

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

FORM 10-Q

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

For the quarterly period ended March 31, 2023

or

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

For the transition period from _____ to _____

Commission File No. 1-13881



MARRIOTT INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

| | |
|---|--|
| Delaware (State or other jurisdiction of incorporation or organization) | 52-2055918 (IRS Employer Identification No.) |
| 7750 Wisconsin Avenue Bethesda Maryland (Address of principal executive offices) | 20814 (Zip Code) |
| (Registrant's telephone number, including area code) (301) 380-3000 | |

Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class | Trading Symbol(s) | Name of Each Exchange on Which Registered |
|--|-------------------|---|
| Class A Common Stock, \$0.01 par value | MAR | Nasdaq Global Select Market |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

| | | | |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| | | Emerging growth company | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 303,354,157 shares of Class A Common Stock, par value \$0.01 per share, outstanding at April 25, 2023.

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PART I – FINANCIAL INFORMATION

Item 1. *Financial Statements*

MARRIOTT INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts)
(Unaudited)

| | Three Months Ended | |
|---------------------------------------|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| REVENUES | | |
| Base management fees | \$ 293 | \$ 213 |
| Franchise fees | 639 | 500 |
| Incentive management fees | 201 | 102 |
| Gross fee revenues | 1,133 | 815 |
| Contract investment amortization | (21) | (24) |
| Net fee revenues | 1,112 | 791 |
| Owned, leased, and other revenue | 356 | 262 |
| Cost reimbursement revenue | 4,147 | 3,146 |
| | 5,615 | 4,199 |
| OPERATING COSTS AND EXPENSES | | |
| Owned, leased, and other-direct | 281 | 197 |
| Depreciation, amortization, and other | 44 | 48 |
| General, administrative, and other | 202 | 208 |
| Merger-related charges and other | 1 | 9 |
| Reimbursed expenses | 4,136 | 3,179 |
| | 4,664 | 3,641 |
| OPERATING INCOME | 951 | 558 |
| Gains and other income, net | 3 | 4 |
| Interest expense | (126) | (93) |
| Interest income | 15 | 5 |
| Equity in earnings | 1 | 2 |
| INCOME BEFORE INCOME TAXES | 844 | 476 |
| Provision for income taxes | (87) | (99) |
| NET INCOME | \$ 757 | \$ 377 |
| EARNINGS PER SHARE | | |
| Earnings per share – basic | \$ 2.44 | \$ 1.15 |
| Earnings per share – diluted | \$ 2.43 | \$ 1.14 |

See Notes to Condensed Consolidated Financial Statements.

MARRIOTT INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(Unaudited)

| | Three Months Ended | |
|--|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Net income | \$ 757 | \$ 377 |
| Other comprehensive income | | |
| Foreign currency translation adjustments | 84 | 14 |
| Other adjustments, net of tax | (2) | — |
| Total other comprehensive income, net of tax | 82 | 14 |
| Comprehensive income | \$ 839 | \$ 391 |

See Notes to Condensed Consolidated Financial Statements.

MARRIOTT INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)

| | (Unaudited) | |
|---|----------------|-------------------|
| | March 31, 2023 | December 31, 2022 |
| ASSETS | | |
| Current assets | | |
| Cash and equivalents | \$ 554 | \$ 507 |
| Accounts and notes receivable, net | 2,462 | 2,571 |
| Prepaid expenses and other | 248 | 235 |
| | 3,264 | 3,313 |
| Property and equipment, net | 1,595 | 1,585 |
| Intangible assets | | |
| Brands | 5,836 | 5,812 |
| Contract acquisition costs and other | 2,996 | 2,935 |
| Goodwill | 8,904 | 8,872 |
| | 17,736 | 17,619 |
| Equity method investments | 334 | 335 |
| Notes receivable, net | 126 | 152 |
| Deferred tax assets | 240 | 240 |
| Operating lease assets | 984 | 987 |
| Other noncurrent assets | 584 | 584 |
| | \$ 24,863 | \$ 24,815 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 358 | \$ 684 |
| Accounts payable | 722 | 746 |
| Accrued payroll and benefits | 1,027 | 1,299 |
| Liability for guest loyalty program | 3,381 | 3,314 |
| Accrued expenses and other | 1,481 | 1,296 |
| | 6,969 | 7,339 |
| Long-term debt | 10,299 | 9,380 |
| Liability for guest loyalty program | 3,350 | 3,280 |
| Deferred tax liabilities | 307 | 313 |
| Deferred revenue | 1,063 | 1,059 |
| Operating lease liabilities | 1,024 | 1,034 |
| Other noncurrent liabilities | 1,711 | 1,842 |
| Stockholders' equity | | |
| Class A Common Stock | 5 | 5 |
| Additional paid-in-capital | 5,906 | 5,965 |
| Retained earnings | 12,975 | 12,342 |
| Treasury stock, at cost | (18,099) | (17,015) |
| Accumulated other comprehensive loss | (647) | (729) |
| | 140 | 568 |
| | \$ 24,863 | \$ 24,815 |

See Notes to Condensed Consolidated Financial Statements.

MARRIOTT INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

| | Three Months Ended | |
|---|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| OPERATING ACTIVITIES | | |
| Net income | \$ 757 | \$ 377 |
| Adjustments to reconcile to cash provided by operating activities: | | |
| Depreciation, amortization, and other | 65 | 72 |
| Stock-based compensation | 37 | 44 |
| Income taxes | 19 | 61 |
| Liability for guest loyalty program | 107 | 57 |
| Contract acquisition costs | (58) | (26) |
| Merger-related charges and other | — | 7 |
| Working capital changes | (96) | (230) |
| Other | 56 | 36 |
| Net cash provided by operating activities | 887 | 398 |
| INVESTING ACTIVITIES | | |
| Capital and technology expenditures | (95) | (49) |
| Loan advances | (1) | — |
| Loan collections | 31 | 7 |
| Other | 6 | 19 |
| Net cash used in investing activities | (59) | (23) |
| FINANCING ACTIVITIES | | |
| Commercial paper/Credit Facility, net | 117 | (250) |
| Issuance of long-term debt | 783 | — |
| Repayment of long-term debt | (328) | (401) |
| Dividends paid | (124) | — |
| Purchase of treasury stock | (1,135) | — |
| Stock-based compensation withholding taxes | (72) | (78) |
| Other | (23) | — |
| Net cash used in financing activities | (782) | (729) |
| INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH | 46 | (354) |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period ⁽¹⁾ | 525 | 1,421 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period ⁽¹⁾ | \$ 571 | \$ 1,067 |

⁽¹⁾ The 2023 amounts include beginning restricted cash of \$18 million at December 31, 2022, and ending restricted cash of \$17 million at March 31, 2023, which we present in the “Prepaid expenses and other” and “Other noncurrent assets” captions of our Balance Sheets.

See Notes to Condensed Consolidated Financial Statements.

MARRIOTT INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. BASIS OF PRESENTATION

The condensed consolidated financial statements present the results of operations, financial position, and cash flows of Marriott International, Inc. and subsidiaries (referred to in this report as “we,” “us,” “Marriott,” or the “Company”). In order to make this report easier to read, we also refer throughout to (1) our Condensed Consolidated Financial Statements as our “Financial Statements,” (2) our Condensed Consolidated Statements of Income as our “Income Statements,” (3) our Condensed Consolidated Balance Sheets as our “Balance Sheets,” (4) our Condensed Consolidated Statements of Cash Flows as our “Statements of Cash Flows,” (5) our properties, brands, or markets in the United States and Canada as “U.S. & Canada,” and (6) our properties, brands, or markets in our Caribbean and Latin America, Europe, Middle East and Africa, Greater China, and Asia Pacific excluding China regions, as “International.” In addition, references throughout to numbered “Notes” refer to these Notes to Condensed Consolidated Financial Statements, unless otherwise stated.

These Financial Statements have not been audited. We have condensed or omitted certain information and disclosures normally included in financial statements presented in accordance with U.S. generally accepted accounting principles (“GAAP”). The financial statements in this report should be read in conjunction with the consolidated financial statements and notes thereto in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (“2022 Form 10-K”). Certain terms not otherwise defined in this Form 10-Q have the meanings specified in our 2022 Form 10-K.

Preparation of financial statements that conform with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenses during the reporting periods, and the disclosures of contingent liabilities. Accordingly, ultimate results could differ from those estimates.

The accompanying Financial Statements reflect all normal and recurring adjustments necessary to present fairly our financial position as of March 31, 2023 and December 31, 2022 and the results of our operations and cash flows for the three months ended March 31, 2023 and March 31, 2022. Interim results may not be indicative of fiscal year performance because of seasonal and short-term variations, as well as the impact of COVID-19. We have eliminated all material intercompany transactions and balances between entities consolidated in these Financial Statements.

NOTE 2. EARNINGS PER SHARE

The table below illustrates the reconciliation of the earnings and number of shares used in our calculations of basic and diluted earnings per share, the latter of which uses the treasury stock method to calculate the dilutive effect of the Company’s potential common stock:

| <i>(in millions, except per share amounts)</i> | Three Months Ended | |
|--|---------------------------|-----------------------|
| | March 31, 2023 | March 31, 2022 |
| <i>Computation of Basic Earnings Per Share</i> | | |
| Net income | \$ 757 | \$ 377 |
| Shares for basic earnings per share | 309.6 | 328.3 |
| Basic earnings per share | \$ 2.44 | \$ 1.15 |
| <i>Computation of Diluted Earnings Per Share</i> | | |
| Net income | \$ 757 | \$ 377 |
| Shares for basic earnings per share | 309.6 | 328.3 |
| Effect of dilutive securities | | |
| Stock-based compensation | 1.4 | 1.7 |
| Shares for diluted earnings per share | 311.0 | 330.0 |
| Diluted earnings per share | \$ 2.43 | \$ 1.14 |

NOTE 3. STOCK-BASED COMPENSATION

We granted 1.0 million restricted stock units (“RSUs”) during the 2023 first quarter to certain officers and employees, and those units vest generally over four years in equal annual installments commencing one year after the grant date. We also granted 0.1 million performance-based RSUs (“PSUs”) in the 2023 first quarter to certain executives, which are earned subject to continued employment and the satisfaction of certain performance and market conditions based on the degree of achievement of pre-established targets for 2025 adjusted EBITDA performance and relative total stockholder return over the 2023 to 2025 performance period. RSUs, including PSUs, granted in the 2023 first quarter had a weighted average grant-date fair value of \$167 per unit.

We recorded stock-based compensation expense for RSUs and PSUs of \$33 million in the 2023 first quarter and \$42 million in the 2022 first quarter. Deferred compensation costs for unvested awards for RSUs and PSUs totaled \$315 million at March 31, 2023 and \$179 million at December 31, 2022.

NOTE 4. INCOME TAXES

Our effective tax rate decreased to 10.3 percent for the 2023 first quarter compared to 20.7 percent for the 2022 first quarter, primarily due to the current year release of tax reserves.

Our unrecognized tax benefit balance decreased by \$99 million to \$156 million at March 31, 2023 from \$255 million at December 31, 2022, primarily due to the completion of a prior year tax audit. Our unrecognized tax benefit balance included \$145 million at March 31, 2023 and \$241 million at December 31, 2022 of tax positions that, if recognized, would impact our effective tax rate. It is reasonably possible that within the next 12 months we will reach resolution of income tax examinations in one or more jurisdictions. The actual amount of any change to our unrecognized tax benefits could vary depending on the timing and nature of the settlement. Therefore, an estimate of the change cannot be provided.

We file income tax returns, including returns for our subsidiaries, in various jurisdictions around the world. The U.S. Internal Revenue Service (“IRS”) has examined our federal income tax returns, and as of March 31, 2023, we have settled all issues for tax years through 2019. Our 2020 through 2023 tax year audits are currently ongoing. Various foreign, state, and local income tax returns are also under examination by the applicable taxing authorities.

We paid cash for income taxes, net of refunds, of \$68 million in the 2023 first quarter and \$38 million in the 2022 first quarter.

NOTE 5. COMMITMENTS AND CONTINGENCIES*Guarantees*

We present the maximum potential amount of our future guarantee fundings and the carrying amount of our liability for our debt service, operating profit, and other guarantees (excluding contingent purchase obligations) for which we are the primary obligor at March 31, 2023 in the following table:

| <i>(in millions)</i> Guarantee Type | Maximum Potential Amount of Future Fundings | Recorded Liability for Guarantees |
|--|--|--------------------------------------|
| Debt service | \$ 60 | \$ 6 |
| Operating profit | 182 | 98 |
| Other | 18 | 4 |
| | <u>\$ 260</u> | <u>\$ 108</u> |

Our maximum potential guarantees listed in the preceding table include \$58 million of operating profit guarantees that will not be in effect until the underlying properties open and we begin to operate the properties or certain other events occur.

Contingent Purchase Obligation

Sheraton Grand Chicago. In 2017, we granted the owner a one-time right to require us to purchase the leasehold interest in the land and the hotel for \$300 million in cash (the “put option”). In the 2021 third quarter, we entered into an amendment with the owner to move the exercise period of the put option from the 2022 first half to the 2024 first half. If the owner exercises the put option, the closing is expected to occur in the 2024 fourth quarter, and we have the option to purchase, at the same time the put transaction closes, the fee simple interest in the underlying land for an additional \$200 million in cash. We account for the put option as a guarantee, and our recorded liability was \$300 million at March 31, 2023 and December 31, 2022.

Starwood Data Security Incident

Description of Event

On November 30, 2018, we announced a data security incident involving unauthorized access to the Starwood reservations database (the “Data Security Incident”). Working with leading security experts, we determined that there was unauthorized access to the Starwood network since 2014 and that an unauthorized party had copied information from the Starwood reservations database and taken steps towards removing it. The Starwood reservations database is no longer used for business operations.

Litigation, Claims, and Government Investigations

Following our announcement of the Data Security Incident, approximately 100 lawsuits were filed by consumers and others against us in U.S. federal, U.S. state and Canadian courts related to the incident. The plaintiffs in the cases that remain pending, who generally purport to represent various classes of consumers, generally claim to have been harmed by alleged actions and/or omissions by the Company in connection with the Data Security Incident and assert a variety of common law and statutory claims seeking monetary damages, injunctive relief, costs and attorneys’ fees, and other related relief. The active U.S. cases are consolidated in the U.S. District Court for the District of Maryland (the “District Court”), pursuant to orders of the U.S. Judicial Panel on Multidistrict Litigation (the “MDL”). The District Court granted in part and denied in part class certification of various U.S. groups of consumers, and our appeal of this decision is pending in the U.S. Court of Appeals for the Fourth Circuit. A case brought by the City of Chicago (which is consolidated in the MDL proceeding) also remains pending. The Canadian cases have effectively been consolidated into a single case in the province of Ontario. We dispute the allegations in these lawsuits and are vigorously defending against such claims.

In addition, various U.S. federal, U.S. state and foreign governmental authorities made inquiries, opened investigations, or requested information and/or documents related to the Data Security Incident and related matters. Although some of these matters have been resolved or no longer appear to be active, some remain open. We are in discussions with the Attorney General offices from 49 states and the District of Columbia and the Federal Trade Commission. Based on the ongoing discussions, we believe it is probable that we will incur losses, and we recorded an accrual in 2022 for an estimated loss contingency; the amount of this accrual is not material to our Financial Statements.

While we believe it is reasonably possible that we may incur losses in excess of the amounts recorded associated with the above described MDL proceedings and regulatory investigations related to the Data Security Incident, it is not possible to reasonably estimate the amount of such losses or range of loss that might result from adverse judgments, settlements, fines, penalties or other resolution of these proceedings and investigations based on: (1) in the case of the above described MDL proceedings, the current stage of these proceedings, the absence of specific allegations as to alleged damages, the uncertainty as to the certification of a class or classes and the size of any certified class, and the lack of resolution of significant factual and legal issues; and (2) in the case of the above described regulatory investigations, the lack of resolution with the Federal Trade Commission and the state Attorneys General.

NOTE 6. LONG-TERM DEBT

We provide detail on our long-term debt balances, net of discounts, premiums, and debt issuance costs, in the following table as of March 31, 2023 and year-end 2022:

| <i>(in millions)</i> | March 31, 2023 | December 31, 2022 |
|--|---------------------------|------------------------------|
| Senior Notes: | | |
| Series P Notes, interest rate of 3.8%, face amount of \$350, maturing October 1, 2025 (effective interest rate of 4.0%) | \$ 348 | \$ 348 |
| Series R Notes, interest rate of 3.1%, face amount of \$750, maturing June 15, 2026 (effective interest rate of 3.3%) | 747 | 747 |
| Series U Notes, interest rate of 3.1%, face amount of \$291, matured February 15, 2023 (effective interest rate of 3.1%) | — | 291 |
| Series V Notes, interest rate of 3.8%, face amount of \$318, maturing March 15, 2025 (effective interest rate of 2.8%) | 324 | 324 |
| Series W Notes, interest rate of 4.5%, face amount of \$278, maturing October 1, 2034 (effective interest rate of 4.1%) | 289 | 289 |
| Series X Notes, interest rate of 4.0%, face amount of \$450, maturing April 15, 2028 (effective interest rate of 4.2%) | 446 | 446 |
| Series Z Notes, interest rate of 4.2%, face amount of \$350, maturing December 1, 2023 (effective interest rate of 4.4%) | 350 | 349 |
| Series AA Notes, interest rate of 4.7%, face amount of \$300, maturing December 1, 2028 (effective interest rate of 4.8%) | 298 | 298 |
| Series CC Notes, interest rate of 3.6%, face amount of \$550, maturing April 15, 2024 (effective interest rate of 3.9%) | 535 | 531 |
| Series EE Notes, interest rate of 5.8%, face amount of \$600, maturing May 1, 2025 (effective interest rate of 6.0%) | 597 | 596 |
| Series FF Notes, interest rate of 4.6%, face amount of \$1,000, maturing June 15, 2030 (effective interest rate of 4.8%) | 988 | 988 |
| Series GG Notes, interest rate of 3.5%, face amount of \$1,000, maturing October 15, 2032 (effective interest rate of 3.7%) | 987 | 987 |
| Series HH Notes, interest rate of 2.9%, face amount of \$1,100, maturing April 15, 2031 (effective interest rate of 3.0%) | 1,091 | 1,090 |
| Series II Notes, interest rate of 2.8%, face amount of \$700, maturing October 15, 2033 (effective interest rate of 2.8%) | 694 | 694 |
| Series JJ Notes, interest rate of 5.0%, face amount of \$1,000, maturing October 15, 2027 (effective interest rate of 5.4%) | 985 | 984 |
| Series KK Notes, interest rate of 4.9%, face amount of \$800, maturing April 15, 2029 (effective interest rate of 5.3%) | 783 | — |
| Commercial paper | 1,002 | 871 |
| Credit Facility | — | — |
| Finance lease obligations | 137 | 139 |
| Other | 56 | 92 |
| | <u>\$ 10,657</u> | <u>\$ 10,064</u> |
| Less current portion | (358) | (684) |
| | <u>\$ 10,299</u> | <u>\$ 9,380</u> |

We paid cash for interest, net of amounts capitalized, of \$15 million in the 2023 first quarter and \$29 million in the 2022 first quarter.

In March 2023, we issued \$800 million aggregate principal amount of 4.9 percent Series KK Notes due April 15, 2029 (the “Series KK Notes”). We will pay interest on the Series KK Notes in April and October of each year, commencing in October 2023. We received net proceeds of approximately \$783 million from the offering of the Series KK Notes, after deducting the underwriting discount and estimated expenses, which were made available for general corporate purposes, including working capital, capital expenditures, acquisitions, stock repurchases, or repayment of outstanding indebtedness.

We are party to a \$4.5 billion multicurrency revolving credit agreement (the “Credit Facility”). Available borrowings under the Credit Facility support our commercial paper program and general corporate needs. Borrowings under the Credit Facility generally bear interest at SOFR (the Secured Overnight Financing Rate) plus a spread based on our public debt rating. We also pay quarterly fees on the Credit Facility at a rate based on our public debt rating. We classify outstanding borrowings under the Credit Facility and outstanding commercial paper borrowings as long-term based on our ability and intent to refinance the outstanding borrowings on a long-term basis. The Credit Facility expires on December 14, 2027.

NOTE 7. ACQUISITION

On May 1, 2023, we completed the acquisition of the City Express brand portfolio from Hoteles City Express, S.A.B. de C.V. for \$100 million. As a result of the transaction, we added approximately 150 properties located in Mexico, Costa Rica, Colombia, and Chile to our franchise portfolio.

NOTE 8. FAIR VALUE OF FINANCIAL INSTRUMENTS

We believe that the fair values of our current assets and current liabilities approximate their reported carrying amounts. We present the carrying amounts and the fair values of noncurrent financial assets and liabilities that qualify as financial instruments in the following table:

| <i>(in millions)</i> | March 31, 2023 | | December 31, 2022 | |
|---|--------------------|--------------------|-------------------|-------------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Senior, mezzanine, and other loans | \$ 126 | \$ 118 | \$ 152 | \$ 142 |
| Total noncurrent financial assets | \$ 126 | \$ 118 | \$ 152 | \$ 142 |
| Senior Notes | \$ (9,112) | \$ (8,646) | \$ (8,322) | \$ (7,627) |
| Commercial paper | (1,002) | (1,002) | (871) | (871) |
| Other long-term debt | (56) | (49) | (56) | (49) |
| Other noncurrent liabilities | (387) | (387) | (394) | (394) |
| Total noncurrent financial liabilities | \$ (10,557) | \$ (10,084) | \$ (9,643) | \$ (8,941) |

See Note 12. Fair Value of Financial Instruments and the “Fair Value Measurements” caption of Note 2. Summary of Significant Accounting Policies of our 2022 Form 10-K for more information on the input levels we use in determining fair value.

NOTE 9. ACCUMULATED OTHER COMPREHENSIVE LOSS AND STOCKHOLDERS' EQUITY

The following tables detail the accumulated other comprehensive loss activity for the 2023 first quarter and 2022 first quarter:

| <i>(in millions)</i> | Foreign Currency Translation Adjustments | Other Adjustments | Accumulated Other Comprehensive Loss |
|---|---|-------------------|---|
| Balance at year-end 2022 | \$ (740) | \$ 11 | \$ (729) |
| Other comprehensive income (loss) before reclassifications ⁽¹⁾ | 84 | (3) | 81 |
| Reclassification adjustments | — | 1 | 1 |
| Net other comprehensive income (loss) | 84 | (2) | 82 |
| Balance at March 31, 2023 | \$ (656) | \$ 9 | \$ (647) |

| <i>(in millions)</i> | Foreign Currency Translation Adjustments | Other Adjustments | Accumulated Other Comprehensive Loss |
|--|---|-------------------|---|
| Balance at year-end 2021 | \$ (351) | \$ 9 | \$ (342) |
| Other comprehensive income before reclassifications ⁽¹⁾ | 14 | — | 14 |
| Reclassification adjustments | — | — | — |
| Net other comprehensive income | 14 | — | 14 |
| Balance at March 31, 2022 | \$ (337) | \$ 9 | \$ (328) |

(1) Other comprehensive income before reclassifications for foreign currency translation adjustments includes intra-entity foreign currency transactions that are of a long-term investment nature, which resulted in losses of \$12 million for the 2023 first quarter and gains of \$12 million for the 2022 first quarter.

The following tables detail the changes in common shares outstanding and stockholders' equity for the 2023 first quarter and 2022 first quarter:

(in millions, except per share amounts)

| Common Shares Outstanding | | Total | Class A Common Stock | Additional Paid-in-Capital | Retained Earnings | Treasury Stock, at Cost | Accumulated Other Comprehensive Loss |
|---------------------------------|--------------------------------|---------|-------------------------|-------------------------------|----------------------|----------------------------|---|
| 310.6 | Balance at year-end 2022 | \$ 568 | \$ 5 | \$ 5,965 | \$ 12,342 | \$ (17,015) | \$ (729) |
| — | Net income | 757 | — | — | 757 | — | — |
| — | Other comprehensive income | 82 | — | — | — | — | 82 |
| — | Dividends (\$0.40 per share) | (124) | — | — | (124) | — | — |
| 0.9 | Stock-based compensation plans | (34) | — | (59) | — | 25 | — |
| (6.8) | Purchase of treasury stock | (1,109) | — | — | — | (1,109) | — |
| 304.7 | Balance at March 31, 2023 | \$ 140 | \$ 5 | \$ 5,906 | \$ 12,975 | \$ (18,099) | \$ (647) |

| Common Shares Outstanding | | Total | Class A Common Stock | Additional Paid-in-Capital | Retained Earnings | Treasury Stock, at Cost | Accumulated Other Comprehensive Loss |
|---------------------------------|--------------------------------|----------|-------------------------|-------------------------------|----------------------|----------------------------|---|
| 326.3 | Balance at year-end 2021 | \$ 1,414 | \$ 5 | \$ 5,892 | \$ 10,305 | \$ (14,446) | \$ (342) |
| — | Net income | 377 | — | — | 377 | — | — |
| — | Other comprehensive income | 14 | — | — | — | — | 14 |
| 1.0 | Stock-based compensation plans | (33) | — | (61) | — | 28 | — |
| 327.3 | Balance at March 31, 2022 | \$ 1,772 | \$ 5 | \$ 5,831 | \$ 10,682 | \$ (14,418) | \$ (328) |

NOTE 10. CONTRACTS WITH CUSTOMERS

Our current and noncurrent liability for guest loyalty program increased by \$137 million, to \$6,731 million at March 31, 2023, from \$6,594 million at December 31, 2022, primarily reflecting an increase in points earned by members. This includes a \$30 million reclassification from deferred revenue to the liability for guest loyalty program primarily due to points that were earned during the period by members using our U.S.-issued co-branded credit cards, which were prepaid by the financial institutions in 2020. The increase was partially offset by \$745 million of revenue recognized in the 2023 first quarter, that was deferred as of December 31, 2022. The

current portion of our liability for guest loyalty program increased compared to December 31, 2022, due to higher estimated redemptions in the short-term.

Our allowance for credit losses was \$194 million at March 31, 2023 and \$191 million at December 31, 2022.

NOTE 11. BUSINESS SEGMENTS

We discuss our operations in the following two operating segments, both of which meet the applicable accounting criteria for separate disclosure as a reportable business segment: (1) U.S. & Canada and (2) International.

We evaluate the performance of our operating segments using “segment profits” which is based largely on the results of the segment without allocating corporate expenses, income taxes, indirect general, administrative, and other expenses, or merger-related costs. We assign gains and losses, equity in earnings or losses, and direct general, administrative, and other expenses to each of our segments. “Unallocated corporate and other” includes a portion of our revenues (such as fees we receive from our credit card programs and vacation ownership licensing agreements), revenues and expenses for our Loyalty Program, general, administrative, and other expenses, merger-related charges and other expenses, equity in earnings or losses, and other gains or losses that we do not allocate to our segments.

Our chief operating decision maker monitors assets for the consolidated Company but does not use assets by operating segment when assessing performance or making operating segment resource allocations.

Segment Revenues

The following table presents our revenues disaggregated by segment and major revenue stream for the 2023 first quarter and 2022 first quarter:

| <i>(in millions)</i> | Three Months Ended March 31, 2023 | | | Three Months Ended March 31, 2022 | | |
|----------------------------------|-----------------------------------|---------------|----------|-----------------------------------|---------------|----------|
| | U.S. & Canada | International | Total | U.S. & Canada | International | Total |
| Gross fee revenues | \$ 672 | \$ 291 | \$ 963 | \$ 489 | \$ 177 | \$ 666 |
| Contract investment amortization | (16) | (5) | (21) | (14) | (10) | (24) |
| Net fee revenues | 656 | 286 | 942 | 475 | 167 | 642 |
| Owned, leased, and other revenue | 117 | 214 | 331 | 92 | 153 | 245 |
| Cost reimbursement revenue | 3,505 | 508 | 4,013 | 2,704 | 355 | 3,059 |
| Total reportable segment revenue | \$ 4,278 | \$ 1,008 | \$ 5,286 | \$ 3,271 | \$ 675 | \$ 3,946 |
| Unallocated corporate and other | | | 329 | | | 253 |
| Total revenue | | | \$ 5,615 | | | \$ 4,199 |

Segment Profits

| <i>(in millions)</i> | Three Months Ended | |
|--|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| U.S. & Canada | \$ 657 | \$ 454 |
| International | 252 | 131 |
| Unallocated corporate and other | 46 | (21) |
| Interest expense, net of interest income | (111) | (88) |
| Provision for income taxes | (87) | (99) |
| Net income | \$ 757 | \$ 377 |

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement

All statements in this report are made as of the date this Form 10-Q is filed with the U.S. Securities and Exchange Commission (the “SEC”). We undertake no obligation to publicly update or revise these statements, whether as a result of new information, future events or otherwise. We make forward-looking statements in Management’s Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this

report based on the beliefs and assumptions of our management and on information available to us through the date this Form 10-Q is filed with the SEC. Forward-looking statements include information related to future demand trends and expectations; our expectations regarding rooms growth; our expectations regarding our ability to meet our liquidity requirements; our capital expenditures and other investment spending expectations; our expectations regarding future dividends and share repurchases; and other statements that are preceded by, followed by, or include the words “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “foresees,” or similar expressions; and similar statements concerning anticipated future events and expectations that are not historical facts.

We caution you that these statements are not guarantees of future performance and are subject to numerous evolving risks and uncertainties that we may not be able to accurately predict or assess, including the risks and uncertainties we describe in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (“2022 Form 10-K”), Part II, Item 1A of this report, and other factors we describe from time to time in our periodic filings with the SEC.

BUSINESS AND OVERVIEW

Overview

We are a worldwide operator, franchisor, and licensor of hotel, residential, timeshare, and other lodging properties under 31 brand names, including our newly added brand, City Express by Marriott™. Under our asset-light business model, we typically manage or franchise hotels, rather than own them. We discuss our operations in the following reportable business segments: (1) U.S. & Canada and (2) International.

Terms of our management agreements vary, but our management fees generally consist of base management fees and incentive management fees. Base management fees are typically calculated as a percentage of property-level revenue. Incentive management fees are typically calculated as a percentage of a hotel profitability measure, and, in many cases (particularly in our U.S. & Canada, Europe, and Caribbean & Latin America regions), are subject to a specified owner return. Under our franchise agreements, franchise fees are typically calculated as a percentage of property-level revenue or a portion thereof. Additionally, we earn franchise fees for the use of our intellectual property, such as fees from our co-branded credit card, timeshare, and residential programs.

Performance Measures

We believe Revenue per Available Room (“RevPAR”), which we calculate by dividing room sales for comparable properties by room nights available for the period, is a meaningful indicator of our performance because it measures the period-over-period change in room revenues for comparable properties. RevPAR may not be comparable to similarly titled measures, such as revenues, and should not be viewed as necessarily correlating with our fee revenue. We also believe occupancy and average daily rate (“ADR”), which are components of calculating RevPAR, are meaningful indicators of our performance. Occupancy, which we calculate by dividing occupied rooms by total rooms available, measures the utilization of a property’s available capacity. ADR, which we calculate by dividing property room revenue by total rooms sold, measures average room price and is useful in assessing pricing levels. RevPAR, occupancy, and ADR statistics are on a systemwide basis for comparable properties, unless otherwise stated. Comparisons to prior periods are on a constant U.S. dollar basis. We calculate constant dollar statistics by applying exchange rates for the current period to the prior comparable period.

We define our comparable properties as our properties that were open and operating under one of our brands since the beginning of the last full calendar year (since January 1, 2022 for the current period) and have not, in either the current or previous year: (1) undergone significant room or public space renovations or expansions, (2) been converted between company-operated and franchised, or (3) sustained substantial property damage or business interruption.

Business Trends

We saw strong global RevPAR improvement during the 2023 first quarter compared to the same period in 2022. For the 2023 first quarter, worldwide RevPAR increased 34.3 percent compared to the 2022 first quarter, reflecting ADR growth of 11.3 percent and occupancy improvement of 11.2 percentage points. The increase in

RevPAR was driven by improvement in all customer segments, including robust leisure demand as well as strengthening group and business transient demand as compared to the 2022 first quarter.

In the U.S. & Canada, RevPAR increased 25.6 percent in the 2023 first quarter compared to the 2022 first quarter, due to ADR growth of 10.1 percent and occupancy improvement of 8.2 percentage points. The improvement in RevPAR reflected strong demand in many markets within the U.S. & Canada, as compared to the 2022 first quarter, which was negatively impacted by the COVID-19 Omicron variant.

Internationally, RevPAR improved 63.1 percent in the 2023 first quarter compared to the 2022 first quarter, due to occupancy improvement of 18.3 percentage points and ADR growth of 16.4 percent. The improvement in RevPAR was driven by strengthening demand, especially from cross-border guests, and meaningful growth in ADR in all regions, as compared to the 2022 first quarter, which in various geographic markets was heavily impacted by COVID-19 and government-imposed travel restrictions. The lifting of travel restrictions throughout Asia Pacific, particularly in Greater China, significantly boosted 2023 first quarter demand in that region.

Our business is subject to the effects of changes in global and regional conditions and these conditions can change rapidly. We continue to monitor global economic conditions, and although we are not currently seeing signs of a slowdown in lodging demand, the lodging booking window is short and trends can change quickly.

Starwood Data Security Incident

On November 30, 2018, we announced a data security incident involving unauthorized access to the Starwood reservations database (the “Data Security Incident”). The Starwood reservations database is no longer used for business operations.

We are currently unable to reasonably estimate the range of total possible financial impact to the Company from the Data Security Incident in excess of the expenses already recorded. However, we do not believe this incident will impact our long-term financial health. Although our insurance program includes coverage designed to limit our exposure to losses such as those related to the Data Security Incident, that insurance may not be sufficient or available to cover all of our expenses or other losses (including monetary payments to regulators and/or litigants) related to the Data Security Incident. In addition, certain expenses by their nature (such as, for example, expenses related to enhancing our cybersecurity program) are not covered by our insurance program. We expect to incur significant expenses associated with the Data Security Incident in future periods in excess of the amounts already recorded, primarily related to legal proceedings and regulatory investigations (including possible additional monetary payments to regulators and/or litigants as well as costs associated with compliance with any settlements or resolutions of matters). See Note 5 for additional information related to legal proceedings and governmental investigations related to the Data Security Incident.

System Growth and Pipeline

At the end of the 2023 first quarter, our system had 8,353 properties (1,534,072 rooms), compared to 8,288 properties (1,525,407 rooms) at year-end 2022 and 8,048 properties (1,487,681 rooms) at the end of the 2022 first quarter. The increase compared to year-end 2022 reflected gross additions of 79 properties (11,015 rooms) and deletions of 14 properties (2,351 rooms). Approximately 53 percent of our 2023 first quarter gross room additions were located outside U.S. & Canada, and 25 percent were conversions from competitor brands.

At the end of the 2023 first quarter, we had approximately 502,000 hotel rooms in our development pipeline, which includes roughly 200,000 hotel rooms under construction and more than 21,000 hotel rooms approved for development but not yet under signed contracts. Over half of the rooms in our development pipeline are outside U.S. & Canada.

We currently expect full-year 2023 total gross rooms growth of approximately 5.5 percent and net rooms growth of 4.0 to 4.5 percent.

Properties and Rooms

At March 31, 2023, we operated, franchised, and licensed the following properties and rooms:

| | Managed | | Franchised/Licensed | | Owned/Leased | | Residential | | Total | |
|---------------|--------------|----------------|---------------------|----------------|--------------|---------------|-------------|---------------|--------------|------------------|
| | Properties | Rooms | Properties | Rooms | Properties | Rooms | Properties | Rooms | Properties | Rooms |
| U.S. & Canada | 627 | 214,699 | 5,172 | 742,406 | 14 | 4,656 | 67 | 7,158 | 5,880 | 968,919 |
| International | 1,366 | 346,498 | 926 | 181,819 | 38 | 9,209 | 49 | 4,733 | 2,379 | 542,259 |
| Timeshare | — | — | 93 | 22,745 | — | — | — | — | 93 | 22,745 |
| Yacht | — | — | 1 | 149 | — | — | — | — | 1 | 149 |
| Total | 1,993 | 561,197 | 6,192 | 947,119 | 52 | 13,865 | 116 | 11,891 | 8,353 | 1,534,072 |

Lodging Statistics

The following table presents RevPAR, occupancy, and ADR statistics for comparable properties. Systemwide statistics include data from our franchised properties, in addition to our company-operated properties.

| | Three Months Ended March 31, 2023 and Change vs. Three Months Ended March 31, 2022 | | | | | |
|---|--|----------|-----------|-------------|--------------------|----------|
| | RevPAR | | Occupancy | | Average Daily Rate | |
| | 2023 | vs. 2022 | 2023 | vs. 2022 | 2023 | vs. 2022 |
| <i>Comparable Company-Operated Properties</i> | | | | | | |
| U.S. & Canada | \$ 169.53 | 31.3 % | 66.0 % | 12.0 % pts. | \$ 256.81 | 7.5 % |
| Greater China | \$ 81.68 | 77.8 % | 64.0 % | 23.5 % pts. | \$ 127.63 | 12.6 % |
| Asia Pacific excluding China | \$ 116.36 | 116.2 % | 68.0 % | 24.2 % pts. | \$ 171.21 | 39.3 % |
| Caribbean & Latin America | \$ 195.21 | 41.4 % | 66.1 % | 10.5 % pts. | \$ 295.22 | 19.0 % |
| Europe | \$ 126.48 | 67.2 % | 60.8 % | 18.8 % pts. | \$ 208.12 | 15.4 % |
| Middle East & Africa | \$ 140.62 | 17.0 % | 70.0 % | 3.8 % pts. | \$ 200.79 | 10.6 % |
| International - All ⁽¹⁾ | \$ 115.77 | 61.3 % | 65.8 % | 18.6 % pts. | \$ 175.90 | 15.6 % |
| Worldwide ⁽²⁾ | \$ 139.84 | 43.5 % | 65.9 % | 15.6 % pts. | \$ 212.19 | 9.5 % |
| <i>Comparable Systemwide Properties</i> | | | | | | |
| U.S. & Canada | \$ 119.74 | 25.6 % | 65.9 % | 8.2 % pts. | \$ 181.61 | 10.1 % |
| Greater China | \$ 76.06 | 78.3 % | 62.9 % | 23.3 % pts. | \$ 120.98 | 12.2 % |
| Asia Pacific excluding China | \$ 114.64 | 112.8 % | 67.4 % | 23.1 % pts. | \$ 170.20 | 39.9 % |
| Caribbean & Latin America | \$ 165.67 | 40.9 % | 67.4 % | 11.7 % pts. | \$ 245.80 | 16.4 % |
| Europe | \$ 98.61 | 75.6 % | 57.2 % | 19.5 % pts. | \$ 172.32 | 15.8 % |
| Middle East & Africa | \$ 129.77 | 19.1 % | 68.2 % | 4.0 % pts. | \$ 190.18 | 12.0 % |
| International - All ⁽¹⁾ | \$ 108.80 | 63.1 % | 63.9 % | 18.3 % pts. | \$ 170.39 | 16.4 % |
| Worldwide ⁽²⁾ | \$ 116.45 | 34.3 % | 65.3 % | 11.2 % pts. | \$ 178.31 | 11.3 % |

⁽¹⁾ Includes Greater China, Asia Pacific excluding China, Caribbean & Latin America, Europe, and Middle East & Africa.

⁽²⁾ Includes U.S. & Canada and International - All.

CONSOLIDATED RESULTS

Our consolidated results in the 2023 first quarter improved significantly compared to the 2022 first quarter due to the continued recovery in lodging demand from the impacts of COVID-19. The discussion below presents an additional analysis of our consolidated results of operations for the 2023 first quarter compared to the 2022 first quarter.

Fee Revenues

| <i>(in millions)</i> | Three Months Ended | | | |
|----------------------------------|--------------------|----------------|----------------------|------|
| | March 31, 2023 | March 31, 2022 | Change 2023 vs. 2022 | |
| Base management fees | \$ 293 | \$ 213 | \$ 80 | 38 % |
| Franchise fees | 639 | 500 | 139 | 28 % |
| Incentive management fees | 201 | 102 | 99 | 97 % |
| Gross fee revenues | 1,133 | 815 | 318 | 39 % |
| Contract investment amortization | (21) | (24) | 3 | 13 % |
| Net fee revenues | \$ 1,112 | \$ 791 | \$ 321 | 41 % |

The increase in base management fees in the 2023 first quarter primarily reflected higher RevPAR.

The increase in franchise fees in the 2023 first quarter primarily reflected higher RevPAR, higher co-branded credit card fees (\$21 million), and unit growth (\$18 million).

The increase in incentive management fees in the 2023 first quarter primarily reflected higher profits at certain managed hotels.

Owned, Leased, and Other

| <i>(in millions)</i> | Three Months Ended | | | |
|--|--------------------|----------------|----------------------|------|
| | March 31, 2023 | March 31, 2022 | Change 2023 vs. 2022 | |
| Owned, leased, and other revenue | \$ 356 | \$ 262 | \$ 94 | 36 % |
| Owned, leased, and other - direct expenses | 281 | 197 | 84 | 43 % |
| Owned, leased, and other, net | \$ 75 | \$ 65 | \$ 10 | 15 % |

Owned, leased, and other revenue, net of direct expenses, increased in the 2023 first quarter primarily due to stronger results at our owned and leased properties, partially offset by \$29 million of subsidies received for certain of our leased hotels in the 2022 first quarter under German government COVID-19 assistance programs.

Cost Reimbursements

| <i>(in millions)</i> | Three Months Ended | | | |
|----------------------------|--------------------|----------------|----------------------|-------|
| | March 31, 2023 | March 31, 2022 | Change 2023 vs. 2022 | |
| Cost reimbursement revenue | \$ 4,147 | \$ 3,146 | \$ 1,001 | 32 % |
| Reimbursed expenses | 4,136 | 3,179 | 957 | 30 % |
| Cost reimbursements, net | \$ 11 | \$ (33) | \$ 44 | 133 % |

Cost reimbursements, net (cost reimbursement revenue, net of reimbursed expenses) varies due to timing differences between the costs we incur for centralized programs and services and the related reimbursements we receive from hotel owners and franchisees. Over the long term, our centralized programs and services are not designed to impact our economics, either positively or negatively.

The increase in cost reimbursements, net in the 2023 first quarter primarily reflected Loyalty Program activity, primarily due to higher program revenues, as well as higher revenues, net of expenses, for our centralized programs and services.

Other Operating Expenses

| <i>(in millions)</i> | Three Months Ended | | |
|---------------------------------------|--------------------|----------------|----------------------|
| | March 31, 2023 | March 31, 2022 | Change 2023 vs. 2022 |
| Depreciation, amortization, and other | \$ 44 | \$ 48 | \$ (4) (8)% |
| General, administrative, and other | 202 | 208 | (6) (3)% |
| Merger-related charges and other | 1 | 9 | (8) (89)% |

Non-Operating Income (Expense)

| <i>(in millions)</i> | Three Months Ended | | |
|-----------------------------|--------------------|----------------|----------------------|
| | March 31, 2023 | March 31, 2022 | Change 2023 vs. 2022 |
| Gains and other income, net | \$ 3 | \$ 4 | \$ (1) (25)% |
| Interest expense | (126) | (93) | (33) (35)% |
| Interest income | 15 | 5 | 10 200% |
| Equity in earnings | 1 | 2 | (1) (50)% |

Interest expense increased in the 2023 first quarter, primarily due to higher average debt balances driven by Senior Notes issuances.

Income Taxes

| <i>(in millions)</i> | Three Months Ended | | |
|----------------------------|--------------------|----------------|----------------------|
| | March 31, 2023 | March 31, 2022 | Change 2023 vs. 2022 |
| Provision for income taxes | \$ (87) | \$ (99) | \$ 12 12% |

Provision for income taxes decreased by \$12 million in the 2023 first quarter, primarily due to the current year release of tax reserves (\$103 million), which was mostly due to the completion of a prior year tax audit, partially offset by the increase in operating income (\$86 million).

BUSINESS SEGMENTS

Our segment results in the 2023 first quarter improved significantly compared to the 2022 first quarter due to the continued recovery in lodging demand from the impacts of COVID-19. The following discussion presents an additional analysis of the operating results of our reportable business segments for the 2023 first quarter compared to the 2022 first quarter.

| <i>(in millions)</i> | Three Months Ended | | |
|--------------------------|--------------------|----------------|----------------------|
| | March 31, 2023 | March 31, 2022 | Change 2023 vs. 2022 |
| U.S. & Canada | | | |
| Segment revenues | \$ 4,278 | \$ 3,271 | \$ 1,007 31% |
| Segment profit | 657 | 454 | 203 45% |
| International | | | |
| Segment revenues | 1,008 | 675 | 333 49% |
| Segment profit | 252 | 131 | 121 92% |

| | Properties | | | | Rooms | | | |
|--------------------------|----------------|----------------|--------------------|----|----------------|----------------|--------------------|----|
| | March 31, 2023 | March 31, 2022 | vs. March 31, 2022 | | March 31, 2023 | March 31, 2022 | vs. March 31, 2022 | |
| U.S. & Canada | 5,880 | 5,752 | 128 | 2% | 968,919 | 951,731 | 17,188 | 2% |
| International | 2,379 | 2,204 | 175 | 8% | 542,259 | 513,249 | 29,010 | 6% |

U.S. & Canada

U.S. & Canada 2023 first quarter segment profit increased, primarily due to \$183 million of higher gross fee revenues. The increase in gross fee revenues primarily reflected higher comparable systemwide RevPAR driven by increases in both ADR and occupancy, higher profits at certain managed hotels, and unit growth.

International

International 2023 first quarter segment profit increased, primarily due to \$114 million of higher gross fee revenues, partially offset by \$11 million of lower owned, leased, and other revenue, net of direct expenses.

The increase in gross fee revenues primarily reflected higher profits at certain managed hotels and higher comparable systemwide RevPAR driven by increases in both occupancy and ADR in all regions, partially offset by net unfavorable foreign exchange rates.

The decrease in owned, leased, and other revenue, net of direct expenses primarily reflected subsidies received for certain of our leased hotels in the 2022 first quarter under German government COVID-19 assistance programs, partially offset by stronger results at owned and leased properties.

LIQUIDITY AND CAPITAL RESOURCES

Our long-term financial objectives include maintaining diversified financing sources, optimizing the mix and maturity of our long-term debt, and reducing our working capital. At the end of the 2023 first quarter, our long-term debt had a weighted average interest rate of 4.2 percent and a weighted average maturity of approximately 5.8 years. Including the effect of interest rate swaps, the ratio of our fixed-rate long-term debt to our total long-term debt was 0.9 to 1.0 at the end of the 2023 first quarter.

Sources of Liquidity

Our Credit Facility

We are party to a \$4.5 billion multicurrency revolving credit agreement (the "Credit Facility"). Available borrowings under the Credit Facility support our commercial paper program and general corporate needs. Borrowings under the Credit Facility generally bear interest at SOFR (the Secured Overnight Financing Rate) plus a spread based on our public debt rating. We also pay quarterly fees on the Credit Facility at a rate based on our public debt rating. We classify outstanding borrowings under the Credit Facility and outstanding commercial paper borrowings as long-term based on our ability and intent to refinance the outstanding borrowings on a long-term basis. The Credit Facility expires on December 14, 2027.

The Credit Facility contains certain covenants, including a single financial covenant that limits our maximum leverage (consisting of the ratio of Adjusted Total Debt to EBITDA, each as defined in the Credit Facility) to not more than 4.5 to 1.0. Our outstanding public debt does not contain a corresponding financial covenant or a requirement that we maintain certain financial ratios.

We currently satisfy the covenants in our Credit Facility and public debt instruments, including the leverage covenant under the Credit Facility, and do not expect the covenants will restrict our ability to meet our anticipated borrowing and liquidity needs.

We monitor the status of the capital markets and regularly evaluate the effect that changes in capital market conditions may have on our ability to fund our liquidity needs. We believe the Credit Facility, and our access to capital markets, together with cash we expect to generate from operations, remain adequate to meet our liquidity requirements.

Commercial Paper

We issue commercial paper in the U.S. Because we do not have purchase commitments from buyers for our commercial paper, our ability to issue commercial paper is subject to market demand. We do not expect that

fluctuations in the demand for commercial paper will affect our liquidity, given our borrowing capacity under the Credit Facility and access to capital markets.

Uses of Cash

Cash, cash equivalents, and restricted cash totaled \$571 million at March 31, 2023, an increase of \$46 million from year-end 2022, primarily due to net cash provided by operating activities (\$887 million), Senior Notes issuances, net of repayments (\$493 million), and commercial paper issuances, net of repayments (\$117 million), partially offset by share repurchases (\$1,135 million), dividends paid (\$124 million), capital and technology expenditures (\$95 million), and financing outflows for employee stock-based compensation withholding taxes (\$72 million).

Net cash provided by operating activities increased by \$489 million in the 2023 first quarter compared to the 2022 first quarter, primarily due to higher net income (adjusted for non-cash items) and working capital changes driven by accounts receivable timing. Cash inflow from our Loyalty Program in 2020 included \$920 million of cash received from the prepayment of certain future revenues under the 2020 amendments to our existing U.S.-issued co-branded credit card agreements, which reduced in both the 2023 first quarter and 2022 first quarter, and will in the future reduce, the amount of cash we receive from these card issuers. We expect such reductions to end by year-end 2023.

Our ratio of current assets to current liabilities was 0.5 to 1.0 at the end of the 2023 first quarter. We have significant borrowing capacity under our Credit Facility should we need additional working capital.

Capital Expenditures and Other Investments

We made capital and technology expenditures of \$95 million in the 2023 first quarter and \$49 million in the 2022 first quarter. We expect capital expenditures and other investments will total approximately \$850 million to \$1 billion for the 2023 full year, including capital and technology expenditures, loan advances, contract acquisition costs, and other investing activities (including approximately \$250 million for maintenance capital spending). This estimate also includes \$100 million of investment spending related to the City Express brand acquisition discussed in Note 7, which closed on May 1, 2023.

Share Repurchases and Dividends

We repurchased 6.8 million shares of our common stock for \$1.1 billion in the 2023 first quarter. Year-to-date through April 28, 2023, we repurchased 8.2 million shares for \$1.4 billion. For additional information, see “Issuer Purchases of Equity Securities” in Part II, Item 2.

On February 10, 2023, our Board of Directors declared a quarterly cash dividend of \$0.40 per share, which was paid on March 31, 2023 to stockholders of record on February 24, 2023.

We expect to continue to return cash to stockholders through a combination of share repurchases and cash dividends.

Material Cash Requirements

As of the end of the 2023 first quarter, there have been no material changes to our cash requirements as disclosed in our 2022 Form 10-K. See Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our 2022 Form 10-K for more information about our cash requirements. Also, see Note 6 for information on our long-term debt.

At March 31, 2023, projected Deemed Repatriation Transition Tax payments under the U.S. tax legislation enacted on December 22, 2017, commonly referred to as the 2017 Tax Cuts and Jobs Act, totaled \$326 million, of which \$84 million is payable within the next 12 months from March 31, 2023.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. We have discussed those policies and estimates that we believe are critical and require the use of complex judgment in their application in our 2022 Form 10-K. We have made no material changes to our critical accounting policies or the methodologies or assumptions that we apply under them.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk has not materially changed since December 31, 2022. See Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” in our 2022 Form 10-K for more information on our exposure to market risk.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)) as of the end of the period covered by this quarterly report under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Management necessarily applied its judgment in assessing the costs and benefits of those controls and procedures, which by their nature, can provide only reasonable assurance about management’s control objectives. You should note that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and we cannot assure you that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and operating to provide reasonable assurance that we record, process, summarize, and report the information we are required to disclose in the reports that we file or submit under the Exchange Act within the time periods specified in the rules and forms of the SEC, and to provide reasonable assurance that we accumulate and communicate such information to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions about required disclosure.

Changes in Internal Control Over Financial Reporting

We made no changes in internal control over financial reporting during the 2023 first quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See the information under the “Litigation, Claims, and Government Investigations” caption in Note 5, which we incorporate here by reference. Within this section, we use a threshold of \$1 million in disclosing material environmental proceedings involving a governmental authority, if any.

From time to time, we are also subject to other legal proceedings and claims in the ordinary course of business, including adjustments proposed during governmental examinations of the various tax returns we file. While management presently believes that the ultimate outcome of these other proceedings, individually and in aggregate, will not materially harm our financial position, cash flows, or overall trends in results of operations, legal proceedings are inherently uncertain, and unfavorable rulings could, individually or in aggregate, have a material adverse effect on our business, financial condition, or operating results.

Item 1A. Risk Factors

We are subject to various risks that make an investment in our securities risky. You should carefully consider the risk factors disclosed in Part I, Item 1A, “Risk Factors,” of our 2022 Form 10-K. There are no material changes to the risk factors discussed in our 2022 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Unregistered Sale of Securities

None.

(b) Use of Proceeds

None.

(c) Issuer Purchases of Equity Securities

(in millions, except per share amounts)

| Period | Total Number of Shares Purchased | Average Price per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾ | Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs ⁽¹⁾ |
|--------------------------------------|---|--------------------------------|--|--|
| January 1, 2023 - January 31, 2023 | 2.5 | \$ 161.23 | 2.5 | 23.1 |
| February 1, 2023 - February 28, 2023 | 0.1 | \$ 171.11 | 0.1 | 23.0 |
| March 1, 2023 - March 31, 2023 | 4.2 | \$ 163.68 | 4.2 | 18.8 |

⁽¹⁾ On February 28, 2019, we announced that our Board of Directors increased our common stock repurchase authorization by 25 million shares. In addition, on November 10, 2022, we announced that our Board of Directors further increased our common stock repurchase authorization by 25 million shares. As of March 31, 2023, 18.8 million shares remained available for repurchase under Board approved authorizations. We may repurchase shares in the open market or in privately negotiated transactions, and we account for these shares as treasury stock.

Item 6. Exhibits

We have not filed as exhibits certain instruments defining the rights of holders of the long-term debt of Marriott pursuant to Item 601(b)(4) (iii) of Regulation S-K promulgated under the Exchange Act, because the amount of debt authorized and outstanding under each such instrument does not exceed 10 percent of the total assets of the Company and its consolidated subsidiaries. The Company agrees to furnish a copy of any such instrument to the Commission upon request.

| Exhibit No. | Description | Incorporation by Reference (where a report is indicated below, that document has been previously filed with the SEC and the applicable exhibit is incorporated by reference thereto) |
|-------------|--|--|
| 3.1 | Restated Certificate of Incorporation. | Exhibit No. 3.(i) to our Form 8-K filed August 22, 2006 (File No. 001-13881). |
| 3.2 | Amended and Restated Bylaws. | Exhibit No. 3.(ii) to our Form 8-K filed February 14, 2022 (File No. 001-13881). |
| *10.1 | Form of MI Shares Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (February 2023) | Filed with this report. |
| *10.2 | Form of Performance Share Unit Award Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (February 2023) | Filed with this report. |
| *10.3 | Form of Stock Appreciation Rights Agreement for the Marriott International, Inc. Stock and Cash Incentive Plan (February 2023) | Filed with this report. |
| 31.1 | Certification of Chief Executive Officer Pursuant to Rule 13a-14(a). | Filed with this report. |
| 31.2 | Certification of Chief Financial Officer Pursuant to Rule 13a-14(a). | Filed with this report. |
| 32 | Section 1350 Certifications. | Furnished with this report. |
| 101 | The following financial statements from Marriott International, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, formatted in Inline XBRL: (i) the Condensed Consolidated Statements of Income; (ii) the Condensed Consolidated Statements of Comprehensive Income; (iii) the Condensed Consolidated Balance Sheets; and (iv) the Condensed Consolidated Statements of Cash Flows. | <i>Submitted electronically with this report.</i> |
| 101.INS | XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document. | <i>Submitted electronically with this report.</i> |
| 101.SCH | XBRL Taxonomy Extension Schema Document. | <i>Submitted electronically with this report.</i> |
| 101.CAL | XBRL Taxonomy Calculation Linkbase Document. | <i>Submitted electronically with this report.</i> |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document. | <i>Submitted electronically with this report.</i> |
| 101.LAB | XBRL Taxonomy Label Linkbase Document. | <i>Submitted electronically with this report.</i> |
| 101.PRE | XBRL Taxonomy Presentation Linkbase Document. | <i>Submitted electronically with this report.</i> |
| 104 | The cover page from Marriott International, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, formatted in Inline XBRL (included as Exhibit 101). | <i>Submitted electronically with this report.</i> |

* Denotes management contract or compensatory plan.

SIGNATURE

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

MARRIOTT INTERNATIONAL, INC.
May 2, 2023

/s/ Felitia O. Lee

Felitia O. Lee
Controller and Chief Accounting Officer
(Duly Authorized Officer)

**MI SHARES AGREEMENT
MARRIOTT INTERNATIONAL, INC.
STOCK AND CASH INCENTIVE PLAN**

THIS AGREEMENT (the “Agreement”) is entered into on #GrantDate+C# (the “Grant Date”) by MARRIOTT INTERNATIONAL, INC. (the “Company”) and #ParticipantName+C# (“Employee”).

WITNESSETH:

WHEREAS, the Company maintains the Marriott International, Inc. Stock and Cash Incentive Plan, as amended (the “Plan”); and

WHEREAS, the Company wishes to award to designated employees certain Other Share-Based Awards as provided in Article 10 of the Plan to be known as “MI Share” awards; and

WHEREAS, Employee has been approved by the Human Resources and Compensation Committee (the “Committee”) of the Company’s Board of Directors (the “Board”) to receive an award of MI Shares under the Plan;

NOW, THEREFORE, it is agreed as follows:

1. **Employee Acknowledgment.** Employee has been provided with, and hereby acknowledges receipt of, a Prospectus for the Plan, which contains, among other things, a detailed description of the Other Share-Based Awards provisions of the Plan. Employee further acknowledges that he or she has read the Prospectus, the Plan and this Agreement (including the Jurisdiction-Specific Addendum as well as the 8A Addendum), and that Employee understands the provisions thereof.

2. **Incorporation of Plan and Interpretation.** The provisions of the Plan are incorporated herein by reference and form an integral part of this Agreement. Except as otherwise set forth herein, capitalized terms used herein shall have the meanings given to them in the Plan. In the event of any inconsistency between this Agreement and the Plan, the terms of the Plan shall govern. A copy of the Plan is available from the Compensation Department of the Company upon request. All decisions and interpretations made by the Committee or its delegate with regard to any question arising hereunder or under the Plan shall be binding and conclusive.

3. **Grant of MI Shares.** Subject to the terms of the Plan and Employee’s acceptance of this Agreement, this award (the “Award”) of #QuantityGranted+C# MI Shares is made as of the Grant Date.

4. **MI Share and Common Share Rights.** The MI Shares awarded under this Agreement shall be recorded in a Company book-keeping account and shall represent Employee’s unsecured right to receive from the Company the transfer of title to shares of Class A Common Stock of the Company (“Common Shares”) in accordance with the schedule of [Vesting][Distribution] Dates set forth in paragraph 5 below, provided that Employee has satisfied the Conditions of Transfer set forth in paragraph 6 below and subject to the satisfaction of the provision on withholding taxes and other Tax-Related Items set forth in paragraph 9 below. On each such [Vesting][Distribution Date], if it occurs, the Company shall reverse the book-keeping entry for all such related MI Shares and transfer a corresponding number of Common Shares (which may be reduced by the number of shares withheld to satisfy withholding taxes as set forth in paragraph 9 below, if share reduction is the method utilized for satisfying the tax withholding obligation) to an individual brokerage account (the “Account”) established and maintained in Employee’s name. Employee shall have all the rights of a stockholder with respect to such Common Shares transferred to the Account, including but not limited to the right to vote the Common Shares, to sell, transfer, liquidate or otherwise dispose of the Common Shares, and to receive all dividends or other distributions paid or made with respect to the Common Shares from the time they are deposited in the Account. Employee shall have no voting, transfer, liquidation, dividend or other rights of a Common Share stockholder with respect to MI Shares prior to such time that the corresponding Common Shares are transferred, if at all, to Employee’s Account.

5. **Distribution of MI Shares.** Subject to satisfaction of the Conditions of Transfer in paragraph 6, MI Shares shall be distributed pro rata with respect to [PERCENTAGE] of the MI Shares granted hereunder on the 15th day of the month in which occurs the [DATES], respectively (each, a “Distribution Date”). In the event that any

Distribution Date is a Saturday, Sunday or other day on which stock of the Company is not traded on the NASDAQ or another national exchange, then the Distribution Date shall be the next following day on which the stock of the Company is traded on the NASDAQ or another national exchange.

6. Conditions of Transfer. With respect to any MI Shares awarded to Employee, as a condition of Employee receiving a transfer of corresponding Common Shares in accordance with paragraph 4 above, Employee shall meet all of the following conditions during the entire period from the Grant Date hereof through the Distribution Date relating to such MI Shares:

- (a) Employee must continue to meet the Continuous Service requirement, which is defined as continuing to be:
 - (i) an active employee of the Company,
 - (ii) an active employee of an entity other than one of the Company's subsidiaries that owns a property managed by the Company following transfer of employment to such entity, or
 - (iii) an active employee of an entity other than one of the Company's subsidiaries that operates a franchised property under a brand of the Company but only if the Company specifically approves Employee's continued vesting pursuant to this provision;
- (b) Employee must not have violated paragraph 8A hereof; and
- (c) Employee must refrain from committing any criminal offense or malicious tort relating to or against the Company or, as determined by the Committee in its discretion, engaging in willful acts or omissions or acts or omissions of gross negligence that are or potentially are injurious to the Company's operations, financial condition or business reputation ("No Improper Conduct"). The Committee's determination as to whether or not particular conduct constitutes Improper Conduct shall be conclusive.

If Employee fails to meet the requirements relating to (i) Continuous Service, (ii) compliance with paragraph 8A, or (iii) No Improper Conduct, then Employee shall forfeit the right to receive a distribution of any MI Shares for which the above conditions of transfer have not already been met as of the time such failure is determined, and Employee shall accordingly forfeit the right to receive the transfer of title to any corresponding Common Shares. As used in this paragraph 6 and paragraph 8A, the term "Company" shall include the Company and its subsidiaries.

7. Non-Assignability. The MI Shares shall not be assignable or transferable by Employee except by will or by the laws of descent and distribution. Employee's rights with respect to the MI Shares shall be available during Employee's lifetime only to Employee or, in the event of incompetence, Employee's legally appointed guardian.

8. Effect of Death/Disability or Retirement.

- (a) In the event Employee's Continuous Service terminates prior to the relevant Distribution Date by reason of death or Employee incurs a Disability (as defined in Section 2.19 of the Plan) prior to the relevant Distribution Date, and if Employee had otherwise met the requirements of relating to Continuous Service, compliance with paragraph 8A and No Improper Conduct from the Grant Date through the date of such death or Disability, then Employee shall upon death or Disability (as the case may be) be deemed to have fully satisfied all of the conditions of transfer in paragraph 6 and the distribution of the MI Shares will occur as soon as administratively practicable thereafter.

- (b) In the event Employee's Continuous Service terminates prior to the relevant Distribution Date by reason of Employee's Retirement (as defined below), and if Employee had otherwise met the requirements relating to Continuous Service, compliance with paragraph 8A and No Improper Conduct from the Grant Date through the date of such Retirement, and provided that Employee continues to meet the requirements of relating to compliance with paragraph 8A and No Improper Conduct, then Employee's rights hereunder with respect to any outstanding MI Shares shall continue in the same manner as if Employee continued to meet the Continuous Service requirement through the Distribution Dates related to the MI Shares, except not for that portion of MI Shares granted less than one year prior to Employee's termination equal to such number of shares multiplied by the ratio of (a) the number of days after the termination date and before the first Distribution Date, over (b) the number of days between the Grant Date and the first Distribution Date. For purposes of this Agreement, "Retirement" shall mean termination of employment by retiring with the specific approval of the Committee (or its delegate) on or after such date on which Employee has attained age 55 and completed ten (10) Years of Service.

8A. Protective Covenants. Employee acknowledges and agrees that, by reason of his or her highly specialized skillset and the Company's investment of time, training, money, trust, and exposure of Employee to trade secrets and confidential information of the Company, Employee is intimately involved in the planning and direction of the Company's business operations. Employee further acknowledges and agrees that the MI Share awards are good and valuable consideration for the Employee's agreement to enter into, and his or her compliance with, the covenants in this paragraph 8A ("Protective Covenants") which are material factors in the Company's decision to grant the MI Share awards. As used in this paragraph 8A, the term "Company" shall include the Company and its subsidiaries.

- (a) Beginning on the Grant Date and ending on the applicable Distribution Date, Employee will not, on his or her own behalf or as a partner, officer, director, employee, agent, or consultant of any other person or entity, directly or indirectly, become associated with a Competitor in a Restricted Area. Notwithstanding the foregoing, nothing in this paragraph 8A(a) shall prohibit Employee from owning up to 5% of the equity interests of any publicly-traded Competitor as long as Employee has no other role with respect to such company.
- (b) During the period beginning on the Grant Date and ending one year following his or her termination of employment with the Company, whether such termination of employment is voluntary or involuntary or with or without cause, Employee will not, on his or her own behalf or as a partner, officer, director, employee, agent, or consultant of any other person or entity, directly or indirectly contact, solicit or induce (or attempt to solicit or induce) any employee of the Company to leave their employment with the Company or enter into employment or any other engagement with any other person or entity.
- (c) Beginning on the Grant Date, Employee will not use or disclose "Confidential Information" without the approval of the Company. For purposes of this Agreement, Confidential Information includes but is not limited to: trade secrets, proprietary information, information about the Company's customers, sales and marketing plans, pricing strategy, personnel matters, financial data, means of doing business (including all technical system information), management agreements, franchise agreements, licensing agreements, loyalty program plans and strategies, standard operating procedures, policies, product or service developments, and internal memoranda. Notwithstanding the foregoing sentence, nothing in this Agreement prohibits Employee from any legally-protected communications or activities, including under the U.S. National Labor Relations Act. In addition, pursuant to the Defense of Trade Secrets Act of 2016: Employee will not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret that is made in confidence to a federal, state or local government official or to an attorney solely for purposes of reporting or investigating a suspected violation of law; Employee will not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and if Employee files a lawsuit for retaliation against Marriott for reporting a suspected violation of law, Employee may disclose a trade secret to Employee's attorney and use the trade secret information in the court proceeding, provided that Employee files any document containing the trade secret under seal and do not disclose the trade secret except pursuant to a court order.

- (d) Employee and the Company agree that any breach by Employee of the non-solicitation obligation under this paragraph will cause the Company immediate, material and irreparable injury and damage, and there is no adequate remedy at law for such breach. Accordingly, in the event of such breach, in addition to any other remedies it may have at law or in equity, the Company shall be entitled immediately to seek enforcement of this Agreement in a court of competent jurisdiction by means of a decree of specific performance, an injunction without the posting of a bond or the requirement of any other guarantee, any other form of equitable relief, and/or liquidated damages in the amount of one hundred fifty percent (150%) of the Fair Market Value of the Awards granted hereunder as of the Grant Date, and the Company is entitled to recover from Employee the costs and attorneys' fees it incurs to recover under or enforce this Agreement. This provision is not a waiver of any other rights that the Company may have under this Agreement, including the right to receive money damages.
- (e) Employee acknowledges and agrees that the Protective Covenants are reasonable in time, scope, geography and all other respects and that they will be considered and construed as separate and independent covenants. Should any part or provision of any of the Protective Covenants be held invalid, void or unenforceable in any court of competent jurisdiction, Employee agrees that such invalidity, voidness or unenforceability does not invalidate, void or otherwise render unenforceable any other part or provision of this Agreement. Employee further agrees that, in the event any court of competent jurisdiction finds any of the Protective Covenants to be invalid or unenforceable (in whole or in part), such court shall modify the invalid or unenforceable term so that the Protective Covenants are enforceable to the fullest extent permitted by law.
- (f) For purposes hereof:
- (i) "Competitor" means any person or entity engaged in the business of owning, operating, managing, licensing and/or franchising hotel, lodging, residential and/or timeshare properties and/or cruiseships, and/or the business of operating a travel, hospitality and/or home rental platform or service (or any similar online or technology platform or service).
 - (ii) "Restricted Area" means the United States and any other country in which the Company engages or in which Employee knows the Company has plans to engage in the business described in paragraph (f)(i).
- (g) Amendments for Certain Employees. Employee acknowledges that due to the applicable law of the state or country in which Employee is residing or working at the time of grant, vesting and settlement of the Award, the terms or conditions of this paragraph 8A may be modified. These amendments are included in the Paragraph 8A Addendum attached hereto, which forms a part of this Agreement, and the provisions thereof replace and supersede the corresponding provisions of this paragraph 8A. The Company may modify the Paragraph 8A Addendum at any time to the extent the Company deems such modification necessary to comply with applicable law.

9. Taxes. The transfer of Common Shares shall be subject to the further condition that the Company shall provide for the withholding of any taxes required by applicable federal, state, or local law by reducing the number of Common Shares to be transferred to Employee's Account or by such other manner as the Committee shall determine in its discretion. As a condition to the grant, vesting and settlement of this Award and as set forth in Article 18 of the Plan, Employee hereby agrees to make adequate provision for the satisfaction of (and will indemnify the Company and any Subsidiary or affiliate for) any applicable taxes or tax withholdings, social contributions, required deductions, or other payments, if any ("Tax-Related Items"), which arise upon the grant, vesting or settlement of this Award, ownership or disposition of Common Shares, receipt of dividends, if any, or otherwise in connection with this Award or the Common Shares, including, if applicable, hypothetical tax obligations imposed under any expatriate tax policy maintained by the Company. Regardless of any action the Company or any Subsidiary or affiliate takes with respect to any or all applicable Tax-Related Items, Employee acknowledges and agrees that the ultimate liability for all Tax-Related Items is and remains Employee's responsibility and may exceed any amount actually withheld by the Company or any Subsidiary or affiliate. Employee further acknowledges and agrees that Employee is solely responsible for filing all relevant documentation that may be required in relation to this Award or any Tax-Related Items other than filings or documentation that is the specific obligation of the Company or any Subsidiary or affiliate pursuant to applicable law, such as but not limited to personal income tax returns or reporting statements in relation to the grant, vesting or settlement of this Award, the holding of Common Shares or any bank

or brokerage account, the subsequent sale of Common Shares, and the receipt of any dividends. Employee further acknowledges that the Company makes no representations or undertakings regarding the treatment of any Tax-Related Items and does not commit to and is under no obligation to structure the terms or any aspect of the Award to reduce or eliminate Employee's liability for Tax-Related Items or achieve any particular tax result. Employee also understands that applicable laws may require varying Common Share or Award valuation methods for purposes of calculating Tax-Related Items, and the Company assumes no responsibility or liability in relation to any such valuation or for any calculation or reporting of income or Tax-Related Items that may be required of Employee under applicable laws. Further, if Employee has become subject to Tax-Related Items in more than one jurisdiction, Employee acknowledges that the Company or any Subsidiary or affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

10. **Privacy.** By executing this Agreement, and as further detailed in the Associate Personal Data Privacy Statement, Employee understands that personal data about Employee will be collected, maintained and processed, including Employee's name, home address, home telephone number and email address, social security number, assets and income information, birth date, hire date, termination date, other employment information, citizenship, and marital status, and the name, social security number and birth date of Employee's designated beneficiaries ("Personal Data"), by the Company and the Company's service providers for the purposes of: (i) administering the Plan (including ensuring that the conditions of transfer are satisfied from the Grant Date through the Distribution Date); (ii) providing Employee with services in connection with Employee's participation in the Plan; and (iii) meeting legal and regulatory requirements ("Permitted Purposes"). The Company will collect, process and use Employee's Personal Data in order to execute its contractual obligations with Employee and to comply with its legal obligations. Employee's Personal Data will not be processed or retained for longer than is necessary for the Permitted Purposes, unless a longer retention period is required or permitted by law.

Employee's Personal Data is collected from the following sources:

- (a) from this Agreement, investor questionnaires or other forms that Employee submits to the Company or contracts that Employee enters into with the Company;
- (b) from Employee's transactions with the Company, the Company's affiliates and service providers;
- (c) from Employee's employment records with the Company; and
- (d) from meetings, telephone conversations and other communications with Employee.

In addition, Employee further understands that the Company may disclose Employee's Personal Data to the Company's third party service providers and affiliates and other entities in connection with the services the Company provides related to Employee's participation in the Plan, including:

- (a) financial service providers, such as broker-dealers, custodians, banks and others used to finance or facilitate transactions by, or operations of, the Plan;
- (b) other service providers to the Plan, such as accounting, legal, or tax preparation services;
- (c) regulatory authorities; and
- (d) transfer agents, portfolio companies, brokerage firms and the like, in connection with distributions to Plan participants.

Where Employee's Personal Data is provided to service providers, the Company requires that such parties agree to process Employee's Personal Data in accordance with the Company's instructions and to use appropriate measures to protect the confidentiality and security of Personal Data.

Employee's Personal Data is maintained on the Company's networks and the networks of the Company's service providers, which may be in the United States or other countries other than the country in which this Award was granted, which may have privacy laws that are different from those of the recipient country.

The criteria used to retain Personal Data include:

- The length of time we have an ongoing relationship with you;

- Whether there is a legal obligation to which we are subject (for example, certain laws require us to keep records for a certain period of time before we can delete them); or
- Whether retention is advisable in light of our legal position (such as in regard to applicable statutes of limitations, litigation or regulatory investigations).

Employee may request to access Employee's Personal Data to verify its accuracy, update Employee's Personal Data and/or request a copy of Employee's Personal Data or request to delete Personal Data or restrict or object to the use of Personal Data processing by contacting Employee's local Human Resources representative. The Company will respond consistent with applicable law. Employee may obtain account transaction information online or by contacting the Plan record keeper as described in the Plan enrollment materials.

10A. Consent. If Employee is not employed in the European Economic Area, by signing this Agreement, Employee hereby consents to the terms and conditions in paragraph 10.

11. No Additional Rights. Benefits under this Plan are not guaranteed. The grant of Awards is a one-time benefit and does not create any contractual or other right or claim to any future grants of Awards under the Plan, nor does a grant of Awards guarantee future participation in the Plan, even if other Awards have been granted repeatedly in the past. All decisions with respect to this Award or future grants of any Awards, if any, will be at the sole discretion of the Committee. The value of Employee's Awards is an extraordinary item outside the scope of Employee's employment contract, if any. Employee's Awards are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end-of-service payments, bonuses, long-term service awards, pension or retirement benefits (except as otherwise provided by the terms of any U.S.-qualified retirement or pension plan maintained by the Company or any of its subsidiaries), or similar payments. By accepting the terms of this Agreement, Employee further agrees to these same terms and conditions with respect to any other Awards Employee received in any prior year under the Plan.

12. Amendment of This Agreement. The Board may at any time amend, suspend or terminate the Plan or amend this Award; provided, however, that no amendment, suspension or termination of the Plan or amendment of the Award shall adversely affect the Award in any material way without written consent of Employee.

13. Notices. Notices hereunder shall be in writing, and if to the Company, may be delivered personally to the Compensation Department or such other party as designated by the Company or mailed to its principal office at 7750 Wisconsin Avenue, Bethesda, Maryland 20814, addressed to the attention of the Stock Option Administrator (Department 935.40), and if to Employee, may be delivered personally or mailed to Employee at his or her address on the records of the Company. The Company may also, in its sole discretion, decide to deliver any documents related to Employee's current or future participation in the Plan, this Award, any Common Shares, or any other Company-related documents by electronic means. By accepting this Award, whether electronically or otherwise, Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company, including but not limited to the use of electronic signatures or click-through electronic acceptance of terms and conditions. To the extent Employee has been provided with a copy of this Agreement, the Plan, or any other documents relating to this Award in a language other than English, the English language documents will prevail in case of any ambiguities or divergences as a result of translation.

14. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent provided in the Plan, to the personal representatives, legatees and heirs of Employee.

15. No Effect on Employment. This Agreement is not a contract of employment or otherwise a limitation on the right of the Company to terminate the employment of Employee or to increase or decrease Employee's compensation from the rate of compensation in existence at the time this Agreement is executed, subject to applicable law.

16. Additional (Non-U.S.) Terms and Conditions. Notwithstanding the foregoing terms and conditions of this Award, Employee acknowledges that applicable law (including but not limited to rules or regulations governing

securities, foreign ownership, foreign exchange, tax, labor or other matters of any jurisdiction in which Employee may be residing or working at the time of grant of or while holding this Award or any MI Shares) may prevent or restrict the issuance of Common Shares under this Award or any MI Shares, and neither the Company nor any Subsidiary or affiliate assumes any liability in relation to this Award or any MI Shares or Common Shares in such case. Moreover, the Company reserves the right to impose other requirements, including additional terms and conditions, on Employee's participation in the Plan, this Award, the MI Shares and corresponding Common Shares, and any other award or Common Shares acquired under the Plan, or take any other action (including forfeiture of Awards or Common Shares or the forced sale thereof) without liability, if the Company determines it is necessary or advisable in order to comply with applicable law or to facilitate the administration of the Plan. Employee agrees to sign any additional agreements or undertakings that the Company requires to accomplish the foregoing. Employee also acknowledges that applicable law may subject Employee to additional procedural or regulatory requirements that Employee is and will be solely responsible for and must fulfill. Employee further understands and agrees that, unless otherwise permitted by the Company, any cross-border transfer proceeds received upon the sale of Common Shares must be made through a locally authorized financial institution or registered foreign exchange agency and may require Employee to provide to such entity certain information regarding the transaction. Moreover, Employee understands and agrees that the future value of the underlying Common Shares is unknown and cannot be predicted with certainty and may decrease in value. Employee understands that neither the Company nor any Subsidiary or affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any Subsidiary or affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of the Award (or the calculation of income or Tax-Related Items thereunder). Any additional requirements, restrictions, or terms and conditions as described in this paragraph 16 or other applicable disclosures may be set forth in, but are not limited to, the Company's Policies for Global Compliance of Equity Compensation Awards or any other agreement or addendum that may be provided to Employee. **Furthermore, Employee acknowledges that the applicable laws of the country in which Employee is residing or working at the time of grant, vesting and settlement of the Award or the sale of Common Shares received pursuant to the Award (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Employee to procedural or regulatory requirements. Employee agrees that Employee will be solely responsible for compliance with such requirements and will hold the Company and any of its affiliates harmless for any non-compliance with such requirements. Such requirements may be outlined in but are not limited to the Jurisdiction-Specific Addendum (the "Addendum") attached hereto, which forms part of this Agreement. Notwithstanding any provision herein, Employee's participation in the Plan shall be subject to any applicable special terms and conditions or disclosures as set forth in the Addendum. Employee hereby agrees not to bring any claims against the Company or any of its affiliates for any penalties or other adverse consequences to Employee as a result of non-compliance with these laws/rules.** Employee also understands that if Employee works, resides, moves to, or otherwise is or becomes subject to applicable law or Company policies of another jurisdiction at any time, certain country-specific notices, disclaimers, and/or terms and conditions may apply to Employee from the Grant Date, unless otherwise determined by the Company in its sole discretion.

17. Governing Law. To the extent not preempted by U.S. Federal law, this Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Maryland, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of Maryland and agree that any such litigation shall be conducted only in the courts of Maryland or the federal courts of the United States located in Maryland and no other courts. Notwithstanding the foregoing, to the extent Employee is resident of a state or locality that does not permit the use of Maryland law for purposes of paragraph 8A, the laws of the state or locality of such residence shall apply solely for that purpose, and any litigation relating thereto shall be conducted only in such state or locality.

18. Adjustments. Employee acknowledges that the MI Share and the Common Shares are subject to adjustment, modification and termination in certain events as provided in this Agreement and in the Plan.

19. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

20. **Entire Agreement.** The Plan and this Agreement (including any exhibit, appendix or addendum hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Employee with respect to the subject matter hereof.

21. **Agreement Severable.** In the event that any provision of this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of this Agreement.

22. **Counterparts.** This Agreement may be executed in one or more counterparts, including by way of any electronic signature, subject to applicable law, each of which will be deemed an original and all of which together will constitute one instrument.

IN WITNESS WHEREOF, MARRIOTT INTERNATIONAL, INC. has caused this Agreement to be signed by its Executive Vice President and Chief Human Resources Officer, effective the day and year first hereinabove written.

MARRIOTT INTERNATIONAL, INC.

EMPLOYEE



#PARTICIPANTNAME#

Executive Vice President and Chief Human Resources
Officer

Signed Electronically

**PERFORMANCE SHARE UNIT AWARD AGREEMENT
MARRIOTT INTERNATIONAL, INC.
STOCK AND CASH INCENTIVE PLAN**

THIS AGREEMENT (the “Agreement”) is entered into on #GrantDate+C# (the “Grant Date”) by MARRIOTT INTERNATIONAL, INC. (the “Company”) and #ParticipantName+C# (“Employee”).

WITNESSETH:

WHEREAS, the Company maintains the Marriott International, Inc. Stock and Cash Incentive Plan, as amended (the “Plan”); and

WHEREAS, the Company wishes to award to designated employees certain Other Share-Based Awards as provided in Article 10 of the Plan to be known as “Performance Share Unit” awards; and

WHEREAS, Employee has been approved by the Human Resources and Compensation Committee (the “Committee”) of the Company’s Board of Directors (the “Board”) to receive an award of Performance Share Units under the Plan;

NOW, THEREFORE, it is agreed as follows:

1. Employee Acknowledgment. Employee has been provided with, and hereby acknowledges receipt of, a Prospectus for the Plan, which contains, among other things, a detailed description of the Other Share-Based Awards provisions of the Plan. Employee further acknowledges that he or she has read the Prospectus, the Plan and this Agreement (including the Jurisdiction-Specific Addendum as well as the 7A Addendum), and that Employee understands the provisions thereof.

2. Incorporation of Plan and Interpretation. The provisions of the Plan are incorporated herein by reference and form an integral part of this Agreement. Except as otherwise set forth herein, capitalized terms used herein shall have the meanings given to them in the Plan. In the event of any inconsistency between this Agreement and the Plan, the terms of the Plan shall govern. A copy of the Plan is available from the Compensation Department of the Company upon request. All decisions and interpretations made by the Committee or its delegate with regard to any question arising hereunder or under the Plan shall be binding and conclusive.

3. Grant of Performance Share Units. Subject to the terms of the Plan and Employee’s acceptance of this Agreement, the Company hereby grants this target award (the “Award”) of #QuantityGranted+C# Performance Share Units as of the Grant Date. The Performance Share Units are contingently awarded and will be earned and payable if and to the extent that (i) the performance goals set forth in Appendix A are achieved for the [#]-year performance period beginning January 1, [year] and ending December 31, [year] (the “Performance Period”), and (ii) the Conditions of Transfer set forth in paragraph 5 are satisfied.

The number of Performance Share Units that Employee will earn (if any) may be greater, equal to or less than the Award, and will be based on the performance level achieved. Performance level is measured against the threshold, target and maximum performance levels set forth in Appendix A. The Award shall remain forfeitable except to the extent the Committee certifies the performance at the end of the Performance Period and the Conditions of Transfer set forth in paragraph 5 are satisfied.

4. Distribution of Performance Share Units. Subject to satisfaction of the performance goal set forth in Appendix A and the Conditions of Transfer in paragraph 5, the Performance Share Units shall be distributed on February 15, [year], or if later, the day after the Committee certifies that the performance goal set forth in Appendix A has been satisfied at the end of the Performance Period (the “Distribution Date”). In the event that on the Distribution Date stock of the Company is not traded on the NASDAQ or another national exchange, then the Distribution Date shall be the next following day on which the stock of the Company is traded on the NASDAQ or another national exchange. Notwithstanding the foregoing, the Distribution Date shall not be later than December 31, [year].

On the Distribution Date, provided the threshold performance goal set forth in Appendix A and the Conditions of Transfer have been satisfied, the Company shall transfer a corresponding number of shares of the Class A Common Stock of the Company (the "Common Shares") (which may be reduced by the number of shares withheld to satisfy withholding taxes as set forth in paragraph 9 below, if share reduction is the method utilized for satisfying the tax withholding obligation) to an individual brokerage account (the "Account") established and maintained in Employee's name. Employee shall have all the rights of a stockholder with respect to such Common Shares transferred to the Account, including but not limited to the right to vote the Common Shares, to sell, transfer, liquidate or otherwise dispose of the Common Shares, and to receive all dividends or other distributions paid or made with respect to the Common Shares from the time they are deposited in the Account. Employee shall have no voting, transfer, liquidation, dividend or other rights of a Common Share stockholder with respect to Performance Share Units prior to such time that the corresponding Common Shares are transferred, if at all, to Employee's Account. The Performance Share Units will at all times prior to settlement represent an unsecured Company obligation payable only from the Company's general assets.

5. Conditions of Transfer. With respect to any Performance Share Units awarded to Employee, as a condition of Employee receiving a transfer of corresponding Common Shares in accordance with paragraph 4 above, Employee shall meet all of the following conditions during the entire period from the Grant Date hereof through the Distribution Date relating to such Performance Share Units:

- (a) Employee must continue to meet the Continuous Service requirement, which is defined as continuing to be:
 - (i) an active employee of the Company,
 - (ii) an active employee of an entity other than one of the Company's subsidiaries that owns a property managed by the Company following transfer of employment to such entity, or
 - (iii) an active employee of an entity other than one of the Company's subsidiaries that operates a franchised property under a brand of the Company but only if the Company specifically approves Employee's continued vesting pursuant to this provision;
- (b) Employee must not have violated paragraph 7A hereto; and
- (c) Employee must refrain from committing any criminal offense or malicious tort relating to or against the Company or, as determined by the Committee in its discretion, engaging in willful acts or omissions or acts or omissions of gross negligence that are or potentially are injurious to the Company's operations, financial condition or business reputation ("No Improper Conduct"). The Committee's determination as to whether or not particular conduct constitutes Improper Conduct shall be conclusive.

If Employee fails to meet the requirements relating to (i) Continuous Service, (ii) compliance with paragraph 7A, or (iii) No Improper Conduct, then Employee shall forfeit the right to receive a distribution of any Performance Share Unit awards for which the above conditions of transfer have not already been met as of the time such failure is determined, and Employee shall accordingly forfeit the right to receive the transfer of title to any corresponding Common Shares. As used in this paragraph 5 and paragraph 7A, the term "Company" shall include the Company and its subsidiaries.

6. Non-Assignability. The Performance Share Units shall not be assignable or transferable by Employee except by will or by the laws of descent and distribution. Employee's rights with respect to the Performance Share Units shall be available during Employee's lifetime only to Employee or, in the event of incompetence, Employee's legally appointed guardian.

7. Effect of Death/Disability or Retirement.

- (a) In the event Employee's Continuous Service terminates prior to the Distribution Date by reason of death or Employee incurs a Disability (as defined in Section 2.19 of the Plan) prior to the relevant Distribution Date, and if Employee had otherwise met the requirements of relating to Continuous Service, compliance with paragraph 7A and No Improper Conduct from the Grant Date through the date of such death or Disability, then Employee shall upon death or Disability (as the case may be) be deemed to have fully satisfied all of the conditions of transfer in paragraph 5 and to have met the target level of performance with respect to the goal set forth in Appendix A, and the distribution of the Performance Share Units will occur as soon as administratively practicable thereafter.

- (b) In the event Employee's Continuous Service terminates prior to the relevant Distribution Date by reason of Employee's Retirement (as defined below), and if Employee had otherwise met the requirements relating to Continuous Service, compliance with paragraph 7A and No Improper Conduct from the Grant Date through the date of such Retirement, and provided that Employee continues to meet the requirements of relating to compliance with paragraph 7A and No Improper Conduct, then Employee's rights hereunder with respect to any outstanding Performance Share Units shall continue in the same manner as if Employee continued to meet the Continuous Service requirement through the Distribution Date related to the Performance Share Units, except not for that portion of Performance Share Units granted less than one year prior to Employee's termination equal to such number of shares multiplied by the ratio of (a) the number of days after the termination date and before February 15, [year], over (b) the number of days between the Grant Date and February 15, [year]. For purposes of this Agreement, "Retirement" shall mean termination of service by retiring with the specific approval of the Committee (or its delegate) on or after such date on which Employee has attained age 55 and completed ten (10) Years of Service.

7A. Protective Covenants. Employee acknowledges and agrees that, by reason of his or her highly specialized skillset and the Company's investment of time, training, money, trust, and exposure of Employee to trade secrets and confidential information of the Company, Employee is intimately involved in the planning and direction of the Company's business operations. Employee further acknowledges and agrees that the Performance Share Unit awards are good and valuable consideration for the Employee's agreement to enter into, and his or her compliance with, the covenants in this paragraph 7A ("Protective Covenants") which are material factors in the Company's decision to grant the Performance Share Unit award. As used in this paragraph 7A, the term "Company" shall include the Company and its subsidiaries.

- (a) Beginning on the Grant Date and ending on the Distribution Date, Employee will not, on his or her own behalf or as a partner, officer, director, employee, agent, or consultant of any other person or entity, directly or indirectly, become associated with a Competitor in a Restricted Area. Notwithstanding the foregoing, nothing in this paragraph 7A(a) shall prohibit Employee from owning up to 5% of the equity interests of any publicly-traded Competitor as long as Employee has no other role with respect to such company.
- (b) During the period beginning on the Grant Date and ending one year following his or her termination of employment with the Company, whether such termination of employment is voluntary or involuntary or with or without cause, Employee will not, on his or her own behalf or as a partner, officer, director, employee, agent, or consultant of any other person or entity, directly or indirectly contact, solicit or induce (or attempt to solicit or induce) any employee of the Company to leave their employment with the Company or enter into employment or any other engagement with any other person or entity.
- (c) Beginning on the Grant Date, Employee will not use or disclose "Confidential Information" without the approval of the Company. For purposes of this Agreement, Confidential Information includes but is not limited to: trade secrets, proprietary information, information about the Company's customers, sales and marketing plans, pricing strategy, personnel matters, financial data, means of doing business (including all technical system information), management agreements, franchise agreements, licensing agreements, loyalty program plans and strategies, standard operating procedures, policies, product or service developments, and internal memoranda. Notwithstanding the foregoing sentence, nothing in this Agreement prohibits Employee from any legally-protected communications or activities, including under the U.S. National Labor Relations Act. In addition, pursuant to the Defense of Trade Secrets Act of 2016: Employee will not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret that is made in confidence to a federal, state or local government official or to an attorney solely for purposes of reporting or investigating a suspected violation of law; Employee will not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and if Employee files a lawsuit for retaliation against Marriott for reporting a suspected violation of law, Employee may disclose a trade secret to Employee's attorney and use the trade secret information in the court proceeding, provided that Employee files any document containing the trade secret under seal and do not disclose the trade secret except pursuant to a court order.

- (d) Employee and the Company agree that any breach by Employee of the non-solicitation obligation under this paragraph will cause the Company immediate, material and irreparable injury and damage, and there is no adequate remedy at law for such breach. Accordingly, in the event of such breach, in addition to any other remedies it may have at law or in equity, the Company shall be entitled immediately to seek enforcement of this Agreement in a court of competent jurisdiction by means of a decree of specific performance, an injunction without the posting of a bond or the requirement of any other guarantee, any other form of equitable relief, and/or liquidated damages in the amount of one hundred fifty percent (150%) of the Fair Market Value of the Awards granted hereunder as of the Grant Date, and the Company is entitled to recover from Employee the costs and attorneys' fees it incurs to recover under or enforce this Agreement. This provision is not a waiver of any other rights that the Company may have under this Agreement, including the right to receive money damages.
- (e) Employee acknowledges and agrees that the Protective Covenants are reasonable in time, scope, geography and all other respects and that they will be considered and construed as separate and independent covenants. Should any part or provision of any of the Protective Covenants be held invalid, void or unenforceable in any court of competent jurisdiction, Employee agrees that such invalidity, voidness or unenforceability does not invalidate, void or otherwise render unenforceable any other part or provision of this Agreement. Employee further agrees that, in the event any court of competent jurisdiction finds any of the Protective Covenants to be invalid or unenforceable (in whole or in part), such court shall modify the invalid or unenforceable term so that the Protective Covenants are enforceable to the fullest extent permitted by law.
- (f) For purposes hereof:
- (i) "Competitor" means any person or entity engaged in the business of owning, operating, managing, licensing and/or franchising hotel, lodging, residential and/or timeshare properties and/or cruiselines, and/or the business of operating a travel, hospitality and/or home rental platform or service (or any similar online or technology platform or service).
 - (ii) "Restricted Area" means the United States and any other country in which the Company engages or in which Employee knows the Company has plans to engage in the business described in paragraph (f)(i).
- (g) Amendments for Certain Employees. Employee acknowledges that due to the applicable law of the state or country in which Employee is residing or working at the time of grant, vesting and settlement of the Award, the terms or conditions of this paragraph 7A may be modified. These amendments are included in the Paragraph 7A Addendum attached hereto, which forms a part of this Agreement, and the provisions thereof replace and supersede the corresponding provisions of this paragraph 7A. The Company may modify the Paragraph 7A Addendum at any time to the extent the Company deems such modification necessary to comply with applicable law.

8. **Taxes.** The transfer of Common Shares shall be subject to the further condition that the Company shall provide for the withholding of any taxes required by applicable federal, state, or local law by reducing the number of Common Shares to be transferred to Employee's Account or by such other manner as the Committee shall determine in its discretion. As a condition to the grant, vesting and settlement of this Award and as set forth in Article 18 of the Plan, Employee hereby agrees to make adequate provision for the satisfaction of (and will indemnify the Company and any Subsidiary or affiliate for) any applicable taxes or tax withholdings, social contributions, required deductions, or other payments, if any ("Tax-Related Items"), which arise upon the grant, vesting or settlement of this Award, ownership or disposition of Common Shares, receipt of dividends, if any, or otherwise in connection with this Award or the Common Shares, including, if applicable, hypothetical tax obligations imposed under any expatriate tax policy maintained by the Company. Regardless of any action the Company or any Subsidiary or affiliate takes with respect to any or all applicable Tax-Related Items, Employee acknowledges and agrees that the ultimate liability for all Tax-Related Items is and remains Employee's responsibility and may exceed any amount actually withheld by the Company or any Subsidiary or affiliate. Employee further acknowledges and agrees that Employee is solely responsible for filing all relevant documentation that may be required in relation to this Award or any Tax-Related Items other than filings or documentation that is the specific obligation of the Company or any Subsidiary or affiliate pursuant to applicable law, such as but not limited to personal income tax returns or reporting statements in relation to the grant, vesting or settlement of this Award, the holding of Common Shares or any bank

or brokerage account, the subsequent sale of Common Shares, and the receipt of any dividends. Employee further acknowledges that the Company makes no representations or undertakings regarding the treatment of any Tax-Related Items and does not commit to and is under no obligation to structure the terms or any aspect of the Award to reduce or eliminate Employee's liability for Tax-Related Items or achieve any particular tax result. Employee also understands that applicable laws may require varying Common Share or Award valuation methods for purposes of calculating Tax-Related Items, and the Company assumes no responsibility or liability in relation to any such valuation or for any calculation or reporting of income or Tax-Related Items that may be required of Employee under applicable laws. Further, if Employee has become subject to Tax-Related Items in more than one jurisdiction, Employee acknowledges that the Company or any Subsidiary or affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

9. **Privacy.** By executing this Agreement, and as further detailed in the Associate Personal Data Privacy Statement, Employee understands that personal data about Employee will be collected, maintained and processed, including Employee's name, home address, home telephone number and email address, social security number, assets and income information, birth date, hire date, termination date, other employment information, citizenship, and marital status, and the name, social security number and birth date of Employee's designated beneficiaries ("Personal Data"), by the Company and the Company's service providers for the purposes of: (i) administering the Plan (including ensuring that the conditions of transfer are satisfied from the Grant Date through the Distribution Date); (ii) providing Employee with services in connection with Employee's participation in the Plan; and (iii) meeting legal and regulatory requirements ("Permitted Purposes"). The Company will collect, process and use Employee's Personal Data in order to execute its contractual obligations with Employee and to comply with its legal obligations. Employee's Personal Data will not be processed or retained for longer than is necessary for the Permitted Purposes, unless a longer retention period is required or permitted by law.

Employee's Personal Data is collected from the following sources:

- (a) from this Agreement, investor questionnaires or other forms that Employee submits to the Company or contracts that Employee enters into with the Company;
- (b) from Employee's transactions with the Company, the Company's affiliates and service providers;
- (c) from Employee's employment records with the Company; and
- (d) from meetings, telephone conversations and other communications with Employee.

In addition, Employee further understands that the Company may disclose Employee's Personal Data to the Company's third party service providers and affiliates and other entities in connection with the services the Company provides related to Employee's participation in the Plan, including:

- (a) financial service providers, such as broker-dealers, custodians, banks and others used to finance or facilitate transactions by, or operations of, the Plan;
- (b) other service providers to the Plan, such as accounting, legal, or tax preparation services;
- (c) regulatory authorities; and
- (d) transfer agents, portfolio companies, brokerage firms and the like, in connection with distributions to Plan participants.

Where Employee's Personal Data is provided to service providers, the Company requires that such parties agree to process Employee's Personal Data in accordance with the Company's instructions and to use appropriate measures to protect the confidentiality and security of Personal Data.

Employee's Personal Data is maintained on the Company's networks and the networks of the Company's service providers, which may be in the United States or other countries other than the country in which this Award was granted, which may have privacy laws that are different from those of the recipient country.

The criteria used to retain Personal Data include:

- The length of time we have an ongoing relationship with you;

- Whether there is a legal obligation to which we are subject (for example, certain laws require us to keep records for a certain period of time before we can delete them); or
- Whether retention is advisable in light of our legal position (such as in regard to applicable statutes of limitations, litigation or regulatory investigations).

Employee may request to access Employee's Personal Data to verify its accuracy, update Employee's Personal Data and/or request a copy of Employee's Personal Data or request to delete Personal Data or restrict or object to the use of Personal Data processing by contacting Employee's local Human Resources representative. The Company will respond consistent with applicable law. Employee may obtain account transaction information online or by contacting the Plan record keeper as described in the Plan enrollment materials.

10. **Consent.** If Employee is not employed in the European Economic Area, by signing this Agreement, Employee hereby consents to the terms and conditions in paragraph 10.

11. **No Additional Rights.** Benefits under this Plan are not guaranteed. The grant of Awards is a one-time benefit and does not create any contractual or other right or claim to any future grants of Awards under the Plan, nor does a grant of Awards guarantee future participation in the Plan, even if other Awards have been granted repeatedly in the past. All decisions with respect to this Award or future grants of any Awards, if any, will be at the sole discretion of the Committee. The value of Employee's Awards is an extraordinary item outside the scope of Employee's employment contract, if any. Employee's Awards are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end-of-service payments, bonuses, long-term service awards, pension or retirement benefits (except as otherwise provided by the terms of any U.S.-qualified retirement or pension plan maintained by the Company or any of its subsidiaries), or similar payments. By accepting the terms of this Agreement, Employee further agrees to these same terms and conditions with respect to any other Awards Employee received in any prior year under the Plan.

12. **Amendment of This Agreement.** The Board may at any time amend, suspend or terminate the Plan or amend this Award; provided, however, that no amendment, suspension or termination of the Plan or amendment of the Award shall adversely affect the Award in any material way without written consent of Employee.

13. **Notices.** Notices hereunder shall be in writing, and if to the Company, may be delivered personally to the Compensation Department or such other party as designated by the Company or mailed to its principal office at 7750 Wisconsin Avenue, Bethesda, Maryland 20814, addressed to the attention of the Stock Option Administrator (Department 935.40), and if to Employee, may be delivered personally or mailed to Employee at his or her address on the records of the Company. The Company may also, in its sole discretion, decide to deliver any documents related to Employee's current or future participation in the Plan, this Award, any Common Shares, or any other Company-related documents by electronic means. By accepting this Award, whether electronically or otherwise, Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company, including but not limited to the use of electronic signatures or click-through electronic acceptance of terms and conditions. To the extent Employee has been provided with a copy of this Agreement, the Plan, or any other documents relating to this Award in a language other than English, the English language documents will prevail in case of any ambiguities or divergences as a result of translation.

14. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent provided in the Plan, to the personal representatives, legatees and heirs of Employee.

15. **No Effect on Employment.** This Agreement is not a contract of employment or otherwise a limitation on the right of the Company to terminate the employment of Employee or to increase or decrease Employee's compensation from the rate of compensation in existence at the time this Agreement is executed, subject to applicable law.

16. Additional (Non-U.S.) Terms and Conditions. Notwithstanding the foregoing terms and conditions of this Award, Employee acknowledges that applicable law (including but not limited to rules or regulations governing securities, foreign ownership, foreign exchange, tax, labor or other matters of any jurisdiction in which Employee may be residing or working at the time of grant of or while holding this Award or any Performance Share Units) may prevent or restrict the issuance of Common Shares under this Award or any Performance Share Units, and neither the Company nor any Subsidiary or affiliate assumes any liability in relation to this Award or any Performance Share Units or Common Shares in such case. Moreover, the Company reserves the right to impose other requirements, including additional terms and conditions, on Employee's participation in the Plan, this Award, the Performance Share Units and corresponding Common Shares, and any other award or Common Shares acquired under the Plan, or take any other action (including forfeiture of Awards or Common Shares or the forced sale thereof) without liability, if the Company determines it is necessary or advisable in order to comply with applicable law or to facilitate the administration of the Plan. Employee agrees to sign any additional agreements or undertakings that the Company requires to accomplish the foregoing. Employee also acknowledges that applicable law may subject Employee to additional procedural or regulatory requirements that Employee is and will be solely responsible for and must fulfill. Employee further understands and agrees that, unless otherwise permitted by the Company, any cross-border transfer proceeds received upon the sale of Common Shares must be made through a locally authorized financial institution or registered foreign exchange agency and may require Employee to provide to such entity certain information regarding the transaction. Moreover, Employee understands and agrees that the future value of the underlying Common Shares is unknown and cannot be predicted with certainty and may decrease in value. Employee understands that neither the Company nor any Subsidiary or affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any Subsidiary or affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of the Award (or the calculation of income or Tax-Related Items thereunder). Any additional requirements, restrictions, or terms and conditions as described in this paragraph 16 or other applicable disclosures may be set forth in, but are not limited to, the Company's Policies for Global Compliance of Equity Compensation Awards or any other agreement or addendum that may be provided to Employee. **Furthermore, Employee acknowledges that the applicable laws of the country in which Employee is residing or working at the time of grant, vesting and settlement of the Award or the sale of Common Shares received pursuant to the Award (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Employee to procedural or regulatory requirements. Employee agrees that Employee will be solely responsible for compliance with such requirements and will hold the Company and any of its affiliates harmless for any non-compliance with such requirements. Such requirements may be outlined in but are not limited to the Jurisdiction-Specific Addendum (the "Addendum") attached hereto, which forms part of this Agreement. Notwithstanding any provision herein, Employee's participation in the Plan shall be subject to any applicable special terms and conditions or disclosures as set forth in the Addendum. Employee hereby agrees not to bring any claims against the Company or any of its affiliates for any penalties or other adverse consequences to Employee as a result of non-compliance with these laws/rules.** Employee also understands that if Employee works, resides, moves to, or otherwise is or becomes subject to applicable law or Company policies of another jurisdiction at any time, certain country-specific notices, disclaimers, and/or terms and conditions may apply to Employee from the Grant Date, unless otherwise determined by the Company in its sole discretion.

17. Governing Law. To the extent not preempted by U.S. Federal law, this Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Maryland, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of Maryland and agree that any such litigation shall be conducted only in the courts of Maryland or the federal courts of the United States located in Maryland and no other courts. Notwithstanding the foregoing, to the extent Employee is resident of a state or locality that does not permit the use of Maryland law for purposes of paragraph 7A, the laws of the state or locality of such residence shall apply solely for that purpose, and any litigation relating thereto shall be conducted only in such state or locality.

18. Adjustments. Employee acknowledges that the Performance Share Units and the Common Shares are subject to adjustment, modification and termination in certain events as provided in this Agreement and in the Plan.

19. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

20. **Entire Agreement.** The Plan and this Agreement (including any exhibit, appendix or addendum hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Employee with respect to the subject matter hereof.

21. **Agreement Severable.** In the event that any provision of this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of this Agreement.

22. **Counterparts.** This Agreement may be executed in one or more counterparts, including by way of any electronic signature, subject to applicable law, each of which will be deemed an original and all of which together will constitute one instrument.

IN WITNESS WHEREOF, MARRIOTT INTERNATIONAL, INC. has caused this Agreement to be signed by its Executive Vice President and Chief Human Resources Officer, effective the day and year first hereinabove written.

MARRIOTT INTERNATIONAL, INC.

EMPLOYEE



#PARTICIPANTNAME#

Executive Vice President and Chief Human Resources
Officer

Signed Electronically

**STOCK APPRECIATION RIGHTS AGREEMENT
MARRIOTT INTERNATIONAL, INC.
STOCK AND CASH INCENTIVE PLAN**

THIS AGREEMENT (the "Agreement") is entered into on #GrantDate+C# (the "Grant Date") by MARRIOTT INTERNATIONAL, INC. (the "Company") and #ParticipantName+C# ("Employee").

WITNESSETH:

WHEREAS, the Company maintains the Marriott International, Inc. Stock and Cash Incentive Plan, as amended (the "Plan"); and

WHEREAS, the Company wishes to award to designated employees certain stock appreciation right awards ("SARs") as provided in Article 6 of the Plan; and

WHEREAS, Employee has been approved by the Human Resources and Compensation Committee (the "Committee") of the Company's Board of Directors (the "Board") to receive an award of SARs ("Award") under the Plan;

NOW, THEREFORE, it is agreed as follows:

1. **Employee Acknowledgment.** Employee has been provided with, and hereby acknowledges receipt of, a Prospectus for the Plan, which contains, among other things, a detailed description of the Other Share-Based Awards provisions of the Plan. Employee further acknowledges that he or she has read the Prospectus, the Plan and this Agreement (including the Jurisdiction-Specific Addendum as well as the 9A Addendum), and that Employee understands the provisions thereof.

2. **Incorporation of Plan and Interpretation.** The provisions of the Plan are incorporated herein by reference and form an integral part of this Agreement. Except as otherwise set forth herein, capitalized terms used herein shall have the meanings given to them in the Plan. In the event of any inconsistency between this Agreement and the Plan, the terms of the Plan shall govern. A copy of the Plan is available from the Compensation Department of the Company upon request. All decisions and interpretations made by the Committee or its delegate with regard to any question arising hereunder or under the Plan shall be binding and conclusive.

3. **Grant of SARs.** The Company hereby grants to Employee as of the Award Date SARs on #QuantityGranted+C# shares of the Company's Class A Common Stock (the "SAR Shares"), subject to the terms and conditions of the Plan and Employee's acceptance of this Agreement. Under this Agreement, upon exercising SARs, and subject to satisfying the conditions for exercising SARs as set forth in paragraphs 5 and 6 below, Employee shall receive a number of shares of Class A Common Stock of the Company equal to the number of SAR Shares that are being exercised under such SARs multiplied by the quotient of (a) the Final Value minus the Base Value, divided by (b) the Final Value.

4. **Base Value and Final Value.** Subject to paragraph 12 hereof, the Base Value per share of the SAR Shares is #GrantPrice+C# and the Final Value is the market price of a share of Class A Common Stock of the Company at the time the SARs are exercised, as quoted on the NASDAQ Global Select Market or other established stock exchange on which the Class A Common Stock of the Company is then-listed.

5. **Waiting Period and Exercise Dates.** The SAR Shares may not be exercised prior to the first exercisable date below (the "waiting period"). Following the waiting period, the SAR Shares may be exercised in accordance with the following schedule: [PERCENTAGE] of the SAR Shares commencing on each of [DATES]. To the extent that the SARs are not exercised by Employee when they become initially exercisable, the SARs shall not expire but shall be carried forward and shall be exercisable at any time thereafter; provided, however, that the SARs shall not be exercisable after the expiration of ten (10) years from the Award Date (the "Final Expiration Date") or sooner as set forth in paragraph 9. Exercise of the SARs shall not be dependent upon the prior or sequential exercise of any other SARs heretofore granted to Employee by the Company. Except as provided in Article 6 of the Plan and

paragraph 9 below, the SARs may not be exercised at any time unless Employee shall then be an employee of the Company.

6. Method of Exercising SARs. To exercise the SARs, the person entitled to exercise the SARs must provide a signed written notice or the equivalent to the Company or its designee, as prescribed in the administrative procedures of the Plan, stating the number of SAR Shares with respect to which the SARs are being exercised. The SARs may be exercised by (a) making provision for the satisfaction of the applicable withholding taxes, and (b) an undertaking to furnish and execute such documents as the Company deems necessary (i) to evidence such exercise, and (ii) to determine whether registration is then required to comply with the Securities Act of 1933 or any other law. Upon satisfying the conditions for exercise including the provision for the satisfaction of the withholding taxes, the Company shall provide confirmation from the Plan record keeper that the transfer agent for the common stock of the Company is holding shares for the account of such person in a certificateless account. The exercise of the SARs may be made by any other means that the Committee determines to be consistent with the Plan's purpose and applicable law. As a condition to the grant, vesting, exercise and settlement of this Award and as set forth in Article 18 of the Plan, Employee hereby agrees to make adequate provision for the satisfaction of (and will indemnify the Company and any Subsidiary or affiliate for) any applicable taxes or tax withholdings, social contributions, required deductions, or other payments, if any ("Tax-Related Items"), which arise upon the grant, vesting, exercise or settlement of this Award, ownership or disposition of the SAR Shares, receipt of dividends, if any, or otherwise in connection with this Award or the SAR Shares, including, if applicable, hypothetical tax obligations imposed under any expatriate tax policy maintained by the Company. Regardless of any action the Company or any Subsidiary or affiliate takes with respect to any or all applicable Tax-Related Items, Employee acknowledges and agrees that the ultimate liability for all Tax-Related Items is and remains Employee's responsibility and may exceed any amount actually withheld by the Company or any Subsidiary or affiliate. Employee further acknowledges and agrees that Employee is solely responsible for filing all relevant documentation that may be required in relation to this Award or any Tax-Related Items other than filings or documentation that is the specific obligation of the Company or any Subsidiary or affiliate pursuant to applicable law, such as but not limited to personal income tax returns or reporting statements in relation to the grant, vesting, exercise or settlement of this Award, the holding of SAR Shares or any bank or brokerage account, the subsequent sale of SAR Shares, and the receipt of any dividends. Employee further acknowledges that the Company makes no representations or undertakings regarding the treatment of any Tax-Related Items and does not commit to and is under no obligation to structure the terms or any aspect of the Award to reduce or eliminate Employee's liability for Tax-Related Items or achieve any particular tax result. Employee also understands that applicable laws may require varying SAR Share or Award valuation methods for purposes of calculating Tax-Related Items, and the Company assumes no responsibility or liability in relation to any such valuation or for any calculation or reporting of income or Tax-Related Items that may be required of Employee under applicable laws. Further, if Employee has become subject to Tax-Related Items in more than one jurisdiction, Employee acknowledges that the Company or any Subsidiary or affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

7. Rights as a Shareholder. Employee shall have no rights as a shareholder with respect to any SAR Shares covered by the SARs granted hereby until the date of acquisition by Employee of such SAR Shares. No adjustment shall be made for dividends or other rights for which the record date is prior to such date.

8. Non-Assignability. The SARs shall not be assignable or transferable by Employee except by will or by the laws of descent and distribution. Employee's rights with respect to the SARs shall be available during Employee's lifetime only to Employee or, in the event of incompetence, Employee's legally appointed guardian.

9. Effect of Separation from Service or Death/Disability. If Employee goes on leave of absence for a period of greater than twelve months (except a leave of absence approved by the Board or the Committee) or separates from "Service," as defined below, for any reason except death or Disability, the portion of the SARs which is unexercisable on the date on which Employee separated from Service or has been on a leave of absence for over twelve months (except a leave of absence approved by the Board or Committee) shall expire on such date and any unexercised portion of the SARs which was otherwise exercisable on such date shall expire at the earlier of (i) the Final Expiration Date, or (ii) three months from such date, except in the case of an Employee who is an "Approved Retiree" as defined below. For purpose of this Agreement, "Service" means being an active employee of the Company or of (i) an entity other than one of the Company's subsidiaries that owns a property managed by the Company following transfer of employment to such entity, or (ii) an entity other than one of the Company's subsidiaries that operates a franchised property under a brand of the Company following a transfer of employment to

such entity that is requested or approved by the Company and provided that the Company specifically approves continued vesting pursuant to this provision. If Employee is an Approved Retiree, then the SARs shall remain eligible to become exercisable in accordance with the schedule set forth in paragraph 5, provided that such SARs shall expire upon the soonest to occur of (i) the Final Expiration Date, (ii) five years from the date of retirement, or (iii) with respect to SARs granted less than one year before the date the Approved Retiree retires, such retirement date, except not with respect to that portion of the SARs equal to the number of such shares multiplied by the ratio of (a) the number of days between the Award Date and the retirement date inclusive, over (b) the number of days between the Award Date and the first exercisable date. In the event of the death or Disability of Employee without Approved Retiree status during the three (3) month period following separation from Service (other than due to death) or a leave of absence over twelve (12) months (except a leave of absence approved by the Board or Committee), the SARs shall be exercisable by Employee or Employee's personal representative, heirs or legatees to the same extent and during the same period that Employee could have exercised the SAR if Employee had not died or experienced a Disability. In the event of the death or Disability of Employee while an employee of the Company or while an Approved Retiree, the SAR (if the waiting period has elapsed) shall be exercisable in its entirety by Employee (or, if applicable, Employee's personal representatives, heirs or legatees) at any time prior to the expiration of one year from the date of the death or Disability of Employee, but in no event after the Final Expiration Date. For purposes of this Agreement, an "Approved Retiree" is any SAR holder who (i) retires from Service with the specific approval of the Committee (or its delegate) on or after such date on which the SAR holder has attained age 55 and completed 10 Years of Service, and (ii) complies with paragraph 9A. If the Committee (or its delegate) subsequently determines, in its sole discretion, that an Approved Retiree has violated the provisions of paragraph 9A, or has engaged in willful acts or omissions or acts or omissions of gross negligence that are or potentially are injurious to the Company's operations, financial condition or business reputation, such Approved Retiree shall have ninety (90) days from the date of such finding within which to exercise any SARs or portions thereof which are exercisable on such date, and any SARs or portions thereof which are not exercised within such ninety (90) day period shall expire and any SARs or portion thereof which are not exercisable on such date shall be cancelled on such date. As used in this paragraph 9, the term "Company" shall include the Company and its Subsidiaries. By accepting the terms of this Agreement, Employee further agrees to these same terms and conditions with respect to any other SAR Awards Employee received in any prior year under the Plan.

9A. Protective Covenants. Employee acknowledges and agrees that, by reason of his or her highly specialized skillset and the Company's investment of time, training, money, trust, and exposure of Employee to trade secrets and confidential information of the Company, Employee is intimately involved in the planning and direction of the Company's business operations. Employee further acknowledges and agrees that the SAR awards are good and valuable consideration for the Employee's agreement to enter into, and his or her compliance with, the covenants in this paragraph 9A ("Protective Covenants") which are material factors in the Company's decision to grant the SAR awards. As used in this paragraph 9A, the term "Company" shall include the Company and its subsidiaries.

- (a) Beginning on the Grant Date and ending on the applicable Exercise Dates, Employee will not, on his or her own behalf or as a partner, officer, director, employee, agent, or consultant of any other person or entity, directly or indirectly, become associated with a Competitor in a Restricted Area. Notwithstanding the foregoing, nothing in this paragraph 9A(a) shall prohibit Employee from owning up to 5% of the equity interests of any publicly-traded Competitor as long as Employee has no other role with respect to such company.
- (b) During the period beginning on the Grant Date and ending one year following his or her termination of employment with the Company, whether such termination of employment is voluntary or involuntary or with or without cause, Employee will not, on his or her own behalf or as a partner, officer, director, employee, agent, or consultant of any other person or entity, directly or indirectly contact, solicit or induce (or attempt to solicit or induce) any employee of the Company to leave their employment with the Company or enter into employment or any other engagement with any other person or entity.
- (c) Beginning on the Grant Date, Employee will not use or disclose "Confidential Information" without the approval of the Company. For purposes of this Agreement, Confidential Information includes but is not limited to: trade secrets, proprietary information, information about the Company's customers, sales and marketing plans, pricing strategy, personnel matters, financial data, means of doing business (including all technical system information), management agreements, franchise agreements, licensing agreements,

loyalty program plans and strategies, standard operating procedures, policies, product or service developments, and internal memoranda. Notwithstanding the foregoing sentence, nothing in this Agreement prohibits Employee from any legally-protected communications or activities, including under the U.S. National Labor Relations Act. In addition, pursuant to the Defense of Trade Secrets Act of 2016: Employee will not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret that is made in confidence to a federal, state or local government official or to an attorney solely for purposes of reporting or investigating a suspected violation of law; Employee will not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and if Employee files a lawsuit for retaliation against Marriott for reporting a suspected violation of law, Employee may disclose a trade secret to Employee's attorney and use the trade secret information in the court proceeding, provided that Employee files any document containing the trade secret under seal and do not disclose the trade secret except pursuant to a court order.

- (d) Employee and the Company agree that any breach by Employee of the non-solicitation obligation under this paragraph will cause the Company immediate, material and irreparable injury and damage, and there is no adequate remedy at law for such breach. Accordingly, in the event of such breach, in addition to any other remedies it may have at law or in equity, the Company shall be entitled immediately to seek enforcement of this Agreement in a court of competent jurisdiction by means of a decree of specific performance, an injunction without the posting of a bond or the requirement of any other guarantee, any other form of equitable relief, and/or liquidated damages in the amount of one hundred fifty percent (150%) of the Fair Market Value of the Awards granted hereunder as of the Grant Date, and the Company is entitled to recover from Employee the costs and attorneys' fees it incurs to recover under or enforce this Agreement. This provision is not a waiver of any other rights that the Company may have under this Agreement, including the right to receive money damages.
- (e) Employee acknowledges and agrees that the Protective Covenants are reasonable in time, scope, geography and all other respects and that they will be considered and construed as separate and independent covenants. Should any part or provision of any of the Protective Covenants be held invalid, void or unenforceable in any court of competent jurisdiction, Employee agrees that such invalidity, voidness or unenforceability does not invalidate, void or otherwise render unenforceable any other part or provision of this Agreement. Employee further agrees that, in the event any court of competent jurisdiction finds any of the Protective Covenants to be invalid or unenforceable (in whole or in part), such court shall modify the invalid or unenforceable term so that the Protective Covenants are enforceable to the fullest extent permitted by law.
- (f) For purposes hereof:
 - (i) "Competitor" means any person or entity engaged in the business of owning, operating, managing, licensing and/or franchising hotel, lodging, residential and/or timeshare properties and/or cruiselines, and/or the business of operating a travel, hospitality and/or home rental platform or service (or any similar online or technology platform or service).
 - (ii) "Restricted Area" means the United States and any other country in which the Company engages or in which Employee knows the Company has plans to engage in the business described in paragraph (f)(i).
- (g) Amendments for Certain Employees. Employee acknowledges that due to the applicable law of the state or country in which Employee is residing or working at the time of grant, vesting and settlement of the Award, the terms or conditions of this paragraph 9A may be modified. These amendments are included in the Paragraph 9A Addendum attached hereto, which forms a part of this Agreement, and the provisions thereof replace and supersede the corresponding provisions of this paragraph 9A. The Company may modify the Paragraph 9A Addendum at any time to the extent the Company deems such modification necessary to comply with applicable law.

10. **Privacy.** By executing this Agreement, and as further detailed in the Associate Personal Data Privacy Statement, Employee understands that personal data about Employee will be collected, maintained and processed, including Employee's name, home address, home telephone number and email address, social security number,

assets and income information, birth date, hire date, termination date, other employment information, citizenship, and marital status, and the name, social security number and birth date of Employee's designated beneficiaries ("Personal Data"), by the Company and the Company's service providers for the purposes of: (i) administering the Plan (including ensuring that the conditions of transfer are satisfied from the Grant Date through the Distribution Date); (ii) providing Employee with services in connection with Employee's participation in the Plan; and (iii) meeting legal and regulatory requirements ("Permitted Purposes"). The Company will collect, process and use Employee's Personal Data in order to execute its contractual obligations with Employee and to comply with its legal obligations. Employee's Personal Data will not be processed or retained for longer than is necessary for the Permitted Purposes, unless a longer retention period is required or permitted by law.

Employee's Personal Data is collected from the following sources:

- (a) from this Agreement, investor questionnaires or other forms that Employee submits to the Company or contracts that Employee enters into with the Company;
- (b) from Employee's transactions with the Company, the Company's affiliates and service providers;
- (c) from Employee's employment records with the Company; and
- (d) from meetings, telephone conversations and other communications with Employee.

In addition, Employee further understands that the Company may disclose Employee's Personal Data to the Company's third party service providers and affiliates and other entities in connection with the services the Company provides related to Employee's participation in the Plan, including:

- (a) financial service providers, such as broker-dealers, custodians, banks and others used to finance or facilitate transactions by, or operations of, the Plan;
- (b) other service providers to the Plan, such as accounting, legal, or tax preparation services;
- (c) regulatory authorities; and
- (d) transfer agents, portfolio companies, brokerage firms and the like, in connection with distributions to Plan participants.

Where Employee's Personal Data is provided to service providers, the Company requires that such parties agree to process Employee's Personal Data in accordance with the Company's instructions and to use appropriate measures to protect the confidentiality and security of Personal Data.

Employee's Personal Data is maintained on the Company's networks and the networks of the Company's service providers, which may be in the United States or other countries other than the country in which this Award was granted, which may have privacy laws that are different from those of the recipient country.

The criteria used to retain Personal Data include:

- The length of time we have an ongoing relationship with you;
- Whether there is a legal obligation to which we are subject (for example, certain laws require us to keep records for a certain period of time before we can delete them); or
- Whether retention is advisable in light of our legal position (such as in regard to applicable statutes of limitations, litigation or regulatory investigations).

Employee may request to access Employee's Personal Data to verify its accuracy, update Employee's Personal Data and/or request a copy of Employee's Personal Data or request to delete Personal Data or restrict or object to the use of Personal Data processing by contacting Employee's local Human Resources representative. The Company will respond consistent with applicable law. Employee may obtain account transaction information online or by contacting the Plan record keeper as described in the Plan enrollment materials.

10A. **Consent.** If Employee is not employed in the European Economic Area, by signing this Agreement, Employee hereby consents to the terms and conditions in paragraph 10.

11. **No Additional Rights.** Benefits under this Plan are not guaranteed. The grant of Awards is a one-time benefit and does not create any contractual or other right or claim to any future grants of Awards under the Plan, nor does a grant of Awards guarantee future participation in the Plan, even if other Awards have been granted repeatedly in the past. All decisions with respect to this Award or future grants of any Awards, if any, will be at the sole discretion of the Committee. The value of Employee's Awards is an extraordinary item outside the scope of Employee's employment contract, if any. Employee's Awards are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end-of-service payments, bonuses, long-term service awards, pension or retirement benefits (except as otherwise provided by the terms of any U.S.-qualified retirement or pension plan maintained by the Company or any of its subsidiaries), or similar payments. By accepting the terms of this Agreement, Employee further agrees to these same terms and conditions with respect to any other Awards Employee received in any prior year under the Plan.

12. **Recapitalization or Reorganization.** Certain events affecting the Class A Common Stock of the Company and mergers, consolidations and reorganizations affecting the Company may affect the number or type of securities deliverable upon exercise of the SAR or limit the remaining term over which the SAR may be exercised.

13. **General Restriction.** In accordance with the terms of the Plan, the Company may limit or suspend the exercisability of the SARs or the purchase or issuance of SAR Shares thereunder under certain circumstances. Any delay caused thereby shall in no way affect the date of termination of the SARs.

13. **Amendment of This Agreement.** The Board may at any time amend, suspend or terminate the Plan or amend this Award; provided, however, that no amendment, suspension or termination of the Plan or amendment of the Award shall adversely affect the Award in any material way without written consent of Employee.

14. **Notices.** Notices hereunder shall be in writing, and if to the Company, may be delivered personally to the Compensation Department or such other party as designated by the Company or mailed to its principal office at 7750 Wisconsin Avenue, Bethesda, Maryland 20814, addressed to the attention of the Stock Option Administrator (Department 935.40), and if to Employee, may be delivered personally or mailed to Employee at his or her address on the records of the Company. The Company may also, in its sole discretion, decide to deliver any documents related to Employee's current or future participation in the Plan, this Award, any Common Shares, or any other Company-related documents by electronic means. By accepting this Award, whether electronically or otherwise, Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company, including but not limited to the use of electronic signatures or click-through electronic acceptance of terms and conditions. To the extent Employee has been provided with a copy of this Agreement, the Plan, or any other documents relating to this Award in a language other than English, the English language documents will prevail in case of any ambiguities or divergences as a result of translation.

15. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent provided in the Plan, to the personal representatives, legatees and heirs of Employee.

16. **No Effect on Employment.** This Agreement is not a contract of employment or otherwise a limitation on the right of the Company to terminate the employment of Employee or to increase or decrease Employee's compensation from the rate of compensation in existence at the time this Agreement is executed, subject to applicable law.

17. **Additional (Non-U.S.) Terms and Conditions.** Notwithstanding the foregoing terms and conditions of this Award, Employee acknowledges that applicable law (including but not limited to rules or regulations governing securities, foreign ownership, foreign exchange, tax, labor or other matters of any jurisdiction in which Employee may be residing or working at the time of grant of or while holding this Award or any SARs) may prevent or restrict the issuance of SAR Shares under this Award or any SARs, and neither the Company nor any Subsidiary or affiliate assumes any liability in relation to this Award or any SARs or Common Shares in such case. Moreover, the Company reserves the right to impose other requirements, including additional terms and conditions, on Employee's

participation in the Plan, this Award, the SARs and corresponding Common Shares, and any other award or Common Shares acquired under the Plan, or take any other action (including forfeiture of Awards or Common Shares or the forced sale thereof) without liability, if the Company determines it is necessary or advisable in order to comply with applicable law or to facilitate the administration of the Plan. Employee agrees to sign any additional agreements or undertakings that the Company requires to accomplish the foregoing. Employee also acknowledges that applicable law may subject Employee to additional procedural or regulatory requirements that Employee is and will be solely responsible for and must fulfill. Employee further understands and agrees that, unless otherwise permitted by the Company, any cross-border transfer proceeds received upon the sale of Common Shares must be made through a locally authorized financial institution or registered foreign exchange agency and may require Employee to provide to such entity certain information regarding the transaction. Moreover, Employee understands and agrees that the future value of the underlying Common Shares is unknown and cannot be predicted with certainty and may decrease in value. Employee understands that neither the Company nor any Subsidiary or affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any Subsidiary or affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of the Award (or the calculation of income or Tax-Related Items thereunder). Any additional requirements, restrictions, or terms and conditions as described in this paragraph 16 or other applicable disclosures may be set forth in, but are not limited to, the Company's Policies for Global Compliance of Equity Compensation Awards or any other agreement or addendum that may be provided to Employee. **Furthermore, Employee acknowledges that the applicable laws of the country in which Employee is residing or working at the time of grant, vesting and settlement of the Award or the sale of Common Shares received pursuant to the Award (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Employee to procedural or regulatory requirements. Employee agrees that Employee will be solely responsible for compliance with such requirements and will hold the Company and any of its affiliates harmless for any non-compliance with such requirements. Such requirements may be outlined in but are not limited to the Jurisdiction-Specific Addendum (the "Addendum") attached hereto, which forms part of this Agreement. Notwithstanding any provision herein, Employee's participation in the Plan shall be subject to any applicable special terms and conditions or disclosures as set forth in the Addendum. Employee hereby agrees not to bring any claims against the Company or any of its affiliates for any penalties or other adverse consequences to Employee as a result of non-compliance with these laws/rules.** Employee also understands that if Employee works, resides, moves to, or otherwise is or becomes subject to applicable law or Company policies of another jurisdiction at any time, certain country-specific notices, disclaimers, and/or terms and conditions may apply to Employee from the Grant Date, unless otherwise determined by the Company in its sole discretion.

18. Governing Law. To the extent not preempted by U.S. Federal law, this Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Maryland, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of Maryland and agree that any such litigation shall be conducted only in the courts of Maryland or the federal courts of the United States located in Maryland and no other courts. Notwithstanding the foregoing, to the extent Employee is resident of a state or locality that does not permit the use of Maryland law for purposes of paragraph 9A, the laws of the state or locality of such residence shall apply solely for that purpose, and any litigation relating thereto shall be conducted only in such state or locality.

19. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

20. Entire Agreement. The Plan and this Agreement (including any exhibit, appendix or addendum hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Employee with respect to the subject matter hereof.

21. Agreement Severable. In the event that any provision of this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of this Agreement.

22. **Counterparts.** This Agreement may be executed in one or more counterparts, including by way of any electronic signature, subject to applicable law, each of which will be deemed an original and all of which together will constitute one instrument.

IN WITNESS WHEREOF, MARRIOTT INTERNATIONAL, INC. has caused this Agreement to be signed by its Executive Vice President and Chief Human Resources Officer, effective the day and year first hereinabove written.

MARRIOTT INTERNATIONAL, INC.



Executive Vice President and Chief Human Resources
Officer

EMPLOYEE

#PARTICIPANTNAME#

Signed Electronically

**Certification of Chief Executive Officer
Pursuant to Rule 13a-14(a)**

I, Anthony G. Capuano, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marriott International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 2, 2023

/s/ Anthony G. Capuano

Anthony G. Capuano
President and
Chief Executive Officer
(Principal Executive Officer)

**Certification of Chief Financial Officer
Pursuant to Rule 13a-14(a)**

I, Kathleen K. Oberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marriott International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 2, 2023

/s/ Kathleen K. Oberg

Kathleen K. Oberg
Chief Financial Officer and
Executive Vice President, Development
(Principal Financial Officer)

Certification
Pursuant to Rule 13a-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Sections 1350(a) and (b))

I, Anthony G. Capuano, President and Chief Executive Officer of Marriott International, Inc. (the “Company”) certify that:

- (1) the quarterly report on Form 10-Q of the Company for the period ended March 31, 2023, (the “Quarterly Report”) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 2, 2023

/s/ Anthony G. Capuano

Anthony G. Capuano
President and
Chief Executive Officer
(Principal Executive Officer)

I, Kathleen K. Oberg, Chief Financial Officer and Executive Vice President, Development of Marriott International, Inc. (the “Company”) certify that:

- (1) the quarterly report on Form 10-Q of the Company for the period ended March 31, 2023, (the “Quarterly Report”) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 2, 2023

/s/ Kathleen K. Oberg

Kathleen K. Oberg
Chief Financial Officer and
Executive Vice President, Development
(Principal Financial Officer)