

MARRIOTT INTERNATIONAL INC /MD/
Form DEF 14A
April 01, 2011
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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

.. Soliciting Material Under Rule 14a-12

.. **Confidential, For Use of the
Commission Only(as permitted by Rule 14a-6(e)(2))**

Marriott International, Inc.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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4. Date Filed:

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Corporate Headquarters and Mailing Address:

10400 Fernwood Road

Bethesda, Maryland 20817

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD FRIDAY, MAY 6, 2011

To our Shareholders:

April 1, 2011

The 2011 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, May 6, 2011, 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 the 10 director nominees named in the proxy statement;
2. Ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal 2011;
3. An advisory resolution to approve executive compensation;
4. An advisory vote on the frequency of future advisory votes on executive compensation; and
5. Any other matters that may properly be presented at the meeting.

Shareholders of record at the close of business on March 15, 2011, are entitled to notice of and to vote at this meeting.

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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,
Bancroft S. Gordon
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 (the *Board*) solicits your proxy for the 2011 annual meeting of shareholders of Marriott International, Inc. (*we*, *us*, *Marriott* or the *Company*) to be held on Friday, May 6, 2011, 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 or about April 1, 2011.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 6, 2011:

THE PROXY STATEMENT AND ANNUAL REPORT TO SHAREHOLDERS ARE AVAILABLE AT <http://bnymellon.mobular.net/bnymellon/mar>

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 the 10 director nominees listed below, ratification of the appointment of the independent registered public accounting firm (sometimes referred to as the *independent auditor*), an advisory resolution approving executive compensation, and an advisory vote on the frequency of future advisory votes on executive compensation and any other matters that may be properly presented at the meeting. In addition, our management will report on the Company's performance during fiscal 2010 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 15, 2011, are entitled to receive notice of and to vote at the meeting, or any postponement or adjournment of the meeting. Each outstanding share of the Company's Class A common stock entitles its holder to cast ten votes on each matter to be voted upon.

Who can attend the meeting?

All 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.

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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 15, 2011 record date, 366,576,459 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.

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 10 director nominees (see Item 1 on page 6);

FOR ratification of the appointment of the independent auditor (see Item 2 on page 6);

FOR approval of the advisory resolution on executive compensation (see Item 3 on page 7); and

EVERY YEAR on the advisory vote on the frequency of future advisory votes on executive compensation (see Item 4 on page 7);

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 10 director nominees listed below; FOR the ratification of the appointment of Ernst & Young LLP as the Company's independent auditor for 2011; FOR approval of the advisory resolution on executive compensation; and EVERY YEAR on the advisory vote on the frequency of future advisory votes on executive compensation.

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

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

- (1) Returning a later-dated signed proxy card;
- (2) Delivering a written notice of revocation to BNY Mellon Shareowner Services, P.O. Box 358015, Pittsburgh, PA 15252-8015;
- (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.

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, May 3, 2011. If you do not send instructions by this deadline or if you do not vote by proxy or return your proxy card with an unclear voting designation or no voting designation at all, the trustee will vote the number of shares equal to the share equivalents credited to your account in the same proportion that it votes shares for which it did receive timely instructions.

What vote is required to approve each item?

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

For ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm, the affirmative vote of the holders of a majority of the shares of Class A common stock 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 be counted for purposes of determining the number of shares represented and entitled to vote. Accordingly, an abstention will have the effect of a vote AGAINST this item. Broker non-votes will not have any effect on the outcome of votes for this item.

For approval of the advisory resolution on executive compensation and the advisory vote on the frequency of future advisory votes on executive compensation, the affirmative vote of the holders of a

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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. ***Your broker or nominee will not be permitted to vote on these two advisory voting items without instructions from the beneficial owner. As a result, if you hold your shares through a broker or nominee, they will not be voted to approve on an advisory basis either (i) the Company's executive compensation or (ii) the frequency of future advisory votes on executive compensation, unless you affirmatively vote your shares in accordance with the voting instructions provided by that institution.*** Instructions to ABSTAIN with respect to the two advisory voting items will be counted for purposes of determining the number of shares represented and entitled to vote. Accordingly, an abstention will have the effect of a vote AGAINST each item. Broker non-votes will not have any effect on the outcome of votes for these two items.

Who will count the vote?

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

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

The shares on your proxy card(s) represent ALL of your shares of Class A common stock that the Company's stock transfer records indicate that you hold, including (i) any shares you may hold through the BNY Mellon Shareowner Services Program for Marriott International, Inc. Shareholders administered by The Bank of New York Mellon; (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 voting designation at all, then Northern Trust or State Street, as applicable, will vote your shares in proportion to the way the other 401(k) Plan participants or Sodexo Employee 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 with a voting instruction form.

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

If your shares are registered under different names or are held in more than one account, you may receive more than one proxy card. 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, BNY Mellon Shareowner Services, 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 2011 annual meeting other than the proposals described in this proxy statement, if any other business is properly presented at the annual meeting, your proxy gives authority to J.W. Marriott, Jr. and/or Arne M. Sorenson to vote on such matters at their discretion.

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When are shareholder proposals for the 2012 annual meeting of shareholders due?

To be considered for inclusion in our proxy statement for the 2012 annual meeting of shareholders, shareholder proposals must be received at our offices no later than the close of business December 3, 2011. Proposals must comply with Rule 14a-8 under the Securities Exchange Act of 1934, and must be submitted in writing to the Corporate Secretary, Marriott International, Inc., Department 52/862, 10400 Fernwood Road, Bethesda, Maryland 20817.

In addition, our bylaws require that, if a shareholder desires to introduce a shareholder proposal or nominate a director candidate from the floor of the 2012 annual meeting of shareholders, the shareholder must submit such proposal or nomination in writing to the Company's Secretary at the above address no earlier than January 7, 2012 and no later than February 6, 2012. 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 February 5, 2012, 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" and then "Governance Documents" or you may obtain a copy by submitting a request to the Corporate Secretary, Marriott International, Inc., Department 52/862, 10400 Fernwood Road, Bethesda, Maryland, 20817.

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. 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.

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 the Internet site maintained by our transfer agent, BNY Mellon Shareowner Services, at www.bnymellon.com/shareowner/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.

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PROPOSALS TO BE VOTED ON

ITEM 1 Election of Directors

All of our directors are standing for election at the 2011 annual meeting, and each director elected will hold office for a term expiring at the 2012 annual meeting of shareholders or until his or her successor is elected or appointed.

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

J.W. Marriott, Jr.
Mary K. Bush
Lawrence W. Kellner
Debra L. Lee

John W. Marriott III
George Muñoz
Harry J. Pearce
Steven S Reinemund

Lawrence M. Small
Arne M. Sorenson

You can find information on the director nominees beginning on page 9.

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

The Company's bylaws prescribe the voting standard for election of directors as a majority of the votes cast in an uncontested election, such as this one, where the number of nominees does not exceed the number of directors to be elected. Under this standard, a nominee must receive more FOR votes than AGAINST votes in order to be elected as a director. In a contested election, where the number of nominees exceeds the number of directors to be elected (which is not the case at the 2011 annual meeting), the directors will be elected by a plurality of the shares present in person or by proxy and entitled to vote on the election of directors. Under the Company's Governance Principles, if a nominee who already serves as a director is not elected, that nominee shall 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 10 director nominees.

ITEM 2 Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee of the Board has appointed Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal 2011. Ernst & Young LLP, a firm of registered public accountants, has served as the Company's independent registered public accounting firm

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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 appropriate questions. You can find information on pre-approval of independent auditor fees and Ernst & Young LLP's 2010 and 2009 fees beginning on page 22.

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

The Board recommends a vote FOR ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal 2011.

ITEM 3 Advisory Resolution Approving Executive Compensation

We are asking shareholders to approve a non-binding advisory resolution on the compensation of our Named Executive Officers, as disclosed in this proxy statement. Although the resolution, commonly referred to as a "say-on-pay" resolution, is non-binding, our Board of Directors and Compensation Policy Committee value your opinions and will consider the outcome of the vote when making future compensation decisions. We urge you to read the Compensation Discussion and Analysis beginning on page 24 of this proxy statement, which describes in detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative, appearing on pages 39 through 49, which provide detailed information on the compensation of our Named Executive Officers.

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

In accordance with recently adopted Section 14A of the Exchange Act, and as a matter of good corporate governance, we are asking shareholders to approve the following advisory resolution at the 2011 annual meeting:

RESOLVED, that the shareholders of Marriott International, Inc. (the "Company") approve, on an advisory basis, the compensation of the Company's named executive officers disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables, notes and narrative in the Proxy Statement for the Company's 2011 Annual Meeting of Shareholders.

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

ITEM 4 Advisory Vote On The Frequency Of Future Advisory Votes On Executive Compensation

Pursuant to recently adopted Section 14A of the Exchange Act, we are asking shareholders to vote on whether future advisory votes on executive compensation like Item No. 3 above should occur every year, every two years or every three years. This vote is not binding on the Board of Directors. After careful consideration, the Board has determined that holding an advisory vote on executive compensation every year is most appropriate for the Company at this time, and recommends that shareholders vote to hold such future advisory votes every year. While our Company's executive compensation program is designed to reinforce the link between executive pay and our long-term

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performance and stock value, the Board recognizes that executive compensation disclosures are made annually. Given that advisory votes on executive compensation are new, holding an annual advisory vote provides us with more direct and immediate feedback on our compensation. An annual advisory vote also is consistent with our practice of annual elections for all directors and annual ratification of our independent registered public accounting firm.

In the event the Board decides to make changes to our executive compensation program following a shareholder advisory vote, you should note that because the advisory vote occurs well after the beginning of the compensation year, and because the different elements of our executive compensation program are designed to operate in an integrated manner and to complement one another, in many cases it may not be appropriate or feasible to implement such changes by the time of the following year's annual meeting of shareholders.

We understand that our shareholders may have different views as to what is an appropriate frequency for advisory votes on executive compensation. Although this advisory vote is not binding on the Board, we will carefully review the voting results on this proposal. Notwithstanding the Board's recommendation and the outcome of the shareholder vote, the Board may in the future decide to conduct advisory votes on a more or less frequent basis and may vary its practice based on factors such as discussions with shareholders and the adoption of material changes to compensation programs.

You may specify one of four choices for this proposal on the proxy card: one year, two years, three years or abstain. You are not voting to approve or disapprove the Board's recommendation.

The Board recommends that you vote to conduct future advisory votes on executive compensation EVERY YEAR.

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CORPORATE GOVERNANCE

Board Leadership Structure

The Company operates using a board leadership structure commonly used by other public companies in the United States. Under this structure, the chief executive officer also serves as chairman of the board. J.W. Marriott, Jr., the son of Company founder, J. W. Marriott, has served as the Chairman and CEO of the Company since 1985. Mr. Marriott is recognized as an iconic leader in the hospitality industry. The Board, as well as our investors and customers, recognizes that Mr. Marriott's association with the Company in that consolidated leadership capacity provides a unique, intrinsic value to the franchise that gives us a significant competitive advantage. Having one person serve as both the Chairman and the CEO demonstrates to our employees, investors, customers and other constituents that the Company is under strong leadership with a single person having primary responsibility for management of our operations, under the oversight and review of the Board. A single leader also eliminates the potential for confusion or duplication of efforts and enables the Chairman and CEO to act as the key link between the Board and other members of management.

While the independent directors have not designated a lead independent director, the Chairman of our Nominating and Corporate Governance Committee fulfills the same responsibilities as the lead directors at many companies. These responsibilities include presiding over the meetings of the independent directors, coordinating the activities of the independent directors and facilitating communications between the Chairman and CEO and the other Board members. That person also is a standing member of the Company's two-person Executive Committee along with the Chairman and CEO. The Chairman of the Nominating and Corporate Governance Committee also coordinates the evaluation of Board and Committee performance, the assessment and evaluation of Board candidates, and the monitoring of corporate governance developments and recommendations for changes to the Company's governance practices. We believe that the role played by the Chairman of the Nominating and Corporate Governance Committee provides strong, independent Board leadership.

Seven of our 10 directors are independent, and the Audit, Compensation Policy and Nominating and Corporate Governance committees are comprised solely of independent directors. Consequently, the independent directors directly oversee such critical items as the Company's financial statements, executive compensation, the selection and evaluation of directors and the development and implementation of our corporate governance programs.

At least annually, the Board reviews our Board leadership structure as part of the succession planning process that is described in our Governance Principles (see discussion below under Governance Principles). We believe that our current leadership structure, in which the CEO serves as Chairman, together with an experienced and engaged Chairman of the Nominating and Corporate Governance Committee (who plays a role similar to that of lead director at many companies) and independent key committees, has been effective and remains the optimal structure for our Company and our shareholders at this time.

Selection of Director Nominees

The Nominating and Corporate Governance Committee will consider candidates for Board membership suggested by its members, other Board members, management and shareholders. As a shareholder, you may recommend any person for consideration as a nominee for director by writing to the Nominating and Corporate Governance Committee of the Board of Directors, c/o Marriott International, Inc., Department 52/862, 10400 Fernwood Road, Bethesda, Maryland 20817.

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Recommendations must include the name and address of the shareholder making the recommendation, a representation that the shareholder is a holder of record of Class A common stock, biographical information about the individual recommended and any other information the shareholder believes would be helpful to the Nominating and Corporate Governance Committee in evaluating the individual recommended.

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

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

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

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

The Committee makes a recommendation to the full Board as to any persons it believes should be nominated by the Board, and the Board determines the nominees after considering the recommendation and report of the Committee. The procedures for considering candidates recommended by a shareholder for Board membership are consistent with the procedures for candidates recommended by members of the Nominating and Corporate Governance Committee, other members of the Board or management.

Our Board of Directors

Each of the following individuals presently serves on our Board and has a term of office expiring at the 2011 annual meeting or until his or her successor is elected and qualified. The age shown below for each director is as of May 6, 2011, which is the date of the annual meeting. Each director has been nominated to serve until the 2012 annual meeting of shareholders and until his or her successor is elected and qualified, or until such director's earlier death, resignation or removal. Set forth below is each director's biography as well as the qualifications and experiences each director brings to our Board, in addition to the general qualifications discussed above.

J.W. Marriott, Jr. (Chairman of the Board), age: 79. Mr. Marriott is Chairman of the Board of Directors and our Chief Executive Officer. He joined Marriott Corporation in 1956, became President in 1964, Chief Executive Officer in 1972 and Chairman of the Board in 1985. He serves on the board of trustees of The J. Willard & Alice S. Marriott Foundation, is a member of the Executive Committee of the World Travel & Tourism Council, and is a member of the National 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 since 1985. He is the father of John W. Marriott III, the Vice Chairman of the Company's Board of Directors. Mr. Marriott has been a director of the Company or its predecessors since 1964.

As a result of his service as CEO of the Company for the past 39 years, Mr. Marriott brings to the Board extensive leadership experience with, and knowledge of, the Company's business and strategy as well as a historical perspective on the Company's growth and operations. Mr. Marriott's iconic status in the hospitality industry provides a unique advantage to the Company.

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John W. Marriott III (Vice Chairman of the Board), age: 49. 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 task force 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 Chairman of the Board of the National Zoo and is a director of the board of the Washington Airport Task Force. He is the son of J.W. Marriott, Jr. Mr. Marriott has been a director of the Company since 2002.

Mr. Marriott provides the Board with extensive executive and operations experience with the Company, international experience that provides insight into countries in which the Company operates, and significant knowledge of the Company's industry given his ongoing role as a CEO in the lodging sector of the hospitality industry.

Mary K. Bush, age: 62. The Honorable Mary K. Bush has served as President of Bush International, LLC, an advisor to U.S. corporations and foreign governments on international capital markets, strategic business and economic matters, since 1991. She has held several Presidential appointments including the U.S. Government's representative on the IMF Board and Director of Sallie Mae. She also was head of the Federal Home Loan Bank System during the aftermath of the Savings and Loan crisis and was advisor to the Deputy Secretary of the U.S. Treasury Department. Earlier in her career, she managed global banking and corporate finance relationships at New York money center banks including Citibank, Banker's Trust, and Chase. In 2006, President Bush appointed her Chairman of the congressionally chartered HELP Commission on reforming foreign aid. In 2007, she was appointed by the Secretary of the Treasury to the U.S. Treasury Advisory Committee on the Auditing Profession. She is a member of the board of directors of Discover Financial Services, ManTech International Corporation, United Airlines, and the Pioneer Family of Mutual Funds. Ms. Bush also was a director of Briggs & Stratton, Inc. from 2004 to April 2009. She serves on the Kennedy Center's Community Advisory Board and on the U.S. Advisory Board of the Global Leadership Foundation. Ms. Bush has been a director of the Company since May 2008.

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

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Lawrence W. Kellner, age: 52. Mr. Kellner is President of Emerald Creek Group LLC, a private equity firm. He served as Chairman and Chief Executive Officer of Continental Airlines, Inc. from December 2004 through December 2009. He served as President and Chief Operating Officer of Continental Airlines from March 2003 to December 2004, as President from May 2001 to March 2003 and was a member of Continental Airlines' board of directors from May 2001 to December 2009. On the civic front, he is Chairman of the Greater Houston Partnership and serves on the Rice University Board of Trustees. He is a member of the board of directors for the Methodist Hospital, YMCA of Greater Houston, the Spring Branch Education Foundation and is a member of both the Boy Scouts of America National Executive Board and the Sam Houston Area Council Board. Kellner also serves on the development board of the University of Texas Health Science Center at Houston. Mr. Kellner has been a director of the Company since 2002.

Mr. Kellner brings to the Board and our Nominating and Corporate Governance Committee, of which he is Chairman, experience as CEO of one of the largest airline companies in the world with significant management, strategic and operational responsibilities in the travel and leisure industry. He also provides extensive knowledge in the fields of finance and accounting gained from his background as Chief Financial Officer at Continental and other companies.

Debra L. Lee, age: 56. 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: Center for Communication, the Kennedy Center's Community & Friends, and the Alvin Ailey Dance Theater. She also is a Trustee at Brown University. Ms. Lee has been a director of the Company since 2004.

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

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George Muñoz, age: 59. Mr. Muñoz has been a principal in the Washington, D.C.-based firm Muñoz Investment Banking Group, LLC since 2001. He has also been a partner in the Chicago-based law firm Tobin, Petkus & Muñoz LLC since 2002. He served as President and Chief Executive Officer of Overseas Private Investment Corporation from 1997 to January 2001. Mr. Muñoz was Chief Financial Officer and Assistant Secretary of the U.S. Treasury Department from 1993 until 1997. Mr. Muñoz is a certified public accountant and an attorney. He is a director of the following publicly traded companies: Altria Group, Inc. and Anixter International, Inc. He also serves on the board of trustees of the National Geographic Society. He was also a director of Esmark, Inc. from December 2006 to August 2008 and Archipelago Holdings Co. from August 2004 to May 2006. Mr. Muñoz has been a director of the Company since 2002.

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

Harry J. Pearce, age: 68. Mr. Pearce served as Chairman of Nortel Networks Corporation, a telecommunications company, from 2005 to 2009 and has served as Chairman of MDU Resources Group, Inc., an electronic and natural gas utility distribution company, since 2006. Mr. Pearce was a director of General Motors from 1996 to 2001 and served as 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 was General Counsel of General Motors from 1987 to 1994 and is a fellow of the American College of Trial Lawyers and International Society of Barristers. Mr. Pearce is a member of the board of directors of The National Defense University Foundation. He also serves on the board of trustees of Northwestern University and The United States Air Force Academy Endowment. Mr. Pearce has been a director of the Company or its predecessors since 1995.

Mr. Pearce brings to the Board operating, business and management experience as Chairman of two major public companies, extensive management and corporate governance experience gained from those roles and membership on the boards of those and other public companies, and legal experience.

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Steven S Reinemund, age: 63. Mr. Reinemund has served as the Dean of Business and Professor of Leadership Strategy at Wake Forest University since July 2008. In 2007, Mr. Reinemund retired from PepsiCo, a multinational food and beverage company, where he served as Chairman and Chief Executive Officer from 2001 until 2006 and Chairman until May 2007. He joined PepsiCo in 1984 and held the positions of President and Chief Executive Officer Pizza Hut, Chairman and Chief Executive Officer Frito-Lay and President and Chief Operating Officer PepsiCo. He was a director of PepsiCo from 1996 until May 2007. He is a director of the following publicly traded companies: American Express Company, ExxonMobil Corp. and Walmart. Mr. Reinemund is also a member of the board of directors of the Cooper Institute. He was formerly a director of Johnson & Johnson from 2003 to 2008. Mr. Reinemund has been a director of the Company since 2007.

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

Lawrence M. Small, age: 69. Mr. Small is the former Secretary of the Smithsonian Institution (the world's largest museum and research complex), a position he held from January 2000 to March 2007. Mr. Small previously had been President and Chief Operating Officer of Fannie Mae from 1991 to 2000. Before joining Fannie Mae, he served as Vice Chairman and Chairman of the executive committee of the boards of directors of Citicorp and Citibank, where he worked for 27 years. He currently also serves as a director on the boards of The Chubb Corporation and New York City's Spanish Repertory Theatre Company. Mr. Small has been a director of the Company or its predecessors since 1995.

Mr. Small provides the Board with extensive management experience, which includes his former role as President and COO of a large financial services company, and his extensive management, finance and corporate governance experience gained from that role as well as from membership on the boards of other public companies.

Arne M. Sorenson, age: 52. Mr. Sorenson joined Marriott in 1996 as Senior Vice President of Business Development. He was appointed Executive Vice President and Chief Financial Officer in 1998 and assumed the additional title of President, Continental European Lodging, in January 2003. In May 2009, Mr. Sorenson was named President and Chief Operating Officer of the Company. Prior to joining Marriott, he was a Partner in the law firm of Latham & Watkins in Washington, D.C. Mr. Sorenson serves on the Board of Directors of Wal-Mart Stores, Inc. He also serves on the Board of Regents of Luther College. Mr. Sorenson was appointed to the Board of Directors in February 2011.

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

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

The Board met four times in person and once telephonically in 2010. The Company encourages all directors to attend the annual meeting of shareholders. All directors attended the Company's annual shareholders meeting in 2010. No director attended fewer than 75% of the total number of meetings of the Board and Committees on which such director served.

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, then Governance Documents and then View Governance Information. A copy may also be obtained upon request from the Company's Corporate Secretary. Our Governance Principles establish the limit on the number of board memberships for the Company's directors at three, including Marriott, for directors who are chief executive officers of public companies, and five for other directors.

Director Independence

Our Governance Principles include the following standards for director independence:

5. Independence of Directors. At least two-thirds of the directors shall be independent, provided that having fewer independent directors due to the departure, addition or change in independent status of one or more directors is permissible temporarily, so long as the two-thirds 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 guidelines set forth below to assist it in determining director independence. For the purpose of this section 5, references to Marriott include any of Marriott's consolidated subsidiaries:

a. A director is not independent if (i) the director is, or has been within the preceding three years, employed by Marriott; (ii) the director is a current partner or employee of Marriott's independent auditor, or was within the preceding three years a partner or employee of Marriott's independent auditor and personally worked on the audit of Marriott within that time; (iii) an immediate family member of the director is, or has been within the preceding three years, employed by Marriott as an executive officer; (iv) an immediate family member of the director is a current partner of Marriott's independent auditor, or is a current employee of Marriott's independent auditor and personally works on the audit of Marriott; (v) an immediate family member of the director was within the preceding three years a partner or employee of Marriott's independent auditor and personally worked on the audit of Marriott within that time; (vi) the director or an immediate family member is, or has been within the preceding three years, part of an interlocking directorate in which the director or an immediate family member is employed as an executive officer of another company for which a present executive officer of Marriott at the same time serves on the compensation committee of that other company; (vii) the director has received, or an immediate family member has received, during any 12-month period within the preceding

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three years, more than \$120,000 in direct compensation from Marriott, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); or (viii) the director is a current employee, or an immediate family member is a current executive officer, of another company that does business with Marriott where the annual sales to, or purchases from, Marriott are in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or two percent of the consolidated gross annual revenues of that other company.

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 which is indebted to Marriott, or to which Marriott is indebted, where the total amount of either company's indebtedness to the other is less than two percent of the total consolidated assets of the other company; and (ii) service by a Marriott director or his or her immediate family member as 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 2011. As provided in the Governance Principles, the purpose of these reviews is to determine whether any relationships or transactions are inconsistent with a determination that the director or nominee is independent.

During these reviews, the Board recognized the current or recent employment of J.W. Marriott, Jr., John W. Marriott III, and Arne M. Sorenson and the family relationships of J.W. Marriott, Jr. and John W. Marriott III with other Company executives. The Board considered that Ms. Bush, Mr. Kellner, Ms. Lee, Mr. Muñoz, Mr. Pearce, Mr. Reinemund and Mr. Small each serve, or recently served, as directors or executive officers of companies that do business with Marriott and that in each case the payments to and from Marriott were significantly less than the two percent threshold in Marriott's Governance Principles. The Board further considered that Ms. Bush, Ms. Lee, and Mr. Reinemund 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 set forth in Marriott's Governance Principles.

Based on the standards set forth in the Governance Principles and after reviewing the relationships described above, the Board affirmatively determined that Mary K. Bush, Lawrence W. Kellner, Debra L. Lee, George Muñoz, Harry J. Pearce, Steven S Reinemund, and Lawrence M. Small are each independent of the Company and its management. J.W. Marriott, Jr., John W. Marriott III, and Arne M. Sorenson are considered not independent as a result of their employment with the Company and/or family relationships. The Board determined in connection with the 2010 annual meeting that W. Mitt Romney, who resigned from the Board effective January 12, 2011, was independent, and that Mr. Shaw, who resigned from the Board on February 11, 2011, and as Vice Chairman of the Company effective March 31, 2011, was not independent as a result of his employment with the Company.

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Committees of the Board

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

Audit Committee

Members: George Muñoz (Chair), Mary K. Bush, Lawrence W. Kellner (as of February 4, 2010) and Harry J. Pearce (through February 4, 2010).

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 2010.

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

The Board of Directors has determined that all current members of the Audit Committee (George Muñoz, Mary K. Bush and Lawrence W. Kellner) and former member Harry J. Pearce are financial experts as defined in SEC rules.

Responsibilities include:

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

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

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

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

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 auditor.

Compensation Policy Committee

Members: Steven S Reinemund (Chair), Mary K. Bush, Harry J. Pearce (as of February 4, 2010) and Lawrence M. Small.

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

The Compensation Policy Committee met four times in 2010.

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Responsibilities include:

Establishing the principles related to the compensation programs of the Company.

Designing and recommending to the Board policies and procedures relating to senior officers' compensation and employee benefit plans.

Setting the annual compensation for the Chairman of the Board and Chief Executive Officer and the President, including salary, bonus and incentive and equity compensation, subject to approval by the Board.

Approving executive officer and senior management salary adjustments, bonus payments and stock awards.

Designing and recommending to the Board the annual compensation of non-employee directors' compensation.

Finance Committee

Members: Lawrence M. Small (Chair as of February 7, 2011), Lawrence W. Kellner, John W. Marriott III, Harry J. Pearce (as of February 7, 2011) and W. Mitt Romney (Chair and member through January 12, 2011).

The members of the Committee are not employees of the Company. The Board has determined that the members of the Committee other than John W. Marriott III are independent as defined under our Governance Principles and the NYSE Listing Standards.

The Finance Committee met four times in 2010.

Responsibilities include:

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

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

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

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

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

Nominating and Corporate Governance Committee

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

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

The Nominating and Corporate Governance Committee met three times in 2010.

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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 members include Debra L. Lee (Chair), George Muñoz, and Harry J. Pearce. Company officer members include Raymond Bennett, Area Vice President, Operations; Stephanie Linnartz, Global Officer, Sales & Revenue Management; Kathleen Matthews, Executive Vice President-Global Communications and Public Affairs; Robert J. McCarthy, Group President; Amy McPherson, President and Managing Director, Europe; Jimmie W. Paschall, Global Diversity Officer & Senior Vice President, External Affairs; David A. Rodriguez, Executive Vice President-Global Human Resources; William J. Shaw (through March 31, 2011); and Susan Thronson, Senior Vice President, Marketing.

The members of the Committee consist of at least three members of the Board. The Committee may also consist of officers and employees of the Company who are not directors. At least one member of the Committee must be independent as defined under our Corporate Governance Principles and the 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 two times in person and once telephonically in 2010.

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 of the Company.

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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

Members: J.W. Marriott, Jr. (Chair) and Lawrence W. Kellner.

The Executive Committee did not meet in 2010.

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Responsibilities include:

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

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Policy Committee is or has been an officer or employee of the Company or had any relationship that is required to be disclosed as a transaction with a related party.

Meetings of Independent Directors

Company policy requires that the independent directors meet without management present at least twice a year. In 2010, the independent directors met without management present two times. The Chairman of the Nominating and Corporate Governance Committee, currently Mr. Kellner, presides at the meetings of the independent directors.

Risk Oversight

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

The Board also has delegated certain risk oversight functions to the Audit Committee. In accordance with NYSE requirements and as set forth in its charter, the Audit Committee periodically reviews and discusses the Company's business and financial risk management and risk assessment policies and procedures with senior management, the Company's independent auditor and the Chief Audit Executive. The Audit Committee incorporates its risk oversight function into its regular reports to the Board.

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

Shareholder Communications with the Board

Shareholders and others interested in communicating with the Chair of the Nominating and Corporate Governance Committee, the Audit Committee, the non-employee directors, or any of the employee directors may do so by e-mail to business.ethics@marriott.com or in writing to the Business

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Ethics Department, Department 52/924.09,10400 Fernwood Road, Bethesda, Maryland 20817. All communications are forwarded to the appropriate directors for their review, except that the Board has instructed the Company not to forward solicitations, bulk mail or communications that do not address Company-related issues. The Company reports to the directors on the status of all outstanding concerns addressed to the non-employee directors, the Chair of the Nominating and Corporate Governance Committee, or the Audit Committee on a quarterly basis. The non-employee directors, the Chair of the Nominating and Corporate Governance Committee, or the Audit Committee may direct special procedures, including the retention of outside advisors or counsel, for any concern addressed to them.

Code of Ethics and Business Conduct Guide

The Company has long maintained and enforced a Code of Ethics that applies to all Marriott associates, including our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer and to each member of the Board. The Code of Ethics is available in the Investor Relations section of our website (www.marriott.com/investor) by clicking on Corporate Governance and then Governance Documents. Any future changes or amendments to our Code of Ethics, and any waiver of our Code of Ethics that applies to our Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer or a member of our Board, will promptly be posted to our Investor Relations website. The Company also maintains a Business Conduct Guide that is available at the same location on our Investor Relations website. A copy of both the Code of Ethics and the Business Conduct Guide may also be obtained upon request from the Company's Corporate Secretary.

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AUDIT COMMITTEE REPORT AND INDEPENDENT AUDITOR FEES

Report of the Audit Committee

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

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

Relying on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on SEC Form 10-K for the year ended December 31, 2010, for filing with the SEC. That filing occurred on February 18, 2011.

Members of the Audit Committee (as of February 4, 2010):

George Muñoz, Chair

Mary K. Bush

Lawrence W. Kellner

Pre-Approval of Independent Auditor Fees and Services Policy

The Audit Committee's Pre-Approval of Independent Auditor Fees and Services Policy provides for pre-approval of all audit, audit-related, tax and other permissible non-audit services provided by our principal independent auditor on an annual basis and additional services as needed. The policy also requires additional approval of any engagements that were previously approved but are anticipated to exceed pre-approved fee levels. The policy permits the Audit Committee Chair to pre-approve principal independent auditor services where the Company deems it necessary or advisable that such services commence prior to the next regularly scheduled meeting (provided that the Audit Committee Chair report to the full Audit Committee at the next meeting on any pre-approval determinations).

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

The following table presents aggregate fees billed for professional services rendered by our independent registered public accounting firm for the audit of our annual financial statements for fiscal 2010 and fiscal 2009 and aggregate fees billed in fiscal 2010 and fiscal 2009 for audit-related services, tax services and all other services rendered by our independent registered public accounting firm. The Audit Committee approved all of the fees presented in the table below.

	Independent Registered Public Accounting Firm Fees Paid Related to Fiscal 2010 Ernst & Young LLP	Independent Registered Public Accounting Firm Fees Paid Related to Fiscal 2009 Ernst & Young LLP
Audit Fees:		
Consolidated Audit(1)	\$ 4,530,375	\$ 4,853,034
International Statutory Audits(2)	2,442,745	2,306,096
	6,973,120	7,159,130
Audit-Related Fees(3)	771,353	738,235
Tax Fees (primarily compliance work)(4)	691,789	1,104,655
Total Fees	\$ 8,436,262	\$ 9,002,020

- (1) Principally fees for the audit of the Company's annual financial statements, the audit of the effectiveness of the Company's internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, the independent auditors' review of the Company's quarterly financial statements, and services provided in connection with the Company's regulatory filings.
- (2) Fees for statutory audits of our international subsidiaries.
- (3) Principally audits as required under our agreements with our hotel owners as well as audits of our employee benefits plans.
- (4) Principally tax compliance services related to our international entities.

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EXECUTIVE AND DIRECTOR COMPENSATION

Report of the Compensation Policy Committee

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

Members of the Compensation Policy Committee:

Steven S Reinemund, Chair

Mary K. Bush

Harry J. Pearce (as of February 4, 2010)

Lawrence M. Small

Compensation Discussion and Analysis

This section explains the Company's executive compensation program for the following *Named Executive Officers* (NEOs):

J.W. Marriott, Jr.	Chairman and Chief Executive Officer
Arne M. Sorenson	President and Chief Operating Officer
William J. Shaw	Vice Chairman of the Company (retired as of March 31, 2011)
Robert J. McCarthy	Group President
Carl T. Berquist	Executive Vice President and Chief Financial Officer

Executive Summary

Marriott is consistently recognized as a global hospitality leader. Each of the NEOs is a longstanding member of our senior management team. For example, the Chairman of the Board and Chief Executive Officer, J.W. Marriott, Jr., has over 50 years of hospitality experience with Marriott and has led the Company's growth from a family restaurant business to a global lodging company with more than 3,500 properties in 70

countries. In addition, our other NEOs collectively have over 94 years of hospitality experience with Marriott.

To motivate our NEOs and align their focus with stockholders' interests, the Company maintains an executive compensation program with the following key elements:

Element	Purpose
Base Salary	Provides the NEOs with a fixed level of compensation.
Annual Bonus	Encourages growth and profitability by rewarding the NEOs for their contributions to annual financial and operational goals.
Stock Awards	Align interests of the NEOs with the long-term interests of shareholders and attract and retain key talent.
Other Benefits	Support retirement planning and provide competitive benefits.

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Our executive compensation program has remained substantially the same for many years and has proven to be an important factor in the Company's long-term success. As explained further in the Philosophy section below, the Company continues to emphasize equity compensation as the most significant component of the NEOs' total pay opportunity.

Fiscal year 2010 began with continued economic uncertainty in the hospitality industry. As the year progressed, the Company saw increases in business travel and group bookings, which contributed to improved Company financial performance in 2010 compared to 2009. In 2010, revenues were \$11.7 billion and diluted earnings per share totaled \$1.21. Revenues from management and franchise fees increased over 9 percent to almost \$1.2 billion, reflecting a nearly 6 percent increase on a constant dollar basis in worldwide revenue per available room (RevPAR) across our system. The Company reached its targeted debt level in 2010 and remains one of the few lodging companies with an investment-grade rating. In addition, cash balances amounted to \$505 million at year-end and the Company resumed share repurchases. The following table shows a comparison of the Company's revenue, EPS and stock price performance from 2009 to 2010:

	2009	2010
Revenue (in billions)	\$ 10.9	\$ 11.7
EPS	(\$ 0.97)	\$ 1.21
Stock Price Per Share as of Fiscal Year-End	\$ 27.25	\$ 41.54

During this period of economic transition, the Committee made the following key compensation decisions for 2010:

Base Salary: The Committee determined NEO salary adjustments in February 2010. In consideration of continued uncertainty about the economy and its impact on the hospitality industry, each of the NEOs received only a 2.5% annual salary increase which took effect three months after the usual January 1st effective date. The amount of the increase and the three-month delay were consistent with base salary adjustments for all management associates.

Annual Bonus: The Company maintains two bonus plans for its senior executives. The payouts under the plans for 2010 were:

Under the bonus plan that focuses exclusively on EPS results (which reflects 60% of each NEO's total annual bonus opportunity), the Company's EPS (as reported under GAAP) of \$1.21 exceeded the maximum achievement level. Consequently, each of the NEOs received a maximum payout under this portion of the bonus plan for 2010.

Under the bonus plan that targets a combination of individual and corporate performance measures (which reflects 40% of each NEO's total annual bonus opportunity), the Committee approved varying payouts that generally were above threshold for 2010. This was because: (i) each NEO achieved certain key individual objectives; (ii) room growth resulted in a maximum payout; and (iii) the owner/franchisee and guest satisfaction surveys yielded target and above threshold but below target results, respectively.

On a combined basis, the annual bonus plans resulted in an above target but less than maximum payout for each NEO for 2010. The following graph illustrates how the total amount of annual bonus paid to the NEOs has varied historically with changes in the Company's annual EPS results.

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Annual Bonus vs. EPS

Equity Compensation: Consistent with general market practices and the Company's philosophy that the primary component of NEO compensation should be in the form of long-term equity awards, the Committee awarded the majority of each NEO's total pay opportunity in the form of stock awards, as reflected in the following chart.

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Annual stock awards were granted to NEOs by reference to the 50th percentile of external market data. They were granted in February 2010 in an equal mix (based on grant date fair value) of restricted stock units (RSUs) and stock-settled stock appreciation rights (SARs), with a four-year pro rata vesting schedule. The grant date fair values of these awards are reported in the Summary Compensation Table and Grants of Plan-Based Awards for Fiscal 2010 table below.

Other Compensation: In 2010, the Company continued to offer limited perquisites and personal benefits that make up a very small portion of the NEOs' total compensation. The Company generally offers these benefits to encourage executive officers to visit and personally evaluate our properties or to enhance their efficiency and maximize the time that they can devote to Company business.

Compensation Policies: Consistent with the Company's commitment to executive compensation best practices, the Company continued the following NEO compensation practices for 2010:

The Company did not have employment contracts.

The Company did not offer a defined benefit pension plan.

The Company did not offer a supplemental executive retirement plan (SERP).

The Company did not provide tax gross-ups.

The Company did not have a severance plan for executives.

The Company did not provide single trigger change in control benefits.

The NEOs are subject to stock ownership guidelines.

The NEOs are subject to clawback requirements.

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

Philosophy

The Company believes that strong and consistent leadership is the key to long-term success in the hospitality industry. Marriott has a long history of delivering results for shareholders by relying on talented, hard-working employees (associates) who uphold the Company's ideals and unique culture. Therefore, in designing and implementing its executive compensation program, the Company emphasizes the following three principles.

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

Compensation should be designed to motivate the NEOs to perform their duties in ways that will help the Company achieve its short- and long-term objectives. This is achieved by offering an appropriate mix of cash and non-cash elements of pay.

The NEO compensation program must be competitive so that the Company can attract key talent from within and outside of our industry and retain key talent at costs consistent with market practice.

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In setting NEO pay, the Committee recognizes that the Company's annual financial results can fluctuate dramatically given the cyclical nature of the hospitality business and its sensitivity to the global economy. Therefore, the Committee emphasizes a long-term perspective when determining the appropriate total pay level and mix of pay, and it may make adjustments to NEO pay in its discretion to reflect one-time market events that otherwise could unduly enrich or penalize the NEOs.

The Company reinforces this long-term philosophy through its stock ownership guidelines which prescribe that each executive own Company stock with total value equal to a multiple of between one to four times (depending upon the executive's position) his or her individual salary grade midpoint within five years of becoming subject to the guidelines. As of December 31, 2010, each NEO met these guidelines. Furthermore, consistent with the purposes of the stock ownership guidelines, the Company prohibits all associates and directors from engaging in short sale transactions or entering into any other hedging or derivative transaction related to Marriott stock or securities. In addition, as indicated in the discussion of Grants of Plan-Based Awards for Fiscal 2010 below, RSUs are not subject to accelerated vesting upon retirement. As a result, executives have a continuing stake in the Company's performance beyond the end of their employment, thereby strengthening their interest in the Company's long-term success.

Risk Considerations

The Committee considered risk in determining 2010 NEO compensation and believes that the following aspects of NEO pay discourage unreasonable or excessive risk-taking by executives:

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

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

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

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

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

Annual stock awards are granted as an equal mix of SARs and RSUs that vest over 4 years which together encourage the NEOs to focus on sustained stock price performance.

The Committee reviews and compares total compensation and each element of compensation to external market data to confirm that compensation is within an acceptable range relative to the external market.

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

Stock ownership guidelines align the long-term interests of NEOs with the interests of shareholders.

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2010 Compensation

In designing and determining 2010 NEO pay, the Committee considered recommendations of the Company's EVP, Global Human Resources, as well as the advice and recommendations of the Committee's independent compensation consultant, Pearl Meyer & Partners (the Compensation Consultant) (see the discussion of the Compensation Consultant below). The Committee also sought input from Mr. Marriott regarding pay equity among the NEOs and his general knowledge of industry practice and trends. The Committee obtained input and approval from the full Board with regard to the compensation package for Messrs. Marriott, Sorenson and Shaw (Messrs. Marriott, Shaw and John Marriott III abstained from Board votes regarding compensation decisions).

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

Total Pay

As a general guideline for setting NEO total compensation opportunity, the Committee refers to the total compensation of executives between the 50th and 75th percentiles of a broad-based and select group of companies (as described below). In our experience, this range of total compensation opportunity typically is sufficient to attract and retain key executive talent. However, the Committee retains discretion to deviate from this range in the event of superior Company or individual performance, competitive recruiting pressures, internal equity, or succession planning. In addition, in reviewing relevant market data (see the discussion of Market Data below), the Committee may utilize discretion in determining the relevance of each survey. For 2010, the Committee took into account the fact that the survey did not provide comparable data for executive officer positions reflecting Mr. McCarthy's additional Global Brand and Sales and Marketing responsibilities or Mr. Shaw's responsibilities as Vice Chairman of the Company. After these considerations, total compensation opportunity (using a target annual bonus) was within the 50th to 75th percentile range for each of the NEOs for 2010 except for Mr. Sorenson. Mr. Sorenson was slightly above the 75th percentile, reflecting internal pay equity and organizational considerations.

Base Salary

The Committee reviews individual base salaries for the NEOs each February for the current fiscal year. As a part of this review, the Committee considers whether base salary levels are commensurate with the executives' responsibilities (and the competitive market). For 2010, management recommended a 2.5% salary increase for each of the NEOs, effective three months after the usual effective date of the first day of the fiscal year. This recommendation was made in consideration of the continued uncertainty of the economy at that time and its impact on the hospitality industry and the fact that the NEOs did not receive regular salary increases in 2009. This increase was consistent with the increase for all eligible management associates and with observed salary increases in the marketplace. The Compensation Consultant reviewed and supported the recommendation which was approved by the Committee and, with respect to Messrs. Marriott, Sorenson and Shaw, by the Board.

Annual Bonuses

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To promote growth and profitability, the Company maintains two annual cash bonus plans: the Marriott International, Inc. Executive Officer Incentive Plan (*Incentive Plan*), which focuses on an

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annual earnings per share (EPS) objective, and the Marriott International, Inc. Executive Officer Individual Performance Plan (*Individual Plan*), which targets several other financial, operational and human capital objectives for the year. Together, the plans are designed to provide executives with appropriate compensation incentives to achieve identified annual corporate and individual performance objectives.

At its February 2010 meeting, the Committee approved the specific performance objectives under each bonus plan for 2010. In February 2011, after the release of the 2010 fiscal year audited financial results, the Committee reviewed each NEO's performance against the stated performance objectives to determine the actual bonus payments, as discussed below. All of the Committee's decisions regarding annual bonuses for Messrs. Marriott, Sorenson and Shaw were subject to and received Board approval.

The potential awards under the Incentive Plan and Individual Plan for 2010 are reported in dollars in the Grants of Plan-Based Awards for Fiscal 2010 table, and the actual award amounts earned under the Incentive Plan and Individual Plan for 2010 are reported in dollars in the Summary Compensation Table following this Compensation Discussion and Analysis. The respective weightings of the relevant performance measures and the aggregate target and actual payments for 2010 under the combined Incentive Plan and Individual Plan are displayed in the table below. As reflected in the table, target awards range from 125% of salary for Mr. Marriott to 75% of salary for Messrs. McCarthy and Berquist, the same as the 2009 target awards (in effect as of May 1, 2009). The Committee determined the differences in the target award percentages primarily by considering internal factors, including pay equity with other executives, differences in responsibilities, significant promotions and future potential. The Committee also reviewed market data for each position to confirm that the bonus amounts payable upon achievement of target performance levels would result in total cash compensation (base salary plus bonus) that would be consistent with the ranges discussed above under Total Pay. The threshold award for each component is equal to 25% of the target award. The maximum award for each component is between 150% and 155% of the target award.

Name		Incentive Plan		Individual Plan			Total
		Earnings Per Share	Individual Achievement	Room Growth	Owner/ Franchisee Satisfaction	Guest Satisfaction	
J.W. Marriott, Jr.	Weight of Total Award (%)	60	20	10	5	5	100
	Target Award as % of Salary	75	25	12.5	6.25	6.25	125
	Actual Payout as % of Salary	114	37	19	6.25	4.78	181.03
Arne M. Sorenson	Weight of Total Award (%)	60	20	10	5	5	100
	Target Award as % of Salary	54	18	9	4.5	4.5	90
	Actual Payout as % of Salary	81	26	13.5	4.5	3.44	128.44
William J. Shaw	Weight of Total Award (%)	60	20	10	5	5	100
	Target Award as % of Salary	54	18	9	4.5	4.5	90
	Actual Payout as % of Salary	81	25	13.5	4.5	3.44	127.44
Robert J. McCarthy	Weight of Total Award (%)	60	20	10	5	5	100
	Target Award as % of Salary	45	15	7.5	3.75	3.75	75
	Actual Payout as % of Salary	69	22	11.5	3.75	2.87	109.12
Carl T. Berquist	Weight of Total Award (%)	60	20	10	5	5	100
	Target Award as % of Salary	45	15	7.5	3.75	3.75	75
	Actual Payout as % of Salary	69	22	11.5	3.75	2.87	109.12

Incentive Plan

The Incentive Plan rewards executives for the Company's achievement of pre-established Company financial objectives. The Incentive Plan payout represents 60% of the executive's total annual bonus opportunity under the combined Incentive Plan and Individual Plan.

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In 2010, the Incentive Plan focused entirely on EPS performance. The Company places a heavy emphasis on EPS as a performance measure because EPS is an important indicator of Company profitability and aligns the interests of management with those of shareholders. For the purpose of the Incentive Plan, the Company uses EPS as reported under U.S. GAAP, as may be modified during the target-setting process (no such modifications were made for 2010) for items that are not expected to have a direct impact on the business going forward. For 2010, the Company established the EPS target primarily through an extensive annual budgeting process whereby each hotel, timeshare property and individual corporate unit developed and submitted a budget. The Company then developed a consolidated Company budget considering external market factors such as global and domestic economic forecasts and lodging industry outlook, as well as internal factors such as current revenue from group bookings, expected unit growth for the year, and expected capital needs. The budget was reviewed and approved by the Board in February 2010. Considering these factors, the Committee set the EPS target for 2010 at a level that the Committee believed was achievable but not certain to be met. For 2010, the Incentive Plan's EPS performance target was \$0.80.

For 2010, each NEO was eligible to receive a bonus based on the Company's achieved level of EPS performance, as follows:

EPS		
Achievement vs. Target	Bonus Award	Payout as % of Target
Below 89%	No Bonus	0%
89%	Threshold Bonus	25%
100%	Target Bonus	100%
107% and Above	Maximum Bonus	150 to 155%

If the achievement falls between two of the stated performance achievement levels, the bonus payment is interpolated between the corresponding bonus levels. The specific performance level percentages were set by the Committee in consultation with the Compensation Consultant based on competitive market data as well as the Committee's subjective judgment. For 2010, the Company's EPS as reported under GAAP was \$1.21, which was 152% of the target achievement level and which exceeded the maximum achievement level. Consequently for 2010, each of the NEOs received a maximum payout under the Incentive Plan for 2010.

Individual Plan

The Individual Plan emphasizes individual executive performance as well as measures of business/operating unit financial and operational performance such as revenue growth relating to newly developed rooms and customer, owner/franchisee and guest satisfaction. These performance factors are evaluated subjectively by the Committee and, like the EPS target, are intended to establish high standards consistent with the Company's quality goals, which are achievable but not certain to be met. The Company believes that these factors are critical to achieving success within the hospitality and service industry. The Individual Plan payout represents 40% of the executives' total annual bonus opportunity, and the weighting of each performance factor varies slightly among the NEOs by position due to differences in responsibility. The Committee assesses each individual's achievement of Individual Plan components and determines whether it is appropriate to pay out at or in between the threshold, target or maximum award levels or not to pay out at all under the Individual Plan.

The performance components for each NEO under the Individual Plan for 2010 were:

Individual Achievement: Each year the Company sets specific management objectives for the NEOs. Each NEO has a different set of objectives that is aligned to his unique responsibilities

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and role within the Company. The objectives are developed by Mr. Marriott and members of his executive team, and reviewed, modified as necessary and approved by the Committee (or the Board in the cases of Mr. Marriott's, Mr. Sorenson's and Mr. Shaw's management objectives). The management objectives generally are difficult to accomplish and are among the core duties of the positions. Examples of the types of management objectives are:

Implement brand initiatives such as developing a new Residence Inn guestroom, Fairfield Inn Hotel prototype and a rewards program for The Ritz-Carlton;

Maintain superior associate satisfaction levels;

Continue development of a global organizational blueprint that positions the Company for future growth; and

Promote lodging industry interests on public policy issues such as global tourism and immigration reform.

The Committee's evaluation of management objectives is a rigorous and largely subjective assessment of each NEO's qualitative performance. The management objectives are not assigned specific weightings and may be modified by the Committee if a change in business circumstances warrants. The actual payments relating to management objectives are determined by the Committee based on its subjective assessment of each NEO's job performance for the year. Maximum or above target payouts typically occur if the Committee views the NEO's overall performance to have been superior after its review of the achievement levels for each of the objectives. For each of the five years preceding 2010, the NEOs received award levels varying from zero (in 2009 when the Committee and Board decided not to pay the portion of annual bonuses relating to individual performance, notwithstanding strong individual performance) to a maximum payout for the individual achievement portion of the Individual Plan. For 2010, each NEO achieved key individual objectives, including operational objectives such as the brand initiatives identified above.

Room Growth: Assessment of room growth was based on the number of rooms developed and a net present value estimate/calculation utilized by our management and Board in evaluating the potential performance of completed development projects. For 2010, the Company established the room growth target primarily through an extensive annual budgeting process whereby a budget was developed and submitted for each geographic region that was identified for potential growth. The Company's Lodging Development Department consolidated the individual budgets and considered external market factors such as global and domestic economic forecasts and lodging industry outlook, as well as miscellaneous internal factors such as existing development resources. The room growth target for 2010, as reviewed and approved by the Board in February 2010, was 23,800 rooms approved for development and \$300 million net present value. Achievement of 118% of the target results in a maximum component bonus payout; achievement of the target results in a threshold/target component bonus payout; and achievement of less than the target results in no component bonus payout. For 2010, the Company exceeded the maximum target for the number and net present value of rooms approved for development.

Owner/Franchisee Satisfaction: Assessment of owner and franchisee overall satisfaction is based on the satisfaction survey results. The Company retains a third party to survey the owners and franchisees of our North American hotels on various aspects of their relationship with the Company. An overall relationship score of "unsatisfied" results in no component payout; a relationship score of "satisfied" results in a target component payout; and a

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relationship score of very satisfied results in a maximum component bonus payout. For 2010, the survey results reflected that owners are satisfied. Consequently for 2010, each of the NEOs received a target payout for this bonus component.

Guest Satisfaction: Guest satisfaction is assessed based on Company survey results for the year compared to pre-established goals. The Company retains a third party to conduct the survey. The guest satisfaction objective typically is set at a level that exceeds the prior year's results. Disclosure of the target and results would reveal confidential information about the Company's guest satisfaction strategies which would cause competitive or economic harm to the Company. The annual goals are difficult to accomplish and not certain to be met. Over the five years preceding 2010, the NEOs received no payout in one year, an above threshold but below target payout in one year and an above target but below maximum payout in three years. For 2010, each of the NEOs achieved guest satisfaction scores that correspond with an above threshold but below target bonus payout.

Stock Awards*Annual Stock Awards*

The Company grants equity compensation awards to the NEOs under the Marriott International, Inc. Stock and Cash Incentive Plan (the Stock Plan) on an annual basis. With four-year vesting conditions and the opportunity for long-term capital appreciation, the annual stock awards help the Company achieve its objectives of attracting and retaining key executive talent, linking NEO pay to long-term Company performance and aligning the interests of NEOs with those of shareholders.

The NEOs' stock awards for 2010 were granted on February 16, 2010, in an equal mix (based on grant date fair value) of RSUs and SARs. The Committee believes that awarding an equal mix of RSUs and SARs achieves a balance between the significant upside potential of SARs, which have an exercise price equal to the Company's stock price at grant and are highly sensitive to stock price movements, and RSUs which increase or decrease in value in substantially the same manner as does Company stock held by shareholders and thereby encourage NEOs to focus on sustained stock price performance.

The Committee set the annual stock award values for 2010 by reference to the 50th percentile of the external market data (except the stock award for Mr. Shaw which was developed based on the Board's consideration of internal pay equity and individual responsibility because no market data was available), as follows, subject to discretionary adjustments as explained earlier in the discussion of Total Pay:

	50 th Percentile Market Data	2010 Stock Award Values
J.W. Marriott, Jr.	\$ 5,710,100	\$ 5,750,000
Arne M. Sorenson	\$ 2,243,400	\$ 3,200,000
William J. Shaw	\$ n/a	\$ 2,854,000
Robert J. McCarthy	\$ 1,743,800	\$ 1,750,000
Carl T. Berquist	\$ 1,357,800	\$ 1,500,000

The actual award values for 2010 are also reported in the Grants of Plan Based Awards for Fiscal 2010 Table below.

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Supplemental Stock Awards

Supplemental stock awards (typically RSUs) tend to be infrequent and are presented for approval at quarterly Board meetings in recognition of special performance, promotions, assumption of additional responsibilities, to retain key talent or as a sign-on employment inducement. None of the NEOs received a supplemental stock award in 2010.

Realized Option Income

Similar to the historical analysis of how NEO annual bonuses vary with the Company's annual EPS results and thereby link pay with performance (described in the Executive Summary above), the proceeds recognized by the NEOs in 2010 from the exercise of options granted in prior years correspond to significant annual appreciation in the Company's stock value over the periods in which such stock awards were outstanding. For example, during the period of over 14 years since certain options were granted to him on November 2, 1995, and ending on the dates he exercised those options in 2010, Mr. Marriott realized approximately \$11.5 million in compensation, and shareholders realized an approximate 340% appreciation in the Company's stock value (or approximately 23% per year on average). The chart below displays the annual year-end intrinsic option value of these options and the corresponding shareholder return (stock appreciation and dividends).

Although not depicted in the table, other options exercised by Mr. Marriott during 2010 are listed in the Option Exercises and Stock Vested During Fiscal 2010 table, along with the corresponding shareholder return for the periods the options were outstanding. These and other options exercised by the NEOs in 2010 were held until the last year prior to their expiration. Long-term option holding has been a common practice for our NEOs in most years.

Potential Shareholder Dilution

When the Committee establishes stock award values each year, it reviews the potential impact of such awards on share utilization and potential shareholder dilution. The Committee believes that while

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stock awards are critical to aligning executives' interests with those of shareholders, particularly for NEOs, it is also important to manage the potential shareholder dilution that results from stock awards and from management incentive plans overall. Historically, prior to 2000, the Company granted stock options with a term of up to 15 years. These awards have tended to remain outstanding for many years as executives often have held the options for all or much of their term. Outstanding but unexercised options will continue to contribute to potential shareholder dilution until they are exercised or until they expire in 2014. In recent years, the Company has typically sought to align compensation with stock performance by offering SARs with a 10-year term and RSUs that vest over four years. The Committee believes that these types of stock awards appropriately balance the impact on annual share utilization and the goal of providing an appropriate incentive for executive performance and retention, and are consistent with market practice.

Grant Timing and Pricing

The Company typically grants annual stock awards in February each year on the second business day following the release of its prior fiscal year annual earnings. This timing is designed to avoid the possibility that the Company could grant stock awards prior to the release of material, non-public information that may result in an increase or decrease in its stock price. Similarly, supplemental stock awards may be granted throughout the year, but not during any period beginning at 5:00 p.m. on the last day of a fiscal quarter and ending at 5:00 p.m. on the day following the Company's earnings announcement for such quarter, or during any other black-out period.

Executives derive value from their options (granted prior to 2006) and stock-settled SARs based on the appreciation in the value of the underlying shares of Company stock. For purposes of measuring this appreciation, the Company sets the exercise or base price as the average of the high and low prices of the Company stock on the NYSE on the date the awards are granted. This average price valuation is common practice and offers no inherent pricing advantage to the executive or the Company.

Other Compensation

Perquisites

The Company offers certain perquisites to its executives that make up a very small portion of total compensation for NEOs. One benefit that is consistent with practices within the hospitality industry is complimentary rooms, food and beverages at Company-owned, operated or franchised hotels and the use of hotel-related services such as Marriott-managed golf and spa facilities while on personal travel. These benefits are offered to encourage executive officers to visit and personally evaluate our properties. In addition, to enhance their efficiency and maximize the time that they can devote to Company business, NEOs are entitled to certain personal financial services and tax return assistance benefits, as well as the ability to use the company jet for personal travel in certain circumstances. The value of these benefits is included in the executives' wages for tax purposes, and the Company does not provide tax gross-ups to the executives with respect to these benefits.

Other Benefits

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

and tuition reimbursement.

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Nonqualified Deferred Compensation Plan

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

Under the EDC, NEOs may defer payment and income taxation of a portion of their salary and bonus. The plan also provides participants the opportunity for long-term capital appreciation by crediting their accounts with notional earnings (at a fixed annual rate of return of 5.5% for 2010), which is explained in the discussion of Nonqualified Deferred Compensation for Fiscal Year 2010 below.

The Company also may make a discretionary matching contribution to the NEOs' EDC accounts for each fiscal year. The basic match is designed to make up for the approximate amount of matching contributions that would have been made under the Company's tax-qualified section 401(k) plan but for the application of certain nondiscrimination testing and annual compensation limitations under the internal revenue code. For 2010, the basic match for each NEO for 2010 will be 75% of the first 2% of eligible compensation (up to \$245,000) deferred by the NEO under the EDC for 2010. The Board has discretion to adjust the actual match allocation based on fiscal year financial results.

The Company also may make an additional discretionary contribution to the NEOs' EDC accounts based on subjective factors such as individual performance, key contributions and retention needs. There were no additional discretionary contributions for the NEOs in 2010.

Change in Control

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

Under these arrangements, in the event that a NEO is terminated by the Company other than for the executive's misconduct or the executive resigns for good reason (as defined under the Stock Plan) during the period beginning three months before and ending 12 months following a change in control (as defined under the Stock Plan) of the Company, the NEO will immediately vest in all unvested equity awards and EDC balances. In those circumstances, all options and SARs will be exercisable until the earlier of the original expiration date of the awards or twelve months (or in the case of an approved retiree, five years) following the termination of employment, and all other stock awards shall be immediately distributed following the later of the termination of employment or the change in control event. In addition, any cash incentive payments under the Incentive Plan and Individual Plan will be made immediately based on the target performance level, pro-rated based on the days worked during the year until the NEO's date of termination in connection with or following a change in control.

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

Clawbacks

In addition to the clawback provisions of the Sarbanes-Oxley Act that apply to the Chief Executive Officer and Chief Financial Officer, the Company's Stock Plan includes a separate clawback provision that applies to all equity awards issued to all of the NEOs. Under the Stock Plan, the Company has the authority to limit or eliminate the ability of any executive to exercise options and SARs or to receive a distribution of Company stock under RSUs or other stock awards if the executive engages in criminal or tortious conduct that is injurious to the Company or engages in competition with the Company. The Company also is reviewing its executive compensation programs generally to comply with the new clawback requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act when they go into effect.

Compensation Consultant

As noted above, the Committee selected and retained the Compensation Consultant to assist the Committee in establishing and implementing executive and director compensation strategy. The Compensation Consultant reports to and is instructed in its duties by the Committee and carries out its responsibilities in coordination with the Human Resources Department. Other than providing executive compensation survey data to the Company as described below, the Compensation Consultant performs no other services for the Company.

Market Data

The external market data utilized by the Company for 2010 includes several broad, revenue-based surveys as well as a custom survey of companies specifically selected by the Committee. The Committee believes, based on the advice of the Compensation Consultant, that the companies participating in the revenue-based and custom surveys represent the broad pool of executive talent for which the Company competes.

In general, the revenue-based surveys used as a market reference for NEO pay include companies with median annual revenue ranging from \$10 billion to \$20 billion. For 2010, the surveys were the *CHIPS Executive & Senior Management Survey*, the *Hewitt Total Compensation Measurement: Executive Survey*, the *Towers Perrin CDB Executive Database*, and the *Fred Cook Survey of Long-Term Incentives*. The Committee did not consider the individual companies in the revenue-based surveys when making compensation decisions.

The custom survey consists of consumer product and service companies selected by the Committee on the basis of their similarity to the Company on a number of financial metrics and based on their shared emphasis on customer service and brand image. The metrics used for selecting the

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custom survey companies for 2010 included annual revenue, annual net income, total assets, market capitalization, enterprise value and number of employees. Other factors considered were performance measures such as revenue growth, net income growth, EPS growth, return on equity and total shareholder return. The Committee does not apply specific weights to these factors. For 2010, the companies in the custom survey included:

American Express	General Mills	McDonalds	Wyndham
AMR	H.J. Heinz	Nordstrom	Yum! Brands
Colgate-Palmolive	J.C. Penney	Starwood Hotels & Resorts	
Darden Restaurants	Kellogg	Target	
FedEx	Kimberly-Clark	Walt Disney	

This list of custom survey companies remained unchanged from 2009 except that Anheuser-Busch was removed because it is no longer publicly traded and ceased to provide relevant survey information.

The Human Resources Department and the Compensation Consultant advised the Committee that the survey results for 2010 were an appropriate market data reference point.

Tax Considerations

Internal Revenue Code Section 162(m) limits the Company's federal income tax deduction for compensation in excess of one million dollars paid to NEOs except for the Chief Financial Officer. However, performance-based compensation can be excluded from the limitation so long as it meets certain requirements. The Committee believes that compensation under the Incentive Plan as well as NEO pay attributable to the grants of SARs and options satisfy the requirements for exemption under Section 162(m).

RSUs vested in 2010 and compensation under the Individual Plan did not meet the requirements for exemption as performance-based compensation under Section 162(m). However, the Committee believes that the value of preserving the ability to structure compensation programs to meet a variety of corporate objectives, such as equity dilution management, workforce planning, customer satisfaction and other non-financial business requirements, justifies the cost of potentially being unable to deduct a portion of the executives' compensation.

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

The following Summary Compensation Table shows the compensation we paid in fiscal years 2008, 2009 and 2010 to our Chief Executive Officer, our Chief Financial Officer, and to our other three most highly compensated executive officers as of December 31, 2010.

Name and Principal Position	Fiscal Year	Salary \$(1)	Stock Awards \$(2)	Option/SAR Awards \$(2)	Non-Equity Incentive Plan Compensation \$(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings \$(4)	All Other Compensation \$(5)	Total (\$)
J.W. Marriott, Jr. Chairman and Chief Executive Officer	2010	1,253,063	2,875,083	2,875,300	2,268,419	137,247	349,004	9,758,116
	2009	1,182,692	0	0	0	104,213	292,694	1,579,599
	2008	1,253,654	0	5,750,012	904,700	0	405,770	8,314,136
Arne M. Sorenson President and Chief Operating Officer	2010	967,813	1,600,075	1,600,164	1,243,059	16,203	34,346	5,461,660
	2009	859,538	2,450,039	950,001	0	9,708	11,025	4,280,311
	2008	682,885	0	1,850,014	298,165	0	71,886	2,902,950
William J. Shaw Vice Chairman	2010	1,018,750	1,427,015	1,427,143	1,298,296	81,786	12,580	5,265,570
	2009	1,000,000	2,427,037	1,427,013	0	51,064	11,025	4,916,139
	2008	1,019,231	0	2,500,005	522,891	0	153,798	4,195,925
Robert J. McCarthy Group President	2010	713,125	875,016	875,095	778,162	18,017	12,580	3,271,995
	2009	659,535	1,150,011	400,020	0	10,830	161,025	2,381,421
	2008	585,803	0	800,032	251,749	0	207,587	1,845,171
Carl T. Berquist Executive Vice President and Chief Financial Officer	2010	641,812	750,106	750,087	700,345	9,641	12,580	2,864,571
	2009	576,896	500,005	0	0	736	11,025	1,088,662

- (1) This column reports all amounts earned as salary during the fiscal year, whether paid or deferred under certain Company employee benefit plans.
- (2) The value reported for Stock Awards and Option/SAR awards is the aggregate grant date fair value of the awards granted in the fiscal year as determined in accordance with accounting guidance for share-based payments, although the Company recognizes the value of the awards for financial reporting purposes over the service period of the awards. The assumptions for making the valuation determinations are set forth in the footnotes captioned Share-Based Compensation or Employee Stock Plans to our financial statements in each of the Company's Forms 10-K for fiscal years 2008 through 2010. For additional information on these awards, see the Grants of Plan-Based Awards for Fiscal 2010 table, below.
- (3) This column reports all amounts earned under the Company's Incentive Plan and Individual Plan during the fiscal year, whether paid or deferred under certain Company employee benefit plans.
- (4) The values reported equal the excess of the return on amounts credited to accounts in the EDC at the annually designated rate of return over 120% of the applicable federal long-term rate, as discussed below under Nonqualified Deferred Compensation for Fiscal year 2010.
- (5) All Other Compensation consists of the following:
 - Company contributions to the Company's qualified 401(k) plan
 - Company contributions to the Company's non-qualified Executive Deferred Compensation Plan

Perquisites and personal benefits including:

- Personal financial services

- Tax return preparation and advisory services

- Personal use of the Company jet

- Rooms, food and beverages at Company-owned, operated or franchised hotels while on personal travel and use of other hotel-related services such as golf and spa facilities at Company-managed properties

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The values in this column do not include perquisites and personal benefits that were less than \$10,000 in aggregate for each NEO for the fiscal year. The following table identifies the total amount the Company contributed to each NEO's qualified 401(k) plan and non-qualified EDC for fiscal year 2010. It also specifies values for perquisites and personal benefits for each NEO that comprise more than the greater of 10% of his aggregate perquisites or personal benefits or \$25,000.

Name	Company	Company	Personal	Executive	Personal	Other
	Contributions to the 401(k) Plan (\$)	Contributions to the Executive Deferred Compensation Plan (\$)	Use of the Company Jet (\$)	Life Insurance (\$)	Financial Services (\$)	
Mr. Marriott	8,905	1,837	107,778	133,984	96,500	
Mr. Sorenson	8,905	3,675				21,767
Mr. Shaw	8,905	3,675				
Mr. McCarthy	8,905	3,675				
Mr. Berquist	8,905	3,675				

The value of the personal use of the Company jet is the sum of:

allocable flight-specific costs of the personal flights (including, where applicable, return flights with no passengers) such as landing fees, crew costs and other related items, and the product of (i) all other costs of maintaining and flying the jet for the billable year other than certain fixed expenses such as pilot compensation, management fee and hangar rental costs, multiplied by (ii) a fraction the numerator of which is the individual's personal flight hours on the jet for the billable year and the denominator of which is the total flight hours of the jet for the billable year.

Although amounts are reported for aircraft use during the Company's fiscal year, incremental cost is calculated on the basis of a December 1 through November 30 billable year, which reflects the contract service period used for billing by a third-party aircraft management company.

The value reported as executive life insurance for Mr. Marriott is the economic benefit (equal to the increase in cash surrender value for 2010) from certain life insurance policies held by a trust for the benefit of the Marriott family to which the Company contributed premiums from 1996 through 2002. The value reported as personal financial services for Mr. Marriott is the pro rata cost for compensation of the Company employee who delivered the financial services.

Cash Compensation

The Non-Equity Incentive Plan Compensation column reports all amounts earned under the Company's Incentive Plan and Individual Plan, which were paid in February 2011.

Equity Compensation

As explained in the Compensation Discussion and Analysis, annual stock awards for NEOs were granted in an equal mix (based on grant date fair value, rounded to a whole share amount) of RSUs and SARs.

Table of Contents*Deferred Compensation*

Elective deferrals for salary and non-equity incentive compensation under the Company's Executive Deferred Compensation Plan are included in the Summary Compensation Table above in the columns that are associated with the type of compensation (i.e., Salary or Non-Equity Incentive Plan Compensation) that is deferred. Elective deferrals and Company matching contributions also are separately disclosed in the Nonqualified Deferred Compensation table below.

Grants of Plan-Based Awards for Fiscal 2010

The following table shows the plan-based awards granted to the NEOs in 2010.

Name	Award Type	Grant Date(1)	Approval Date(1)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(2)			All Other Stock Awards: (Number of Shares or Units) (#)	All Other Option/SAR Awards: (Number of Securities Underlying Options/SARs) (#)	Exercise or Base Price (\$/sh)	Closing Price on Grant Date (\$/sh)	Grant Date Fair Value of Stock/Option/SAR Awards (\$)(4)
				Threshold (\$)	Target (\$)	Maximum (\$)					
Mr. Marriott	Incentive Plan			234,949	939,797	1,428,492					
	Individual Plan			156,633	626,531	952,328					
	RSU	2/16/10	2/3/10				106,524				2,875,083
	SAR	2/16/10	2/3/10					278,588	26.99	27.12	2,875,300
Mr. Sorenson	Incentive Plan			130,655	522,619	783,928					
	Individual Plan			87,103	348,413	522,619					
	RSU	2/16/10	2/3/10				59,284				1,600,075
	SAR	2/16/10	2/3/10					155,040	26.99	27.12	1,600,164
Mr. Shaw	Incentive Plan			137,531	550,125	825,188					
	Individual Plan			91,688	366,750	550,125					
	RSU	2/16/10	2/3/10				52,872				1,427,015
	SAR	2/16/10	2/3/10					138,276	26.99	27.12	1,427,143
Mr. McCarthy	Incentive Plan			80,227	320,906	492,056					
	Individual Plan			53,484	213,938	328,038					
	RSU	2/16/10	2/3/10				32,420				875,016
	SAR	2/16/10	2/3/10					84,788	26.99	27.12	875,095
Mr. Berquist	Incentive Plan			72,204	288,815	442,850					
	Individual Plan			48,136	192,544	295,234					
	RSU	2/16/10	2/3/10				27,792				750,106
	SAR	2/16/10	2/3/10					72,676	26.99	27.12	750,087

- (1) Grant Date applies to equity awards reported in the All Other Stock Awards and All Other Option/SAR Awards columns. The Board approved the annual stock awards at its February 3, 2010 meeting. Pursuant to the Company's equity compensation grant procedures described in the Compensation Discussion and Analysis, the grant date of these awards was February 16, 2010, the second trading day following the release of the Company's 2009 earnings.
- (2) The amounts reported in these columns include potential payouts corresponding to the achievement of the threshold, target and maximum performance objectives under the Company's annual cash incentive plans.
- (3) This column represents the final closing price of the Company's Class A common stock on the NYSE on the date of grant. However, pursuant to the Company's equity compensation grant procedures, the awards were granted with an exercise or base price equal to the average of the high and low stock price of the Company's Class A common stock on the NYSE on the date of grant.
- (4)

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The value reported for Stock Awards and Option/SAR awards is the aggregate grant date fair value of the awards granted in 2010 as determined in accordance with accounting standards for share-based payments, although the Company recognizes the value of the awards for financial reporting purposes over the service period of the awards. The assumptions for making the valuation determinations are set forth in the footnotes captioned "Share-Based Compensation" or "Employee Stock Plans" to our financial statements in each of the Company's Forms 10-K for the fiscal years 2008 through 2010.

The Grants of Plan-Based Awards table reports the dollar value of cash-based annual incentive plan awards (at their threshold, target and maximum achievement levels) and the number and grant date fair value of RSUs and SARs granted under the Stock Plan to each NEO during the 2010 fiscal year. With regard to cash incentives, this table reports the range of potential amounts that could have been earned by the executive under the Incentive Plan and the Individual Plan for 2010, whereas the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table reports the actual value earned by the executive for 2010 under both plans.

Annual SAR and RSU grants under the Stock Plan typically vest 25% on each of the first four anniversaries of their grant date, contingent on continued employment with the Company. Even when vested, an executive may

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lose the right to exercise or receive a distribution of any outstanding stock awards if the executive terminates employment due to serious misconduct as defined in the Stock Plan, or if the Committee determines that the executive has engaged in competition with the Company or has engaged in criminal conduct or other behavior that is actually or potentially harmful to the Company. In addition, under the terms of their RSU awards, NEOs do not receive an accelerated distribution of shares upon retirement from the Company, but must continue to wait for the scheduled distribution dates following retirement specified in their awards. The Company believes that these provisions serve its objectives of retention and aligning the executives' long-term interests to those of the Company. These awards do not offer dividend or voting rights until they vest (in the case of RSUs) or are exercised (in the case of SARs) and shares are issued to the grantee.

Outstanding Equity Awards at 2010 Fiscal Year-End

The following table shows information about outstanding options, SARs and restricted stock (RS), RSU and deferred stock bonus (DSB) awards at December 31, 2010, our fiscal year-end. The Intrinsic Value and Market Value are based on the closing price of the Company's Class A common stock on the NYSE on December 31, 2010, the last trading day of the fiscal year, which was \$41.54.

Name	Grant Date	Award Type	Option/SAR Awards				Stock Awards		
			Number of Securities Underlying Unexercised Options/SARs Exercisable/Unexercisable (#)	Option/SAR Exercise Price (\$)	Option/SAR Expiration Date	Option/SAR Intrinsic Value (\$)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	
Mr. Marriott	11/7/96	Options	156,316	12.5492	11/7/11	4,531,726			
	11/7/96	Options	156,316	12.3472	11/7/11	4,563,302			
	2/19/02	Options	800,000	18.84	2/19/12	18,160,000			
	11/6/97	Options	137,602	15.5184	11/6/12	3,580,624			
	11/6/97	Options	137,600	15.2685	11/6/12	3,614,958			
	2/6/03	Options	1,130,000	15.105	2/6/13	29,871,550			
	11/5/98	Options	384,000	14.1094	11/5/13	10,533,350			
	2/5/04	Options	658,800	22.81	2/5/14	12,339,324			
	11/4/99	Options	600,000	16.5782	11/4/14	14,977,080			
	2/10/05	Options	246,000	32.16	2/10/15	2,307,480			
	2/19/08	SARs	223,652	223,652(1)	35.54	2/19/18	1,341,912		
	2/16/10	SARs	278,588(1)	278,588(1)	26.99	2/16/20	4,053,455		
			RSUs					134,574(2)	5,590,204
Mr. Sorenson	11/7/96	Options	7,926	12.5492	11/7/11	229,781			
	11/7/96	Options	7,926	12.3472	11/7/11	231,382			
	2/19/02	Options	220,000	18.84	2/19/12	4,994,000			
	11/6/97	Options	14,312	15.5184	11/6/12	372,421			
	11/6/97	Options	14,312	15.2685	11/6/12	375,998			
	2/6/03	Options	320,000	15.105	2/6/13	8,459,200			
	11/5/98	Options	90,000	14.1094	11/5/13	2,468,754			
	2/5/04	Options	197,640	22.81	2/5/14	3,701,797			
	4/29/04	Options	300,000	23.80	4/29/14	5,322,000			
	11/4/99	Options	150,000	16.5782	11/4/14	3,744,270			
	2/10/05	Options	147,600	32.16	2/10/15	1,384,488			
	2/13/06	SARs	133,600	133,600	34.465	2/13/16	945,220		
	2/12/07	SARs	66,300	22,100(1)	49.03	2/12/17			
	2/19/08	SARs	71,958	71,958(1)	35.54	2/19/18	431,748	431,748	
	2/17/09	SARs	46,752	140,256(1)	14.65	2/17/19	1,257,161	3,771,484	
2/16/10	SARs	155,040(1)	155,040(1)	26.99	2/16/20	2,255,832			
		DSB					336(3)	13,957	
		RS					7,500(4)	311,550	
		RSUs					160,664(5)	6,673,983	

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Mr. Shaw	11/7/96	Options	101,274	12.5492	11/7/11	2,936,014
	11/7/96	Options	101,276	12.3472	11/7/11	2,956,530
	2/19/02	Options	350,000	18.84	2/19/12	7,945,000
	11/6/97	Options	99,074	15.5184	11/6/12	2,578,064
	11/6/97	Options	99,074	15.2685	11/6/12	2,602,823
	2/6/03	Options	500,000	15.105	2/6/13	13,217,500
	11/5/98	Options	264,000	14.1094	11/5/13	7,241,678

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Name	Grant Date	Award Type	Number of Securities Underlying Unexercised Options/SARs		Option/SAR Awards			Stock Awards	
			Exercisable/	Unexercisable/	Option/SAR Exercise Price (\$)	Option/SAR Expiration Date	Option/SAR Intrinsic Value (\$)	Exercisable/Unexercisable	Number of Shares or Units of Stock That Have Not Vested (#)
	2/5/04	Options	296,480		22.81	2/5/14	5,553,070		
	11/4/99	Options	250,000		16.5782	11/4/14	6,240,450		
	2/10/05	Options	110,600		32.16	2/10/15	1,037,428		
	2/19/08	SARs	97,240	97,240(1)	35.54	2/19/18	583,440	583,440	
	2/17/09	SARs	70,227	210,681(1)	14.65	2/17/19	1,888,404	5,665,212	
	2/16/10	SARs		138,276(1)	26.99	2/16/20		2,011,916	
		DSB RSUs							678(6)
									28,164
									171,024(7)
Mr. McCarthy	11/1/01	Options	18,750		15.91	11/1/11	480,563		
	2/6/03	Options	120,600		15.105	2/6/13	3,188,061		
	2/5/04	Options	65,880		22.81	2/5/14	1,233,932		
	2/10/05	Options	25,720		32.16	2/10/15	241,254		
	2/13/06	SARs	57,192		34.465	2/13/16	404,633		
	2/12/07	SARs	27,975	9,325(1)	49.03	2/12/17			
	2/19/08	SARs	31,118	31,118(1)	35.54	2/19/18	186,708	186,708	
	2/17/09	SARs	19,686	59,058(1)	14.65	2/17/19	529,357	1,588,070	
	2/16/10	SARs		84,788(1)	26.99	2/16/20		1,233,665	
		DSB RSUs							575(8)
									23,886
									87,270(9)
									3,625,196
Mr. Berquist	12/2/02	Options	75,000		18.005	12/2/12	1,765,125		
	2/6/03	Options	75,400		15.105	2/6/13	1,993,199		
	2/5/04	Options	59,320		22.81	2/5/14	1,111,064		
	2/10/05	Options	40,240		32.16	2/10/15	377,451		
	2/13/06	SARs	18,112		34.465	2/13/16	128,142		
	2/12/07	SARs	8,982	2,994(1)	49.03	2/12/17			
	2/19/08	SARs	17,504	17,504(1)	35.54	2/19/18	105,024	105,024	
	3/3/08	SARs	7,094	7,094(1)	34.11	3/3/18	52,708	52,708	
	8/7/08	SARs	15,058	45,174(1)	27.46	8/7/18	212,017	636,050	
	2/16/10	SARs		72,676(1)	26.99	2/16/20		1,057,436	
		RSUs							45,188(10)
									1,877,110

- (1) SARs are exercisable in 25% annual increments beginning one year from the grant date.
(2) 54,681 RSUs vest on February 15, 2011. 26,631 RSUs vest on each of February 15, 2012, February 15, 2013 and February 15, 2014.
(3) 336 DSB units vest on January 2, 2011.
(4) 7,500 RS awards vest on February 6, 2011.
(5) RSUs vest as follows:

35,033 on February 15, 2011.

31,033 on each of February 15, 2012 and February 15, 2013.

14,821 on February 15, 2014.

16,248 on each of May 15, 2011, May 15, 2012 and May 15, 2013.

- (6) 678 DSB units vest on January 2, 2011.
(7) RSUs vest as follows:

50,170 on February 15, 2011.

37,570 on each of February 15, 2012 and February 15, 2013.

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13,218 on February 15, 2014.

10,832 on each of May 15, 2011, May 15, 2012 and May 15, 2013.

(8) DSB units vest as follows:

232 on January 2, 2011.

38 on January 2, 2012.

39 on January 2, 2013.

37 on January 2, 2014.

38 on each of January 2, 2015, January 2, 2016, January 2, 2017, January 2, 2018 and January 2, 2019.

39 on January 2, 2020.

(9) RSUs vest as follows:

19,931 on each of February 15, 2011 and February 15, 2012.

14,931 on February 15, 2013.

8,105 on February 15, 2014.

8,124 on each of May 15, 2011, May 15, 2012 and May 15, 2013.

(10) RSUs vest as follows:

8,096 on February 15, 2011.

6,948 on each of February 15, 2012, February 15, 2013 and February 15, 2014.

5,416 on each of May 15, 2011, May 15, 2012 and May 15, 2013.

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The Outstanding Equity Awards at 2010 Fiscal Year-End table reflects the potential value, based on the Company's year-end stock price of \$41.54, of all outstanding unvested or vested but unexercised equity awards held by the NEOs as of the last day of the fiscal year. SARs and RSUs are described above. The following describes the options, RS, and DSB awards:

Options Option awards were last granted to NEOs in 2005. Executives derive value from their options based on the appreciation in the value of the underlying shares of Company stock from the grant date until exercise. Options vest over four annual installments.

RS RS awards were last granted in 2003. RS awards were grants of stock that were subject to general restrictions such as continued employment and non-competition. Holders of RS awards receive dividends and may exercise voting rights on their restricted shares. Shares are released from restrictions over a 5-, 8- or 10-year period.

DSB DSBs were last granted in 2001. There are two types of DSBs: (1) a current award, which is distributed in ten annual installments beginning one year after the award is granted, or (2) a deferred award, which is distributed in one or up to ten annual installments beginning the January following termination of employment. Both types of DSBs contingently vest in ten equal annual installments beginning one year after the award was made.

Option Exercises and Stock Vested During Fiscal 2010

The following table shows information about Option exercises and vesting of RSU, RS and DSB awards during fiscal year 2010.

Name	Award Type	Exercise Date(1)	Option Awards		Award Type	Vesting Date	Stock Awards	
			Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(2)			Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(3)
Mr. Marriott	Options	3/25/10	125,000	2,753,242	RSU	2/15/10	69,800	1,883,902
	Options	4/26/10	200,000	5,908,682				
	Options	9/1/10	115,324	2,864,189				
	Options	11/5/10	350,000	5,875,835				
	Options	11/10/10	150,000	2,442,450				
	Options	11/11/10	200,000	3,263,720				
Mr. Sorenson	Options	10/5/10	204,036	3,413,231	DSB	1/2/10	622	17,149
					RS	2/6/10	7,500	196,050
					RSU	2/15/10	20,212	545,522
					RSU	5/15/10	16,248	562,506
Mr. Shaw	Options	3/25/10	114,486	2,495,337	DSB	1/2/10	1,370	37,771
	Options	9/13/10	125,000	1,642,513	RSU	2/15/10	55,852	1,507,445
	Options	10/5/10	125,000	1,771,750	RSU	5/15/10	10,832	375,004
Mr. McCarthy	Options	9/2/10	27,500	317,743	DSB	1/2/10	414	11,414
					RSU	2/15/10	11,826	319,184
					RSU	5/15/10	8,124	281,253
					RSU	12/15/10	14,000	579,600
Mr. Berquist	Options				RSU	2/15/10	10,872	293,435
					RSU	5/15/10	5,416	187,502

(1) All options exercised by the NEOs in 2010 were scheduled to expire in November 2010 or in February or March 2011.

- (2) The value realized upon exercise is based on the current trading price at the time of exercise.
- (3) The value realized upon vesting is based on the average of the high and low stock price on the vesting date.

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The following tables include additional information regarding the 2010 realized equity compensation values reported in the tables above.

2010 Option Exercises								
	Grant Date	Grant Term	Exercise Date	Number of Shares Exercised	Price at Grant (\$)	Average Price at Exercise (\$)	Stock Price Increase from Grant to Exercise Date (%)	Value Realized Upon Exercise (\$)
Mr. Marriott	11/2/95	15 years	3/25/10	125,000	8.51	30.53	259	2,753,242
	11/2/95	15 years	4/26/10	200,000	8.38	37.91	352	5,908,682
	11/2/95	15 years	9/1/10	20,162	8.38	33.37	298	503,810
	11/2/95	15 years	9/1/10	95,162	8.51	33.32	292	2,360,379
	2/1/01	10 years	11/5/10	350,000	22.87	39.66	73	5,875,835
	2/1/01	10 years	11/10/10	150,000	22.87	39.15	71	2,442,450
	2/1/01	10 years	11/11/10	200,000	22.87	39.19	71	3,263,720
Mr. Sorenson	3/19/96	15 years	10/5/10	22,018	11.56	37.00	220	560,096
	3/19/96	15 years	10/5/10	22,018	11.38	37.30	228	570,863
	2/1/01	10 years	10/5/10	160,000	22.87	37.13	62	2,282,272
Mr. Shaw	11/2/95	15 years	3/25/10	114,486	8.51	30.31	256	2,495,337
	2/1/01	10 years	9/13/10	125,000	22.87	36.01	57	1,642,513
	2/1/01	10 years	10/5/10	125,000	22.87	37.04	62	1,771,750
Mr. McCarthy	2/1/01	10 years	9/2/10	27,500	22.87	34.42	51	317,743
Mr. Berquist								

2010 Restricted Stock and Restricted Stock Unit Award Vestings								
	Grant Date	Vesting Date	Number of Shares Vested	Price at Grant (\$)	Vesting Price (\$)	Stock Price Increase/Decrease from Grant to Vesting Date (%)	Value Realized Upon Vesting (\$)	
Mr. Marriott	2/13/06	2/15/10	41,750	34.47	26.99	-22	1,126,833	
	2/12/07	2/15/10	28,050	49.03	26.99	-45	757,070	
Mr. Sorenson	2/6/03	2/6/10	7,500	15.11	26.14	73	196,050	
	2/13/06	2/15/10	4,000	34.47	26.99	-22	107,960	
	2/17/09	2/15/10	16,212	14.65	26.99	84	437,562	
	5/1/09	5/15/10	16,248	23.08	34.62	50	562,506	
Mr. Shaw	2/13/06	2/15/10	18,900	34.47	26.99	-22	510,111	
	2/12/07	2/15/10	12,600	49.03	26.99	-45	340,074	
	2/17/09	2/15/10	24,352	14.65	26.99	84	657,260	
	5/1/09	5/15/10	10,832	23.08	34.62	50	375,004	
Mr. McCarthy	2/12/07	2/15/10	5,000	49.03	26.99	-45	134,950	
	2/17/09	2/15/10	6,826	14.65	26.99	84	184,234	
	5/1/09	5/15/10	8,124	23.08	34.62	50	281,253	
	11/17/05	12/15/10	14,000	31.47	41.40	32	579,600	
Mr. Berquist	2/10/05	2/15/10	8,000	32.16	26.99	-16	215,920	
	2/13/06	2/15/10	1,724	34.47	26.99	-22	46,531	
	2/12/07	2/15/10	1,148	49.03	26.99	-45	30,985	
	5/1/09	5/15/10	5,416	23.08	34.62	50	187,502	

Table of Contents**Nonqualified Deferred Compensation for Fiscal Year 2010**

The following table discloses contributions, earnings, distributions and balances under the EDC for the 2010 fiscal year.

Name	Executive Contributions in Last FY (\$)(1)	Company Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$)(2)	Aggregate Withdrawals / Distributions (\$)	Aggregate Balance at Last FYE (\$)(3)
Mr. Marriott	18,834	1,837	874,996		16,836,230
Mr. Sorenson	58,069	3,675	102,740		2,005,380
Mr. Shaw	61,125	3,675	520,871		10,049,579
Mr. McCarthy	71,313	3,675	114,171		2,231,986
Mr. Berquist	64,181	3,675	60,840		1,202,560

- (1) The amounts in this column consist of elective deferrals by the NEOs of salary for the 2010 fiscal year under the EDC. All of these amounts are attributable to 2010 salary that is reported in the Summary Compensation Table.
- (2) The amounts in this column reflect aggregate notional earnings during 2010 of each NEO's account in the EDC. Such earnings are reported in the Summary Compensation Table only to the extent that they were credited at a rate of interest in excess of 120% of the applicable federal long-term rate. The following table indicates the portion of each executive's aggregate earnings during 2010 that is reported in the Summary Compensation Table.

Name	Amounts Included in the Summary Compensation Table for 2010 (\$)
Mr. Marriott	137,247
Mr. Sorenson	16,203
Mr. Shaw	81,786
Mr. McCarthy	18,017
Mr. Berquist	9,641

- (3) This column includes amounts in each NEO's total EDC account balance as of the last day of the 2010 fiscal year. The following table reports the portion of the Aggregate Balance that was reported as compensation in the Summary Compensation Table in each of the Company's prior-year proxy statements since we became a public company on March 27, 1998.

Name	Amounts that were reported as compensation in prior year proxy statements (\$)
Mr. Marriott	11,674,856
Mr. Sorenson	1,424,821
Mr. Shaw	3,408,583
Mr. McCarthy	2,028,691
Mr. Berquist	2,423

Under the EDC, participants are eligible to defer the receipt of up to 80% of their salary, bonus, non-equity incentive plan compensation and/or commissions. Such amounts are immediately vested. In addition, the NEOs may receive a discretionary match which, for years commencing with 2009, is vested when made. A discretionary match made for any year prior to 2009 vests 25% per year for each year that the executive remains employed by the Company following the date the Company match is allocated to the executive's plan account, or if sooner, in full upon approved retirement, death or disability. For 2010, no discretionary match was offered. In addition, no additional discretionary Company contribution was made for 2010.

For 2010, the Company credited participant plan accounts with a rate of return determined by the Company. The rate of return was determined largely based on the Company's estimated long-term cost of borrowing and was set at 5.5% for 2010. To the extent that this rate exceeds 120% of the applicable federal long-term rate, the excess is reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table.

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

Potential Payments Upon Termination or Change in Control

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

Upon retirement or permanent disability (as defined in the pertinent plan), a NEO may continue to vest in and receive distributions under outstanding stock awards (with the exception of certain supplemental RSU awards granted after 2005) for the remainder of their vesting period; may exercise options and SARs for up to five years in accordance with the awards' original terms; and immediately vests in the unvested portion of his EDC account. However, annual stock awards granted after 2005 provide that if the executive retires within one year after the grant date, the executive forfeits a portion of the stock award proportional to the number of days remaining within that one-year period. For these purposes, retirement means a termination of employment with retirement approval of the Committee by an executive who has attained age 55 with 10 years of service with the Company, or, for the EDC and for Stock Plan annual stock awards granted before 2006, has attained 20 years of service with the Company. In all cases, however, the Committee or its designee has the authority to revoke approved retiree status if an executive terminates employment for serious misconduct or is subsequently found to have engaged in competition with the Company or engaged in criminal conduct or other behavior that is actually or potentially harmful to the Company. A NEO who dies as an employee or approved retiree immediately vests in his EDC account, options/SARs and other stock awards. These provisions were developed based on an analysis of external market data. As of January 1, 2010, J.W. Marriott, Jr., William J. Shaw, and Robert J. McCarthy met the age and service conditions for retirement eligibility. Arne M. Sorenson and Carl T. Berquist would meet such conditions if they remain employed until October 13, 2013 and December 2, 2012, respectively.

Under the Stock Plan, in the event of certain transactions involving a capital restructuring, reorganization or liquidation of the Company or similar event as defined in the plan, the Company or its successor may in its discretion provide substitute equity awards under the Stock Plan or, if in the event no similar equity awards are available, an equivalent value as determined at that time will be credited to each NEO's account in the EDC, provided that such action does not enlarge or diminish the value and rights under the awards. If the Company or its successor does not substitute equity awards or credit the EDC accounts, the Company or its successor will provide for the awards to be exercised,

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distributed, canceled or exchanged for value. The intrinsic values of the vested and unvested options/SARs and unvested stock awards as of the last day of the fiscal year are indicated for each NEO in the Outstanding Equity Awards at 2010 Fiscal Year-End table.

In addition, in the event that any NEO's employment is terminated by the Company other than for the executive's misconduct or the executive resigns for good reason (as defined under the Stock Plan) beginning three months before and ending twelve months following a change in control of the Company, the NEO will become fully vested in all unvested equity awards under the Stock Plan and unvested balances in the EDC. In those circumstances, all options and SARs will be exercisable until the earlier of the original expiration date of the awards or 12 months (or five years for an approved retiree) following the termination of employment, and all other stock awards shall be immediately distributed following the later of the termination of employment or the change in control event. In addition, any cash incentive payments under the Incentive Plan and Individual Plan will be made immediately based on the target performance level, pro-rated based on the days worked during the year until the NEO's termination of employment. The Company does not provide any tax gross-ups on these benefits, but instead limits the benefits to avoid adverse tax consequences to the Company. Specifically, each of these benefits is subject to a cut-back, so that the benefit will not be provided to the extent it would result in the loss of a deduction or imposition of excise taxes under the golden parachute excess parachute payment provisions of the Internal Revenue Code.

The table below reflects the intrinsic value of unvested stock awards, unvested EDC accounts and incentive payments under the Incentive Plan and Individual Plan that each NEO would receive upon retirement, disability, death, or involuntary termination of employment in connection with a change in control as of December 31, 2010 (based on the Company's fiscal year-end closing stock price of \$41.54).

Name	Plan	Retirement (\$)	Disability (\$)	Death (\$)	Change in Control and Involuntary Termination (\$)
Mr. Marriott	EDC	222,432	222,432	222,432	222,432
	Stock Plan	9,893,824	10,985,571	10,985,571	10,985,571
	Total Annual Bonus		1,566,328	1,566,328	1,566,328
Mr. Sorenson	EDC		82,499	82,499	82,499
	Stock Plan		13,458,554	13,458,554	13,458,554
	Total Annual Bonus		871,032	871,032	871,032
Mr. Shaw	EDC	146,783	146,783	146,783	146,783
	Stock Plan	14,851,189	15,393,069	15,393,069	15,393,069
	Total Annual Bonus		916,875	916,875	916,875
Mr. McCarthy	EDC	60,699	60,699	60,699	60,699
	Stock Plan	5,909,855	6,657,524	6,657,524	6,657,524
	Total Annual Bonus		534,844	534,844	534,844
Mr. Berquist	EDC		51,243	51,243	51,243
	Stock Plan		3,728,328	3,728,328	3,728,328
	Total Annual Bonus		481,359	481,359	481,359

The benefits reported in the table above are in addition to benefits available prior to the occurrence of any termination of employment, including benefits available under then-exercisable SARs and options and vested EDC balances, and benefits available generally to salaried employees such as benefits under the Company's 401(k) plan, group medical and dental plans, life and accidental death insurance plans, disability programs, health and dependent care spending accounts, and accrued

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paid time off. The actual amounts that would be paid upon a NEO's termination of employment can be determined only at the time of any such event. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed above, any actual amounts paid or distributed may be higher or lower than reported above. Factors that could affect these amounts include the timing during the year of any such event, the Company's stock price and the executive's age. In addition, in connection with any actual termination of employment or change in control transaction, the Company may determine to enter into an agreement or to establish an arrangement providing additional benefits or amounts, or altering the terms of benefits described above, as the Committee determines appropriate.

Director Compensation

For 2010, non-employee directors received compensation in the form of meeting attendance fees and annual cash retainer fees, as well as annual Non-Employee Director Share Awards under the Stock Plan, as follows:

Type of Fee	Amount of Fee (\$)
Board Retainer Fee	60,000
Vice Chairman Fee(1)	75,000
Share Award	110,000
Vice Chairman Share Award(1)	137,500
Audit Committee Chair Fee	20,000
Non-Audit Committee Chair Fee	10,000
Meeting Fee (per meeting)	1,250
Vice Chairman Meeting Fee (per meeting)(1)	1,563

(1) The Vice Chairman of the Board receives these fees instead of the other Board fees.

The Vice Chairman of the Board receives fees and stock awards at 125% of the amount of the other directors. The chairs of each Committee of the Board receive an additional retainer fee to compensate for the responsibilities of those positions.

In May 2010, the Committee conducted its annual review of Board compensation and recommended, and the Board approved, an increase in the value of the annual Non-Employee Director Share Awards from \$80,000 to \$110,000 to be awarded to each non-employee director under the Stock Plan. The Vice Chairman of the Board will continue to receive fees and stock awards at 125% of the amount of the other directors.

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

The Company grants the Non-Employee Director Share Awards following the Company's annual meeting of shareholders. A Director Share Award is a grant of stock that the director may choose to

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have distributed in a lump sum on the one-year anniversary of the grant or in a lump sum or one to ten annual installments following termination of service as a Board member. Elections are made in the year prior to grant of the award. The annual Non-Employee Director Share Awards neither accrue dividend equivalents nor provide voting rights until the stock is distributed. The pricing practices for executive stock awards discussed in the Compensation Discussion and Analysis above are followed for director stock awards.

The Company reimburses directors for travel expenses, other out-of-pocket costs they incur when attending meetings and, for one meeting per year, attendance by spouses. To encourage our directors to visit and personally evaluate our properties, the directors also receive complimentary rooms, food and beverages at Company-owned, operated or franchised hotels, as well as the use of hotel-related services such as Marriott-managed golf and spa facilities, when on personal travel. The value of these benefits is reported to the directors as taxable compensation.

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

Director Compensation for Fiscal Year 2010

The following Director Compensation Table shows the compensation we paid in 2010 to our non-employee directors. As officers, J.W. Marriott, Jr. and William J. Shaw are not paid for their service as directors.

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(2)(3)	All Other Compensation (\$)(4)	Total (\$)
Mary Bush	81,250	110,023		191,273
Lawrence W. Kellner	93,750	110,023		203,773
Debra L. Lee	83,750	110,023	18,179	211,952
John W. Marriott III	90,625	137,520		228,145
George Muñoz	100,000	110,023	11,750	221,774
Harry J. Pearce	76,250	110,023		186,273
Steven S Reinemund	86,250	110,023		196,273
W. Mitt Romney (resigned effective January 12, 2011)	83,333	110,023		193,357
Lawrence M. Small	77,500	110,023	13,323	200,847

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

Name	Fees Credited to Stock Unit Account in the Stock Plan (\$)	Fees Elected as a Director SAR Award (\$)	Fees Deferred Pursuant to the EDC (\$)
Ms. Lee			5,025
Mr. Muñoz	75,200		6,000
Mr. Pearce	71,675		4,575
Mr. Reinemund			1,625

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Mr. Small	3,525	18,800	1,425
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Because cash retainers and meeting fees otherwise are paid quarterly, fees were credited to the directors' stock unit accounts in the Stock Plan on April 9, 2010, July 9, 2010, October 11, 2010, and January 10, 2011. The number of shares

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credited to each director's stock unit account was determined by dividing the dollar amount that the director elected to defer by the average of the high and low trading prices of the Company's Class A common stock on the respective credit dates, which were \$32.84, \$30.99, \$35.81, and \$40.43, respectively. In addition, the value reported for Mr. Small includes four months of annual cash retainers that he elected to receive as Director SARs, which were granted in May 2009.

- (2) In 2010, each non-employee director was granted a Director Share Award on May 10, 2010, for 3,101 shares, except that the Vice Chairman of the Board received 3,876 shares. In accordance with the Company's equity compensation grant procedures, the awards were determined by dividing the value of the Director Share Award by the average of the high and low prices of a share of the Company's Class A common stock on the date the awards were granted, which was \$35.48 per share. The amounts reported in the Stock Awards column reflect the grant-date fair value of the award, determined in accordance with accounting guidance for share-based payments.
- (3) The following table indicates the number of outstanding Director Options (Options), Director SARs (SARs), shares credited to directors stock unit accounts in the Stock Plan and Non-Employee Director Share Awards (together, DS), as well as RSU and DSB awards held by each director at the end of 2010.

Name	Award Type	Number of Securities Underlying Unexercised Director Options/SARs		Number of Shares or Units of Stock That Have Not Vested (#)	Number of Shares or Units of Stock That Have Vested #(1)
		Exercisable (#)	Unexercisable (#)		
Ms. Bush	DS				8,722
Mr. Kellner	DS				13,313
Ms. Lee	DS				14,016
Mr. Marriott III	DSB			206	
	DS				8,078
Mr. Muñoz	Options	8,008			
	DS				27,841
Mr. Pearce	DS				72,476
Mr. Reinemund	DS				4,831
Mr. Romney	Options	3,294			
	DS				6,513
Mr. Small	Options	38,452			
	SARs	17,514			
	DS				54,254

(1) This column represents fiscal year-end balances held as non-employee director share awards under the Stock Plan.

- (4) The directors receive complimentary rooms, food and beverages at Company-owned, operated or franchised hotels, as well as the use of hotel-related services such as Marriott-managed golf and spa facilities, when on personal travel. The values in this column do not include perquisites and personal benefits that were less than \$10,000 in aggregate for each director for the fiscal year.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information about the securities authorized for issuance under the Company's equity compensation plans as of December 31, 2010.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities
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	Rights		reflected in the first column)
Equity compensation plans approved by shareholders	38,204,147(1)	\$	17.86
Equity compensation plans not approved by shareholders(3)			30,294,186(2)
Total	38,204,147		30,294,186

- (1) Includes 9,318,156 shares of outstanding DSB, RS and RSU awards, as well as DS awards to directors in the Stock Plan, that are not included in the calculation of the Weighted-Average Exercise Price column.
- (2) Consists of 20,084,452 securities available for issuance under the Stock Plan and 10,209,734 securities available for issuance under the Employee Stock Purchase Plan.
- (3) All of the Company's equity compensation plans have been approved by shareholders.

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

The table below sets forth the beneficial ownership of Class A common stock by our directors, director nominees and executive officers as of January 31, 2011 (unless otherwise noted), as well as additional information about beneficial owners of 5 percent or more of the Company's Class A common stock. Ownership consists of sole voting and sole investment power, except as indicated in the notes below, and except for shares registered in the name of children sharing the same household or subject to any community property laws. Unless otherwise noted, the address for all greater than five percent beneficial owners is Marriott International, Inc., 10400 Fernwood Road, Bethesda, Maryland 20817.

Note on Various Marriott Family Holdings: SEC rules require reporting of beneficial ownership of certain shares by multiple parties, resulting in multiple counting of some shares. After eliminating double-counting of shares beneficially owned, J.W. Marriott, Jr. and John W. Marriott III together have an aggregate beneficial ownership of 14.5% of Marriott's outstanding shares. The aggregate total beneficial ownership of J.W. Marriott, Jr., John W. Marriott III, and each of the Other 5% Beneficial Owners shown below, except for T. Rowe Price Associates, Inc., is 22% of outstanding shares after removing the shares counted multiple times. These individuals and entities each disclaim beneficial ownership over shares owned by other members of the Marriott family and the entities named below except as specifically disclosed in the footnotes following the table below.

Name	Shares		Percent of Class(1)
	Beneficially Owned		
Directors and Director Nominees:			
J.W. Marriott, Jr.	53,422,947	(2)(3)(4)(5)	14.3%
John W. Marriott III	21,995,021	(3)(4)(6)(7)(8)	6%
Mary K. Bush	0	(8)	*
Lawrence W. Kellner	7,666	(8)	*
Debra L. Lee	2,660	(8)	*
George Muñoz	15,653	(8)(9)	*
Harry J. Pearce	8,488	(8)	*
Steven S Reinemund	7,664	(8)	*
Lawrence M. Small	124,437	(8)(9)(11)	*
Arne M. Sorenson**	2,278,125	(7)(9)(10)	*
Other Named Executive Officers:			
Carl T. Berquist	450,005	(9)	*
Robert J. McCarthy	518,165	(9)	*
William J. Shaw**	2,894,219	(9)	*
All Directors, Nominees and Executive Officers as a			
Group (20 persons, including the foregoing)	61,584,290	(12)	16.2%
Other 5% Beneficial Owners:			
Richard E. Marriott	45,585,731	(2)(13)	12.4%
Stephen G. Marriott	32,099,056	(4)(14)	8.7%
Deborah M. Harrison	22,263,202	(4)(15)	6%
David S. Marriott	21,889,511	(4)(16)	5.9%
JWM Family Enterprises, Inc.	20,027,993	(4)(7)	5.4%
JWM Family Enterprises, L.P.	20,027,993	(4)(7)	5.4%
T. Rowe Price Associates, Inc.	47,221,951	(17)	12.8%

100 E. Pratt Street

Baltimore, MD 21202

* Less than 1 percent.

** On February 11, 2011, Mr. Shaw resigned from the Board and Mr. Sorenson was appointed to the Board.

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- (1) Based on the number of shares outstanding (368,041,020) on January 31, 2011, plus the number of shares acquirable by the specified person(s) within 60 days of January 31, 2011, as described below.
- (2) Includes the following 19,837,450 shares that both J.W. Marriott, Jr. and his brother Richard E. Marriott report as beneficially owned: (a) 5,113,678 shares held by 16 trusts for the benefit of their children, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees; (b) 9,475,505 shares owned by The J. Willard & Alice S. Marriott Foundation, a charitable foundation, for which J.W. Marriott, Jr., Richard E. Marriott, and Stephen Garff Marriott serve as co-trustees; (c) 5,215,684 shares held by a charitable annuity trust created by the will of J. Willard Marriott, Sr., in which his grandchildren have remainder interests and for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees; and (d) 32,583 shares held by a trust established for the benefit of J.W. Marriott Jr., for which Richard E. Marriott serves as trustee.
- (3) Includes the following 716,874 shares that both J.W. Marriott, Jr. and his son John W. Marriott III report as beneficially owned: (a) 323,496 shares owned by JWM Associates Limited Partnership, in which J.W. Marriott, Jr. is a general partner and in which John W. Marriott III is a limited partner; (b) 343,803 shares held by a trust for the benefit of John W. Marriott III, for which J.W. Marriott, Jr. s spouse serves as a co-trustee; and (c) 49,575 shares owned by three trusts for the benefit of John W. Marriott III s children, for which the spouses of John W. Marriott III and J.W. Marriott, Jr. serve as co-trustees.
- (4) Includes the following 20,027,993 shares that J.W. Marriott, Jr., his children John W. Marriott III, Deborah M. Harrison, Stephen G. Marriott and David S. Marriott, and JWM Family Enterprises, Inc. and JWM Family Enterprises, L.P. each report as beneficially owned: (a) 9,199,999 shares owned by Thomas Point Ventures, L.P., and (b) 10,827,994 shares owned by JWM Family Enterprises, L.P. JWM Family Enterprises, Inc., a corporation in which J.W. Marriott, Jr. and each of his children is a director, is the sole general partner of JWM Family Enterprises, L.P., a limited partnership, which in turn is the sole general partner of Thomas Point Ventures, L.P., also a limited partnership. The address for the corporation and both limited partnerships is 6106 MacArthur Boulevard, Suite 110, Bethesda, Maryland 20816.
- (5) Includes the following 12,840,631 shares that J.W. Marriott, Jr. reports as beneficially owned, in addition to the shares referred to in footnotes (2), (3) and (4): (a) 5,664,159 shares directly held; (b) 4,866,440 shares subject to Options, SARs and RSUs currently exercisable or exercisable within 60 days after January 31, 2011; (c) 282,524 shares owned by J.W. Marriott, Jr. s spouse (Mr. Marriott disclaims beneficial ownership of such shares); (d) 1,924,651 shares owned by separate trusts for the benefit of three of J.W. Marriott, Jr. s children, in which his spouse serves as a co-trustee; (e) 46,585 shares owned by three trusts for the benefit of J.W. Marriott, Jr. s grandchildren, for which the spouses of J.W. Marriott, Jr. and Stephen G. Marriott serve as co-trustees; and (f) 56,272 shares owned by the J. Willard Marriott, Jr. Foundation, for which J.W. Marriott, Jr. and his spouse serve as trustees.
- (6) Includes the following 1,250,154 shares that John W. Marriott III reports as beneficially owned, in addition to the shares referred to in footnote (3) and (4): (a) 540,103 shares directly held; (b) 503,910 shares held in a trust for the benefit of John W. Marriott III (included in footnote (2)(a) above); (c) 31,550 shares owned by John W. Marriott III s spouse (Mr. Marriott disclaims beneficial ownership of such shares); and (d) 174,591 shares held by three trusts for the benefit of John W. Marriott III s children, for which John W. Marriott III serves as a co-trustee.
- (7) Includes the following shares that are pledged as security: (a) 7,848,815 shares owned by JWM Family Enterprises, L.P. that serve as collateral for obligations of JWM Family Enterprises, L.P. and its affiliates; (b) 376,733 shares owned by John W. Marriott III that serve as collateral security for a loan; and (c) 195,221 shares owned by Mr. Sorenson that are held in a margin account.
- (8) Does not include non-employee director annual deferred share awards or stock units representing fees that non-employee directors have elected to defer under our Stock Plan. The combined numbers of shares (a) subject to deferred share awards, and (b) in stock unit accounts of non-employee directors as of January 31, 2011, were as follows: Ms. Bush: 8,722 shares; Mr. Kellner: 13,313 shares; Ms. Lee: 14,016 shares; John W. Marriott III: 8,078 shares; Mr. Muñoz: 28,337 shares; Mr. Pearce: 73,016 shares; Mr. Reinemund: 4,831 shares; and Mr. Small: 54,291 shares. Share awards and stock units do not carry voting rights and are not transferable. Share awards and stock units are distributed following retirement as a director.
- (9) Includes shares subject to Options, SARs, RSUs and DSAs currently exercisable or exercisable within 60 days after January 31, 2011, as follows: Mr. Berquist: 373,276 shares; Mr. Muñoz: 8,008 shares; Mr. Shaw: 2,542,831 shares; Mr. Small: 55,966 shares; Mr. McCarthy: 452,619 shares; and Mr. Sorenson: 1,966,950 shares.
- (10) Includes 7,500 shares of RS awarded to Mr. Sorenson under the Stock Plan that will vest within 60 days after January 31, 2011. Holders of RS are entitled to vote their shares. See Executive and Director Compensation: Executive Compensation Tables and Discussion: Summary Compensation Table on page 28.
- (11) Includes 10,916 shares held by two trusts for the benefit of Mr. Small s two children, for which Mr. Small serves as trustee.
- (12) The 716,874 shares described in footnote (3) and the 20,027,993 shares described in footnote (4) are reported as beneficially owned by each of J.W. Marriott, Jr. and John W. Marriott III, but are included only once in reporting the number of shares owned by all directors, nominees and executive officers as a group. All directors, nominees and executive officers as a group held 11,093,855 Options, SARs and RSUs currently exercisable or exercisable within 60 days after January 31, 2011. All directors, nominees and executive officers as a group, other than

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- J.W. Marriott, Jr. and John W. Marriott III, beneficially owned an aggregate of 7,415,119 shares (including 6,227,415 Options, SARs and RSUs currently exercisable or exercisable within 60 days after January 31, 2011), or two percent of our Class A common stock outstanding as of January 31, 2011.
- (13) Includes the following 25,748,281 shares that Richard E. Marriott reports as beneficially owned, in addition to the 19,837,450 shares referred to in footnote (2): (a) 20,443,311 shares directly held; (b) 283,268 shares owned by Richard E. Marriott's spouse (Mr. Marriott disclaims beneficial ownership of these shares); (c) 1,472,809 shares owned by four trusts for the benefit of Richard E. Marriott's children, for which his spouse serves as a co-trustee; (d) 7,410 shares owned by a trust for the benefit of Richard E. Marriott's grandchild, for which he serves as co-trustee; (e) 3,419,662 shares owned by First Media, L.P., a limited partnership whose general partner is a corporation in which Richard E. Marriott is the controlling voting shareholder; and (f) 121,821 shares owned by the Richard E. and Nancy P. Marriott Foundation, for which Richard E. Marriott and his spouse serve as directors and officers. Richard E. Marriott is the brother of J.W. Marriott, Jr. and is a former director and officer of the Company. His address is Host Hotels & Resorts, Inc., 10400 Fernwood Road, Bethesda, Maryland 20817.
- (14) Includes the following 12,071,063 shares that Stephen G. Marriott reports as beneficially owned in addition to the shares referred to in footnote (4): (a) 817,227 shares directly held; (b) 558,254 shares held by a trust for the benefit of Stephen G. Marriott, for which J.W. Marriott, Jr.'s spouse and an unrelated person serve as co-trustees (included in footnote 5(d) above); (c) 795,822 shares held by two trusts for the benefit of Stephen G. Marriott, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees (included in footnote 2(a) above); (d) 43,702 shares held by Stephen G. Marriott's spouse (Mr. Marriott disclaims beneficial ownership of such shares); (e) 46,585 shares owned by three trusts for the benefit of Stephen G. Marriott's children, for which the spouses of Stephen G. Marriott and J.W. Marriott, Jr. serve as co-trustees (Mr. Marriott disclaims beneficial ownership of such shares); (f) 221,238 shares owned by three trusts for the benefit of Stephen G. Marriott's children, for which Stephen G. Marriott and the spouses of Stephen G. Marriott and J.W. Marriott, Jr. serve as co-trustees; (g) 112,730 shares subject to Options, SARs and RSUs currently exercisable or exercisable within 60 days after January 31, 2011; and (h) 9,475,505 shares owned by The J. Willard & Alice S. Marriott Foundation, a charitable foundation, for which Stephen G. Marriott serves as co-trustee with J.W. Marriott, Jr. and Richard E. Marriott (included in footnote 2(b) above).
- (15) Includes the following 2,235,209 shares that Deborah M. Harrison reports as beneficially owned in addition to the shares referred to in footnote (4): (a) 220,878 shares directly held; (b) 695,861 shares held by a trust for the benefit of Deborah M. Harrison, for which J.W. Marriott, Jr.'s spouse and an unrelated person serve as co-trustees (included in footnote 5(d) above); (c) 807,671 shares held by two trusts for the benefit of Deborah M. Harrison, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees (included in footnote 2(a) above); (d) 89,200 shares held directly by Deborah M. Harrison's spouse (Mrs. Harrison disclaims beneficial ownership of such shares); (e) 27,406 shares held in two trusts for the benefit of Deborah M. Harrison's children, for which Deborah M. Harrison, her spouse and another individual serve as co-trustees; (f) 338,631 shares held in five trusts for the benefit of Deborah M. Harrison's children, for which Deborah M. Harrison, her spouse and another individual serve as co-trustees; (g) 3,420 shares owned by two trusts for the benefit of Deborah M. Harrison's grandchildren, for which Deborah M. Harrison, her spouse and another individual serve as co-trustees; (h) 2,262 shares subject to RSUs held by Deborah M. Harrison currently exercisable or exercisable within 60 days after January 31, 2011; and (i) 49,880 shares subject to Options, SARs and RSUs held by Deborah M. Harrison's spouse currently exercisable or exercisable within 60 days after January 31, 2011 (Mrs. Harrison disclaims beneficial ownership of such shares).
- (16) Includes the following 1,861,518 shares that David S. Marriott reports as beneficially owned in addition to the shares referred to in footnote (4): (a) 599,405 shares directly held; (b) 670,536 shares held by a trust for the benefit of David S. Marriott, for which J.W. Marriott, Jr.'s spouse and an unrelated person serve as co-trustees (included in footnote 5(d) above); (c) 495,559 shares held by a trust for the benefit of David S. Marriott, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees (included in footnote 2(a) above); (d) 5,335 shares held by David S. Marriott's spouse (Mr. Marriott disclaims beneficial ownership of such shares); (e) 65,431 shares held by four trusts for the benefit of David S. Marriott's children, for which David S. Marriott, his spouse and John W. Marriott III serve as co-trustees; and (f) 25,252 shares subject to Options and RSUs currently exercisable or exercisable within 60 days after January 31, 2011.
- (17) Based on a review of a Schedule 13G report filed on February 11, 2011, T. Rowe Price Associates, Inc. beneficially owned 47,221,951 shares as of December 31, 2010, with sole voting power as to 13,804,913 shares and sole dispositive power as to 47,221,951 shares.

Table of Contents**Section 16(a) Beneficial Ownership Reporting Compliance**

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

Based solely upon a review of SEC filings furnished to the Company and written representations that no other reports were required, we believe that all Reporting Persons complied with these reporting requirements during fiscal 2010 except for (i) a Form 5 filed late by J.W. Marriott, Jr. to report a gift, and (ii) amended Form 4s filed to report an RSU grant to each of Carl T. Berquist, Anthony G. Capuano, Simon F. Cooper, Edwin D. Fuller, Deborah M. Harrison, Ronald T. Harrison, J.W. Marriott, Jr., John W. Marriott III, David S. Marriott, Stephen G. Marriott, Robert J. McCarthy, Amy C. McPherson, David A. Rodriguez, Edward A. Ryan, William J. Shaw, Arne M. Sorenson and Steven P. Weisz. Each untimely report was due to an administrative error.

TRANSACTIONS WITH RELATED PERSONS

JWM Family Enterprises, L.P. (*Family Enterprises*) is a Delaware limited partnership which is beneficially owned and controlled by members of the family of J.W. Marriott, Jr., the Company's Chairman and Chief Executive Officer, including John W. Marriott III, the Company's Vice Chairman of the Board, who is Chief Executive Officer of Family Enterprises, and J.W. Marriott, Jr. himself. Family Enterprises indirectly holds varying percentages of ownership in the following 16 hotels:

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

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Our subsidiaries operate each of these properties pursuant to management agreements with entities controlled by Family Enterprises, and provide procurement and/or renovation services for some of these properties pursuant to contracts entered into with the ownership entities. We expect such arrangements to continue in 2011. In fiscal 2010, we received management fees of approximately \$7.5 million plus reimbursement of certain expenses, and procurement and renovation services fees of approximately \$837,803 from our operation of and provision of services for these hotels. The Company has no financial involvement in either the hotels listed above beyond the foregoing roles or in Family Enterprises.

Our Company was founded by J.W. Marriott, Jr.'s father, and the Board believes that the involvement of a number of Marriott family members in responsible positions of the Company makes a significant long-term contribution to the value of our corporate name and identity and to the maintenance of Marriott's reputation for providing quality products and services. In addition to J.W. Marriott, Jr.'s service as Chairman and Chief Executive Officer and John W. Marriott III's service as Vice Chairman of the Board, the Company employs a number of members of the Marriott family in management positions, including J.W. Marriott, Jr.'s children Stephen G. Marriott, David S. Marriott, and Deborah M. Harrison, and his son-in-law (and Mrs. Harrison's husband) Ronald T. Harrison. The Company also employs family members of other executive officers (under SEC rules, family members include children, stepchildren, parents, stepparents, spouses, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and other persons sharing the household with a director or executive officer, other than as a tenant or employee). The compensation levels of family members of our directors and executive officers are set based on reference to external market practice of similar positions and/or internal pay equity when compared to the compensation paid to non-family members in similar positions. Employed family members with total compensation for 2010 in excess of \$120,000, which includes base salary, bonus, the value of stock-based awards, and other compensation, are shown in the table below.

Director / Executive Officer	Family Member	Family Member Position	Total Compensation for 2010 (\$)
J.W. Marriott Jr. and			
John W. Marriott III	David S. Marriott	Chief Operations Officer, Americas East	841,507
	Stephen G. Marriott	Executive Vice President, Company Culture	514,943
	Ronald T. Harrison	Senior Vice President, Architecture and Construction North America Design and Project Management	607,326
	Deborah M. Harrison	Senior Vice President, Government Affairs	324,690
Stephen P. Weisz	Scott Weisz	Senior Director, Asset Management	155,101

J.W. Marriott, Jr. reimbursed the Company for the cost of non-business related services provided by Company employees in the amount of \$261,928 for 2010.

Policy on Transactions and Arrangements with Related Persons

The Company has adopted a written policy for approval of transactions and arrangements between the Company and the Company's current and recent former directors, director nominees, current and

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recent former executive officers, greater than five percent shareholders, and their immediate family members where the amount involved exceeds \$120,000. Each of the related person transactions described above is subject to, and has been approved or ratified under, this policy.

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

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

- certain lodging transactions with specified maximum dollar thresholds where the Corporate Growth Committee has both approved the transaction and determined that its terms are no less favorable to the Company than those of similar contemporaneous transactions with unrelated third parties and, in some cases, where the transaction is the result of an open auction process involving at least three unrelated third party bidders;
- certain other lodging transactions with specified maximum dollar thresholds that are consistent with general terms and conditions that the Nominating and Corporate Governance Committee has previously approved;
- ordinary course sales of timeshare, fractional or similar ownership interests at prices that are no lower than those available under Company-wide employee discount programs;
- employment and compensation relationships that are subject to Compensation Policy Committee or other specified internal management approvals and which, in the case of executive officers, are subject to required proxy statement disclosure;
- certain transactions with other companies and certain charitable contributions that satisfy the independence criteria under both the Company's Corporate Governance Policies and the NYSE corporate governance listing standards; and
- non-lodging transactions involving less than \$500,000 that are approved by at least two members of the Corporate Growth Committee for whom the transactions pose no conflict of interest.

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HOUSEHOLDING

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

OTHER MATTERS

The Company's management knows of no other matters that may be presented for consideration at the 2011 annual meeting. However, if any other matters properly come before the annual meeting, the persons named in the proxy intend to vote such proxy in accordance with their judgment on such matters.

Any shareholder who would like a copy of our 2010 Annual Report on Form 10-K may obtain one, without charge, by addressing a request to the Corporate Secretary, Marriott International, Inc., Dept. 52/862, 10400 Fernwood Road, Bethesda, Maryland 20817. The Company's copying costs will be charged if copies of exhibits to the Form 10-K are requested. You may also obtain a copy of the Form 10-K, including exhibits, from the investor relations portion of our website (www.marriott.com/investor) by clicking on SEC Filings.

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

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2011 ANNUAL MEETING INFORMATION

Time and Location. The 2011 annual meeting of shareholders will begin at 10:30 a.m. on Friday, May 6, 2011 at the JW Marriott Hotel at 1331 Pennsylvania Avenue, N.W., Washington, D.C. 20004.

Parking. Due to anticipated needs of other hotel guests on May 6, 2011, we expect that minimal parking will be available to shareholders in the parking garage adjacent to the hotel. Several public lots are located within three blocks of the hotel.

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

Lodging. A local Marriott hotel will offer a Shareholder Annual Meeting rate for Thursday, May 5, 2011, the night before the meeting. To receive this rate, call the number shown below and ask for the shareholder annual meeting rate for May 5, 2011. *Please note that a limited number of rooms are offered at this rate and you must call by Wednesday, April 20.* Applicable taxes and gratuities are extra and advance reservations are required. This discount may not be used in conjunction with other discounts, coupons, or group rates.

JW Marriott Hotel \$339 single/double
1331 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
202-393-2000
Near Metro Center Metro Station

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PROXY

PROXY

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

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

The undersigned acknowledge(s) receipt of a Notice of Annual Meeting of Shareholders, the accompanying Proxy Statement and the Annual Report for the fiscal year ended December 31, 2010. The undersigned further hereby appoint(s) J.W. Marriott, Jr. and Arne M. Sorenson, and each of them, with power to act without the other and with full power of substitution in each, as proxies and attorneys-in-fact and hereby authorizes them to represent and vote, as provided on the other side, all the shares of Marriott International, Inc. (the Company) Class A Common Stock which the undersigned is entitled to vote, and, in their discretion, to vote upon such other business as may properly come before the Annual Meeting of Shareholders of the Company to be held May 6, 2011 or any adjournment or postponement thereof, with all powers which the undersigned would possess if present at the Meeting.

If the undersigned has voting rights with respect to shares of Company common stock under the Company's 401(k) savings plan or the Sodexo 401(k) savings plan, the undersigned hereby direct(s) the trustee of the applicable 401(k) savings plan to vote shares equal to the number of share equivalents allocated to the undersigned's accounts under the applicable plans in accordance with the instructions given herein. Shares for which the trustee does not receive instructions by 11:59 p.m. Eastern Time, Tuesday, May 3, 2011, will be voted by the trustee in the same proportion as the shares for which valid instructions are received from other participants in the applicable plan.

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

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

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SEE REVERSE SIDE

ITEM 1 ELECTION OF 11 DIRECTORS (The Board of Directors recommends a vote FOR each of these nominees)

01	FOR	AGAINST	ABSTAIN	05	FOR	AGAINST	ABSTAIN	09	FOR	AGAINST	ABSTAIN
J.W. Marriott, Jr.	..	..	..	Debra L. Lee	..	..	..	Lawrence M. Small	..	..	..
02	FOR	AGAINST	ABSTAIN	06	FOR	AGAINST	ABSTAIN	10	FOR	AGAINST	ABSTAIN
John W. Marriott III	..	..	..	George Muñoz	..	..	..	Arne M. Sorenson	..	..	..
03	FOR	AGAINST	ABSTAIN	07	FOR	AGAINST	ABSTAIN				
Mary K. Bush	..	..	..	Harry J. Pearce	..	..	..	
04	FOR	AGAINST	ABSTAIN	08	FOR	AGAINST	ABSTAIN				
Lawrence W. Kellner	..	..	..	Steven S. Reinemund	..	..	..	

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

	FOR	AGAINST	ABSTAIN
(The Board of Directors recommends a vote FOR Item 2)	..	..	..

ITEM 3 ADVISORY RESOLUTION APPROVING EXECUTIVE COMPENSATION

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

ITEM 4 ADVISORY VOTE ON THE FREQUENCY OF FUTURE
ADVISORY VOTES ON EXECUTIVE COMPENSATION

	1 YEAR	2 YEARS	3 YEARS	ABSTAIN
(The Board of Directors recommends a vote of 1 YEAR for Item 4)

Signature

Signature

Date

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

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WE ENCOURAGE YOU TO TAKE ADVANTAGE OF INTERNET OR TELEPHONE VOTING,

BOTH ARE AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.

Internet and telephone voting is available through 11:59 PM Eastern Time

on Thursday, May 5, 2011 the day before the meeting.

Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner

as if you marked, signed and returned your proxy card.