (or its designee) has the authority to revoke approved retiree status if an executive's employment is subsequently found to have been terminated because of the executive's serious misconduct, or because the executive has engaged in competition with the Company or criminal conduct or other behavior that is actually or potentially harmful to the Company. An NEO who dies as an employee or while an approved retiree immediately vests in his or her EDC account and stock awards. These provisions were developed based on an analysis of external market data. As of December 31, 2019, Messrs. Sorenson and Grissen and Ms. Oberg met the age and service conditions for retirement eligibility. Mr. Capuano and Ms. Linnartz will meet those conditions if they remain employed until December 17, 2020 and March 28, 2023, respectively.

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 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 2019 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 12 months following a change in control (as defined under the Stock Plan) 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). In those circumstances, all 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 in connection with or following a change in control, and any unvested EDC balances will immediately vest.

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, 2019, the end of our fiscal-year (based on the Company's closing stock price of $151.43 on December 31, 2019). Each of the NEOs was fully vested in their EDC accounts as of December 31, 2019.

Name	Plan	Retirement ($)(1)	Disability ($)	Death ($)	Change in Control and Termination ($)
Mr. Sorenson	Stock Plan	24,241,777	25,543,294	25,543,294	25,543,294
	Total Cash Incentive	—	2,600,000	2,600,000	2,600,000
Mr. Capuano	Stock Plan	—	11,596,731	11,596,731	11,596,731
	Total Cash Incentive	—	637,500	637,500	637,500
Ms. Linnartz	Stock Plan	—	8,639,533	8,639,533	8,639,533
	Total Cash Incentive	—	637,500	637,500	637,500
Mr. Grissen	Stock Plan	8,186,822	8,639,533	8,639,533	8,639,533
	Total Cash Incentive	—	637,500	637,500	637,500
Ms. Oberg	Stock Plan	7,756,619	8,195,185	8,195,185	8,195,185
	Total Cash Incentive	—	600,000	600,000	600,000

(1) These Stock Plan amounts will become exercisable or be distributed following retirement 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, provided that, a portion of the stock awards granted on March 5, 2019 will remain outstanding based on the number of days from the grant date through the retirement date.

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 vested EDC balances, and benefits available generally to salaried associates 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 an 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.

CEO Pay Ratio

The 2019 annual total compensation of the median compensated employee was $38,878; Mr. Sorenson's 2019 annual total compensation was $13,435,887, and the ratio of these amounts was 1-to-346.

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

To identify the median compensated employee's compensation, we used the following methodology:

- For our 2017 fiscal year, we identified a median compensated employee pursuant to Item 402(u) of SEC Regulation S-K. Item 402(u) provides that a registrant is only required to identify a median compensated employee every three years unless there has been a change in its employee population or compensation arrangements that it reasonably believes would result in a significant change in its pay ratio disclosure.
- During the 2019 fiscal year, there were no such changes in employee population or compensation arrangements generally that would significantly change our pay ratio disclosure. However, the median employee from 2017 had a significantly altered work schedule and, accordingly, we determined it was no longer appropriate to use that median employee for calculating the CEO pay ratio. Therefore, as permitted by Item 402(u), we identified another employee as the median employee for 2019 from among the employees who had compensation substantially similar to the original median employee based on the compensation measure used to select the original median employee in 2017, as described below.
- To identify our 2017 median employee from our employee population on October 1, 2017, our determination date, we used total gross earnings, which we measured over a 9-month period that included the January 1 to September 30, 2017 payroll cycles. We estimated total gross earnings for full- and part-time permanent employees who did not work for the entire 9-month period, based on their earnings for the portion of the period that they worked. At non-U.S. managed hotels, where employment laws and practices may vary, we included only those individuals who are identified as employees on the records of the business units where they work.

Director Compensation

Our director compensation program is reviewed annually. The Committee reviews annual director compensation at the 50th percentile of external market data, which includes surveys of similarly-sized, cross-industry companies, as well as a custom peer group 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 appropriate reference against which our director compensation program should be assessed. To provide additional context, the Committee considers director compensation practices of select competitors in the lodging industry. The Committee also reviews and considers historical financial, business and total stockholder return results, as well as the external view of various stakeholders such as stockholders and proxy advisors.

In May 2019, following a review of the Company's director compensation program under the above framework, as well as consultation with the Compensation Consultant, the Committee recommended, and the Board approved effective May 1, 2019, increasing certain annual cash fees to better align with market compensation levels, as set forth below. As a result, we paid non-employee directors compensation in the form of annual cash fees and Non-Employee Director Deferred Share Awards ("Deferred Share Awards") under the Stock Plan for 2019, as follows:

Type of Fee (all fees below are annual)	Amount of Fee through April 30th ($)	Amount of Fee beginning May 1st ($)
Board Retainer Fee	85,000	85,000
Deferred Share Award	165,000	165,000
Lead Independent Director Fee	30,000	40,000
Audit Committee Chair Fee	20,000	30,000
Other (Non-Audit) Committee Chair Fee	10,000	20,000
Audit Committee Member Retainer Fee	10,000	15,000

We typically pay retainer, chair and lead independent director cash fees on a quarterly basis. However, in light of the rapidly evolving COVID-19 pandemic, in March 2020, the Board determined that all director cash fees payable for services during the 2020 fiscal year be reduced to zero, regardless of whether a director had elected previously to defer all or a portion of such cash fees, as explained below. In accordance with established Company procedures, a director may make an advance election to defer payment of all or a portion of his or her director cash fees pursuant to the Stock Plan and/or the EDC. Director cash fees that are deferred pursuant to the Stock Plan will be credited as stock units to the director's stock unit account in the plan. As elected by the director, director cash fees that are credited to the director's stock unit account as stock units may be distributed as an equal number of shares in a lump sum or in one to 10 annual installments following termination of service as a Board member. Additional stock units are credited to the director's stock unit account to reflect any dividends paid on our Class A common stock in a number equal to (x) the per-share cash dividend amount multiplied by the number of stock units in the director's account divided by (y) the average of the high and low prices of a share of our Class A common stock on the dividend payment date.

Alternatively, a director may make an advance election to receive payment of all or any part of his or her director fees in the form of SARs having an equivalent grant date value. We grant director SARs with an exercise price equal to grant date fair market value (the average of the high and low quoted prices of the Company stock on the grant date) and a 10-year term. The SARs become vested and exercisable on the last business day immediately preceding the next annual meeting of stockholders or, if earlier, upon the director's termination of service due to death or permanent disability.

The Company grants Deferred Share Awards to directors following the Company's annual meeting of stockholders. A Deferred Share Award is a fully vested grant of stock that is distributed in a lump sum following the termination of service as a Board member, unless the director elects to have the award distributed on the one-year anniversary of the grant 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. Deferred Share Awards neither accrue dividend equivalents nor provide voting rights until the stock is distributed.

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 believes that stock ownership by non-employee directors is essential for aligning their interests with those of our 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 nine 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.

Director Compensation for Fiscal Year 2019

The following Director Compensation Table presents the compensation we paid in 2019 to our non-employee directors. As officers, J.W. Marriott, Jr. and Arne M. Sorenson are not paid for their service as directors.

Name	Fees Earned or Paid in Cash ($)(2)	Stock Awards ($)(3)(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($)(6)	Total ($)
Mary K. Bush	98,333	165,053	—	—	263,386
Bruce W. Duncan	98,333	165,053	—	10,333	273,719
Deborah M. Harrison(1)	56,667	165,053	—	—	221,720
Frederick A. Henderson	111,667	165,053	—	—	276,720
Eric Hippeau	85,000	165,053	—	—	250,053
Lawrence W. Kellner	138,333	165,053	—	—	303,386
Debra L. Lee	101,667	165,053	866	15,374	282,960
Aylwin B. Lewis	98,333	165,053	731	3,688	267,805
Margaret M. McCarthy	91,237	165,053	—	—	256,290
George Muñoz	98,333	165,053	2,291	18,099	283,776
Steven S Reinemund	101,667	165,053	1,773	3,813	272,306
Susan C. Schwab	85,000	165,053	145	3,188	253,386

(1) Mrs. Harrison served as an officer and director until May 3, 2019, when she retired as an officer but continued to serve on the Board as a non-employee director. Mrs. Harrison was not paid for her service as a director while serving as an officer. The table reflects the compensation she received in 2019 for her non-employee director service after her retirement. The compensation she received in 2019 for her service as an officer is disclosed in the "Transactions with Related Persons" section below.

(2) This column includes any fees that the directors elected to defer as stock units to their stock unit accounts in the Stock Plan, and fees that were deferred pursuant to the EDC, as set forth below. No director elected to receive their fees in the form of SARs.

Name	Fees Credited to Stock Unit Account in the Stock Plan ($)	Fees Deferred Pursuant to the EDC ($)
Mr. Duncan	66,667	—
Mr. Hippeau	85,000	—
Ms. Lee	—	6,100
Mr. Lewis	49,167	49,166
Mr. Muñoz	66,667	31,666
Mr. Reinemund	—	6,100
Ms. Schwab	—	5,100

Stock units were credited to the stock unit accounts of Messrs. Hippeau and Lewis on April 3, 2019, and to Messrs. Duncan, Hippeau, Lewis and Muñoz on June 28, 2019, September 30, 2019, and December 31, 2019. The number of stock units credited to each director's stock unit account was determined by dividing (i) the amount the director elected to defer by (ii) the average of the high and low trading prices of the Company's Class A common stock on the respective credit dates, which were $130.29, $139.31, $122.64, and $151.63.

(3) Each non-employee director was granted a Deferred Share Award on May 13, 2019, for 1,292 shares. In accordance with the Company's equity compensation grant procedures, the awards were determined by dividing the target value of the Deferred 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 $127.75 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.

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(4) The following table indicates the number of outstanding SARs, stock options ("SO"), RSUs, and Deferred Share Awards and other shares of deferred stock (collectively, "DS") held by each director at the end of 2019. This table also includes MVW DS awards settled in shares of MVW stock, resulting from adjustments to the Company DS awards for the Company's timeshare business spin-off in 2011. Mr. Duncan's SO and a portion of the DS awards held by Messrs. Duncan and Hippeau reflect Starwood awards, which, in connection with the Starwood combination in 2016, converted into awards settled in Marriott stock. This table does not reflect accrued dividend equivalents that are paid in cash upon settlement of the converted Starwood DS awards.

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	DS	—	—	—	20,820
	MVW DS	—	—	—	1,175
Mr. Duncan	DS	—	—	—	11,165
Mrs. Harrison	DS	—	—	—	1,292
	RSU			416	4,249
	SARs	7,588	—	—	—
Mr. Henderson	DS	—	—	—	12,586
Mr. Hippeau	DS	—	—	—	38,100
Mr. Kellner	DS	—	—	—	22,798
	MVW DS	—	—	—	1,021
Ms. Lee	DS	—	—	—	32,434
	MVW DS	—	—	—	1,704
Mr. Lewis	DS	—	—	—	4,878
Ms. McCarthy	DS	—	—	—	1,292
Mr. Muñoz	SARs	21,375	—	—	—
	DS	—	—	—	43,976
	MVW DS	—	—	—	3,459
Mr. Reinemund	DS	—	—	—	3,022
	MVW DS	—	—	—	173
Ms. Schwab	DS	—	—	—	3,042

(5) 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 2019" above.

(6) This column includes Company contributions to the EDC for fiscal year 2019 and perquisites and personal benefits, including 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 any 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, 2019.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options/SARs, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options/SARs, 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	6,897,551(1)	$ 37.27	20,386,821(2)
Equity compensation plans not approved by stockholders(3)	350,325	—	11,096,547
Total	7,247,876		31,483,368

(1) Includes 4,462,632 shares subject to outstanding PSU, RSU, deferred stock bonus, and Deferred Share Awards granted under the Stock Plan, which are not included in the calculation of the Weighted-Average Exercise Price column. Includes 340,464 shares issuable at target under outstanding PSUs.

(2) Consists of 10,177,087 securities available for issuance under the Stock Plan and 10,209,734 securities available for issuance under the Employee Stock Purchase Plan.

(3) Represents shares subject to outstanding restricted stock, RSU, and deferred stock awards and shares remaining available for future issuance under the Starwood Hotels & Resorts Worldwide 2013 Long-Term Incentive Compensation Plan. Does not include 3,376 shares subject to options/SARs with a weighted average exercise price of $46.28 and 41,109 shares subject to other equity awards, all of which were assumed in acquisitions.

The Company assumed the Starwood Hotels & Resorts Worldwide 2013 Long-Term Incentive Compensation Plan (the "Starwood LTIP") in connection with the acquisition of Starwood. The Starwood LTIP authorizes the award of stock options, SARs, restricted stock, RSUs, PSUs and other equity-based or equity-related awards to employees and consultants, except that awards cannot be granted to any person who was an employee of the Company or its subsidiaries at the time of the acquisition. The Starwood LTIP is administered by the Compensation Policy Committee of the Company's Board, which may delegate to one or more executive officers or directors the authority to grant awards under the plan.