

HOST HOTELS & RESORTS, INC.

Form DEF 14A

April 05, 2019

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Host Hotels & Resorts, 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):

No fee required.

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

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Table of Contents

Value Creation Through Sustainability Leadership

We're committed to enhancing the value and profitability of our owned hotels through sustainable business practices. Our strategic framework follows three themes to inform the integration of sustainability into our business and guide engagement with our corporate responsibility stakeholders.

Responsible Investment	Environmental Stewardship	Corporate Citizenship		
Evaluate opportunities to address climate change risks, invest in proven sustainability practices and enhance asset value while improving environmental performance.	Set environmental targets, monitor the performance of our responsible investments and measure our progress toward improving the environmental footprint of our properties.	Strengthen our local communities through financial support, community engagement and volunteer service.		
\$179M	500+	\$25M	135+	670
Engineering projects with sustainability benefits 2015-17	Projects with sustainability attributes completed 2015-17	Expected annual utility savings from combined investments 2015-17	Charities supported 2018	Hours volunteered among 200 employees 2018

Accomplishments & Recognition

2020 Targets Met Three Years Early

			GHG	Energy	Water	Waste
			28%	15%	25%	50%
DJSI North America Top 20% in 2018	#1 Hotels & #2 for all U.S./ Listed Companies Green Star (6 th consecutive year) in 2018	Lodging/Resorts Leader in the Light Winner	Reduction	Reduction	Reduction	Major

(2014, 2015, 2017

and 2018)

Per Square Foot¹ Per Square Foot¹ Per Occupied Room¹ renovations with waste diversion

Leadership recognition

1st Hospitality company to have its greenhouse gas emissions verified

Eight LEED certified properties

¹ Reduction against 2008 baseline year; new targets under development

New 2018 Initiatives

The Company has also set a new target to achieve 30% renewable energy consumption by 2025 and established an internal price of carbon aligned with guidance provided by the World Bank to inform investment decisions.

Leadership Ranking in 2018 (6th consecutive year)

94% of U.S. hotels distinguished by the TripAdvisor® GreenLeaders Program

For more information on our corporate responsibility program, visit our website at www.hosthotels.com. Please also refer to our 2018 Corporate Responsibility Highlights report, which follows the Global Reporting Initiative (GRI) disclosure framework.

Table of Contents

April 5, 2019

Dear Fellow Stockholder:

I am pleased to invite you to our 2019 Annual Meeting of Stockholders of Host Hotels & Resorts, Inc., which will be held at 11:00 a.m. on Thursday, May 16, 2019, at the Ritz-Carlton Golf Resort, Naples, Florida. The doors will open at 10:30 a.m. Our directors and management team will be available to answer questions. At the annual meeting we will ask you to elect our Board of Directors, ratify the selection of KPMG LLP as our independent registered public accountants, and vote to approve executive compensation. These proposals are described in detail in the attached Notice of 2019 Annual Meeting of Stockholders and Proxy Statement. Our 2018 Annual Report is also enclosed, which we encourage you to read.

Host Hotels Delivered Another Year of Strong Performance in 2018

In 2018, we delivered strong operating performance at the high end of our guidance and successfully executed on our long-term strategic vision. On the transaction front, the Company completed \$1 billion in acquisitions in Hawaii, San Francisco and Florida to strengthen our portfolio of iconic and irreplaceable assets, and in February 2019 we acquired the iconic 1 Hotel South Beach in Miami for \$610 million. We also divested our interest in our European joint venture, as we continued to sharpen our focus on the U.S. In total, we sold approximately \$2.2 billion in non-core assets in 2018 and early 2019. Our goal is to drive stockholder value by combining our operational expertise and exceptional portfolio with disciplined and opportunistic investments. Your Board of Directors is committed to achieving this goal through its continued active oversight and remains focused on generating long-term value for stockholders.

Underpinning our Performance is our Commitment to Corporate Responsibility Initiatives

Our commitment to environmental, social and governance initiatives is central to our business and corporate philosophy and serves as the foundation of Host Hotels' sustainable long-term growth and success. Set forth on the inside front cover is more information on the themes of our corporate responsibility program, our targets and some of our initiatives. The leadership demonstrated by our corporate responsibility program has been confirmed by the recognition we have received. We invite you to learn more about our program through the corporate responsibility section of our website or by reading our 2018 Corporate Responsibility Highlights report, which communicates our approach and activities on environmental, social and governance matters in greater detail.

Your Vote is Important

The attendance of stockholders at our annual meeting helps maintain communication and can improve stockholders understanding of our business. We hope you will be able to join us. Whether or not you plan to attend, you can ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone, by Internet, or by completing, signing, dating and returning your proxy card. Instructions for these convenient ways to vote are set forth on the enclosed proxy card.

Thank you for your continued interest in Host Hotels & Resorts, and we look forward to seeing you at the meeting.

Sincerely,

Richard E. Marriott

Chairman of the Board

Table of Contents

6903 Rockledge Drive, Suite 1500

Bethesda, Maryland 20817-1109

NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS

We cordially invite you to attend the 2019 annual meeting of stockholders of Host Hotels & Resorts, Inc., a Maryland corporation, and any postponements or adjournments of the meeting.

Meeting Date: Thursday, May 16, 2019
Meeting Time: 11:00 a.m., Doors open at 10:30 a.m.
Location: The Ritz-Carlton Golf Resort, Naples, Florida

2600 Tiburon Drive, Naples, Florida

At the 2019 annual meeting, stockholders as of the record date will be asked to consider and vote upon the following matters, as more fully described in the proxy statement.

Agenda

1. Election of eleven directors;
2. Ratification of the appointment of KPMG LLP as the Company's independent registered public accountants for 2019;
3. An advisory resolution to approve executive compensation; and
4. Transaction of any other business that may be properly brought before the annual meeting.

Record Date

You may vote if you were a holder of record of our common stock at the close of business on March 22, 2019, the record date.

By Order of the Board of Directors

Elizabeth A. Abdoo

Secretary

April 5, 2019

REVIEW YOUR PROXY STATEMENT AND VOTE IN ONE OF FOUR WAYS:

VIA THE INTERNET

Go to the website address shown on your proxy card and vote via the Internet

BY TELEPHONE

Use the toll-free number shown on your proxy card (this call is toll-free if made in the United States or Canada)

BY MAIL

Mark, sign, date and return the enclosed proxy card in the postage-paid envelope

IN PERSON

Attend the Annual Meeting in Naples, Florida

Table of Contents

TABLE OF CONTENTS

PROXY STATEMENT
TABLE OF CONTENTS

	Page
<u>PROXY SUMMARY</u>	1
<u>PROPOSAL ONE ELECTION OF DIRECTORS</u>	6
<u>Board Skills, Qualifications, Diversity and Tenure</u>	6
<u>Director Nominees</u>	7
<u>Voting Standard</u>	7
<u>Summary of 2019 Director Qualifications and Experience</u>	14
<u>CORPORATE GOVERNANCE AND BOARD MATTERS</u>	15
<u>Corporate Governance and Code of Business Conduct and Ethics</u>	15
<u>Board Leadership</u>	15
<u>Independence of Directors</u>	16
<u>Communications with Directors</u>	17
<u>Stockholder Outreach and Engagement</u>	17
<u>The Board's Role in Risk Oversight</u>	18
<u>Succession Planning</u>	19
<u>Political Contributions Policy and Trade Association Memberships</u>	20
<u>Meetings and Committees of the Board</u>	21
<u>Role of the Compensation Consultant</u>	23
<u>Compensation-Related Risks</u>	24
<u>Compensation Policy Committee Interlocks and Insider Participation</u>	24
<u>Process for Selecting Directors</u>	25
<u>Stockholder Nominations and Recommendation of Director Candidates</u>	25
<u>PROPOSAL TWO RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS</u>	26
<u>Principal Accountant Fees and Services</u>	27
<u>Pre-Approval Policy for Services of Independent Registered Public Accountants</u>	27

<u>Policy for Hiring Members of the Audit Engagement Team</u>	27
<u>Other Company Accountants and Auditors</u>	28
<u>Report of the Audit Committee</u>	29
<u>PROPOSAL THREE ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION</u>	30
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	32
<u>2018 Company Performance Highlights</u>	32
<u>Results of 2018 Advisory Vote</u>	33
<u>Our Compensation Program</u>	33
<u>2018 Compensation Results</u>	39
<u>Risk Considerations</u>	48
<u>Additional Policies and Benefits</u>	48

Table of Contents

TABLE OF CONTENTS

	Page
<u>EXECUTIVE OFFICER COMPENSATION</u>	52
<u>Summary Compensation Table for Fiscal Year 2018</u>	52
<u>Grants of Plan-Based Awards in Fiscal Year 2018</u>	54
<u>Outstanding Equity Awards at 2018 Fiscal Year End</u>	55
<u>Option Exercises and Stock Vested in Fiscal Year 2018</u>	56
<u>Nonqualified Deferred Compensation</u>	56
<u>Severance and Change in Control Payments</u>	57
<u>Securities Authorized for Issuance Under Equity Compensation Plans</u>	60
<u>CEO Pay Ratio</u>	60
<u>REPORT OF THE COMPENSATION POLICY COMMITTEE ON EXECUTIVE COMPENSATION</u>	62
<u>DIRECTOR COMPENSATION</u>	63
<u>2018 Director Fees</u>	63
<u>2018 Director Compensation Program</u>	63
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	66
<u>CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS</u>	68
<u>Policy on Transactions and Arrangements with Related Persons</u>	68
<u>Related Person Transactions</u>	68
<u>STOCKHOLDER PROPOSALS FOR OUR NEXT ANNUAL MEETING</u>	72
<u>Proxy Statement Proposals</u>	72
<u>Director Nominations For Inclusion in Proxy Materials</u>	72
<u>Other Proposals and Nominations</u>	72
<u>ATTENDANCE AND VOTING MATTERS</u>	73

<u>OTHER MATTERS</u>	77
<u>Other Business at the Annual Meeting</u>	77
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	77
<u>Hotel Information</u>	77
<u>Online Annual Report to Stockholders</u>	77

Proxy Statement. The Board of Directors of Host Hotels & Resorts, Inc. is soliciting proxies to be voted at our 2019 Annual Meeting of Stockholders on May 16, 2019 and at any postponements or adjournments of the meeting. We expect that this Proxy Statement will be mailed and made available to stockholders beginning on or about April 5, 2019.

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be held on May 16, 2019. The Company's Proxy Statement for the 2019 Annual Meeting and our Annual Report to Stockholders for 2018 are both available free of charge at <https://www.proxydocs.com/HST>. References in this Proxy Statement and accompanying materials to Internet web sites are for the convenience of readers. Information available at or through these web sites is not incorporated by reference in this Proxy Statement.

[Table of Contents](#)**PROXY SUMMARY****PROXY SUMMARY**

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

ANNUAL MEETING OF STOCKHOLDERS**VOTING MATTERS**

Matter	Board Recommendation	Page Reference
		(for more detail)
<u>Election of Directors</u>	For each director nominee	6
<u>Ratification of Appointment of KPMG LLP</u>	For	26
<u>Advisory Resolution to Approve Executive Compensation</u>	For	30

BOARD NOMINEES

The following table provides summary information about each director nominee. Directors are elected annually by a majority of votes cast.

Name, Age	Director Since	Principal Occupation	Committee Memberships*			Other U.S. Public Company Boards
			A	C	NCG	

Edgar Filing: HOST HOTELS & RESORTS, INC. - Form DEF 14A

Mary L. Baglivo, 61	2013	Chief Executive Officer The Baglivo Group		PVH Corp. Ruth s Hospitality Group
Sheila C. Bair, 65	2012	Former President of Washington College	(F)	Thomson Reuters
Ann McLaughlin Korologos, 77	1993	Former Chair of RAND Corporation Board of Trustees		Capri Holdings
Richard E. Marriott, 80	1993	Chairman of the Board		
Sandeep L. Mathrani, 56	2016	Chief Executive Officer of Brookfield Properties retail group		
John B. Morse, Jr., 72	2003	Retired Vice President and CFO of The Washington Post Company	(F)	AES Corporation
Mary Hogan Preusse, 50	2017	Founder and Principal of Sturgis Partners LLC	(F)	Digital Realty Trust Kimco Realty VEREIT
Walter C. Rakowich, 61	2012	Retired Chief Executive Officer of Prologis	(F)	Iron Mountain Inc. Ventas, Inc.