

HOST HOTELS & RESORTS, INC.  
Form DEF 14A  
April 04, 2014  
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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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April 4, 2014

**Dear Fellow Stockholder:**

I am pleased to invite you to our 2014 Annual Meeting of Stockholders of Host Hotels & Resorts, Inc., which will be held at 11:00 a.m. on Wednesday, May 14, 2014, at The Ritz-Carlton, Tysons Corner in McLean, Virginia. The doors will open at 10:30 a.m. Our directors and management team will be available to answer questions.

The attendance of stockholders at our annual meeting is helpful in maintaining communication and an 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 or 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.

At the annual meeting we will ask you to elect our Board of Directors, ratify the appointment of KPMG LLP as our independent registered public accountants and provide your advisory approval of our executive compensation. These proposals are described in detail in the attached Notice of 2014 Annual Meeting of Stockholders and Proxy Statement. Our 2013 Annual Report (including our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the Securities and Exchange Commission) is also enclosed. We encourage you to read our 2013 Annual Report and we hope you will find it interesting and useful. 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 2014 ANNUAL MEETING OF STOCKHOLDERS**

**Meeting Date:** Wednesday, May 14, 2014

**Meeting Time:** 11:00 a.m., Doors open at 10:30 a.m.

**Location:** The Ritz-Carlton Hotel, Tysons Corner

1700 Tysons Boulevard, McLean, Virginia

**Agenda**

1. Election of nine directors;
2. Ratification of the appointment of KPMG LLP as the Company's independent registered public accountants for 2014;
3. An advisory resolution to approve executive compensation; and
4. Transaction of any other business that may be properly brought before the annual meeting. The proxy statement more fully describes these proposals.

**Record Date**

You may vote if you were a holder of record of our common stock at the close of business on March 17, 2014, the record date.

By Order of the Board of Directors

Elizabeth A. Abdoo

Secretary

April 4, 2014

**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 McLean, Virginia

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Securities Authorized for Issuance Under Equity Compensation Plans

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<b>Proxy Statement.</b> The Board of Directors of Host Hotels & Resorts, Inc. is soliciting proxies to be voted at our 2014 Annual Meeting of Stockholders on May 14, 2014 and at any adjournment or postponement of the meeting. We expect that this Proxy Statement will be mailed and made available to stockholders beginning on or about April 4, 2014.	

**Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be held on May 14, 2014.** The Company's Proxy Statement for the 2014 Annual Meeting, and our Annual Report to Stockholders for 2013 are both available free of charge at <http://www.hosthotels.com/investorrelations.asp>. 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.

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**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**

***Time and Date***

11:00 a.m., May 14, 2014

***Place***

Ritz-Carlton Tysons Corner

1700 Tysons Boulevard

McLean, Virginia

***Record Date***

March 17, 2014

***Number of Common Shares Eligible to Vote at the Meeting as of the Record Date***

756,109,946

**VOTING MATTERS**

		<b>Page Reference</b>
<b>Matter</b>	<b>Board Recommendation</b>	<b>(for more detail)</b>
Election of Directors	FOR each director nominee	14
Ratification of Appointment of KPMG LLP	FOR	20
Advisory Resolution to Approve Executive Compensation	FOR	21
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**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 Public Company Boards
			A	C	NCG	
Mary L. Baglivo, 56	2013	Chief Marketing Officer Northwestern University				PVH Corp.
Sheila C. Bair, 60	2012	Advisor to Pew Charitable Trusts, Former chair of the FDIC	(F)			Banco Santander
Terence C. Golden, 69	1995	Chairman of Bailey Capital Corporation				Pepco Holdings, Inc.
Ann McLaughlin Korologos, 72	1993	Former Chair of RAND Corporation Board of Trustees				Kellogg Company Michael Kors Harman International Industries Vulcan Materials Company
Richard E. Marriott, 75	1979	Chairman of the Board				
John B. Morse, Jr., 67	2003	Retired Vice President and CFO of The Washington Post Company	(F)			AES Corporation HSN, Inc.
Walter C. Rakowich, 56	2012	Retired Chief Executive Officer of Prologis	(F)			Iron Mountain Incorporated
Gordon H. Smith, 61	2009	President & CEO of the National Association of Broadcasters				
W. Edward Walter, 58	2007	President and Chief Executive Officer				AvalonBay Communities

\* A Audit Committee  
Chair of the Committee  
(F) Financial Expert

C Compensation Policy Committee  
NCG Nominating and Corporate Governance Committee

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**PROXY SUMMARY**

**CORPORATE GOVERNANCE HIGHLIGHTS**

As part of our commitment to high ethical standards, our Board follows sound governance practices. These practices are described in more detail in our Corporate Governance Guidelines and codes of conduct, which can be found in the governance section of our web site.

Majority of directors are independent (8 out of 10 current directors)

Independent Lead Director (selected by the independent directors) serves as liaison between management and the other non-management directors

Executive sessions of independent directors held at each regularly-scheduled meeting and presided over by the Lead Director

Chairman of the Board separate from CEO

All committee members are independent directors

All directors stand for election annually

In uncontested elections, directors must be elected by a majority of votes cast

Board oversight of risk management

Annual board self-assessments to review its effectiveness

Comprehensive succession planning program

Committee oversight of policies and programs on corporate responsibility and sustainability

Board oversight of political spending

Board stock ownership requirements

Comprehensive insider trading policy which prohibits in and out trading, short sales, hedging and pledging

No stockholder rights plan

Audit committee members are all financial experts

Annual advisory vote to ratify independent auditor

Annual advisory vote on executive compensation

**Recent Governance Changes:** Effective March 27, 2014, the Board of Directors elected to opt out of the provisions of the Maryland Unsolicited Takeover Act which would have permitted the Board to classify itself without a stockholder vote. See Corporate Governance and Code of Business Conduct and Ethics on page 7 for more information.

## 2013 PERFORMANCE HIGHLIGHTS

2013 was a year of strong growth for the Company. We delivered excellent results for our stockholders and took strategic steps to position the Company for long-term, sustainable growth.

Total owned hotel revenues:	Achieved investment grade rating	Acquired 426-room Hyatt Place Waikiki Beach for \$138.5 million	Dividends authorized to stockholders:	Total one year stockholder return:
<b>\$5.1 billion</b>	Spent \$436 million		<b>\$0.46</b>	<b>27%</b>
(up 6.8% from 2012)	on capital expenditures, including \$133 million in redevelopment projects to enhance and strategically re-position our portfolio	In 2013 and beginning of 2014 sold seven properties in predominantly non-target markets for \$960 million	<b>per share</b>	
			(a 53% increase over 2012)	

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**ATTENDANCE AND VOTING MATTERS**

**ATTENDANCE AND VOTING MATTERS**

*What is a proxy?*

It is your legal designation of another person to vote the stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document is also called a proxy or a proxy card. This proxy is being solicited by the Board of Directors, and we have designated Gregory J. Larson and Elizabeth A. Abdo as proxies for this annual meeting. When you properly sign your proxy card or vote via telephone or the Internet, you are giving the persons named on the card your direction to vote your shares of common stock at the annual meeting as you designate.

*What is a proxy statement?*

It is a document that summarizes information that we are required to provide you under the rules of the Securities and Exchange Commission, or SEC, when we ask you to vote your shares or designate a proxy. It is designed to assist you in voting.

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

You should vote by completing and signing each proxy card you receive. You will receive separate proxy cards for all of the shares you hold in different ways, such as jointly with another person, or in trust, or in different brokerage accounts.

*What is the difference between a stockholder of record and a beneficial owner of shares held in street name?*

*Stockholder of Record.* If your shares are registered directly in your name with the Company's transfer agent, Computershare Trust Company, N.A., or Computershare, you are considered the stockholder of record with respect to those shares, and the Notice of Annual Meeting, Proxy Statement and our 2013 Annual Report were sent directly to you by the Company.

*Beneficial Owner of Shares Held in Street Name.* If your shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar organization, then you are the beneficial owner of shares held in street name, and the Notice of Annual Meeting, Proxy Statement and our 2013 Annual Report were forwarded to you by that organization. The organization holding your shares is considered the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares held in your account.

*Who is entitled to vote?*

Anyone who owned common stock of the Company at the close of business on March 17, 2014, the record date, can vote at the annual meeting.

*How can I manage the number of Annual Reports I receive?*

The included glossy 2013 Annual Report and our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC (which together comprise the 2013 Annual Report of the Company), is being mailed to stockholders with this Proxy Statement. If you share an address with any of our other stockholders, your household might receive only one copy of these documents. To request individual copies for each stockholder in your household, please contact our Investor Relations department at 240-744-1000, by e-mail to [ir@hosthotels.com](mailto:ir@hosthotels.com), or by mail to Host Hotels & Resorts, Inc., 6903 Rockledge Drive, Suite 1500, Bethesda, MD 20817, Attn: Investor Relations. To ask that only one set of the documents be mailed to your household, please contact your bank, broker or other nominee or, if you are a stockholder of record, please call our transfer agent, Computershare at 866-367-6351 toll-free within the United States and Canada; outside the United States and Canada at 781-575-4320, or by mail at P.O. Box 30170, College Station, TX 77842-3170.



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**ATTENDANCE AND VOTING MATTERS**

*How do I vote?*

Voting in Person at the Meeting. If you are a stockholder of record as of the close of business on March 17, 2014 and attend the annual meeting, you may vote in person at the meeting. If your shares are held by a broker, bank or other nominee (i.e., in street name) and you wish to vote in person at the meeting, you will need to obtain a proxy form from the broker, bank or other nominee that holds your shares of record.

Voting by Proxy for Shares Registered Directly in the Name of the Stockholder. If you hold your shares in your own name as a holder of record, you may vote your shares as follows:

Vote by Telephone. You may vote by telephone by calling the toll-free number listed on the accompanying proxy card. Telephone voting is available 24 hours per day until 11:59 p.m., Eastern Time, on Tuesday, May 13, 2014. When you call, have your proxy card in hand and you will receive a series of voice instructions, which will allow you to vote your shares of common stock. You will be given the opportunity to confirm that your instructions have been properly recorded. **IF YOU VOTE BY TELEPHONE, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.**

Vote by Internet. You also have the option to vote via the Internet. The website for Internet voting is printed on your proxy card. Internet voting is available 24 hours per day until 11:59 p.m., Eastern Time, on Tuesday, May 13, 2014. As with telephone voting, you will be given the opportunity to confirm that your instructions have been properly recorded. **IF YOU VOTE VIA THE INTERNET, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.**

Vote by Mail. If you would like to vote by mail, mark your proxy card, sign and date it, and return it to Computershare in the postage-paid envelope provided.

Voting by Proxy for Shares Registered in Street Name. If your shares are held in street name, you will receive instructions from your broker, bank or other nominee which you must follow in order to have your shares of common stock voted.

*Who is acting as my proxy and how will they vote my shares?*

The individuals named on the enclosed proxy card are your proxies. They will vote your shares as you indicate. If you sign and return your proxy card but do not indicate how you wish to vote and you hold your shares in your own name as a holder of record, all of your shares will be voted as recommended by the Board of Directors.

However, if you hold your shares in street name, it is critical that you cast your vote in order for your vote to count. In the past, if you held your shares in street name and you did not indicate how you wanted to vote those shares, your bank or broker was allowed to vote those shares on your behalf in the election of directors and other routine matters as they deemed appropriate. Now, due to recent regulatory changes, your bank or broker is no longer able to vote your shares on a discretionary basis in most matters. If you hold your shares in street name and do not instruct your bank or broker how to vote, then no votes will be cast on your behalf for all matters other than the ratification of the

appointment of KPMG LLP as the Company's independent registered public accountants for 2014 (proposal 2).

*May I revoke my proxy?*

You may revoke your proxy at any time before the annual meeting if you:

- (1) File a written notice of revocation dated after the date of your proxy with Computershare; or
- (2) Send Computershare by mail a later-dated proxy for the same shares of common stock; or
- (3) Submit a new vote by telephone or the Internet. The date of your last vote, by either of these methods or by mail, will be the one that is counted; or
- (4) Attend the annual meeting AND vote there in person.

The mailing address for Computershare is P.O. Box 30170, College Station, TX 77842-3170. The overnight delivery address for Computershare is: 211 Quality Circle, Suite 210 College Station, TX 77845.

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**ATTENDANCE AND VOTING MATTERS**

*What vote is required to approve each proposal?*

In the election of directors, each nominee must receive more For votes than Against votes in order to be elected as a director. The affirmative vote of a majority of votes cast at the meeting is required to ratify the appointment of KPMG LLP as the Company's independent registered public accountants for 2014 and to approve the advisory resolution on executive compensation.

*What constitutes a quorum ?*

A majority of the outstanding shares entitled to vote, present in person or by proxy, constitutes a quorum. We must have a quorum to conduct the annual meeting. If a quorum is not present or if we decide that more time is necessary for the solicitation of proxies, we may adjourn the annual meeting. We may do this with or without a stockholder vote. If there is a stockholder vote to adjourn, the named proxies will vote all shares of common stock for which they have voting authority in favor of the adjournment.

*How are abstentions and broker non-votes treated?*

Shares of our common stock represented by proxies that are marked abstain, or which constitute broker non-votes, will be counted as present at the meeting for the purpose of determining a quorum. Broker non-votes occur when a nominee holding shares of our common stock for a beneficial owner returns a properly executed proxy but has not received voting instructions from the beneficial owner and such nominee does not possess or does not choose to exercise discretionary authority with respect to such shares. Abstentions and broker non-votes will have no effect on the results of the vote on the election of directors or the results of proposals 2 and 3.

*How can I obtain copies of documents referenced in this proxy statement?*

Copies of the Company's Corporate Governance Guidelines, codes of conduct and other documents referenced in this proxy statement can be accessed in the Investor Relations 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 by writing to:

Host Hotels & Resorts, Inc.

6903 Rockledge Drive, Suite 1500

Bethesda, Maryland 20817

Attention: Investor Relations

*How will voting on any other business be conducted?*

Although we do not know of any other business to be considered at the annual meeting other than the proposals described in this proxy statement, if any other business is properly presented at the annual meeting your signed proxy card gives authority to Gregory J. Larson and Elizabeth A. Abdoo, or either of them, to vote on such matters in their discretion. Unless otherwise required by our Charter or Bylaws or by applicable Maryland law, any other matter

properly presented for a vote at the meeting will require the affirmative vote of a majority of the votes cast.

*Who will count the votes?*

Computershare Trust Company, N.A., our transfer agent, will act as the inspectors of election and will tabulate the votes.

*Who pays the cost of this proxy solicitation?*

We bear all expenses incurred in connection with the solicitation of proxies. We have hired the firm of MacKenzie Partners, Inc. to assist in the solicitation of proxies for a fee of \$10,000, plus expenses. We will reimburse brokers, fiduciaries and custodians for their reasonable expenses related to forwarding our proxy materials to those beneficial owners.

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**ATTENDANCE AND VOTING MATTERS**

*Is this proxy statement the only way that proxies are being solicited?*

No. In addition to mailing these proxy solicitation materials, our officers and employees may solicit proxies by further mailings or personal conversations, or by telephone, facsimile or other electronic means.

*How can I find out the results of the voting at the annual meeting?*

Preliminary voting results will be announced at the annual meeting. Final voting results will be disclosed on a Form 8-K filed with the SEC within four business days of the date of the annual meeting, which will be available on the Company's website at <http://www.hosthotels.com>.

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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 officers and employees of the Company and a code of business conduct and ethics and conflict of interest policy that applies to the Board. The purpose of these codes 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 Company's Corporate Governance Guidelines, codes of conduct and other documents describing the Company's corporate governance practices can be accessed in the Investor Relations 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 past years the Board has implemented numerous corporate governance enhancements to serve the long-term interests of all stockholders. These have included adopting a majority vote standard for uncontested director elections, declassifying the Board and allowing the Company's rights plan to expire. Most recently, effective March 27, 2014, the Board filed Articles Supplementary with the State Department of Assessments and Taxation of Maryland electing to opt out of the provisions of the Maryland Unsolicited Takeover Act (the Act) that permit the Board to classify itself without a stockholder vote. Based on its actions, the Company must now receive stockholder approval by a majority of the votes cast repealing the opt out election prior to having the ability to enact this provision of the Act. For more information on the Company's corporate governance practices, see the Corporate Governance Guidelines posted on its website.

**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. The Secretary shall retain for three years copies of all stockholder communications that are forwarded.

## **Stockholder Outreach and Engagement**

The Company's relationship with its stockholders is an important part of our corporate governance program. Engaging with our stockholders helps us to understand how they view us, to set goals and expectations for our performance, and to identify emerging issues that may affect our strategies, corporate governance, compensation practices or other aspects of our operations. Our stockholder and investor outreach includes investor road shows, analyst meetings, and investor conferences and meetings. We also communicate with stockholders and other stakeholders through various media, including our annual report and SEC filings, proxy statement, news releases,

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**CORPORATE GOVERNANCE AND BOARD MATTERS**

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. We also seek stockholder views on governance and other matters throughout the year, concentrating our efforts on our largest stockholders. In addition, as previously announced on our website, on April 10, 2014 we will be hosting an investor day at the Ritz Carlton Hotel, Tysons Corner, Virginia. Stockholders are welcome to listen in via our website and an archived webcast will also be available.

**Board Leadership Structure**

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