

HOST HOTELS & RESORTS, INC.

Form DEF 14A

April 05, 2019

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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:

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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

Evaluate opportunities to address climate change risks, invest in proven sustainability practices and enhance asset value while improving environmental performance.

\$179M

Environmental Stewardship

Set environmental targets, monitor the performance of our responsible investments and measure our progress toward improving the environmental footprint of our properties.

500+

\$25M

Corporate Citizenship

Strengthen our local communities through financial support, community engagement and volunteer service.

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
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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

Per
Square

Per renovations
Occupied with waste
Room¹ diversion

¹ Reduction against 2008 baseline year;
new
targets under development

Leadership
recognition

1st Hospitality company
to have its greenhouse gas
emissions verified

Eight LEED
certified
properties

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 Trip
Advisor® 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.

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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

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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

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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	

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Mary L. Baglivo, 61	2013	Chief Executive Officer		PVH Corp.
		The Baglivo Group		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.
James F. Risoleo, 63	2017	President and Chief Executive Officer		Cole Office & Industrial REIT
Gordon H. Smith, 66	2009	President & CEO of the National Association of Broadcasters		

Lead Independent Director

A. William Stein, 65	2017	Chief Executive Officer of Digital Realty Trust	(F)	Digital Realty Trust
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* A Audit Committee

Chair of the Committee

(F) Audit Committee Financial Expert

C Compensation Policy Committee

NCG Nominating and Corporate Governance Committee

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PROXY SUMMARY

Snapshot of Director Diversity and Experience

All director nominees are independent other than our Chief Executive Officer and Chairman. The Nominating and Corporate Governance Committee and the Board believe it is important for the Board to be refreshed by adding directors from time to time, and two new independent directors joined the Board in 2017. The Committee and the Board also believe that long-serving directors bring critical skills and historical perspective to the Board in a cyclical business such as the lodging industry. The Committee and Board seek a balanced mix of both new and experienced directors and believe this balance is achieved with the current nominees.

CORPORATE GOVERNANCE HIGHLIGHTS

The Company is committed to the values of effective corporate governance and high ethical standards. Our Board believes that these values are conducive to strong performance and creating long-term stockholder value. Our governance framework gives our highly experienced independent directors the structure necessary to provide oversight, advice and counsel to the Company. This framework is described in more detail in our Corporate Governance Guidelines and code of conduct, which can be found in the governance section of our website.

Board Independence 9 out of 11 of our directors are independent

Our Chairman and CEO are the only management directors

Board Composition 36% of our Board members are women

Annual self-assessment to review Board's effectiveness

The Nominating and Corporate Governance Committee leads the full Board in considering Board competencies and the identification and evaluation of director candidates.

Board Committees

Three Board committees Audit, Nominating and Corporate Governance, and Compensation Policy

Fully independent Board committees

Five Audit Committee members are financial experts

Leadership Structure

Chairman of the Board separate from CEO

Independent Lead Director (selected by the directors). Among other duties, he/she convenes and chairs executive sessions of the independent directors to discuss certain matters without management present.

Risk Oversight

Our full Board is responsible for risk oversight, and has designated committees to have particular oversight of certain key risks. Our Board oversees management as management fulfills its responsibilities for the assessment and mitigation of risks and for taking appropriate risks.

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PROXY SUMMARY

Open Communication We encourage open communication and strong working relationships among the Lead Director, Chairman, CEO and other directors.

Our directors have access to management and employees.

Director Stock Ownership Our independent directors are required to own common stock in an amount equal to five times the annual cash base retainer. Our management directors (CEO and Chairman) are required to own common stock in an amount equal to six times their annual salary.

Comprehensive insider trading policy

Prohibitions on hedging and pledging transactions

Accountability to Stockholders Majority voting in uncontested director elections, coupled with a director resignation policy

Fully non-classified board with annual election of directors

Adopted proxy access rights

No stockholder rights plan

Annual advisory vote on executive compensation

Opted out of the Maryland Control Share Acquisition Act, which provides certain takeover defenses

Opted out of the provisions of the Maryland Unsolicited Takeovers Act, which permits a board of directors to classify itself without a stockholder vote

Stockholder power to amend the Bylaws

Stockholder power to call special meeting upon 25% of the votes entitled to be cast.

Management

The Board actively monitors our succession planning and people development and receives regular updates on employee engagement, diversity and retention matters.

Succession Planning

Sustainability and

The Nominating and Corporate Governance Committee monitors our programs and initiatives on sustainability, environmental matters and social responsibility.

Corporate

Responsibility

COMPENSATION PROGRAM

Our executive compensation programs are designed to:

Link pay to performance;

Attract and retain talented executive officers and key employees;

Emphasize performance-based compensation to motivate key executives;

Reward individual performance; and

Encourage long-term commitment to the Company and align the interests of executives with stockholders.

Table of Contents**PROXY SUMMARY**

We meet these objectives through an appropriate mix of compensation, including for 2018:

Component	Form	Description & Objective
Long-Term Incentive (Performance-Based)	Equity	Represents two-thirds of total long-term incentive award
		Restricted stock units that are solely performance based and vest either annually based on corporate objectives or following a three-year period based on relative total stockholder return
		Aligns executive officers' compensation with returns delivered to Company stockholders and motivates performance against key corporate objectives
Long-Term Incentive (Time-Based)	Equity	Represents one-third of total long-term incentive award
		Restricted stock units that vest in annual installments over three years
Annual Incentive	Cash	Aligns the interests of the executives with long-term stockholder value
		At-risk compensation with payments based on the Company's achievement of key financial measures (adjusted funds from operations per share and return on invested capital) and objective individual performance goals
Base Salary		Formulaic with limited discretion and a cap on the maximum amount that can be earned
		Provides market-competitive pay reflective of an executive's role, experience and individual performance

Only component of compensation that is fixed

In 2017, we made several key enhancements to our compensation programs to continue to enhance the link between compensation and the Company's business and strategy as well as the long-term interests of stockholders.

**Approximately 94% of the votes cast on our 2018 say-on-pay proposal
were in favor of our executive compensation program and policies**

See Compensation Discussion and Analysis Our Compensation Program for a further discussion of the Company's compensation programs.

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2018 was a year of continued growth for the Company. The Company's comparable hotel revenue per available room (or RevPAR) increased 2.3%, representing the ninth consecutive year of positive RevPAR growth. RevPAR is a commonly used measure within the hotel industry to evaluate hotel operations. For more information on this measure and our 2018 results, see the Company's Annual Report on Form 10-K.

We undertook a number of initiatives in 2018 to better position the Company for long-term, sustainable growth and continued to execute on our strategy to decrease international exposure and improve the overall quality of the portfolio by recycling out of low RevPAR hotels and into high RevPAR hotels.

Refocused the Company on the U.S. with targeted dispositions of:	Achieved the strongest balance sheet (in terms of leverage and interest coverage) in the Company's history.	2018 investment activity:	Returned value to stockholders in 2018:	Current annualized dividend yield:
\$2,278		\$1,000		4.4%
Million	Maintained our investment grade bond rating.	Million	\$635	
(including one January 2019 sale) reducing our exposure to international and less profitable domestic markets at attractive prices.		Acquired 3 iconic Hyatt hotels – the Andaz Maui, Grand Hyatt San Francisco, and Hyatt Regency Coconut Point.	Million	Based on \$0.85 per share in dividends authorized in 2018 and the Company's closing stock price of \$19.15 as of March 21, 2019.
			Represents \$0.85 in dividends authorized to stockholders in 2018.	

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PROPOSAL 1 ELECTION OF 11 DIRECTORS

Our Board of Directors has nominated 11 directors for election at this Annual Meeting to hold office until the next Annual Meeting and the election of their successors. All the nominees are currently directors. Each nominee has consented to serve if elected, but if any director nominee is unavailable to serve (an event which our Board does not now anticipate), the proxies named on your proxy card will vote for a substitute nominee recommended by the Board. Alternatively, should such circumstances arise, the Board, on the recommendation of the Nominating and Corporate Governance Committee, may decide to reduce the size of the Board and the number of nominees.

Board Skills, Qualifications, Diversity and Tenure

The Nominating and Corporate Governance Committee reviews the composition of the Board in light of the Company's changing requirements and its annual assessment of the Board's performance. The Committee and Board seek a complementary mix of individuals with diverse backgrounds and skills reflecting the broad set of challenges that the Board confronts.

There are general qualifications that all Directors must have, which are described in the Committee's charter and the Company's Corporate Governance Guidelines, including integrity and high ethical standards, mature and independent judgment, diverse business experience, familiarity with the issues affecting the Company's business, and a commitment to full participation on the Board and its committees. The Committee also considers other criteria, including: experience in running a major enterprise, sound business acumen, experience as a board member of another publicly held company, academic expertise in an area of the Company's operations, and a reputation, both personal and professional, consistent with the image and reputation of the Company.

The Board and the Committee are also committed to a diversified membership, in terms of both the individuals involved and their experience. As stated in the Committee's charter, the Committee may take into account the overall diversity of the Board, including professional background, experience, thought, perspective, age, tenure, gender, and ethnicity.

The Board and the Nominating and Corporate Governance Committee believe it is important for the Board to be refreshed by adding new directors from time to time. However, the Committee and the Board also believe that long-serving directors bring critical skills and knowledge to the Board. Among other things, such senior directors bring a historical perspective to the Board, which is highly relevant in a cyclical business such as the lodging industry. In addition, the Committee and the Board believe that long-serving directors have acquired extensive knowledge of the business that tends to make them less dependent upon management for information and perspectives. Accordingly, while the Committee considers tenure as a factor in determining the nominee slate, it is not a critical or determinative factor.

**2016 & 2017 BOARD
REFRESHMENT**

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PROPOSAL 1 ELECTION OF 11 DIRECTORS

Director Nominees

The Committee believes that each of the nominees possesses the key attributes that are important to an effective Board. Each director nominee holds or has held senior executive positions in large organizations or the government and has experience relevant to the Company's business. Our directors also serve on the boards of other public and private companies and have an understanding of corporate governance practices and trends. The Committee has also taken into account diversity considerations in determining the slate of directors and believes that, as a group, the nominees bring a broad range of perspectives to Board deliberations.

INDEPENDENCE

TENURE

The director nominees have served on our Board for an average of approximately 9.5 years. The median tenure of our director nominees is 6.4 years. Four of the director nominees, or 36% of the Board, have served for less than three years.

The Committee also considered the specific experiences described in the biographical details that follow in determining to nominate the individuals set forth below for election as directors.

Below each nominee's biography, we have included an assessment of the skills and experience of such nominee. We have also included a chart that covers the assessment for the full Board.

DIVERSITY OF BACKGROUND

Voting Standard

Each director nominee stands for election every year. Except in a contested election, each director will be elected only if he or she receives more votes for than votes against. As set forth in the Company's Corporate Governance Guidelines, any director nominee who is not elected by the vote required and who is an incumbent director must promptly tender his or her resignation to the Board for consideration. The Nominating and Corporate Governance Committee will then make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other action is recommended. The Board will act on the tendered resignation within 90 days and will

promptly disclose its decision and rationale as to whether to accept the resignation or the reasons for rejecting the resignation. If a director's resignation is accepted by the Board, or if a nominee for director is not elected and is not an incumbent director, the Board may fill the resulting vacancy or decrease the size of the Board.

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PROPOSAL 1 ELECTION OF 11 DIRECTORS

NOMINEES FOR DIRECTOR

MARY L. BAGLIVO

Ms. Baglivo is the Chief Executive Officer of the Baglivo Group, a strategy consulting company. Previously, she was the Vice Chancellor of Communications and Marketing for Rutgers University from 2017 to 2018 and was the Vice President for Global Marketing and Chief Marketing Officer for Northwestern University from 2013 to 2017. Before that, she was a partner with Brand Value Advisors, a strategic brand and digital marketing advisory firm. She also previously served as Chair and Chief Executive Officer, the Americas at Saatchi & Saatchi Worldwide from 2008 to 2013, and Chief Executive Officer, New York from 2004 to 2008. Prior to joining Saatchi & Saatchi, she was President of Arnold Worldwide from 2002 to 2004 and Chief Executive Officer of Panoramic Communications from 2001 to 2002. She currently serves on the board of directors of PVH Corp., where she is a member of its corporate responsibility committee, Ruth's Hospitality Group, where she is a member of its compensation and nominating and corporate governance committees, and Verve Wireless, Inc., a private company.

Age: 61

Director since: 2013

Independent

Skills and Expertise:

Committees:

in depth global marketing, advertising and consumer branding experience

Compensation (Chair)
Nominating and
Corporate Governance

strategic planning expertise

Public Boards:

extensive business and leadership experience of large complex companies, including as Chair and CEO of the Americas at Saatchi & Saatchi Worldwide

PVH Corp.

Ruth's Hospitality
Group

understanding of growth strategies in worldwide branded businesses

SHEILA C. BAIR**Age:** 65**Director since:** 2012**Independent****Committees:**

Audit

Nominating and

Corporate Governance

Public Boards:

Thomson Reuters

Ms. Bair is the former President of Washington College. She is also the former Chair of the Federal Deposit Insurance Corporation, where she served in that capacity from 2006 to 2011. From 2002 to 2006 she was the Dean's Professor of Financial Regulatory Policy for the Isenberg School of Management at the University of Massachusetts-Amherst. She also served as Assistant Secretary for Financial Institutions at the U.S. Department of the Treasury (2001 to 2002), Senior Vice President for Government Relations of the New York Stock Exchange (1995 to 2000), Commissioner of the Commodity Futures Trading Commission (1991 to 1995), and as counsel to Kansas Republican Senate Majority Leader Bob Dole (1981 to 1988). She continues her work on financial policy issues as chair emeritus of the Systemic Risk Council, a public interest group which monitors progress on the implementation of financial reforms. She is also an accomplished author and has written several books on financial issues, including educational writings on money and finance for children. She is on the board of the Thomson Reuters Corporation, where she is a member of its audit committee and Chair of its risk committee. In addition, she serves on the boards of the Volcker Alliance, Paxos Trust Company and is an independent non-executive director of the Industrial and Commercial Bank of China Ltd.

Skills and Expertise:

extensive expertise in banking and finance as a result of her services as Chair of the FDIC

recognized leader and author on financial policy issues

broad government and regulatory experience both from her service at the FDIC as well as prior service in senior positions at the NYSE, CFTC and the U.S. Department of the Treasury

audit committee financial expert

familiarity with aspects of managing and providing leadership to complex business organizations

familiarity and experience with global financial systems as an independent director for China's largest bank, an advisor to the China Bank and Insurance Regulatory Commission, and as a former board member and current advisor to Grupo Santander, one of Europe's largest banks

Table of Contents**PROPOSAL 1 ELECTION OF 11 DIRECTORS****MARY HOGAN PREUSSE****Age:** 50**Director since:** 2017**Independent****Committees:**

Audit

Nominating and

Corporate Governance

Public Boards:

Digital Realty Trust

Kimco Realty

VEREIT

Ms. Hogan Preusse is the founder and principal of Sturgis Partners, an advisory firm. She was formerly at APG Asset Management US, the New York subsidiary of the Netherlands-based firm from 2000 to 2017. At APG she served as the Managing Director and co-head of Americas Real Estate where she was responsible for managing all of APG's public real estate investments in North and South America. She also served on the Executive Board of APG Asset Management US from 2008 to 2017. Prior to joining APG in 2000, she spent eight years as a sell side analyst covering the REIT sector, and began her career at Merrill Lynch as an investment banking analyst. Her industry memberships include the International Council of Shopping Centers and NAREIT where she serves as a member of the Advisory Board of Governors. She is also a member of the board of directors of Digital Realty Trust, where she is a member of its audit and nominating and corporate governance committees; Kimco Realty, where she is a member of its audit, executive compensation and nominating and corporate governance committees; and VEREIT, where she is a member of its nominating and corporate governance and compensation committees. Ms. Hogan Preusse is a member of the Bowdoin College Board of Trustees and a member of the Real Estate and Infrastructure Advisory Board of the Carey Business School at Johns Hopkins University.

Skills and Expertise:

over 25 years of real estate experience, including managing a \$13 billion portfolio in real estate investment trusts and other public real estate securities

brings valuable investment focus to the Board

recognized expertise and leadership in the real estate sector and in 2015 received NAREIT's E. Lawrence Miller Industry Achievement Award for her contributions to the industry

board oversight expertise, serving on the boards of three other public real estate companies

audit committee financial expert

SANDEEP L. MATHRANI

Mr. Mathrani is the Chief Executive Officer of Brookfield Properties retail group and Vice Chairman of Brookfield Properties. Prior to its merger with Brookfield Properties, Mr. Mathrani served as Chief Executive Officer and director of GGP Inc. from 2010 to 2018. Prior to GGP, he served as the President of Retail at Vornado Realty Trust from 2002 to 2010 and was responsible for all retail real estate activities in the United States and India. Prior to Vornado, he served as an Executive Vice President at Forest City Ratner Companies, LLC from 1994 to 2002 and was responsible for its retail development and related leasing in the New York City metropolitan area. Mr. Mathrani is an Executive Board member and Chair of the National Association of Real Estate Investment Trusts, a member of the Real Estate Roundtable, and a member of the Executive Board and Board of Trustees of the International Council of Shopping Centers.

Age: 56

Director since: 2016

Independent

Committees:

Audit

Compensation

Skills and Expertise:

significant experience as CEO and a director of GGP, a large real estate investment trust focused on retail real estate

real estate industry veteran with almost 30 years of experience

extensive familiarity with all aspects of managing and providing leadership to a complex business organization

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PROPOSAL 1 ELECTION OF 11 DIRECTORS

**ANN MCCLAUGHLIN
KOROLOGOS**

Age: 77

Director since: 1993

Independent

Committees:

Compensation

Public Boards:

Michael Kors

Ms. Korologos served as the Chair of the Board of Trustees of the RAND Corporation, an international public policy research organization from April 2004 to April 2009. She is currently Chair of the Board of the Middle East Investment Initiative and is the former Chair of the Board of the Anderson Ranch Arts Center. She was a member of the Board of Cristo Rey Network from 2012 to 2017. From October 1996 to December 2005 she served as Senior Advisor to Benedetto, Gartland & Company, Inc., a private investment banking firm in New York. She formerly served as President of the Federal City Council from 1990 until 1995 and as Chairman of the Aspen Institute from 1996 until 2000. Ms. Korologos has served in several United States Administrations in such positions as Secretary of Labor from 1987 to 1989 and Under Secretary of the Department of the Interior from 1984 to 1987. She also serves as a director of Capri Holdings Limited (formerly Michael Kors), where she is a member of the compensation and talent committee and Chair of the governance and nominating committee. She previously served on the boards of AMR Corporation (and its subsidiary, American Airlines), Kellogg Company, Harman International Industries, Inc. and Vulcan Materials Company.

Skills and Expertise:

significant experience as a director of large, diversified, global public companies

recognized expertise and leadership in the oversight of public companies (including specific experience in lead director role, compensation, audit, diversity, governance, and social responsibility oversight)

through her high-level U.S. government service, she also provides knowledge of labor issues, international affairs and expertise in providing leadership to complex business organizations

public policy, social responsibility and succession issues expertise

vast knowledge of and long-term experience with the Company, serving as a director since 1993

RICHARD E. MARRIOTT

Mr. Marriott is our Chairman of the Board. He is Chairman of the Board of First Media Corporation, the Chairman and a director of the J. Willard Marriott and Alice S. Marriott Foundation and a director of the Richard E. and Nancy P. Marriott Foundation. Mr. Marriott also serves on the Federal City Council and the National Advisory Council of Brigham Young University. He previously served on the Board of Marriott International, Inc. and is a past President of the National Restaurant Association and a past director of the Polynesian Cultural Center. In addition, Mr. Marriott is the President and a Trustee of the Marriott Foundation for People with Disabilities.

Chairman of the Board

Age: 80

Director since: 1993

Skills and Expertise:

comprehensive knowledge of the Company and unique perspective and insight into the hospitality industry based on a 53-year history with the Company and Marriott International

during his tenure, Mr. Marriott has served in various executive capacities and has served as our Chairman since 1993

long history of successful management of the Company

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PROPOSAL 1 ELECTION OF 11 DIRECTORS

JOHN B. MORSE, JR.

Mr. Morse served as Senior Vice President, Finance and Chief Financial Officer of The Washington Post Company (now Graham Holdings Company) from November 1989 until his retirement in December 2008. He also served as President of Washington Post Telecommunications, Inc. and Washington Post Productions Inc., both subsidiaries of The Washington Post Company. Prior to joining The Washington Post Company, Mr. Morse was a partner at PricewaterhouseCoopers. Mr. Morse is the Chairman and lead independent director of AES Corporation, where he also previously served as Chairman of the financial audit committee. He previously served on the board of HSN, Inc., where he was chairman of both the compensation and audit committees. He is a former Trustee and President Emeritus of the College Foundation of the University of Virginia and a former director and Treasurer of Greater Naples Leadership.

Age: 72

Director since: 2003

Independent

Committees:

Audit

Public Boards:

AES Corporation

Skills and Expertise:

substantial financial expertise that includes extensive knowledge of the complex financial and operational issues facing large companies

in-depth understanding of accounting principles and financial reporting rules and regulations acquired in the course of serving as the CFO of The Washington Post Company and his years as a partner at PricewaterhouseCoopers

board oversight expertise as an audit committee financial expert and a member of the audit committees of other public company boards

Mr. Rakowich is the former Chief Executive Officer of Prologis, where he worked for 18 years before retiring in December 2012. Mr. Rakowich served as CEO of Prologis from November 2008 through June 2011, when Prologis merged with AMB Property Corporation. He then assumed the

**WALTER C.
RAKOWICH**

role of Co-CEO and served as a member of the Prologis board of directors up until December 2012 to manage the integration of the two companies. Prior to his service as CEO, Mr. Rakowich held a number of senior management positions while at Prologis, including as President and Chief Operating Officer from 2005 to 2008, and Managing Director and Chief Financial Officer from 1998 to 2005. Prior to joining Prologis, Mr. Rakowich was a partner with real estate provider Trammell Crow Company, where he worked for nine years; before that he was a senior audit and tax consultant for Pricewaterhouse. Mr. Rakowich is also a director of Iron Mountain Incorporated where he is a member of its audit and nominating and governance committees, and is a director of Ventas, Inc. where he is a member of its audit and compliance committee. He is also on the board of trustees of The Pennsylvania State University and is the Chairman of its audit and risk committee and is on the board of the Global Food Exchange, a private company, and Colorado UpLift.

Age: 61**Director
since:** 2012**Independent****Skills and Expertise:**

significant real estate and financial experience, including extensive knowledge of the issues facing large international real estate investment trusts

Committees:

Audit

from 1998 to 2012, Mr. Rakowich served, over time, as chief financial officer, chief operating officer and chief executive officer of Prologis, a real estate investment trust focused on industrial real estate with extensive international operations

Nominating
andCorporate
Governance

(Chair)

brings valuable experience to the Board on issues facing the Company's international portfolio, risk assessment and leadership development

extensive experience in accounting through his years at Pricewaterhouse

**Public
Boards:**Iron Mountain
Incorporated

Ventas, Inc.

audit committee financial expert

Table of Contents**PROPOSAL 1 ELECTION OF 11 DIRECTORS****JAMES F. RISOLEO**

Mr. Risoleo became our President and Chief Executive Officer in January 2017. He joined our Company in 1996 as Senior Vice President for Acquisitions and Development, and was appointed Executive Vice President and Chief Investment Officer in 2000. In 2012, he became Executive Vice President and Managing Director of the Company's European business activities and, in 2015, Mr. Risoleo assumed leadership for all of the Company's West Coast investment activities in addition to Europe. Prior to joining our Company, Mr. Risoleo was Vice President, Development at Interstate Hotels Corporation and a Senior Vice President, Commercial Real Estate at Westinghouse Electric Corporation. Mr. Risoleo serves as a director of Cole Office & Industrial REIT, a public non-listed REIT, and is a member of its audit committee and Chairman of its valuation and compensation committee. He also previously served as the non-executive Chairman of Cole Office & Industrial REIT from 2015 to 2018. He serves as an Executive Board member of NAREIT, an Executive Committee member of the American Hotel & Lodging Association, a member of the U.S. Travel Association CEO Roundtable, and as a member of the Real Estate Roundtable. Mr. Risoleo is also a member of the Bar of the State of Pennsylvania.

**President and
Chief Executive
Officer**

Skills and Expertise:

Age: 63

extensive business, leadership and strategic planning experience

Director since: 2017

Public Boards:

significant expertise in finance, equity and capital development, real estate and the hospitality industry

Cole Office &
Industrial REIT

over 25 years of domestic and international hotel experience in investment, dispositions, capital budgets and asset management

extensive knowledge of the Company as a member of senior management for over 20 years, serving in various roles within the Company and culminating in his current service as CEO

GORDON H. SMITH

Senator Smith is President and Chief Executive Officer of the National Association of Broadcasters. From March to October 2009 he was a senior advisor and resident at the Washington, D.C. office of Covington & Burling LLP as a member of the Government Affairs and International Trade practice groups. In 2008, Senator Smith completed his second term as a United States Senator from the State of Oregon, where he served on the Commerce, Science and Transportation Committee; the Energy and Natural Resources Committee; the Finance Committee; and the Indian Affairs Committee. In addition, he was a ranking member of the Senate Finance Subcommittee on International Trade and Global Competitiveness and for six years chaired the Senate Foreign Relations Subcommittee on European Affairs. Prior to his election to the United States Senate, he directed the operations of Smith Frozen Foods, his family's frozen food processing business and is currently Chairman of the Board of Smith Frozen Foods, which is privately held. In 1992, he was elected to the Oregon State Senate, of which he became President in 1995. He also previously practiced law in the states of New Mexico and Arizona.

Age: 66

Director since: 2009

Lead Independent Director

Committees:

Nominating and
Corporate Governance
(Chair)

Skills and Expertise:

high-level U.S. government experience and leadership as a United States Senator

extensive knowledge of public policy, international affairs and trade and law

significant business experience and knowledge of finance, accounting and marketing obtained through his management of Smith Frozen Foods, a leading producer of frozen foods

Table of Contents**PROPOSAL 1 ELECTION OF 11 DIRECTORS****A. WILLIAM STEIN**

Mr. Stein is the Chief Executive Officer and a director of Digital Realty Trust. Prior to being named CEO in 2014, he served as Chief Financial Officer and Chief Investment Officer. Before joining Digital Realty in 2004, Mr. Stein was with GI Partners, a private equity fund of which Digital Realty was a portfolio company. Past positions include serving as Co-Head of VentureBank@PNC and Media and Communications Finance at The PNC Financial Services Group; President and Chief Operating Officer of TriNet Corporate Realty Trust (acquired by iStar Financial) and a variety of senior investment and financial management positions with Westinghouse Electric, Westinghouse Financial Services and Duquesne Light Company. In addition, Mr. Stein practiced law for eight years, specializing in financial transactions and litigation. Mr. Stein serves on the Executive Board and as Second Vice Chair of NAREIT and is a member of the Fisher Center for Real Estate & Urban Economics Policy Advisory Board. He is also a member of the University of Pittsburgh Chancellor's Global Advisory Council.

Age: 65**Director since:** 2017**Independent****Skills and Expertise:****Committees:**

over 30 years of investment, financial and operating management experience

Audit

Compensation

in-depth understanding of the real estate industry and the issues facing real estate investment trusts

Public Boards:

Digital Realty Trust

extensive leadership experience including as CEO of Digital Realty Trust, a real estate investment trust focused on data centers, and has overseen a doubling of the company's total enterprise value, as well as its inclusion in the S&P 500 Index

audit committee financial expert

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PROPOSAL 1 ELECTION OF 11 DIRECTORS

Summary of 2019 Director Qualifications and Experience

The Nominating and Corporate Governance Committee and the full Board believe a complementary mix of diverse skills, attributes, and experiences will best serve the Company and its stockholders. The director skills summary that appears below, and the related narrative for each director nominee, notes the specific experience, qualifications, attributes, and skills for each director that the Board considers important in determining that each nominee should serve on the Board in light of the Company's business, structure, and strategic direction. The absence of a for a particular skill does not mean the director in question is unable to contribute to the decision-making process in that area.

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CORPORATE GOVERNANCE AND BOARD MATTERS

CORPORATE GOVERNANCE AND BOARD MATTERS

Corporate Governance and Code of Business Conduct and Ethics

Our Board of Directors oversees the management of the Company and its business for the benefit of our stockholders in order to enhance stockholder value over the long-term. The Board has adopted Corporate Governance Guidelines, which are reviewed annually and periodically amended as the Board enhances the Company's corporate governance practices. The Board has also adopted a code of business conduct and ethics that applies to all directors, officers and employees of the Company. The purpose of the code of conduct is to promote honest and ethical conduct; to promote full, fair, accurate, timely and understandable disclosure in periodic reports required to be filed by the Company; and to promote compliance with all applicable rules and regulations that apply to the Company and its officers, employees and directors. The Corporate Governance Guidelines, code of conduct and other documents describing the Company's corporate governance practices can be accessed in the Governance section of the Company's website at <http://www.hosthotels.com>. Copies of these documents are also available in print to stockholders upon request.

Governance is a continuing focus of the Company. In 2016 the Board of Directors amended and restated the Company's Bylaws to add proxy access, a means for the Company's stockholders to include stockholder-nominated director candidates in the Company's proxy materials for annual meetings of stockholders. Also in 2016 the Board proposed, and stockholders approved, Charter amendments which strengthened the rights of stockholders by providing stockholders the concurrent power to amend the Bylaws and reducing the threshold needed for stockholders to call a special meeting. Over the years, the Board has implemented numerous other corporate governance enhancements to serve the long-term interests of all stockholders. These have included:

- u adopting a majority vote standard for uncontested director elections, coupled with a director resignation policy;
- u supermajority of independent directors;
- u declassifying the Board so that all directors are elected annually;
- u executive sessions of the Board without management present;
- u allowing the Company's rights plan to expire;
- u proactive and productive stockholder engagement policy;
- u opting out of the Maryland Control Share Acquisition Act;
- u independent lead director (selected by the directors); and

u opting out of the provisions of the Maryland Unsolicited Takeovers Act that permit the Board to classify itself without a stockholder vote; u annual self-assessment to review the Board's effectiveness.

For more information on the Company's corporate governance practices, see the Corporate Governance Guidelines posted on our website.

Board Leadership

Our governance framework provides the Board with the flexibility to select the appropriate leadership structure for the Company. This will be driven by the needs of the Company as well as the particular makeup of the Board at any point in time. We have historically had a leadership structure that includes a Chairman of the Board, who is annually elected, a separate Chief Executive Officer, and an independent director serving as Lead Director. The CEO is responsible for setting the strategic direction of the Company and for the day-to-day leadership and management of the Company, while the Chairman of the Board provides guidance to the CEO, directs the agenda for Board meetings, presides over meetings of the full Board and participates in stakeholder outreach. This structure reflects the continued strong leadership, industry experience and energy brought to the Board by Richard E. Marriott, who has been elected and has led the Company as Chair since its split with Marriott International in 1993. His over 50-year career at the Company uniquely provides him with a perspective and wealth of knowledge that is invaluable to the Board.

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CORPORATE GOVERNANCE AND BOARD MATTERS

The Board also has the position of Lead Director who provides additional independent oversight of senior management and board matters in our current structure where the Chairman and CEO are not independent directors. The role of a Lead Director is meant to facilitate communication among the directors or between any of them and the Chairman and CEO. In addition, directors are encouraged to continue to communicate among themselves and directly with the Chairman and CEO, and under our Corporate Governance Guidelines each independent director may call an executive session. Upon recommendation of the Nominating and Corporate Governance Committee, our Lead Director is elected annually from among the independent directors. Gordon H. Smith was appointed Lead Director in May 2018.

The duties of the Lead Director include:

presiding at executive sessions of the Board, and briefing the Chairman and CEO, as needed, following such sessions;

presiding at meetings of the Board where the Chairman is not present;

convening and acting as chair of meetings of the independent directors;

providing input on Board agendas and meeting schedules;

providing feedback to and consulting with the Chairman and CEO on any concerns of the Board; and

serving as the director to whom correspondence may be directed on behalf of the non-management directors as a group, as described below under Communications with Directors.

Another component of our leadership structure is the active role played by our independent directors in overseeing the Company's business, both at the Board and Committee level. **Nine of eleven of our directors are independent** within the meaning of the rules of the New York Stock Exchange as discussed below. Under our Corporate Governance Guidelines, non-management directors meet in executive session without the presence of the CEO, the Chairman of the Board or other executive officers. The purpose of these sessions is to promote open discussions among the independent directors concerning the business and affairs of the Company as well as matters concerning management, without any member of management present.

The Board believes that the separate roles of Chairman and CEO, coupled with an independent Lead Director, the use of regular executive sessions of the non-management directors, and the substantial majority of independent directors comprising the Board, allows the Board to maintain effective oversight of the Company.

At least annually, the Nominating and Corporate Governance Committee discusses the structure and composition of the Board of Directors and reviews the current leadership structure. This is discussed with the full Board as part of the Board's annual evaluation to assess its effectiveness and takes into account our current business plans and long-term strategy as well as the particular makeup of the Board at that time.

Independence of Directors

It is the Board's policy that a majority of the directors of the Company be independent. To be considered independent, a director must not have a material relationship with the Company that could interfere with a director's independent judgment. To be considered independent, directors must also be independent within the meaning of the New York Stock Exchange's requirements. To assist the Board in determining whether a director is independent, the Board has adopted standards for independence set forth in the Company's Corporate Governance Guidelines.

In determining the independence of our directors, the Board considers all relevant facts and circumstances, including, but not limited to, whether the director receives any compensation or other fees from the Company, other than the fees described under Director Compensation, whether the director, or an organization with which the director is affiliated, has entered into any commercial, consulting, or similar contracts with the Company, and any charitable contributions the Company made to non-profit organizations with which director nominees or their

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CORPORATE GOVERNANCE AND BOARD MATTERS

immediate family members are associated. Consistent with these considerations, the Nominating and Corporate Governance Committee reviewed directors' responses to a questionnaire asking about their relationships with the Company, as well as those of their immediate family members, and other potential conflicts of interest. The Committee determined that all of the director nominees other than Mr. Marriott and Mr. Risoleo are independent and recommended to the Board that Messrs. Mathrani, Morse, Smith, Stein and Rakowich and Mmes. Korologos, Bair, Hogan Preusse and Baglivo have been determined to be independent. The Board approved the determination that nine of the Company's eleven director nominees are independent. Messrs. Marriott and Risoleo are not independent because they are Company employees.

Communications With Directors

The Company invites stockholders and other interested parties to communicate any concerns they may have about the Company directly and confidentially with any of the full Board of Directors, the Lead Director or the non-management directors as a group by writing to:

Host Hotels & Resorts, Inc.
Attention: Secretary
6903 Rockledge Dr., Suite 1500
Bethesda, MD 20817

The Secretary will review and forward all stockholder communications to the intended recipient except those unrelated to the duties and responsibilities of the Board, such as junk mail and mass mailings, resumes and other forms of job inquiries, surveys, new business suggestions, business solicitations or advertisements. In addition, material that is hostile, threatening, illegal or similarly unsuitable or outside the scope of Board matters or duplicative of other communications previously forwarded to the recipient will also be excluded.

Stockholder Outreach and Engagement

Why We Engage

Our relationship with our stockholders is an important part of our corporate governance program. Engaging with our stockholders helps us:

Determine which issues are important to our stockholders and share our views on those issues

Provide transparency into our business, governance practices and compensation, and set expectations for our performance

Identify emerging issues that may affect our strategies, governance, compensation practices or operations.

How We Engage

Our stockholder and investor outreach generally includes investor road shows, analyst meetings, investor days, and investor conferences and meetings. In the last several years we have expanded our stockholder outreach by engaging stockholders directly and seeking their views on governance and other matters, concentrating our efforts on our largest stockholders. We also communicate with stockholders and other stakeholders through various media, including our annual report and SEC filings, proxy statement, news releases, correspondence, and our website. Our conference calls for quarterly earnings releases are open to all. These calls are available in real time and as archived webcasts on our website for a period of time.

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CORPORATE GOVERNANCE AND BOARD MATTERS

In 2018, Management met with over 200 members of the investment community, reaching holders of approximately 65% of the Company's actively managed shares (i.e., excluding holdings of passive investors such as index funds).

What We Heard

How We Responded

Greater transparency into our business

In 2018 we overhauled our investor presentation and enhanced our supplemental financial information to provide property level results for our top hotels for the first time

Focus on the U.S.

Sold our interest in our European Joint Venture in December 2018 and the JW Marriott Hotel Mexico City, reducing the Company's international exposure to approximately 1.5% of revenues

Issue an annual sustainability report

We continue to further enhance our ESG reporting, and we issued our **2018 Corporate Responsibility Highlights** report, available on our website at www.hosthotels.com

Address human capital management

Our 2018 report focused on the Company's environmental stewardship, responsible investment practices and corporate citizenship. Through discussion and engagement with investors, we intend to expand next year's report to cover human capital management

Enhance CEO pay ratio disclosure

This proxy statement includes supplemental workforce information and context around the Company's CEO pay ratio disclosure

Greater stockholder protections

In recent years we have adopted various corporate governance reforms to be responsive to trends and developments:

added proxy access

provided stockholders concurrent power to amend the bylaws

reduced the threshold for calling a special meeting

opted out of Maryland Unsolicited Takeovers Act

The Board's Role in Risk Oversight

Our Board of Directors has overall responsibility for risk oversight with a focus on the most significant risks facing the Company. Reviews of certain areas are conducted by the relevant committees that report on their deliberations to the Board. Risks are considered in almost all business decisions and as part of the Company's business strategy. The Board recognizes that it is neither possible nor prudent to eliminate all risk. Indeed, appropriate risk-taking is essential for the Company to be competitive and to achieve its business objectives. The chart below summarizes the primary areas of risk oversight for the Board and its committees.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Board/Committee

Primary Areas of Risk Oversight

Full Board	Strategic, financial and execution risks and exposures associated with the annual business plan and strategic plan; major litigation and regulatory exposures, environmental and other current matters that may present material risk to the Company's operations, plans, prospects or reputation; investments, acquisitions and divestitures; capital market and joint ventures; and senior management succession planning.
Audit Committee	Discusses guidelines and policies with respect to the Company's risk assessment and risk management processes. Responsible for oversight of risks associated with financial matters, particularly the Company's financial statements, tax, accounting, and disclosure; cybersecurity related risks; risks associated with derivatives and hedging strategy; risks associated with the independence, qualifications and performance of the Company's outside auditor and internal auditors; and the Company's compliance with legal and regulatory requirements.
Compensation Policy Committee	Exposures associated with compensation of the Company's officers, stock ownership and incentive-compensation plans, executive retention, succession planning and employment related matters. As discussed in more detail in the Compensation Discussion & Analysis, the Committee reviews and approves compensation programs with features that are intended to mitigate risk without diminishing the incentive nature of compensation.
Nominating and Corporate Governance Committee	Risks and exposures relating to the identification of qualified candidates to become Board members; continuing oversight of Board composition; reviews of the structure, membership and charters of the Board committees; reviews the compensation for independent directors; oversight of the evaluation of the Board and management; and oversight of the Company's policies, programs and practices on corporate responsibility and sustainability, including environmental, social and other matters.

The Board and its committees implement their oversight responsibilities through management reporting processes that are designed to provide visibility to the Board about the identification, assessment and management of critical risks and management's risk mitigation strategies. These areas of focus include strategic, operating, financial, legal, compliance and reputational risk. Management communicates routinely with the Board, its committees and individual directors on the significant risks identified through this process and how they are being managed.

Succession Planning

The Board is actively engaged in executive talent management and succession planning. The Board reviews the Company's people strategy in support of its business strategy at least annually and receives regular updates on employee engagement, diversity and retention matters. This includes a detailed discussion of the Company's leadership bench and succession plans with a focus on key positions at the senior officer level. High potential leaders are given exposure and visibility to Board members through formal presentations and informal events.

Under the oversight of the Board, the Company's CEO successions have been successfully managed and implemented. When seeking a successor CEO, the Board has historically focused on internal candidates, drawing on the Company's deep bench strength. The Company's past three CEOs, over a span of almost 20 years, have all come from within the organization. In late 2016, Mr. W. Edward Walters stepped down as CEO after ten years in that position. In the same press release announcing Mr. Walter's departure, the Company announced that Mr. James Risoleo, then Executive Vice President and Managing Director of Investments, West Coast and Europe, was appointed CEO by the Board of Directors effective January 1, 2017 in a seamless management transition.

Table of Contents**CORPORATE GOVERNANCE AND BOARD MATTERS****Political Contributions Policy and Trade Association Memberships**

Under the Company's longstanding policy, Company funds may not be used to contribute to candidates, political party committees, or political action committees. Company funds also may not be used to make direct independent expenditures to support or oppose political campaigns, to contribute to social welfare organizations organized under Section 501(c)(4) of the U.S. Internal Revenue Code or organizations organized under Section 527 of the Internal Revenue Code, or to support ballot measure committees. The Company does not have a political action committee.

The Company believes that participation in the public policy process is an important and essential means of enhancing stockholder value. To help us achieve this objective, the Company belongs to a number of trade associations (organized under Section 501(c)(6) of the Internal Revenue Code), which allows us to network, build business skills, advance our public agenda and related business goals and monitor industry policies and trends. Company participation in trade associations, including membership on a trade association board, does not mean that the Company agrees with every position a trade association takes on an issue. In fact, from time to time our positions may differ from those of the trade associations of which we are members.

The Company makes payments to these associations, including membership fees and dues. Pursuant to the Company's code of business conduct and ethics, the Company's legal department oversees compliance with the Company's policy on political contributions. The Nominating and Corporate Governance Committee discusses the Company's political spending policies and disclosures. The chart below lists organizations receiving dues and other contributions from the Company totaling \$25,000 or more between 2018 and 2015. Based on each organization's records, we have listed below the portion of Company dues and other amounts that are used by each organization for lobbying.

Trade Association Memberships

Organization	2018			2017			2016			2015		
	Company		Company	Company		Company	Company		Company	Company		Company
	Company	Dues	Company	Company	Dues	Company	Company	Dues	Company	Company	Dues	Company
	Dues and	Dues	Dues and	Dues and	Dues	Dues and	Dues and	Dues	Dues and	Dues and	Dues	Dues and
	Lobbying	Allocated	Lobbying	Lobbying	Allocated	Lobbying	Lobbying	Allocated	Lobbying	Lobbying	Allocated	Lobbying
Contributions	% ⁽¹⁾ to Lobbying	Contributions	% ⁽¹⁾ to Lobbying	Contributions	% ⁽¹⁾ to Lobbying	Contributions	% ⁽¹⁾ to Lobbying	Contributions	% ⁽¹⁾ to Lobbying	Contributions	% ⁽¹⁾ to Lobbying	
	\$144,867	20	\$28,973	\$130,572	20	\$26,114	\$126,740	25	\$31,685	\$127,652		

ion	74,300	20	14,860	72,500	27	19,575	70,850	27	19,130	104,286
able	35,000	65	22,750	30,000	65	22,750	30,000	65	19,250	45,000
	(2)			(2)			(2)			(2)
	29,000	9	2,520	29,000	9	2,520	29,000	7	1,960	29,000
n (3)	75,608	18	13,609	74,072	36	26,665	198,085	36	24,881	164,266
								(4)		
il	25,000	0	0				50,000	0	0	50,000

(1) Lobbying percentages obtained from the respective trade association.

(2) Of this amount, \$28,000 was paid in dues and \$1,000 was paid in contributions (no contributions were used for lobbying).

(3) In addition to these totals, certain hotels owned by the Company also contribute to the AH&LA.

(4) AH&LA only used dues (and not contributions) to fund its lobbying activities. The Company paid AH&LA \$69,115 in dues in 2016.

(5) AH&LA only uses dues (and not contributions) to fund its lobbying activities. The Company paid AH&LA \$94,996 in dues in 2015.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Meetings and Committees of the Board

The Board met four times in 2018. Each director attended at least 75% of the meetings of the Board and of the committees on which the director served. Under the Corporate Governance Guidelines, directors are expected to attend the annual meeting of stockholders, and all directors attended the annual meeting in 2018. Under our Corporate Governance Guidelines, our independent directors meet in executive session without management and did so after each regularly scheduled Board meeting in 2018. Mr. Smith, the Lead Director, presided over the executive sessions of the non-management directors.

Host's Board of Directors 2018 by the Numbers

meetings held by the Board of Directors

times the independent directors met in Executive Session

total Board and Committee meetings

of Board members attended the Annual Meeting

held on May 17, 2018

The Board has three standing committees to assist it in carrying out its responsibilities: the Audit Committee, the Compensation Policy Committee and the Nominating and Corporate Governance Committee. The Board has adopted a written charter for each committee, all of which are available on the Company's website (<http://www.hosthotels.com>). Copies of these charters are also available in print to stockholders upon request. See *Attendance and Voting Matters* *How can I obtain copies of documents referenced in this proxy statement?* Each committee consists entirely of independent directors in accordance with New York Stock Exchange rules. The composition of each committee, including the designation of committee chairs, is determined annually by the Board, based on recommendations from the Nominating and Corporate Governance Committee. Assignments to committees are made based on a combination of factors, including each individual Board member's expertise and the needs of the Company. The Nominating and Corporate Governance Committee considers rotating chair and committee assignments every three to five years, taking into account, among other considerations, the benefits of continuity and experience, the desirability of new perspectives and continual education and engagement for directors, the applicable regulatory and stock exchange requirements, and the appropriate distribution of work. The Board may from time to time appoint other committees as circumstances warrant. Any new committees will have authority and responsibility as delegated by the Board.

Members & Meetings

Walter C. Rakowich (Chair)

Sheila C. Bair

Sandeep L. Mathrani

John B. Morse, Jr.

Mary Hogan Preusse

A. William Stein

Number of Meetings

in 2018: Seven

Committee Functions

Appoints and oversees the independent auditors;

Approves the scope of audits and other services to be performed by the independent and internal auditors;

Interviews, discusses and approves the selection of the lead audit partner of the independent auditor;

Reviews and approves in advance the engagement fees of the outside auditor and all non-audit services and related fees, and assesses whether the performance of non-audit services could impair the independence of the independent auditors;

Reviews the work and findings, if any, of the internal auditors;

Reviews the results of internal and external audits, the accounting principles applied in financial reporting, and financial and operational controls;

Meets with the independent auditors, management representatives and internal auditors;

Reviews interim financial statements each quarter before the Company files its Quarterly Report on Form 10-Q with the SEC;

Reviews audited financial statements each year before the Company files its Annual Report on Form 10-K with the SEC; and

Reviews risk exposures and management policies.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Each member of the Audit Committee, in the business judgment of the Board, meets the qualifications (including independence) and expertise requirements of the New York Stock Exchange and Ms. Bair, Ms. Hogan Preusse, Mr. Morse, Mr. Rakowich and Mr. Stein are audit committee financial experts within the meaning of SEC rules. Our independent and internal auditors have unrestricted access to the Audit Committee. The Report of the Audit Committee appears later in this proxy statement.

Members & Meetings

Committee Functions

Gordon H. Smith (Chair)

Makes recommendations to the Board on corporate governance matters and is responsible for keeping abreast of corporate governance developments;

Mary L. Baglivo

Sheila C. Bair

Oversees the annual evaluation of the Board, its committees and, in conjunction with the Compensation Policy Committee, management;

Mary Hogan Preusse

Walter C. Rakowich

Reviews periodically the compensation and benefits of non-employee directors and makes recommendations to the Board or the Compensation Policy Committee of any modifications;

Number of Meetings

in 2018: Four

Reviews the composition in terms of independence, experience, expertise, skills, diversity and special knowledge and tenure of the Board and recommends nomination of Board members and addition of new members, as appropriate;

Ensures that the Board maintains its diversity;

Reviews policies and programs on matters of corporate responsibility and sustainability, including environmental, social and other matters; and

Fulfills an advisory function with respect to a range of matters affecting the Board and its committees, including making recommendations with respect to:

selection and rotation of committee chairs and committee assignments; and

implementation, compliance and enhancements to the Company's code of conduct and Corporate Governance Guidelines.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Members & Meetings

Mary L. Baglivo (Chair)

Ann McLaughlin Korologos

Sandeep L. Mathrani

A. William Stein

Committee Functions

Oversees compensation policies, plans and benefits for the Company's employees;

Approves the goals, objectives and total target compensation of all executive officers of the Company and approves compensation for department heads and any employee earning more than \$500,000 in annual target cash compensation;

Number of Meetings

in 2018: Five

Advises our Board on the adoption of policies that govern the Company's annual compensation and stock ownership plans;

Reviews and approves the Company's goals and objectives relevant to the compensation of the CEO and evaluates the CEO's performance in light of those goals and objectives;

Reviews and advises the Company on compensation trends and peer group practices;

Reviews the Company's succession plans relating to the CEO and other senior management and discusses with the full Board;

Reviews periodic reports from management on matters relating to the Company's personnel appointments and practices;

Directs preparation of a report on executive compensation for inclusion in the Company's annual proxy statement; and

Reviews the demographics of the Company's workforce as it relates to diversity.

Role of the Compensation Consultant

Pursuant to its charter, the Compensation Policy Committee is authorized to engage, retain and terminate any consultant, as well as approve the consultant's fees, scope of work and other terms of retention. Starting in 2010, the Committee retained Pay Governance LLC as its advisor. Pay Governance advises and consults with the Committee on compensation issues, compensation design and trends, and keeps the Committee apprised of regulatory, legislative, and accounting developments and competitive practices related to executive compensation. Pay Governance assisted the Committee in the design, structure and implementation of the current executive compensation program, and reviews, at the direction of the Committee, compensation levels, trends and practices annually. Pay Governance does not determine the exact amount or form of executive compensation for any executive officers. See Compensation Discussion and Analysis Our Compensation Program. Pay Governance reports directly to the Committee, and representatives of Pay Governance, when requested, attend meetings of the Committee, are available to participate in executive sessions and communicate directly with the Committee Chair or its members outside of meetings. Pay Governance also served as a consultant retained by the Nominating and Corporate Governance Committee to assist the Committee with its review of the compensation of independent directors. Pay Governance is retained by, and conducts its work at the direction and request of, the Board committees. It is not retained by, and does no work directly for, the Company.

In compliance with the disclosure requirements of the SEC regarding the independence of compensation consultants, Pay Governance addressed each of the six independence factors established by the SEC with the Compensation Policy Committee. Its responses affirmed the independence of Pay Governance on executive compensation matters. Based on this assessment, the Committee determined that the engagement of Pay Governance does not raise any conflicts of interest or similar concerns. The Committee also evaluated the independence of other outside advisors to the Committee, including outside legal counsel, considering the same independence factors and concluded their work for the Committee does not raise any conflicts of interest.

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CORPORATE GOVERNANCE AND BOARD MATTERS

The Compensation Policy Committee may delegate any or all of its responsibilities to a subcommittee but did not do so in 2018. The Compensation Policy Committee's Report on Executive Compensation appears later in this proxy statement.

Compensation-Related Risks

The Compensation Policy Committee oversees all of our compensation policies and practices. Management, at the request of the Committee, has assessed the Company's compensation programs and has concluded that they do not create risks that are reasonably likely to have a material adverse effect on the Company. This risk assessment process included a review of all material compensation policies and practices, which were discussed with the Committee. The compensation programs of the Company are all centrally designed and centrally administered. The elements of compensation for senior management and upper middle management are also the same: base salary, annual cash incentive awards and long-term incentives. The performance measures for the annual cash incentive awards are (i) Company financial metrics that are based on an annual business plan and budget reviewed and approved by the Board and (ii) personal performance goals that are derived from the annual business plan and budget and Company strategic plan, which tie to measures of long-term success of the Company. The business plan and budget are reviewed at each Board meeting, and the strategic plan is addressed annually. Performance measures for long-term incentives are strategic goals of the Company, established annually and are tied to the business plan and budget, and total stockholder return measured over a three-year period. The total achievable compensation for the year is capped at the beginning of the performance year throughout our compensation programs. The Compensation Policy Committee reviews the compensation of executives, department heads and that of any employee earning more than \$500,000 in annual target cash compensation, which includes salary and bonus. Based on the foregoing, we believe that our compensation policies and practices do not create inappropriate or excessive risk-taking.

Compensation Policy 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 person.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Process for Selecting Directors

The Nominating and Corporate Governance Committee screens candidates and recommends candidates for nomination by the full Board. The Company's Charter and Bylaws provide that the size of the Board may range from three to thirteen. The Board currently believes that an appropriate size is nine to eleven members, allowing, however, for changing circumstances that may warrant a higher or lower number. The Committee considers director candidates suggested by members of the Committee, other directors, stockholders (as discussed below) and management, and has engaged the services of third party firms to assist in identifying and evaluating director candidates. The Committee retained Ferguson Partners Ltd. in the fall of 2015 for this purpose.

We had three new directors in 2017, two of whom are independent. Mr. Risoleo, our CEO, became a Board member on January 1, 2017. Ms. Mary Hogan Preusse was identified as a candidate by Mr. Risoleo and elected to the Board effective in June 2017 on the recommendation of Committee. Mr. Stein was identified as a candidate by Ferguson Partners Ltd. and elected to the Board in July 2017 on the recommendation of the Committee.

Stockholder Nominations and Recommendation of Director Candidates

The Committee considers any written suggestions of stockholders for director nominees. The recommendation must include the name and address of the candidate, a brief biographical description and a description of the person's qualifications. Recommendations should be mailed to: Host Hotels & Resorts, Inc., 6903 Rockledge Drive, Suite 1500, Bethesda, MD 20817, Attn: Secretary.

In addition, we amended our Bylaws in 2016 to permit a stockholder (or group of up to 20 stockholders) who has owned at least 3% of our outstanding common stock continuously for at least three years to submit director nominees for the greater of two individuals or 20% of the Board for inclusion in our proxy statement if the stockholder(s) and nominee(s) meet the requirements of the Bylaws.

Stockholders who would like to nominate a candidate for director for inclusion in the Company's proxy statement, or who would like to nominate a director candidate that is not intended to be included in the Company's proxy statement must in each case comply with the requirements described in this proxy statement and the Company's Bylaws. See Stockholder Proposals for our Next Annual Meeting.

HOW WE BUILD A BOARD THAT IS RIGHT FOR HOST

The Board continuously identifies potential director candidates in anticipation of retirements, resignations, or the need for additional capabilities. The graphic below describes the ongoing Nominating and Corporate Governance Committee process to identify highly qualified candidates for Board service.

Consider current Board skill sets and needs

Ensure Board is strong in core competencies of strategic oversight, corporate governance, stockholder advocacy and leadership and has diversity of expertise and perspective

Consider qualified candidates

Looking for exceptional candidates that possess integrity, independent judgement, broad business experience, diversity and a skill set to meet existing or future business needs

Check conflicts of interest and references

All candidates are screened for conflicts of interest, and all directors are independent, except the CEO and Chairman

Nominating and Corporate Governance Committee

To consider shortlisted candidates; after deliberations, Committee recommends candidates for election to the Board

Full Board of Directors

Dialogue and decision with a commitment to refreshment and diversity

Outcome

Added four highly qualified directors since 2016 that bring the following skills and traits to our Board:

Public company CEO

Real estate and REIT knowledge

Financial and accounting expertise

Governance experience

Executive leadership
Financial and capital markets expertise
Four of the last six Board members added are either women or otherwise bring diversity to the Board

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PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accountants retained to audit the Company's financial statements. The Audit Committee has unanimously approved and voted to recommend that the stockholders ratify the appointment of KPMG LLP as independent registered public accountants of the Company for 2019.

KPMG LLP has been retained as the Company's independent registered public accountant since 2002. In determining whether to reappoint the independent accountant, the Audit Committee considers several factors including:

the length of time the firm has been engaged;

the firm's independence and integrity;

the quality of the discussions with the independent accountant and its annual assessment of the past performance of both the lead audit partner and KPMG;

data relating to audit quality and performance; and

the appropriateness of KPMG's fees.

Last year, the Audit Committee conducted a comprehensive review of the independent auditor relationship and solicited proposals and interviewed prospective engagement teams from other major audit firms. After the interview process and review of proposals, the members of the Audit Committee and the Board determined that retaining KPMG to serve as the Company's independent registered public accounting firm was in the best interests of the Company. Among the factors considered by the Committee were the designation of a new and very senior lead audit partner with significant experience in the lodging and REIT industry and national exposure, and a renegotiation of the annual fee arrangements. A new lead audit partner is designated at least every five years as required by the SEC to ensure continued independence and to provide a fresh perspective. The Audit Committee and its Chair were directly involved in the selection of the new lead audit partner. The Audit Committee is also responsible for the negotiation of audit fees associated with the Company's retention of KPMG LLP and set forth below are KPMG's fees for 2018 and 2017. Other factors leading to the retention of KPMG included its strong capability and expertise within our industry and the benefits gained from KPMG's institutional knowledge and deep expertise regarding the Company's complex operations, accounting policies and practices, and internal control over financial reporting. In addition, the Audit Committee reviewed and discussed the results of the firm's reports on its quality controls and external assessments, including the results of inspections conducted by the Public Company Accounting Oversight Board (PCAOB).

The Audit Committee also has a long-standing policy regarding its pre-approval of all audit and permissible non-audit services provided by the independent registered public accountant, which is summarized below, as part of the controls and processes that help ensure KPMG's continued independence.

Although ratification is not required by our Bylaws, the Board is submitting the selection of KPMG LLP to our stockholders for ratification as a matter of good corporate practice. Representatives of KPMG LLP will be at the annual meeting and will be given the opportunity to make a statement, if they desire to do so, and to respond to questions.

Table of Contents**PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS**

If the selection is not ratified, the Audit Committee will consider whether it is appropriate to select another independent registered public accounting firm. Even if the selection is ratified, the Audit Committee in its discretion may select a different public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company.

The Board of Directors unanimously recommends a vote FOR ratification of the appointment of KPMG LLP as independent registered public accountants of the Company for 2019.

Principal Accountant Fees and Services

The Company was billed the following amounts for professional services by KPMG LLP, its independent registered public accountants, for 2018 and 2017:

	2018	2017
Audit fees ⁽¹⁾	\$ 2,534,000	\$ 2,631,000
Audit-related fees ⁽²⁾	22,000	22,000
Audit and audit-related fees	2,556,000	2,653,000
Tax fees ⁽³⁾		30,000
All other fees		
Total Fees	\$ 2,556,000	\$ 2,683,000

(1) Audit fees consisted of fees for the audits of the Company's and Host Hotels & Resorts, L.P.'s annual consolidated financial statements, the audit of the Company's internal control over financial reporting, reviews of the Company's and Host Hotels & Resorts, L.P.'s quarterly condensed consolidated financial statements, audits of certain subsidiaries, reviews of SEC registration statements and other filings, comfort letters and consents, audit

procedures related to acquisitions and dispositions, and accounting and reporting consultations.

(2) Audit-related fees consisted of fees for the audits of financial statements of our employee benefit plan.

(3) Tax fees consisted of fees for tax compliance services.

The Audit Committee concluded that the provision of audit-related and tax services is compatible with maintaining the independence of KPMG LLP. The Company does not engage KPMG LLP for any tax services unrelated to audit services or tax compliance.

Pre-Approval Policy for Services of Independent Registered Public Accountants

All services performed by KPMG LLP were pre-approved by the Audit Committee in accordance with its 2018 pre-approval policy. The policy describes the audit, audit-related, tax and other services permitted to be performed by the independent registered public accountants, subject to the Audit Committee's prior approval of the services and fees. On an annual basis, the Audit Committee will review and provide pre-approval for certain types of services (and corresponding cost levels) that may be provided by the independent registered public accountants without obtaining specific pre-approval from the Audit Committee. If a type of service to be provided has not received pre-approval during this annual process, it will require specific pre-approval by the Audit Committee. Any proposed services exceeding pre-approved cost levels or budgeted amounts will also require separate pre-approval by the Committee.

The Audit Committee has designated the Senior Vice President, Corporate Controller to monitor the performance of all services provided by the independent registered public accountants and to determine whether such services are in compliance with the pre-approval policy.

Policy for Hiring Members of the Audit Engagement Team

The Audit Committee adopted a policy regarding the hiring of audit engagement team members to address the potential for impairment of auditor independence when partners and other members of the audit engagement team

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PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

accept employment with the Company. Under the policy, the Company may not hire into a financial reporting oversight role any individuals who were members of the Company's audit engagement team for the prior year. Individuals not subject to the one-year cooling off period include, among others, persons who provided less than 10 hours of audit services and individuals whose employment resulted from an emergency or other unusual situation. In all such cases, the Audit Committee must determine that the relationship is in the best interests of the Company. In addition, the Company may not appoint a director who is affiliated with or employed by a present or former auditor of the Company until three years after the affiliation or auditing relationship has ended.

Other Company Accountants and Auditors

The Company has engaged Ernst & Young LLP for tax consultation and tax compliance services and the Audit Committee has engaged PricewaterhouseCoopers LLP as the Company's internal auditors. The purpose of the internal audit program is to provide the Audit Committee and Company management with ongoing assessments of the Company's risk management processes and to review the effectiveness and design of internal controls at our properties and the Company's corporate office.

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REPORT OF THE AUDIT COMMITTEE

Report of the Audit Committee

To Our Stockholders:

The Audit Committee serves as the representative of the Board of Directors of Host Hotels & Resorts, Inc. (the Company) for general oversight of the Company's financial accounting and reporting, systems of internal controls and audit processes. Management of the Company has responsibility for preparing the Company's financial statements, as well as for the Company's financial reporting process and internal controls. KPMG LLP, acting as independent registered public accountants, is responsible for performing an independent audit of the Company's financial statements and internal controls over financial reporting and for expressing an opinion on the conformity of the Company's financial statements with U.S. generally accepted accounting principles and the effectiveness of the Company's internal controls over financial reporting. PricewaterhouseCoopers, LLP, acting as non-independent registered public accountants in its performance as the Company's internal auditor, is responsible for assisting the Company's review and the effectiveness of its internal controls over financial reporting. The Audit Committee is responsible for monitoring and overseeing these processes. The Audit Committee members are not professional accountants or auditors, and the Audit Committee's functions are not intended to duplicate or certify the activities of management and the independent registered public accountants. In this context, the Audit Committee has:

reviewed and discussed with management the audited financial statements for each of the Company and Host Hotels & Resorts, L.P. for the year ended December 31, 2018, including discussions of the quality, not merely the acceptability, of the Company's accounting principles, the reasonableness of significant estimates and judgments, and the clarity of disclosure in the Company's financial statements;

discussed with both the Company's internal and independent registered public accountants the overall scope for their respective audits and the results of their examinations, the evaluations of the Company's internal controls and financial reporting, and the overall quality of the Company's financial reporting;

discussed with the independent registered public accountants the matters required to be discussed by the requirements of the Public Company Accounting Oversight Board;

received the written disclosures and the letter from the independent registered public accountants required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence; and

discussed with KPMG LLP their independence from the Company and its management.

In reliance on the reviews, reports and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board of Directors has approved, that the audited financial statements be included in the Annual Report on Form 10-K of the Company and Host Hotels & Resorts, L.P. for the year ended December 31, 2018. The Annual Report on Form 10-K was filed with the Securities and Exchange Commission on February 26, 2019.

The Audit Committee

Walter C. Rakowich, Chair

Sheila C. Bair

Sandeep L. Mathrani

John B. Morse, Jr.

Mary Hogan Preusse

A. William Stein

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PROPOSAL 3 ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act requires that the Company seek a non-binding advisory vote from its stockholders to approve executive compensation. Since the required vote is advisory, the result of the vote is not binding upon the Company or the Board.

We urge stockholders to read the Compensation Discussion and Analysis, which describes how our executive compensation policies operate and how they are designed to achieve our compensation objectives, as well as the Summary Compensation Table and related compensation tables and narrative which provide detailed information on the compensation of our named executive officers. Our executive compensation program is designed to provide the opportunity to earn a competitive level of compensation necessary to attract, motivate and retain talented and experienced executives and to motivate them to achieve short-term and long-term corporate goals that enhance stockholder value. Highlights of the Company's compensation programs include the following:

As an executive officer's responsibility and ability to affect the financial results of the Company increases, the portion of his or her total compensation at-risk increases.

Annual cash incentive program is 100% performance based and tied to achievement of predetermined corporate financial measures and objective individual performance goals in support of the Company's business plan.

Long term incentive program that is predominately performance based and tied to the achievement of corporate financial, operating and strategic objectives as well as multiple relative stockholder return measures. Certain of these performance goals were not met for 2018 and a significant portion of each award was subsequently forfeited.

Reasonable compensation levels, as reflected by a CEO pay ratio of 43 to 1 as compared to our median employee. The Company's CEO pay ratio ranks within the lowest 10% among S&P 500 companies and is over 3.5x lower than the median ratio for S&P 500 companies (160:1), based on a study conducted by a third-party compensation consultant.

The Compensation Policy Committee regularly assesses the Company's individual and total compensation programs against peer companies, the general marketplace and other industry data, and the Compensation Policy Committee engages an independent consultant to independently review key aspects of our executive compensation programs annually.

The Compensation Policy Committee and the Board believe that these policies are effective in implementing our compensation philosophy, in achieving its goals, and have been effective at incenting the achievement of the

Company's strong financial performance.

For the reasons stated above, the Board of Directors unanimously recommends a vote FOR approval of the following resolution:

RESOLVED, that the stockholders of the Company approve, on an advisory basis, the compensation of the Company's named executive officers, as described in the Compensation Discussion and Analysis and in the tabular disclosure regarding named executive officer compensation (together with the accompanying narrative disclosure) in this Proxy Statement.

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PROPOSAL 3 ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION

Effect of Proposal

This advisory resolution to approve named executive officer compensation, commonly referred to as a say-on-pay resolution, is non-binding on the Board of Directors. The approval or disapproval of this proposal by stockholders will not require the Board, the Compensation Policy Committee or the Company to take any action regarding the Company's executive compensation practices. Although non-binding, the Board and the Compensation Policy Committee will carefully review and consider the voting results when evaluating our future executive compensation program.

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Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS****COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis (CD&A) provides you with information on the Company's executive compensation programs and practices, and the decisions that the Compensation Policy Committee of the Board of Directors (the Compensation Committee) has made under the program. The CD&A focuses on our named executive officers for 2018, who were:

James F. Risoleo	President and Chief Executive Officer
Michael D. Bluhm	Executive Vice President, Chief Financial Officer
Nathan S. Tyrrell	Executive Vice President, Chief Investment Officer
Elizabeth A. Abdoo	Executive Vice President, General Counsel & Secretary
Joanne G. Hamilton	Executive Vice President, Human Resources

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ADDITIONAL POLICIES AND BENEFITS

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2018 Company Performance Highlights

2018 was a year of significant achievement for the Company. The Company's comparable hotel revenue per available room (or RevPAR) increased for the ninth consecutive year. We also accomplished a number of strategic initiatives in 2018 to better position the Company for long-term, sustainable growth. Some of the highlights for 2018 include:

We returned \$635 million to stockholders in the form of dividends. The \$0.85 per share in dividends authorized to stockholders in 2018 represents an annualized dividend yield of 4.4% based on the Company's closing stock price of \$19.15 as of March 21, 2019.

In 2018 we acquired three Hyatt hotels—the Andaz Maui, Hyatt Regency Coconut Point and the Grand Hyatt San Francisco—for \$1 billion, and in February 2019 we acquired the 1 Hotel South Beach in Miami for \$610 million. We also reduced our international exposure to approximately 1.5% of revenues with the disposition of the JW Marriott Hotel Mexico City and the sale of the Company's interest in its European joint venture, as we continued to sharpen our focus on the U.S. In addition, due to efforts undertaken during 2018 and the beginning of 2019, we sold The Westin New York Grand Central. Collectively, these

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COMPENSATION DISCUSSION AND ANALYSIS

transactions significantly advance our ongoing efforts to strengthen our portfolio of iconic and irreplaceable assets while reducing our exposure in New York and in international markets, two of the Company's long-term strategic goals.

We maintained our investment grade rating on our senior long-term unsecured notes, achieving the strongest balance sheet (in terms of leverage and interest coverage) in the Company's history.

We invested \$474 million in capital improvements at our properties and made tremendous progress on creating value in our portfolio, most notably at the Phoenician where a new planned unit development was approved enabling us to sell land zoned for residential unit development, which should net us an incremental profit in 2019 and beyond.

We continued to be recognized as a leader for corporate action on climate change and again were named to the 2018 Climate A List and Climate Disclosure Leadership Index (CDLI) by CDP. We also achieved the top position for hotels and second position overall in the U.S. among public companies in the 2018 Global Real Estate Sustainability Benchmark (GRESB) survey. We were the winner of the NAREIT Leader in the Light award and were the first hospitality company to have its greenhouse gas emissions verified by the Science Based Targets initiative.

For more complete information about our 2018 performance, please review the Company's Annual Report on Form 10-K included in our mailing to stockholders.

Results of 2018 Advisory Vote

Each year, the Compensation Committee considers the outcome of the stockholder advisory vote on executive compensation when making decisions relating to the compensation of the named executive officers and our executive compensation program design, structure and policies.

In 2018, stockholders continued their significant support for our executive compensation program with approximately 94% of the votes cast for approval of the say on pay proposal at the 2018 Annual Meeting of Stockholders. The Compensation Committee believes that last year's voting results conveyed our stockholders' strong support for the design changes made to our compensation programs for 2017 and that last year's voting results, together with the 92% or better approval received since the inception of the advisory vote, conveyed our stockholders' continued strong support of the philosophy, design and structure of our executive compensation program.

Our Compensation Program

The Compensation Committee annually approves the design and structure of our executive compensation programs, which provide for flexibility in light of changing times and stockholder involvement. Our long-standing compensation

philosophy, which has supported our business and talent needs over the past decade and the various economic cycles we have experienced, consists of the following principles:

Foster a strong relationship between stockholder interests and executive compensation

Provide annual and long-term incentives that emphasize performance-based compensation

Provide overall levels of compensation that attract, retain and motivate talented executives

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COMPENSATION DISCUSSION AND ANALYSIS

Elements of Program

Our compensation program has three key elements – a base salary, an annual cash incentive, and a long-term incentive. The mix of target total direct compensation for 2018 for our CEO and the average of our other named executives is shown in the charts below. Importantly, our compensation program seeks to maximize the alignment between stockholder results and executive compensation by emphasizing variable pay tied to performance, with the majority of the opportunity based on annual and long-term incentive compensation.

CHIEF EXECUTIVE OFFICER

**AVERAGE OF OTHER NAMED
EXECUTIVE OFFICERS**

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

The following table summarizes the key elements of target direct compensation for our 2018 executive compensation program. Our incentives are designed to drive overall corporate performance, achieve strategic goals, and individual performance using measures that correlate to stockholder value.

SUMMARY OF 2018 EXECUTIVE COMPENSATION PROGRAM DESIGN

	CASH COMPENSATION		EQUITY COMPENSATION	
	Base Salary	Annual Cash Incentive Awards	Performance-Based Long-Term Incentive Awards	Time-Based Long-Term Incentive Awards
Key Characteristics	Fixed compensation component payable in cash.	At risk compensation component payable annually in cash.	Two-thirds of the value of annual equity awards is performance-based.	One-third of the value of annual equity awards is time-based.
	Reviewed annually and adjusted when appropriate.	Amount payable is based on actual performance against annually established goals.	One-half of the performance-based equity award is eligible to vest annually based on achievement of pre-determined corporate objectives.	Equity award that vests in annual installments over three years.
			One-half of the performance-based equity award is eligible to vest at the end of three years based on relative TSR	

performance.

Why We Pay	Provide a base level of competitive cash compensation for executive talent.	Motivate and reward executives for performance based on the Company's achievement of key financial measures and objective individual performance goals.	Motivate and reward executives for performance on key measures.	Align the interests of executives with long-term stockholder value.
This Element	<i>Only component of compensation that is fixed.</i>		Align the interests of executives with long-term stockholder value.	Retain executive talent.
How We Determine Amount	Experience, job scope, market data, and individual performance.	Formulaic determination with limited discretion and a limit on the maximum amount payable.	Target awards are based on job scope, market data, and individual performance.	
	Salaries of the named executive officers and department heads are approved by the Compensation Committee.		Amount of the awards that ultimately vest is based on performance against corporate objectives and relative TSR measures.	

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COMPENSATION DISCUSSION AND ANALYSIS

How our Incentive Program is Tied to our Long-Term Company Strategy

As illustrated below, we tie our executive compensation program to our long-term business strategy by keeping our executive officers focused on, and rewarding them for, their achievement of goals and the fulfillment of activities that support both annual and long-term Company performance goals.

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COMPENSATION DISCUSSION AND ANALYSIS

Best Practices

Our compensation program for 2018 continues to incorporate our best practices:

What We Do

Compensation Committee comprised solely of independent directors;

An independent compensation consultant retained exclusively by the Committee and which has no ties to the Company;

Annual advisory vote on executive compensation;

Stock ownership and retention requirements for senior management and directors;

Regular reviews of our compensation and relative TSR peer groups and indices;

Regular briefings from the independent consultant regarding key trends in executive compensation and regulatory developments;

What We Don't Do

No employment contracts with executive officers;

No individual change in control agreements;

No tax gross-up on change in control payments or severance payments;

No pledging, hedging or short sales of Company securities by directors, officers or employees;

No pension plans or supplemental executive retirement plans;

No dividends paid on unvested restricted stock or restricted stock unit awards unless the awards actually vest;

<p>An annual review of the performance of the chief executive officer;</p>	<p>No counting of performance vesting restricted stock toward our stock ownership guidelines;</p>
<p>Market-aligned severance policy for executives with a double trigger for any change in control payments under the plan;</p>	<p>No grants of stock options since 2016; and</p>
<p>A policy authorizing recoupment of compensation that results from a misstatement of financial results;</p>	<p>No option repricing without stockholder approval.</p>
<p>Limited perquisites;</p>	
<p>The vast majority of total compensation is tied to performance; and</p>	
<p>Cap on performance-based compensation.</p>	

Target Compensation for 2018

The Compensation Committee annually reviews and sets total target direct compensation for senior executives. This consists of a salary, an annual cash incentive based on the target level of performance, an award of restricted stock units valued based on the target level of performance and an award of time-based restricted stock units that vest over three years. The Committee's decisions regarding total target direct compensation are informed by the assistance of its independent consultant, Pay Governance. The Committee reviews compensation levels, trends and practices every year, and has historically requested that Pay Governance conduct a thorough review every two years. This is because pay practices and market pay ranges generally do not change dramatically over a one-year period, and the Committee prefers to take a broad view of the compensation landscape. The last comprehensive compensation review was conducted in 2016 to inform compensation decisions for 2017.

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At its July 2017 meeting, the Committee reviewed compensation trends and peer group practices for the compensation review. The Committee used the data sources from the prior year to inform its assessment on compensation for promotions and new appointments in 2017 as well as 2018 compensation. Data from three sources were approved by the Committee for use in generally assessing and comparing pay levels at the Company. These were (1) pay data reported in 2016 proxy filings for peer companies, (2) general industry survey data of companies for non-real estate specific functions, size adjusted based on revenues, and (3) NAREIT survey data focused on companies of similar size in terms of total capitalization. The peer group is generally 15-25 companies, which is a sufficient number to provide robust market data and minimize year over year changes to the extent possible. The companies primarily operate in the real estate and/or hospitality industry and with North American operations or a similar business model to that of the Company. The companies are generally competitors for talent and/or investment capital. They are screened as to size and generally fall within a range of a market capitalization that is 0.5 times to 3 times that of the Company or with revenues in the range of 0.4 times to 2.5 times that of the Company. The Committee determined to use the same peer group as in 2016, except that it removed Starwood Hotels & Resorts Worldwide, Inc., which ceased to be a publicly traded company as a result of its acquisition by Marriott International, Inc. in September 2016. The compensation peer group consisted of the following 20 companies:

COMPENSATION PEER GROUP	
AvalonBay Communities, Inc.	Kimco Realty Corporation
Boston Properties, Inc.	Macerich Company
Duke Realty Corporation	Marriott International, Inc.
Equity Residential	Prologis, Inc.
Essex Property Trust, Inc.	SL Green Realty Corp.
Federal Realty Investment Trust	UDR, Inc.
General Growth Properties, Inc.*	Ventas, Inc.
HCP, Inc.	Vornado Realty Trust
Hilton Worldwide Holdings, Inc.	Welltower, Inc. (formerly known as Health Care REIT, Inc.)
Hyatt Hotels Corporation	Wyndham Worldwide Corporation
* acquired by Brookfield Properties in August 2018	

The NAREIT survey data provided the Committee with industry specific references for a broad range of companies. It also would reflect companies against which the Company competes directly for talent and investment capital. The general industry database presented information from a broader market than the real estate industry and is consistent

with the Company's inclusion in the S&P 500 Index.

The Committee generally compared the compensation of each executive to multiple percentiles of each data source. In addition, the Committee took into consideration the characteristics of each executive's position, scope of responsibilities, experience, performance and internal equity. Compensation levels for an executive officer who is new to a position tended to be at a lower end of the competitive range, while compensation levels for seasoned executives would tend to be positioned at the higher end of the competitive range.

Based on its review, the Committee approved target total compensation for the named executive officers in February 2018. The chart below shows the elements of total target direct compensation for 2018 and provides a comparison of the total to 2017. It does not include other benefits or perquisites provided. All of the named executive officers received increases in total target direct compensation for 2018 except Mr. Bluhm, whose 2018 target direct compensation was determined at the time of his hiring in October 2017. A majority of the increases to the target total compensation for the named executive officers were to the variable components, reflecting the compensation program's focus of emphasizing performance-based compensation. Mr. Risoleo's compensation for 2018 was recommended by the Committee and approved after review and discussion of CEO performance with the independent directors of the Board. Among the factors considered were Mr. Risoleo's growth in the role of CEO, his leadership in implementing strategic and organizational initiatives, and the strong performance of the Company since the beginning of his tenure.

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	Total Target Direct			Total Target Direct	
	Annual Cash	Long-Term	Compensation	Compensation	
	Salary	Incentive	Incentives ⁽¹⁾	2018	2017
Mr. Risoleo	\$ 900,000	\$ 1,350,000	\$ 4,500,000	\$ 6,750,000	\$ 5,300,000
Mr. Bluhm	560,000	560,000	1,880,000	3,000,000	3,000,000
Mr. Tyrrell	530,000	530,000	1,340,000	2,400,000	2,018,410
Ms. Abdoo	566,500	566,500	1,550,000	2,683,000	2,325,000
Ms. Hamilton	425,000	425,000	700,000	1,550,000	1,450,000

(1) This column reflects the target level value of long-term incentives. These are equity-based awards; two-thirds of the award value shown is performance-based and the remaining one-third of the award value shown is time-based, vesting ratably over three years. The Compensation Committee determines the dollar value that should be awarded and the number of shares of stock underlying the award is then determined by dividing the value by the average of

the closing prices of the Company's common stock on the New York Stock Exchange for the 60 calendar days preceding December 31, 2017, which was \$19.64. The Compensation Committee believes that an average price over a period of time is a better gauge of value as it mitigates volatility of using single day beginning/ending stock prices.

2018 Compensation Results

Realized Pay

The table below, which supplements the Summary Compensation Table that appears on page 52, shows the compensation that might be realized for 2018 by each named executive officer. Our compensation program allows the named executive officers to earn variable compensation at threshold, target and high levels based on performance against:

objective financial measures (Adjusted FFO per diluted share and Return on Invested Capital);

personal objectives;

corporate objectives; and

relative TSR.

Realized compensation in 2018 was above total target direct compensation (which excludes amounts indicated under the column in the table below entitled "All Other Compensation") because performance was above target for each of the measures used to assess performance noted above except relative TSR, which was slightly below target. The Compensation Committee believes that the program functioned as designed with pay tied to performance of the Company on key strategic objectives and aligned with stockholder interests. As we describe later in this CD&A, key performance results included the following:

We achieved strong performance against our annual financial metrics, with above target achievement against each of Adjusted FFO per diluted share and Return on Invested Capital measures. This is reflected in the table below under "Non-Equity Incentive Plan Compensation";

We made significant progress against our corporate performance objectives. These included (i) executing on the Company's long-term strategic objectives of reducing the Company's international exposure and selling profitability-challenged hotels, while successfully completing the acquisition of several iconic properties; (ii) performing strongly against operational performance goals; and (iii) completing a targeted capital expenditure deal with Marriott International to reposition 17 hotels over a four-year period. These objectives are described in more detail below in the section entitled "2018 Results on Corporate Performance Objectives."

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Our relative TSR performance was mixed, depending on the index used for comparison. We were above target compared to the NAREIT index and above threshold compared to the Lodging and S&P 500 indices, as described below in the section entitled 2018 Results on Relative TSR Measures.

2018 Realized Pay Table ⁽¹⁾

Name	Salary	Bonus	Performance-Based Equity Incentive	All Other Equity Incentive	Non-Equity		2018 Total Compensation
					Incentive Plan	All Other	
Awards ⁽²⁾	Awards ⁽³⁾	Compensation	Compensation	Realized			
James F. Risoleo	\$ 900,000	\$	\$ 2,878,938	\$ 844,702	\$2,179,000	\$195,350	\$6,997,989
Michael D. Bluhm	560,000	225,000 ⁽⁴⁾	1,735,075	688,855	901,100	40,331	4,150,362
Nathan S. Tyrrell	530,000		856,342	250,515	860,800	135,584	2,633,242
Elizabeth A. Abdoo	566,500		997,802	297,664	903,100	106,876	2,871,942
Joanne Hamilton	425,000		460,895	145,627	657,700	80,059	1,769,280

(1) Amounts shown for the Salary , Bonus , Non-Equity Incentive Plan Compensation and All Other Compensation columns equal the amounts reported in the Summary Compensation Table.

(2) Amounts shown represent the value of the restricted stock unit awards that vested for performance year 2018. It excludes the value of awards that were forfeited. The value shown in this column is calculated by multiplying the number of shares vested by the closing price of the Company's common stock on the vesting date of February 8, 2019, which was \$17.97.

(3)

Amounts shown represent time-based restricted stock units that vested on February 8, 2019, February 13, 2019 and, for Michael Bluhm, November 6, 2018. We believe it is appropriate to include these amounts here because the awards each vested primarily because of the executive's service during 2018. The value is calculated by the number of shares vested by the closing price of the Company's common stock on the vesting dates, which were \$17.97, \$18.36 and \$18.50, respectively.

(4) Amount shown represents the final installment of Mr. Bluhm's sign-on bonus and was paid in April 2018. The difference between this supplemental table and the Summary Compensation Table primarily relate to the treatment of the long-term equity incentive awards, reflected in the Stock Awards column of the Summary Compensation Table and the Equity Incentive Awards and All Other Equity Awards columns of the Realized Pay Table above. In general, the amount of realized pay for the long-term equity incentive award was lower than the amounts reflected in the Summary Compensation Table because the amounts shown in the Summary Compensation Table for stock awards reflect the grant date fair value of entire stock awards at the time the stock awards were deemed to be granted for accounting purposes, which was February 8, 2018. In contrast, Realized Pay Table values the actual shares received based on fair market value of the Company's common stock on the dates of vesting. It therefore excludes forfeitures and units that may vest in future years.

For a description of the grant date fair value of the stock unit awards, please see footnote 3 to the Summary Compensation Table. The Realized Pay Table above is not a substitute for the Summary Compensation Table and is intended to provide additional information that the Company believes is useful in facilitating an understanding of 2018 realized compensation amounts to named executive officers.

Salary

Base salary is set at an annual rate. Salary as a percentage of the named executive officers' total target direct compensation ranged between 13% and 27% in 2018. Mr. Risoleo received a salary increase of 6% as part of the increase to his total target direct compensation, as discussed above under the section entitled Target Compensation for 2018. Ms. Hamilton also received a 6% salary increase reflective of her increased responsibilities on the Company's corporate responsibility program and her oversight of the implementation of the Company's new enterprise resource planning platform. Mr. Bluhm did not receive a salary increase in 2018 from his salary established at the time of his hiring in October 2017. Similarly, Mr. Tyrrell received a salary increase in connection with his promotion to Executive Vice President, Chief investment Officer in September 2017, and as a

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result did not receive a salary increase in 2018. Ms. Abdoo received a 3% salary increase, consistent with the standard increase for Company employees.

Name	Salary 2018	Salary 2017	Increase%
Mr. Risoleo	\$900,000	\$850,000	6%
Mr. Bluhm	560,000	560,000	
Mr. Tyrrell	530,000	530,000	
Ms. Abdoo	566,500	550,000	3%
Ms. Hamilton	425,000	400,000	6%

Annual Cash Incentive

All employees participate in the annual cash incentive program. Any awards earned are based on (1) the Company's performance against two annual financial metrics, Adjusted FFO per diluted share (Adjusted FFO), and Return on Invested Capital (ROIC, defined below), and (2) performance on individual objectives. The annual cash incentive was weighted as follows for the named executive officers:

The financial performance measures of Adjusted FFO and ROIC are key metrics for the Company and the most significant portion of executives' annual cash bonus is tied to the Company's financial performance for the year. FFO per diluted share is the predominant measure of operating performance used by real estate investment trusts and the Company uses the measure in accordance with NAREIT guidelines, with certain adjustments, as a supplemental measure of operating performance in its earnings releases and financial presentations and SEC filings. For more information on this measure and a reconciliation to the applicable GAAP measure, see the Company's Annual Report on Form 10-K in Management's Discussion and Analysis of Financial Condition and Results of Operations Host Inc. Reconciliation of Net Income to NAREIT and Adjusted Funds From Operations per Diluted Share on page 80. ROIC provides an emphasis on investing capital effectively. In the cyclical real estate / hospitality market, this focus on using capital effectively enhances the opportunity for longer term stability and growth.

The individual performance goals create line of sight and motivate behaviors that support the Company's annual business plan and long-term strategy. These goals represent the smallest component of the named executive officers' annual incentive award opportunity, reflecting the Committee's continued belief that the incentive emphasis for senior executives should be primarily based on Company performance.

In 2018, the target annual cash incentive represented between 19% and 27% of the named executive officers' total target direct compensation. The total amount that a named executive officer may earn depends on: (1) salary or

eligible earnings, because the award is calculated and paid as a percentage of the annual salary or amount

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earned, and (2) the level of performance achieved on Adjusted FFO and ROIC, and (3) the level of performance achieved on individual goals. Performance objectives were set early in 2018 at threshold, target and high levels and results are interpolated between these levels. There is no bonus if performance is below threshold, and bonuses are capped at the high level. The chart below shows the target annual incentive award as a percentage of salary for each named executive officer in 2018.

Target Annual Incentive

Name	Salary	Target	Target
		as % of	Annual
		Salary	Incentive
Mr. Risoleo	\$ 900,000	150 ⁽¹⁾	\$ 1,350,000
Mr. Bluhm	560,000	100	560,000
Mr. Tyrrell	530,000	100	530,000
Ms. Abdoo	566,500	100	566,500
Ms. Hamilton	425,000	100	425,000

(1) Mr. Risoleo's target percentage of salary for his annual incentive was increased from 125% for 2017 to 150% for 2018 as part of the increase to his total target direct compensation, as discussed above in this CD&A under the section entitled Target Compensation for 2018.

2018 Results on Financial Measures. The threshold, target and high goals for Adjusted FFO and ROIC were established in February 2018 by the Compensation Committee based on, and subject to review and approval of, the Company's 2018 business plan and budget by the Board of Directors. The chart below shows these measures and the Company's actual results for 2018, which were determined by the Compensation Committee in February 2019.

2018 Actual Results on Financial Measures

(1) ROIC is calculated as comparable property-level EBITDA divided by the invested capital for all comparable consolidated properties. Property-level EBITDA is defined as the earnings before interest, taxes, depreciation and

amortization of our comparable, owned hotels after eliminating corporate-level costs and expenses related to our capital structure. Invested capital is defined as the purchase price of a property plus all capital expenditures, excluding the furniture, fixture and equipment reserve contributions, which are typically 5% of gross revenues.

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2018 Results on Individual Performance Goals. At the beginning of each year, senior management drafts and proposes individual performance goals based on the annual business plan of the Company, long-term strategic objectives and individual department objectives. The Compensation Committee reviewed these proposed goals at its February 2018 meeting, adopted any revisions it deemed appropriate and approved the named executive officers' goals. Since they are tied to the Company's plans and strategy, the goals are designed to be attainable at a target level. The Compensation Committee also conducted a mid-year review of the personal goals at its July 2018 meeting to ensure that they were still appropriate. No changes were made at that time. The Compensation Committee discussed each executive's performance at its February 2019 meeting. Its assessments of the named executive officers were based, in part, on each executive's written assessment of his or her performance as well as discussions with Mr. Risoleo. The Committee discussed each of the named executive officer's performance and its recommendations with the independent directors in an executive session.

Mr. Risoleo's individual objectives for 2018 were to lead the implementation of the Company's strategic initiatives; communicate, meet and engage with key external stakeholders and to articulate a focused strategy; implement activities to further align the executive team; develop a senior leader succession plan; and actively participate with trade associations such as NAREIT, AH&LA, and the Real Estate Roundtable to address issues of importance to the Company. Target for individual goals was 30% of base salary. Actual performance for individual goals was 52.5%. Mr. Risoleo did not participate in the Committee's determination of his individual goal achievement.

Mr. Bluhm's 2018 objectives were to enhance enterprise analytics tools used for investments and screening of acquisitions; develop Company strategic positioning and messaging; maintain and grow the Company's banking relationships, both commercial and investment; monitor the Company's liquidity position, and to develop a strategy for currency and interest rate exposure; build relationships with top stakeholders and analysts and conduct extensive stakeholder outreach; and continue to strengthen and build relationships with direct reports. Target for individual goals was 20% of base salary. Actual performance for individual goals was 34.5%.

Mr. Tyrrell's 2018 objectives were to pursue acquisitions consistent with the Company's business strategy; complete the disposition plan, including the sale of the Company's interests in its European joint venture and the sale of international assets; complete the deal with Marriott International to reposition selected hotels; pursue the extension and purchase of certain ground leases and excess land; pursue management contract initiatives and alternative use opportunities; complete the integration of asset management and investments; and actively participate in investor outreach initiatives. Target for individual goals was 20% of base salary. Actual performance for individual goals was 36%.

Ms. Abdoo's objectives in 2018 were to assist in the executive and senior management transition and organizational changes; oversee and provide legal support and analyses of strategic portfolio initiatives such as exiting overseas investments; oversee the legal analysis and negotiation of key investment and operational matters with major operators including the capital expenditure program with Marriott International for repositioning selected hotels; and oversee regulatory, labor, claims and litigation matters. Target for individual goals was 20% of base salary. Actual performance for individual goals was 33%.

Ms. Hamilton's 2018 objectives were to continue to modify the organizational model to align with Company strategy; drive activities to further align the executive team and foster a collaborative and results oriented culture; develop an

executive team coaching program; co-lead the design and planning for future office space; oversee the corporate responsibility program, including publishing the Company's first annual sustainability report; incorporate corporate responsibility strategy into Company strategy and messaging; oversee completion of the IT strategy project and oversee implementation of the new enterprise resource planning platform. Target for individual goals was 20% of base salary. Actual performance for individual goals was 35.5%.

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Summary of Annual Cash Incentive. Based on the Committee's review and determinations discussed above, the named executive officers received the following annual cash incentive for 2018:

Name	Target as % of Salary	Target Annual Incentive	Results 2018 Annual Incentive			Total Annual Incentive ⁽¹⁾
			FFO Award	ROIC Award	Individual Performance	
Mr. Risoleo	150	\$ 1,350,000	\$ 1,291,500	\$ 414,986	\$ 472,500	\$ 2,179,000
Mr. Bluhm	100	560,000	535,733	172,142	193,200	901,100
Mr. Tyrrell	100	530,000	507,033	162,920	190,800	860,800
Ms. Abdoo	100	566,500	541,951	174,140	186,945	903,100
Ms. Hamilton	100	425,000				