

MARRIOTT INTERNATIONAL INC /MD/

Form DEF 14A

March 13, 2007

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SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant ☒ x

Filed by a Party other than the Registrant ☐ ..

Check the appropriate box:

☐ .. Preliminary Proxy Statement

☒ x Definitive Proxy Statement

☐ .. Definitive Additional Materials

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Marriott International, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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Corporate Headquarters:
10400 Fernwood Road
Bethesda, Maryland 20817

Mailing Address:
Marriott Drive
Washington, D.C. 20058

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD FRIDAY, APRIL 27, 2007

To our Shareholders:

March 13, 2007

The 2007 annual meeting of shareholders of Marriott International, Inc. (the *Company*) will be held at the JW Marriott Hotel, 1331 Pennsylvania Avenue, N.W., Washington, D.C. 20004 on Friday, April 27, 2007, beginning at 10:30 a.m. Doors to the meeting will open at 9:30 a.m. At the meeting, shareholders will act on the following matters:

1. Election of 11 directors;
2. Ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal 2007; and
3. Any other matters that may properly be presented at the meeting.

Shareholders of record at the close of business on March 6, 2007 are entitled to notice of and to vote at this meeting.

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

By order of the Board of Directors,

Terri L. Turner
Secretary

**PLEASE REFER TO THE OUTSIDE BACK COVER FOR DIRECTIONS TO THE MEETING AND INFORMATION ON
PARKING, PUBLIC TRANSPORTATION AND LODGING.**

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MARRIOTT INTERNATIONAL, INC.

10400 FERNWOOD ROAD, BETHESDA, MARYLAND 20817

PROXY STATEMENT

Our board of directors solicits your proxy for the 2007 annual meeting of shareholders of Marriott International, Inc. (*we*, *us*, or the *Company*) to be held on Friday, April 27, 2007, beginning at 10:30 a.m., at the JW Marriott Hotel, 1331 Pennsylvania Avenue, N.W., Washington, D.C. 20004, and at any postponements or adjournments of the meeting. This proxy statement is first being released to shareholders by the Company on March 13, 2007.

QUESTIONS AND ANSWERS ABOUT THE MEETING

What is the purpose of the annual meeting?

At our annual meeting, shareholders will act upon the matters described in the accompanying notice of meeting. These actions include the election of directors, ratification of the appointment of the independent registered public accounting firm (sometimes referred to as the *independent auditor*). In addition, our management will report on the Company's performance during fiscal 2006 and respond to questions from shareholders.

Who is entitled to vote?

Only shareholders of record at the close of business on the record date, March 6, 2007, are entitled to receive notice of and to vote at the meeting, or any postponement or adjournment of the meeting. Each outstanding share of the Company's Class A common stock entitles its holder to cast ten votes on each matter to be voted upon.

Who can attend the meeting?

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

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

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of Class A common stock of the Company outstanding on the record date and entitled to vote will constitute a quorum. A quorum is required for business to be conducted at the meeting. As of the March 6, 2007 record date, 387,027,873 shares of our Class A common stock were outstanding and entitled to vote. If you submit a properly executed proxy card, even if you abstain from voting, then you will be considered part of the quorum. Similarly, broker non-votes (described below) will be counted in determining whether there is a quorum.

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How do I vote?

You may vote either by casting your vote in person at the meeting, or by marking, signing and dating each proxy card you receive and returning it in the prepaid envelope, by telephone, or electronically through the Internet by following the instructions included on your proxy card.

The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number. The procedures, which are designed to comply with Delaware law, allow shareholders to appoint a proxy to vote their shares and to confirm that their instructions have been properly recorded.

If you hold your shares in street name through a broker or other nominee, you may be able to vote by telephone or electronically through the Internet in accordance with the voting instructions provided by that institution.

What does the Board recommend?

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

- FOR election of the 11 director nominees (see Item 1 on page 5); and
- FOR ratification of the appointment of the independent auditor (see Item 2 on page 6).

Unless you give other instructions, the persons named as proxy holders on the proxy card will vote in accordance with the Board's recommendations.

How will my shares be voted?

Your shares will be voted as you indicate on the proxy card. If you return your signed proxy card but do not mark the boxes indicating how you wish to vote, your shares will be voted FOR the election of the 11 director nominees listed below and FOR the ratification of the appointment of Ernst & Young LLP as the Company's independent auditor for 2007.

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

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

- (1) Returning a later-dated signed proxy card;
- (2) Delivering a written notice of revocation to Proxy Services, c/o Mellon Bank, N.A., P.O. Box 3510, South Hackensack, NJ 07606;
- (3) Voting by telephone or the Internet; or
- (4) Voting in person at the meeting.

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

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How do I vote my 401(k) shares?

If you participate in the Company's Employees' Profit Sharing, Retirement and Savings Plan and Trust (the "401(k) Plan") or the Sodexo Employee Savings Plan, you may give voting instructions as to the number of share equivalents allocated to your account as of the record date. You may provide voting instructions to the trustee under the applicable plan by completing and returning the proxy card accompanying this proxy statement. The trustee will vote your shares in accordance with your duly executed instructions if they are received by 11:59 p.m. Eastern Time, Tuesday, April 24, 2007. If you do not send instructions by this deadline or if you do not vote by proxy or return your proxy card with an unclear voting designation or no voting designation at all, the trustee will vote the number of shares equal to the share equivalents credited to your account in the same proportion that it votes shares for which it did receive timely instructions.

What vote is required to approve each item?

If you hold your shares in street name through a broker or other nominee, your broker or nominee may not be permitted to exercise voting discretion on some of the items to be acted upon. Thus, if you do not give your broker or nominee specific instructions, your shares may not be voted on those items and will not be counted in determining the number of shares necessary for approval for each item.

In the election of directors, each nominee must receive more FOR votes than AGAINST in order to be elected as a director. Instructions to ABSTAIN and broker non-votes will have no effect on the election of directors.

For ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm, the affirmative vote of the holders of a majority of the shares of Class A common stock represented in person or by proxy and entitled to vote on the item will be required for approval. Instructions to ABSTAIN with respect to this item will not be voted on it, although they will be counted for purposes of determining the number of shares represented and entitled to vote. Accordingly, an abstention will have the effect of a vote AGAINST this item. Broker non-votes will not have any effect on the outcome of votes for this item.

Who will count the vote?

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

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

The shares on your proxy card(s) represent ALL of your shares of Class A common stock that the Company's stock transfer records indicate that you hold, including (i) any shares you may hold through the Mellon Investor Services Program for Marriott International, Inc. Shareholders administered by Mellon Bank, N.A.; (ii) if you are a current or former Marriott employee, any shares that may be held for your account by The Northern Trust Company as custodian for the 401(k) Plan; and (iii) if you are a current or former Sodexo Inc. employee, any shares that may be held for your account by State Street Bank and Trust Company as trustee for the Sodexo Employee Savings Plan. If you have shares in the 401(k) Plan or the Sodexo Employee Savings Plan and do not vote by proxy, or return your proxy card with an unclear voting designation or no

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voting designation at all, then the 401(k) Plan trustee or State Street, as applicable, will vote your shares in proportion to the way the other 401(k) Plan participants or Sodexo Employee

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Savings Plan participants, as applicable, voted their shares. Shares that are held in street name through a broker or other nominee are not included on the proxy card(s) furnished by the Company, but the institution will provide you a voting instruction form.

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

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

How will voting on any other business be conducted?

Although we currently do not know of any business to be considered at the 2007 annual meeting other than the proposals described in this proxy statement, if any other business is properly presented at the annual meeting, your proxy gives authority to J.W. Marriott, Jr. and William J. Shaw to vote on such matters at their discretion.

When are shareholder proposals for the 2008 annual meeting of shareholders due?

To be considered for inclusion in our proxy statement for the 2008 annual meeting of shareholders, shareholder proposals must be received at our offices no later than November 14, 2007. Proposals must comply with Rule 14a-8 under the Securities Exchange Act of 1934, and must be submitted in writing to the Corporate Secretary, Marriott International, Inc., Department 52/862, Marriott Drive, Washington, D.C. 20058.

In addition, our bylaws require that, if a shareholder desires to introduce a shareholder proposal or nominate a director candidate from the floor of the 2008 annual meeting of shareholders, the shareholder must submit such proposal or nomination in writing to the Company's Secretary at the above address not later than January 28, 2008. The written proposal or nomination must comply with our bylaws. The Chairman of the meeting may refuse to acknowledge or introduce any shareholder proposal or the nomination of any person made after January 28, 2008, or that does not comply with our bylaws. If a shareholder fails to meet these deadlines or satisfy the requirements of Rule 14a-4 under the Securities Exchange Act of 1934, the proxies we solicit allow us to vote on such proposals as we deem appropriate. You can find a copy of our bylaws in the Investor Relations section of the Company's website (www.marriott.com/investor) by clicking on Corporate Governance & Social Responsibility or you may obtain a copy by submitting a request to the Corporate Secretary, Marriott International, Inc., Department 52/862, Marriott Drive, Washington, D.C. 20058.

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

The Company paid for this proxy solicitation. We hired MacKenzie Partners, Inc. to assist in the distribution of proxy materials and solicitation of votes for an estimated fee of \$6,500, plus reimbursement of certain out-of-pocket expenses. We also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to shareholders.

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Proxies will be solicited by mail, telephone, or other means of communication. Our directors, officers and regular employees who are not specifically employed for proxy solicitation purposes and who will not receive any additional compensation for such activities may also solicit proxies.

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Can I receive future shareholder communications electronically through the Internet?

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

- If your shares are registered in your own name, and not in street name through a broker or other nominee, simply log in to Investor ServiceDirect, the Internet site maintained by our transfer agent, Mellon Investor Services LLC, at www.melloninvestor.com/isd and the step by step instructions will prompt you through enrollment.
- If your shares are registered in street name through a broker or other nominee, you must first vote your shares using the Internet, at www.proxyvote.com, and immediately after voting, fill out the consent form that appears on-screen at the end of the Internet voting procedure.

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

PROPOSALS TO BE VOTED ON

ITEM 1 Election of Directors

The number of directors is set by the Board of Directors, is currently 10, and has been expanded to 11 effective as of the 2007 annual meeting of shareholders. At the 2006 annual meeting, management's proposal to declassify the Board of Directors and establish annual election of all directors was approved. Accordingly, the directors who were elected to three year terms at the 2005 and 2006 annual meetings of shareholders, and who therefore have terms that would have expired after the 2007 annual meeting, submitted their resignations effective as of the 2007 annual meeting. As a result, all of our directors are standing for election at the 2007 annual meeting, and each director elected will hold office for a term expiring at the 2008 annual meeting of shareholders or until his or her successor is elected or appointed.

Each of the Company's present directors has been nominated for re-election as a director:

J.W. Marriott, Jr.
Richard S. Braddock
Lawrence W. Kellner
Debra L. Lee

Floretta Dukes McKenzie
John W. Marriott III
George Muñoz
Harry J. Pearce

William J. Shaw
Lawrence M. Small

In addition, the Board has nominated Steven S Reinemund for election as a new director.

You can find information on the director nominees beginning on page 6.

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

In 2006 the Board of Directors also amended the Company's bylaws to implement a shareholder proposal that was approved (upon recommendation of the Board) at the 2006 annual meeting of shareholders. The proposal asked the Board to change the voting standard for election of directors from plurality to a majority of votes cast in uncontested elections, such as this one, where the number of nominees does not exceed the number

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of directors to be elected. Under this standard a nominee must receive more FOR votes than AGAINST votes in order to be elected as a director. In a contested election where the number of nominees exceeds the number of directors to be elected (which is not the case at the 2007 annual meeting), the directors will be elected by a plurality of the shares present in person or by proxy and entitled to vote on the election of directors. Under the Company's bylaws, if a nominee who already serves as a director is not elected, that nominee shall offer to tender his or her resignation to the Board. The Nominating and Corporate Governance Committee will then recommend to the Board whether to accept or reject the resignation, or whether other action should be taken. Within 90 days of the certification of election results, the Board will publicly disclose its decision regarding whether to accept or reject the resignation.

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

ITEM 2 Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors has appointed Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal 2007. Ernst & Young LLP, a firm of registered public accountants, has served as the Company's independent registered public accounting firm since May 3, 2002. Ernst & Young LLP will examine and report to shareholders on the consolidated financial statements of the Company and its subsidiaries.

Representatives of Ernst & Young LLP will be present at the annual meeting, will have an opportunity to make a statement if they so desire, and are expected to be available to respond to questions. You can find information on pre-approval of independent auditor fees and Ernst & Young LLP's 2005 and 2006 fees beginning on page 17.

The Board of Directors has put this proposal before the shareholders because the Board believes that seeking shareholder ratification of the appointment of the independent auditor is good corporate practice. If the appointment of Ernst & Young LLP is not ratified, the Audit Committee will evaluate the basis for the shareholders' vote when determining whether to continue the firm's engagement.

The Board recommends a vote FOR ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal 2007.

CORPORATE GOVERNANCE

Our Board of Directors

Each of the following individuals presently serves on our Board of Directors and either has a term of office expiring at the 2007 annual meeting or, in connection with the declassification of our Board of Directors, has submitted a resignation effective as of the 2007 annual meeting. The age shown below for each director is as of April 27, 2007, which is the date of the annual meeting. Each director has been nominated one-year term ending at the 2008 annual meeting of shareholders or the election or appointment of his or her successor:

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<p>J.W. Marriott, Jr. (Chairman of the Board) Age: 75</p>	<p>Mr. Marriott is Chairman of the Board of Directors and our Chief Executive Officer. He joined Marriott Corporation in 1956, became President and a director in 1964, Chief Executive Officer in 1972 and Chairman of the Board in 1985. Mr. Marriott also is a director of the Naval Academy Endowment Trust and Chairman of the President's Export Council. He serves on the board of trustees of the National Geographic Society and The J. Willard & Alice S. Marriott Foundation, the executive committee of the World Travel & Tourism Council, and is a member of The Business Council. Mr. Marriott has served as our Chairman and Chief Executive Officer since the Company's inception in 1997, and served as Chairman and Chief Executive Officer of the Company's predecessors from 1985. He is the father of John W. Marriott III. Mr. Marriott has been a director of the Company or its predecessors since 1964.</p>
<p>John W. Marriott III (Vice Chairman of the Board) Age: 46</p>	<p>Mr. Marriott is Chief Executive Officer of JWM Family Enterprises, L.P., a private partnership which develops and owns hotels. He was appointed Vice Chairman of the Company's Board of Directors in October 2005. Until December 30, 2005, Mr. Marriott was the Company's Executive Vice President-Lodging and President of North American Lodging. Over the past 30 years, Mr. Marriott also served in a number of other positions with the Company and its predecessors, including Executive Vice President of Sales & Marketing, Brand Management, and Operations Planning and Support, Senior Vice President for Marriott's Mid-Atlantic Region, Vice President of Development, Director of Finance, General Manager, Director of Food & Beverage, restaurant manager and cook. In April 2002, Mr. Marriott was named by the U.S. Department of Commerce and the Japanese government to co-chair a special taskforce to promote travel between the United States and Japan. In January 2004, he was named one of the most influential executives by Business Travel News. Mr. Marriott serves as a Director on the Boards of the National Zoo and the Washington Airports Task Force. He is the son of J.W. Marriott, Jr. Mr. Marriott has been a director of the Company since 2002.</p>
<p>Richard S. Braddock Age: 65</p>	<p>Mr. Braddock is Chairman of MidOcean Partners, a private equity firm. He is also Chairman of Fresh Direct, an internet grocer. Prior to his positions at MidOcean Partners and Fresh Direct, Mr. Braddock served as Chairman of priceline.com Incorporated, a position he held from August 1998 through April 2004. He also served as Chief Executive Officer at priceline.com Incorporated from 1998 through June 2002. Previously, Mr. Braddock served as Chairman of True North Communications, a global advertising and communications firm, from 1997 to 1999, and was a Principal in the private equity investment firm of Clayton, Dubilier & Rice in 1994 and 1995. Earlier, Mr. Braddock was Chief Executive Officer at Medco Containment Services, Inc., from during 1993. Mr. Braddock joined Citicorp in 1973, serving as President and Chief Operating Officer of the company and its principal subsidiary, Citibank, N.A. from 1990 through 1992. He serves on the Board of Directors of the following publicly traded companies: Cadbury Schweppes plc and Eastman Kodak Company. He also serves on the board of directors of Lenox Hill Hospital and the Lincoln Center for the Performing Arts. Mr. Braddock became a director of the Company in 2004.</p>

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Lawrence W. Kellner	Mr. Kellner is Chairman of the Board and Chief Executive Officer of Continental Airlines, Inc. He served as President and Chief Operating Officer of Continental Airlines from March 2003 to December 30, 2004, as President from May 2001 to March 2003 and a member of Continental Airlines' board of directors since 2001. He joined the airline in 1995 as Senior Vice President and Chief Financial Officer. Mr. Kellner is also a director of the Spring Branch Education Foundation, the Sam Houston Area Council of the Boy Scouts of America, the Greater Houston Partnership and the Air Transport Association. He is also on the Advisory Board of the March of Dimes. Mr. Kellner has been a director of the Company since 2002.
Debra L. Lee	Ms. Lee is Chairman and Chief Executive Officer of BET Networks, a media and entertainment subsidiary of Viacom, Inc. that owns and operates Black Entertainment Television and several other ventures. She joined BET in 1986 and served in a number of executive posts before ascending to her present position in January 2006, including President and Chief Executive Officer from June 2005, President and Chief Operating Officer from 1995 to May 2005, Executive Vice President and General Counsel, and Vice President and General Counsel. Prior to joining BET, Ms. Lee was an attorney with Washington, D.C.-based law firm Steptoe & Johnson. She serves on the boards of directors of the following publicly traded companies: Eastman Kodak Company, WGL Holdings, Inc., and Revlon, Inc. She is also a director of the following professional and civic organizations: the National Cable & Telecommunications Association, Center for Communication, Girls, Inc., the Kennedy Center's Community & Friends, the National Symphony Orchestra, and the Alvin Ailey Dance Theater. She is a Trustee Emeritus at Brown University. Ms. Lee has been a director of the Company since 2004.
Floretta Dukes McKenzie	Dr. McKenzie is Senior Advisor to the American Institute for Research. She was the Chairman of The McKenzie Group, Inc. (an educational consulting firm) from 1997 until 2004. From 1981 to 1988, she served as Superintendent of the District of Columbia Public Schools and Chief State School Officer. Dr. McKenzie is a former director of Pepco Holdings, Inc. She is also a director or trustee of UNIFI Mutual Holding Company (Ameritas Life Insurance Corp., Acacia Life Insurance Company, The Union Central Life Insurance Company and affiliated companies), the National Geographic Society, CareFirst (Blue Cross/Blue Shield), Howard University, the White House Historical Association, the Marriott Foundation for People with Disabilities, the American Institute for Research, and Harvard Graduate School of Education Urban Superintendents Program. Dr. McKenzie has served as a director of the Company or its predecessors since 1992.

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George Muñoz	Mr. Muñoz is a principal in the Washington, D.C.-based firm Muñoz Investment Banking Group, LLC. He is also a partner in the Chicago-based law firm Tobin, Petkus & Muñoz LLC. He served as President and Chief Executive Officer of Overseas Private Investment Corporation from 1997 to January 2001. Mr. Muñoz was Chief Financial Officer and Assistant Secretary of the U.S. Treasury Department from 1993 until 1997. Mr. Muñoz is a certified public accountant and an attorney. He is a director of the following publicly traded companies: Altria Group, Inc., Anixter International, Inc., and Wheeling-Pittsburgh Corporation. He also serves on the board of trustees of the National Geographic Society. Mr. Muñoz has been a director of the Company since 2002.
Age: 55	
Harry J. Pearce	Mr. Pearce is Chairman of Nortel Networks Corporation and Chairman of MDU Resources Group, Inc. He was Chairman of Hughes Electronics Corporation, a subsidiary of General Motors Corporation, from May 2001 until the sale by General Motors of its interest in Hughes in December 2003. He had served on the Hughes Electronics Corporation board since 1992. Mr. Pearce is a member of the board of directors of The New York Bone Marrow Foundation and President and a director of The Leukemia & Lymphoma Society Research Foundation. He also serves on the board of trustees of Northwestern University. Mr. Pearce has been a director of the Company or its predecessors since 1995.
Age: 64	
William J. Shaw	Mr. Shaw has served as President and Chief Operating Officer of the Company or its predecessors since 1997. He joined Marriott Corporation in 1974, was elected Corporate Controller in 1979 and a Vice President in 1982. In 1986, Mr. Shaw was elected Senior Vice President-Finance and Treasurer of Marriott Corporation. He was elected Chief Financial Officer and Executive Vice President of Marriott Corporation in April 1988. In 1992 he was elected President of the Marriott Service Group. Mr. Shaw serves on the board of trustees of the University of Notre Dame. He also serves on the NCAA Leadership Advisory Board. Mr. Shaw has been a director of the Company or its predecessors since 1997.
Age: 61	
Lawrence M. Small	Mr. Small is the Secretary of the Smithsonian Institution, the world's largest combined museum and research complex, a position he assumed in 2000. From 1991 until he became the 11th Secretary of the Smithsonian, he served as President and Chief Operating Officer of Fannie Mae. Before joining Fannie Mae, Mr. Small served as Vice Chairman and Chairman of the executive committee of the boards of directors of Citicorp and Citibank, N.A. Mr. Small is a director of The Chubb Corporation, a publicly traded company. He is also a director or trustee of New York City's Spanish Repertory Theatre, the John F. Kennedy Center for the Performing Arts, the National Gallery of Art, the National Building Museum, and the Woodrow Wilson International Center for Scholars. Mr. Small has served as a director of the Company or its predecessors since 1995.
Age: 65	
Roger W. Sant was a member of the Board until his retirement on April 28, 2006 at the 2006 annual meeting. Sterling D. Colton, a former director of the Company's predecessors, holds the title of director emeritus, but does not vote at or attend Board of Directors meetings and is not a nominee for election.	

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The Board of Directors met four times in person in 2006. The Company encourages all directors to attend the annual meeting of shareholders. All directors attended the Company's annual shareholders meeting in 2006. No director attended fewer than 75% of the total number of meetings of the Board and Committees on which such director served.

New Director Nominee

The Nominating and Corporate Governance Committee of the Board has recommended and the Board of Directors has approved Steven S Reinemund as a new director nominee for a one-year term ending at the 2008 annual meeting or the election or appointment of his successor (his age below is shown as of April 27, 2007, which is the date of the annual meeting of shareholders):

Steven S Reinemund	Mr. Reinemund is currently Executive Chairman of the Board of Directors of PepsiCo, Inc., a publicly held global snack and beverage company, a position he is retiring from effective May 2, 2007. He served in a number of positions with PepsiCo since beginning his career at PepsiCo in 1984, including Chairman and Chief Executive Officer from May 2001 through September 2006, and President and Chief Operating Officer from 1999 until May 2001. Mr. Reinemund was elected a director of PepsiCo in 1996. He is also a director of Johnson & Johnson, a public company engaged in the manufacture and sale of health care products; Chairman of the National Minority Supplier Development Council; and a director of the United States Naval Academy Foundation.
Age: 58	

Mr. Reinemund was suggested to the Nominating and Corporate Governance Committee as a potential director candidate by our chief executive officer, J.W. Marriott, Jr. The Board has not yet assigned him to any of the Board's committees.

Governance Principles

The Board has adopted Governance Principles that meet or exceed the New York Stock Exchange (*NYSE*) Listing Standards. The portion of our Governance Principles addressing director independence appears below, and the full text of the Governance Principles can be found in the Investor Relations section of the Company's website (www.marriott.com/investor) by clicking on Corporate Governance & Social Responsibility. A copy may also be obtained upon request from the Company's Corporate Secretary.

Director Independence

Our Corporate Governance Principles include the following standards for director independence:

5. **Independence of Directors.** From and after the 2007 Annual Meeting of Shareholders, at least two-thirds of the directors shall be independent, provided that having fewer independent directors due to the departure, addition or change in independent status of one or more directors is permissible temporarily, so long as the two-thirds requirement is again satisfied by the later of the next annual meeting of shareholders or nine months. To be considered independent, the board must determine that a director has no direct or indirect material relationship with Marriott. The board has established the following guidelines to assist it in determining director independence:

a. A director is not independent if, within the preceding three years: (i) the director was employed by Marriott or a Marriott affiliate, or Marriott's independent auditor or otherwise affiliated with Marriott's independent auditor; (ii) an immediate family member of the director was employed by Marriott or a Marriott affiliate as an executive officer or by Marriott's

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independent auditor in a professional capacity; (iii) the director is, or in the past three years has been, part of an interlocking directorate in which the director is employed by another company for which an executive officer of Marriott is a director who serves on the compensation committee of that other company; or (iv) the director receives, or an immediate family member receives, more than \$100,000 per year in direct compensation from Marriott, other than director and committee fees or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

b. The following commercial or charitable relationships are not material relationships that would impair a Marriott director's independence: (i) service as an executive officer of another company that does business with Marriott where the annual sales to, or purchases from, Marriott are in an amount equal to or less than the greater of \$1 million or two percent of the consolidated gross annual revenues of that other company; (ii) service as an executive officer of another company which is indebted to Marriott, or to which Marriott is indebted, where the total amount of either company's indebtedness to the other is less than two percent of the total consolidated assets of the other company; and (iii) service by a Marriott director or his or her immediate family member as an officer, director or trustee of a charitable organization, where Marriott's discretionary charitable contributions to that organization are in an amount equal to or less than the greater of \$1 million or two percent of that organization's consolidated gross annual revenues. The board annually reviews all commercial and charitable relationships of directors, and publishes whether directors previously identified as independent continue to satisfy the foregoing tests.

c. For relationships not covered by the guidelines in paragraph (b) above, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the directors who satisfy the independence guidelines set forth in paragraphs (a) and (b) above.

The Board undertook its annual review of director independence in February 2007, and subsequently reviewed the independence of the new director nominee, Mr. Reinemund. As provided in the Governance Principles, the purpose of these reviews was to determine whether any such relationships or transactions were inconsistent with a determination that the director or nominee is independent.

During these reviews, the Board recognized the current or recent employment of J.W. Marriott, Jr., John W. Marriott III, and William J. Shaw and the family relationships of J.W. Marriott, Jr. and John W. Marriott III with other Company executives. The Board considered that the remaining director nominees each serve as directors or executive officers of companies that do business with Marriott and that in each case the payments to and from Marriott were significantly less than the two percent threshold in Marriott's Governance Principles. The Board further considered that the remaining nominees, other than Mr. Braddock, are also affiliated with charitable organizations that received contributions from Marriott and/or the J. Willard and Alice S. Marriott Foundation and that the contribution amounts were significantly below the charitable contribution threshold in Marriott's Governance Principles, with the exception of the Marriott Foundation for People with Disabilities, a charitable organization on whose board Floretta Dukes McKenzie serves. With respect to the Marriott Foundation for People with Disabilities, the Board considered the fact that approximately one-third of the charitable contributions made to the Foundation are made by the Company and the J. Willard and Alice S. Marriott Foundation, and determined that these contributions do not impact Dr. McKenzie's independence in view of her position with the organization, the size of the contributions and the lack of her involvement in decisions relating to the contributions.

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Based on the standards set forth in the Governance Principles and after reviewing the relationships described above, the Board affirmatively determined that Richard S. Braddock, Lawrence W. Kellner, Debra L. Lee, Floretta Dukes McKenzie, George Muñoz, Harry J. Pearce, Lawrence M. Small, and Steven S Reinemund are each independent of the Company and its management. J.W. Marriott, Jr., John W. Marriott III, and William J. Shaw are considered inside directors, and therefore not independent, as a result of their employment and/or family relationships.

The Board considered Roger W. Sant's independence in February 2006, shortly before his retirement on April 28, 2006 at the 2006 Annual Meeting, and affirmatively determined that Mr. Sant was independent of the Company and its management.

Committees of the Board

The Board of Directors has five standing committees: Audit, Compensation Policy, Nominating and Corporate Governance, Committee for Excellence, and Executive. The Board has adopted a written charter for each committee, and those charters are available on the Investor Relations section of our website (www.marriott.com/investor) by clicking on Corporate Governance. Copies of the committee charters also may be obtained upon request from the Company's Corporate Secretary.

Audit Committee

Members: Lawrence M. Small (Chair), Lawrence W. Kellner, and George Muñoz. Roger W. Sant was a member of the Committee until his retirement from the Board on April 28, 2006.

- The members of the Committee are not employees of the Company. The Board of Directors has determined that the members of the Committee are independent as defined under our Governance Principles, the NYSE Listing Standards and applicable U.S. Securities and Exchange Commission (SEC) rules.
- The Audit Committee met four times in person and three times telephonically in 2006.
- There is unrestricted access between the Audit Committee and the independent auditors and internal auditors.
- The Board of Directors has determined the following Audit Committee members are financial experts as defined in SEC rules:

Lawrence M. Small

Lawrence W. Kellner

George Muñoz

Responsibilities include:

- Appointing, retaining, overseeing, and determining the compensation and services of the Company's independent auditors.
- Pre-approving the terms of all audit services, and any permissible non-audit services, to be provided by the Company's independent auditors.
- Overseeing the independent auditors' qualifications and independence, including considering whether any circumstance, including the performance of any permissible non-audit services, would impair the independence of the Company's independent registered public accounting firm.
- Overseeing the accounting, reporting, and financial practices of the Company and its subsidiaries, including the integrity of the Company's financial statements.

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- Overseeing the Company's internal control environment and compliance with legal and regulatory requirements.
- Overseeing the performance of the Company's internal audit function and independent auditors.

Compensation Policy Committee

Members: Richard S. Braddock (Chair), Floretta Dukes McKenzie, Lawrence M. Small, and Harry J. Pearce. Roger W. Sant was a member of the Committee until his retirement from the Board on April 28, 2006.

- The members of the Committee are not employees of the Company. The Board of Directors has determined that the members of the Committee are independent as defined under our Governance Principles, the NYSE Listing Standards and applicable SEC rules.
- The Compensation Policy Committee met five times in 2006.

Responsibilities include:

- Establishing the principles related to the compensation programs of the Company and for designing and recommending compensation programs for senior executive officers and directors. The principles include building a strong relationship between shareholder return and executive compensation, providing incentives to achieve both short- and long-term goals, and providing an overall level of remuneration that is competitive and reflective of performance.
- Recommending to the Board policies and procedures relating to senior officers' compensation and various employee benefit plans.
- Setting the annual compensation for the Chairman of the Board, Chief Executive Officer and the President, including salary, bonus, incentive and equity compensation, based upon an annual assessment of performance, and subject to approval by the Board.
- Approving senior officer salary adjustments, bonus payments, and stock awards.
- Approving and recommending to the Board the specific amounts of non-employee directors' compensation.

The Compensation Policy Committee retains a compensation consultant, Pearl Meyer & Partners, which assists the Committee in establishing and implementing executive and director compensation strategy, interpreting competitive compensation data and trends, designing individual compensation packages including but not limited to the amount and form of total compensation and its individual components, and identifying compliance issues relating to executive and director compensation. The consultant is available for most Committee meetings to report and advise on issues at the request of the Committee. The consultant is instructed in its duties by the Committee or its designee, the Executive Vice President, Global Human Resources and receives no other compensation from the Company outside its role as advisor to the Committee.

Nominating and Corporate Governance Committee

Members: Lawrence W. Kellner (Chair), Debra L. Lee, Floretta Dukes McKenzie, and George Muñoz.

- The members of the Committee are not employees of the Company. The Board of Directors has determined that the members of the Committee are independent as defined under our Governance Principles, the NYSE Listing Standards and applicable SEC rules.
- The Nominating and Corporate Governance Committee met four times in 2006.

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Responsibilities include:

- Making recommendations to the Board regarding corporate governance matters and updates to the Governance Principles.
- Reviewing qualifications of candidates for Board membership.
- Advising the Board on a range of matters affecting the Board and its committees, including making recommendations with respect to qualifications of director candidates, selection of committee chairs, committee assignments and related matters affecting the functioning of the Board.
- Reviewing the Company's conflict of interest and related party transactions policies, and approving certain related party transactions as provided for in those policies.
- Resolving conflict of interest questions involving directors and senior executive officers.

Committee for Excellence

Members: Board of Director members include George Muñoz (Chair), Debra L. Lee, Harry J. Pearce, and William J. Shaw. Company officer members include Amy McPherson, Executive Vice President-Global Sales & Marketing; Norman K. Jenkins, Senior Vice President-North American Lodging Development; Kathleen Matthews, Executive Vice President-Global Communications and Public Affairs; David A. Rodriguez, Executive Vice President-Global Human Resources; and David M. Sampson, Senior Vice President-Diversity Initiatives.

- The members of the Committee consist of at least three or more members of the Board of Directors. The Committee may also consist of officers and employees of the Company who are not directors. At least one member of the Committee is independent as defined under our Corporate Governance Principles and the NYSE Listing Standards. The Committee's charter provides that an independent director will always be the Chairman of the Committee.
- The Committee for Excellence met four times in 2006.

Responsibilities include:

- Identifying and encouraging efforts undertaken by the Company to promote and leverage the recruitment, retention, and advancement of women and minorities as employees of the Company.
- Identifying and evaluating efforts undertaken by the Company to promote and leverage an increasingly diverse ownership, franchisee, customer, and vendor base.
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Enhancing the public's recognition of the Company's efforts and successes to promote diversity and value people of different backgrounds, experiences, and cultures to benefit Marriott's strategic competitive advantage.

Executive Committee