HOST HOTELS & RESORTS, INC.
Form DEF 14A
April 06, 2018
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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 6, 2018

Dear Fellow Stockholder:

I am pleased to invite you to our 2018 Annual Meeting of Stockholders of Host Hotels & Resorts, Inc., which will be held at 11:00 a.m. on Thursday, May 17, 2018, at the Ritz-Carlton Hotel, Tysons Corner, 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 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.

At the annual meeting we will ask you to elect our Board of Directors, vote to approve executive compensation and vote on one stockholder proposal. These proposals are described in detail in the attached Notice of 2018 Annual Meeting of Stockholders and Proxy Statement. Our 2017 Annual Report is also enclosed, which we encourage you to read. 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 2018 ANNUAL MEETING OF STOCKHOLDERS

Meeting Date: Thursday, May 17, 2018
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 eleven directors;

2. An advisory resolution to approve executive compensation;

3. Consideration of a stockholder proposal, if properly presented at the meeting; 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 19, 2018, the record date.

By Order of the Board of Directors

Elizabeth A. Abdoo

Secretary

April 6, 2018

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 MAIL** Mark, sign, date and return the enclosed proxy card in the postage-paid envelope
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)	**IN PERSON** Attend the Annual Meeting in McLean, Virginia

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Proxy Statement. The Board of Directors of Host Hotels & Resorts, Inc. is soliciting proxies to be voted at our 2018 Annual Meeting of Stockholders on May 17, 2018 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 6, 2018.

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be held on May 17, 2018. The Company s Proxy Statement for the 2018 Annual Meeting, and our Annual Report to Stockholders for 2017 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.

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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

VOTING MATTERS

Matter	Board Recommendation	Page Reference (for more detail)
Election of Directors	For each director nominee	19
Advisory Resolution to Approve Executive Compensation	For	28
Stockholder Proposal	û Against	29

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	
Mary L. Baglivo, 60	2013	Vice Chancellor Communications and Marketing, Rutgers University				PVH Corp. Ruth s Hospitality Group
Sheila C. Bair, 64	2012	Former President of Washington College				Thomson Reuters
Ann McLaughlin Korologos, 76	1993	Former Chair of RAND Corporation Board of Trustees				Michael Kors
Richard E. Marriott, 79	1993	Chairman of the Board				
Sandeep L. Mathrani, 55	2016	Chief Executive Officer of GGP				GGP Inc.
John B. Morse, Jr., 71	2003	Retired Vice President and CFO of The Washington Post Company	(F)			AES Corporation
Mary Hogan Preusse, 49	2017	Founder and Principal of Sturgis Partners LLC				Digital Realty Trust Kimco Realty VEREIT
Walter C. Rakowich, 60 **Lead Independent Director**	2012	Retired Chief Executive Officer of Prologis	(F)			Iron Mountain Ventas, Inc.
James F. Risoleo, 62	2017	President and Chief Executive Officer				Cole Office & Industrial REIT

Gordon H. Smith, 65	2009	President & CEO of the National Association of Broadcasters		
A. William Stein, 64	2017	Chief Executive Officer of Digital Realty Trust	(F)	Digital Realty Trust

* 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 (CEO) 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 believes this balance is achieved with the current nominees.

AUDITOR REFRESHMENT

Although ratification of the independent registered public accountants is not required by our Bylaws, the Company believes that submitting ratification of the selection of the independent accountants to a stockholder vote is a matter of good corporate practice. This year, however, the Audit Committee is strongly considering the selection of a new independent auditor as a means of refreshing the auditor relationship and has instructed management to solicit proposals from several accounting firms to serve as the Company s independent auditor for 2018. That process is currently ongoing and for that reason no proposal is being submitted for stockholder vote. The Audit Committee s evaluation of whether to change its independent auditor is not a result of any disagreement or dispute with KPMG LLP, the Company s current independent registered public accounting firm, regarding the Company s financial statements or accounting practices. For more information, see Auditor Fees Re-assessment of the Audit Firm Relationship. The Company intends to submit ratification of the selection of the auditor to a stockholder vote again in 2019.

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 codes 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 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

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PROXY SUMMARY

Board Committees	Three Board committees Audit, Nominating and Corporate Governance, and Compensation Policy
	Fully independent Board committees
	Three 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
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
	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 had provided certain takeover defenses)
	Opted out of the provisions of the Maryland Unsolicited Takeover Act which would have permitted the Board to classify itself without a stockholder vote
	Stockholder power to amend the Bylaws
Management Succession Planning	The Board actively monitors our succession planning and people development and receives regular updates on employee engagement, diversity and retention matters
Sustainability and Corporate	The Nominating and Corporate Governance Committee monitors our programs and initiatives on sustainability, environmental matters and social responsibility

Responsibility

COMPENSATION PROGRAM

Our executive compensation programs are designed to:

- Link pay to performance;
- Attract and retain talented executive officers and key employees;

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PROXY SUMMARY

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.

We meet these objectives through the appropriate mix of compensation, including:

Component	Form	Description & Objective
Long-Term Incentive Performance Based	Equity	Restricted stock units that are solely performance based and vest annually based on corporate objectives and over a three-year period based on relative total stockholder return Represents two-thirds of total long-term incentive award Align executive officers compensation with returns delivered to Company stockholders and motivate performance against key corporate objectives
Long-Term Incentive Retention Based		Restricted stock units that vest in annual installments over three years Represents one third of total long-term incentive award Align the interests of the executives with long-term stockholder value
Annual Incentive	Cash	At-risk compensation with payments based on the Company s achievement of key financial measures (adjusted funds from operations

	and return on invested capital) and objective individual performance goals
Base Salary	Formulaic with limited discretion and maximum amount capped Provides market-competitive pay relative of an executive s role, experience and individual performance Only component of compensation that is fixed

Last year we made several key enhancements to our compensation programs to continue to improve the link between compensation and the Company s business and strategy as well as the long-term interests of stockholders.

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PROXY SUMMARY

94% of the votes cast on our 2017 say-on-pay proposal

were in favor of our executive compensation program and policies

See Compensation Discussion and Analysis Our Compensation Program beginning on page 32 for a further discussion of the Company s compensation programs and the rationale for the changes in 2017.

2017 PERFORMANCE HIGHLIGHTS

2017 was a year of continued growth for the Company. The Company s comparable hotel revenue per available room (or RevPAR) increased to $180, surpassing last year s record and is the highest full year RevPAR in the Company s history. RevPAR is a commonly used measure within the hotel industry to evaluate hotel operations. For more information on this measure and our 2017 results, see the Company s Annual Report on Form 10-K.

With a new management team in place, we undertook a number of initiatives in 2017 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 into high RevPAR hotels.

New management team and organizational structure. New CEO as of January 1, 2017; New CIO as of September, 2017; New CFO as of November, 2017. Realigned investments and asset management under the CIO and	Achieved the **strongest balance sheet** (in terms of leverage and interest coverage) in the Company s history. Maintained our investment grade bond rating.	**2017 investment activity:** **$960 Million**	**Returned to** stockholders in 2017: **$635 Million**	**Total one year** stockholder return: **10%** Based on increase in stock price from

enterprise analytics under the CFO to encourage collaboration and efficiencies to drive real estate value creation.		Acquired 2 iconic hotels with $240 RevPAR The Don CeSar and W Hollywood and the ground lease at the Miami Marriott Biscayne Bay for $471 million and sold 4 hotels for $489 million with $130 RevPAR.	Represents $0.85 in dividends authorized to stockholders in 2017 and an annualized dividend yield of 4.3%, based on the Company s closing stock price of $19.85 as of December 29, 2017.	December 31, 2016 to December 31, 2017 and reinvestment of dividends into Company stock.

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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 Michael D. Bluhm and Elizabeth A. Abdoo 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 2017 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 2017 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 19, 2018, the record date, can

vote at the annual meeting and is entitled to one vote for each share of common stock owned.

How can I manage the number of Annual Reports and Proxy Statements I receive?

The included 2017 Annual Report 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. We will promptly deliver, upon oral or written request, individual copies of these documents to any stockholders at a shared address who received only one copy. To request individual copies for each stockholder in your household for this year and/or future years, please contact our Investor Relations department at 240-744-1000, by e-mail to 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 505000, Louisville, KY 40233.

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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 19, 2018 and attend the annual meeting, you may vote in person at the meeting by presenting some form of government-issued photo identification. 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 and present some form of government-issued photo identification.

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 authorize a proxy to 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 Wednesday, May 16, 2018. 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 Wednesday, May 16, 2018. 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 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.

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 505000, Louisville, KY 40202. The overnight delivery address for Computershare is: 462 South 4th Street, Suite 1600, Louisville, KY 40202.

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ATTENDANCE AND VOTING MATTERS

What vote is required to approve each proposal?

In the election of directors (proposal 1), 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 approve the advisory resolution on executive compensation (proposal 2) and to approve the stockholder proposal (proposal 3).

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 will be counted as present at the meeting for the purpose of determining a quorum. Abstentions will have no effect on the results of the vote on the proposals to be acted upon at the annual meeting. Broker non-votes occur when a nominee holding shares of our common stock for a beneficial owner has not received voting instructions from the beneficial owner and the nominee exercises its discretionary authority to vote the shares on certain routine proposals, as permitted by New York Stock Exchange rules, but does not have authority to vote the shares on other non-routine proposals. This year, there are no routine proposals to be acted upon at the annual meeting, so there will not be any broker non-votes at the annual meeting.

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

Copies of the Company s Corporate Governance Guidelines, code of conduct and other documents referenced in this proxy statement 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 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 Michael D. Bluhm 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.

Will there be a sign language interpreter at the meeting?

If you would like to have a sign language interpreter at the annual meeting, please send your request in writing to the Secretary, Host Hotels & Resorts, Inc., 6903 Rockledge Drive, Suite 1500, Bethesda, MD 20817. We must receive your request no later than May 8, 2018.

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ATTENDANCE AND VOTING MATTERS

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 $14,000, plus expenses. We will reimburse brokers, fiduciaries and custodians for their reasonable expenses related to forwarding our proxy materials to those beneficial owners.

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 Current Report on 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 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 strengthen 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:

- adopting a majority vote standard for uncontested director elections;
- declassifying the Board;
- allowing the Company s rights plan to expire;
- opting out of the Maryland Control Share Acquisition Act; and
- opting out of the provisions of the Maryland Unsolicited Takeover Act that permit the Board to classify itself without a stockholder vote.

For more information on the Company s corporate governance practices, see the Corporate Governance Guidelines

posted on our 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.

Stockholder Outreach and Engagement

Our relationship with our 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 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. In 2017 the Company s new management team 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). We also communicate with stockholders and other stakeholders through various media, including our annual report and SEC filings, proxy statement, news releases, 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.

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 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.

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, and not to inhibit, communication among the directors or between any of them and the Chairman and CEO. Accordingly, 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. Walter C. Rakowich has served as our Lead Director since May 2014. The duties of the Lead Director include: (i) presiding at executive sessions of the Board, and briefing the Chairman and CEO, as needed, following such sessions; (ii) presiding at meetings of the Board where the Chairman is not present; (iii) convening and acting as chair of meetings of the independent directors; (iv) providing input on Board agendas and meeting schedules; (v) providing feedback to and consulting with the Chairman and CEO on any concerns of the Board; and (vi) serving as the director to whom correspondence may be directed on behalf of the non-management directors as a group, as described above 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 considered

independent within the meaning of the rules of the New York Stock Exchange. 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.

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CORPORATE GOVERNANCE AND BOARD MATTERS

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 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.

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.

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.

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Board/Committee	Primary Areas of Risk Oversight
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 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 reviews 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.

Political Contribution 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 2017 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.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Trade Association Memberships

Trade iation	2017 Company Dues and Contributions	2017 Lobbying % (1)	2017 Amount of Company Dues Allocated to Lobbying	2016 Company Dues and Contributions	2016 Lobbying % (1)	2016 Amount of Company Dues Allocated to Lobbying	2015 Company Dues and Contributions	2015 Lobbying % (1)	2015 Amoun Compa Dues Allocate Lobby
nal Association of Estate ment Trusts	$130,572	20	$26,114	$126,740	25	$31,685	$127,652	25	$31,91
avel Association	72,500	27	19,575	70,850	27	19,130	104,286	38	39,62
Estate dtable	30,000	65	22,750	30,000	65	19,250	45,000	65	29,25
eal Estate Board w York	29,000 (2)	9	2,520	29,000 (2)	7	1,960	29,000 (2)	7	1,96
can Hotel &	74,072	36	26,665	198,085	36	24,881 (4)	164,266	34	32,29

ng Association [3]					
al City Council	50,000	0	0	50,000	0

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

(2) Of this amount, $28,000 were paid in dues and $1,000 were 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 uses 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.

Meetings and Committees of the Board

The Board met four times in 2017. Each director attended at least 80% 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 2017. Under our Corporate Governance Guidelines, our independent directors meet in executive session without management and did so after each regularly scheduled Board meeting in 2017. Mr. Rakowich, the Lead Director, presided over the executive sessions of the non-management directors.

Host s Board of Directors 2017 By the Numbers

meetings held by the

Board of Directors

times the independent directors met in executive session

without management present

total Board and Committee meetings

of the then current members of the Board attending

the Annual Meeting held on May 11, 2017

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 Board generally makes committee assignments in May after the annual meeting of stockholders, upon recommendation of the Nominating and Corporate Governance Committee. 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.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Members & Meetings	Committee Functions
John B. Morse, Jr. (Chair) **Sandeep L. Mathrani** **Walter C. Rakowich** **A. William Stein** **Number of Meetings in 2017: Eight**	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.

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 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.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Members & Meetings	Committee Functions
Walter C. Rakowich (Chair) **Sheila C. Bair** **Ann McLaughlin Korologos** **John B. Morse, Jr.** **Mary Hogan Preusse** **Number of Meetings in 2017: Five**	Makes recommendations to the Board on corporate governance matters and is responsible for keeping abreast of corporate governance developments; Oversees the annual evaluation of the Board, its committees and, in conjunction with the Compensation Policy Committee, management; Reviews periodically the compensation and benefits of non-employee directors and makes recommendations to the Board or the Compensation Policy Committee of any modifications; Reviews the composition and tenure of the Board and skills of directors 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.

Members & Meetings	Committee Functions
Mary L. Baglivo (Chair) **Ann McLaughlin Korologos** **Sandeep L. Mathrani** **Gordon H. Smith** **Number of Meetings in 2017: Five**	Oversees compensation policies, plans and benefits for the Company s employees; Approves the goals and objectives for compensation of all executive officers of the Company and approves compensation for other members of senior management; 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 the process used for gathering information on the compensation paid by other similar businesses; 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; 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 annual 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 in late 2017 to assist the Committee with its review of the compensation of independent directors. Pay Governance is retained and conducts its work at the direction and request of the Board committees. It is not retained 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.

The Compensation Policy Committee may delegate any or all of its responsibilities to a subcommittee, but did not do so in 2017. 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. The personal goals are drafted by each employee annually and approved by each manager with the intent that there is a common purpose and accountability throughout the Company. 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. Total compensation is capped throughout our compensation programs, and the Compensation Policy Committee

reviews all senior management compensation 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 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 November 2016 to permit a stockholder (or group of up to 20 stockholders) who have owned at least 3% of our 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 judgment, 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
Board dialogue and decision Commitment to refreshment and diversity	Added four highly qualified directors in the past two years; four of the last six Board members added are either women or bring diversity to the Board

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PROPOSALS REQUIRING YOUR VOTE

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 should any director nominee be 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.

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.

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.

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PROPOSALS REQUIRING YOUR VOTE

2016 & 2017 BOARD REFRESHMENT

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 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.

Director Nominees

INDEPENDENCE

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.

TENURE

The director nominees have served on our Board for an average of approximately 8.5 years. The median tenure of our director nominees is 5.4 years. Four of the director nominees, or 36% of the Board, have served for less than two years, and three directors were added in 2017.

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

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NOMINEES FOR DIRECTOR

MARY L. BAGLIVO

Age: 60

Director since: 2013

Committees:

Compensation (Chair)

Public Boards:

PVH Corp.

Ruth s Hospitality Group

Ms. Baglivo is Vice Chancellor Communications and Marketing for Rutgers University and formerly was the Vice President for Global Marketing and Chief Marketing Officer for Northwestern University from 2013 to 2017. Previously, 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.

Skills and Expertise:

- in depth global marketing, advertising and consumer branding experience
- strategic planning expertise
- extensive business and leadership experience of large complex companies, including as Chair and CEO of the Americas at Saatchi & Saatchi Worldwide
- understanding of growth strategies in worldwide branded businesses

SHEILA C. BAIR

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

Age: 64

Director since: 2012

Committees:

Nominating and Corporate Governance

Public Boards:

Thomson Reuters

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. In addition, she serves on the boards of the Volcker Alliance, Avant, Inc., 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 Regulatory Commission, and as a former board member and current advisor to Grupo Santander, one of Europe s largest banks

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PROPOSALS REQUIRING YOUR VOTE

MARY HOGAN PREUSSE

Age: 49

Director since: 2017

Committees:

Nominating and Corporate Governance

Public Boards:

Digital Realty Trust

Kimco Realty

VEREIT

Ms. Hogan Preusse 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 2008-2017. 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 on the steering committee of the Investor Advisory Council. She is also a member of the board of directors of Digital Realty Trust, where she is a member of its audit committee, 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

SANDEEP L. MATHRANI

Mr. Mathrani is the Chief Executive Officer and a director of GGP Inc. 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 a director of Century 21, Inc., an Executive Board member and First Vice 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: 55

Director since: 2016

Committees:

Audit

Compensation

Public Boards:

GGP Inc.

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 over 20 years of experience
- extensive familiarity with all aspects of managing and providing leadership to a complex business organization

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ANN MCLAUGHLIN KOROLOGOS

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. 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 Michael Kors, where she is a member of the compensation and talent 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.

Age: 76

Director since: 1993

Committees:

Compensation

Nominating and Corporate Governance

Public Boards:

Michael Kors

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 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: 79

Director since: 1993

Skills and Expertise:

comprehensive knowledge of the Company and unique perspective and insight into the hospitality industry based on a 52-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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PROPOSALS REQUIRING YOUR VOTE

JOHN B. MORSE, JR.

Mr. Morse served as 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 a director of AES Corporation, where he is on the strategy and investment committee and 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 of the College Foundation of the University of Virginia and a former director and Treasurer of Greater Naples Leadership.

Age: 71

Director since: 2003

Committees:

Audit (Chair)

Nominating and Corporate Governance

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

WALTER C. RAKOWICH

Mr. Rakowich is the retired Chief Executive Officer of Prologis, where he also served as a director of its board upon completion of the merger with AMB Property Corporation in 2011, and prior to that merger, as a trustee of the board since 2004. At Prologis, Mr. Rakowich served as Co-Chief Executive Officer from 2011 to 2012; Chief Executive Officer from 2008 to 2011; President and Chief Operating Officer from 2005 to 2008, and was a 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 governance committees, and is a director of Ventas, Inc. where he is a member of its audit and compliance committees. 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: 60

Director since: 2012

Lead Director

Committees:

Audit

Nominating and Corporate Governance

(Chair)

Public Boards:

Iron Mountain Incorporated

Ventas, Inc.

Skills and Expertise:

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

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

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

audit committee financial expert

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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 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 at Westinghouse Electric Corporation. Mr. Risoleo serves as the non-executive Chairman of Cole Office & Industrial REIT, a public non-listed REIT and is a member of its audit committee. He serves on the Board of Governors of NAREIT and on the CEO Roundtable of U.S. Travel and is a member of the Real Estate Roundtable and the AH&LA Executive Committee. Mr. Risoleo is also a member of the Bar of the State of Pennsylvania.

President and

Chief Executive Officer

Age: 62

Director since: 2017

Public Boards:

Cole Office & Industrial REIT

Skills and Expertise:

- extensive business and leadership experience
- significant expertise in finance, capital markets, real estate and the hospitality industry
- extensive international experience, including leading the Company s European investment strategy
- 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

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

GORDON H. SMITH

Age: 65

Director since: 2009

Committees:

Compensation

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.

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

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PROPOSALS REQUIRING YOUR VOTE

A. WILLIAM STEIN

Age: 64

Director since: 2017

Committees:

Audit

Public Boards:

Digital Realty Trust

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 Treasurer 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.

Skills and Expertise:

- over 30 years of investment, financial and operating management experience
- in-depth understanding of the real estate industry and the issues facing real estate investment trusts
- 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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Summary of 2018 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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PROPOSALS REQUIRING YOUR VOTE

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.
- 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 and a significant portion of the award was forfeited in 2017.
- 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 utilizes an independent consultant to engage in an ongoing independent review of all aspects of our executive compensation programs.

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.

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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PROPOSALS REQUIRING YOUR VOTE

Set forth below is a stockholder proposal submitted by UNITE HERE, 275 Seventh Avenue, New York, New York 10001, the beneficial owner of 339 shares of the Company s common stock, along with its supporting statement. The stockholder proposal is required to be voted upon at the annual meeting only if properly presented at the annual meeting by UNITE HERE.

Proposal:

Shareholders request Host Hotels & Resorts (Host) issue an annual sustainability report with due diligence about operations at Host s properties, including the impact on investors of hotel operators environmental, human rights, and labor practices. The reports should be prepared at reasonable cost, omitting proprietary information, and the first report should be available to shareholders in advance of the 2019 annual meeting.

We recommend Host ask its hotel operators to use the Global Reporting Initiative s (GRI) Sustainability Reporting Standards to prepare the report(s). The Standards cover environmental impacts, human rights, and labor practices, and provide a flexible reporting system that allows omission of content irrelevant to company operations.

UNITE HERE s Supporting Statement:

The GRI provides the most widely adopted global standards for sustainability reporting. According to GRI, [t]he practice of disclosing sustainability information inspires accountability, helps identify and manage risks, and enables organizations to seize new opportunities. Reporting with the GRI Standards supports companies, public and private, large and small, protect the environment and improve society, while at the same time thriving economically by improving governance and stakeholder relations, enhancing reputations and building trust.

The UN Principals of Responsible Investment (UNPRI) has over 1750 signatories, with ~$70 trillion in assets, including many of Host s own investors, who publicly commit to seek appropriate disclosure on ESG [environmental, social and governance] issues by the entities in which [they] invest and to incorporate ESG issues into investment analysis and decision making. This type of diligence generates value for shareholders.

Hotel owners are reporting on the environmental footprint of hotel operations, but pay less attention to the human capital dimensions of these operations the thousands of people providing hospitality services. Host does not presently require hotel operators to provide reporting on social or governance factors, a notable diligence gap given the centrality of guest services to Host s business.

Host has acknowledged that, although it does not directly employ workers, it is subject to many of the costs and risks generally associated with the hotel labor force, and that it [is] subject to risk when hotel operations are disrupted. (2016 Form 10-K at 27-28.) Through their taxable subsidiaries, real estate investment trusts like Host are able to collect income from operations within their properties, which go beyond income from lease payments (see 26 USC §§ 856-857).

After the Starwood merger, 78% of Host s properties were managed or franchised by Marriott. As Host has acknowledged, [a]ny adverse developments in Marriott s business and affairs or financial condition could have a

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PROPOSALS REQUIRING YOUR VOTE

material adverse effect on us. (10-K at 27.) Marriott International s sustainability reporting, which ceased using the GRI sustainability framework after 2014, provides much less detail to investors than Starwood Hotels premerger reporting, which used the GRI framework.

We urge shareholders to recommend Host provide comprehensive disclosure about its sustainability practices, including reporting from hotel operators about environmental, human rights, and labor practices, by committing to using, and requiring its operators to use, the GRI sustainability framework.

Board of Directors Statement Opposing the Stockholder Proposal

After careful consideration, our Board and its Nominating and Corporate Governance Committee believe that the above-described stockholder proposal is not in the best interests of the Company and its stockholders. The Board recommends a vote Against adoption of this stockholder proposal for the following reasons.

Host Hotels & Resorts has a demonstrated commitment to corporate responsibility and sustainability. Over the past 10 years, our properties, communities and stakeholders have benefited from the Company s proper focus on environmental, social and governance issues and initiatives. We have spent hundreds of millions of dollars on improvements at our properties, which have reduced their environmental impact and contributed positively to stockholder value. Our team of hospitality and sustainability professionals work with our hotel managers to constantly improve business operations and reduce the impact of our properties on the environment, as evidenced by projects including renewable solar power installations, LED lighting, in-room energy management systems, water saving fixtures and core building infrastructure upgrades to heating and cooling. We are also committed to the communities in which we do business. In the past two years the Company and its 200 employees contributed to over 145 charities and organizations, and volunteered more than 1,000 hours of community service. The Company likewise is committed to fostering human rights, employee health and safety, and compliance with local wage and labor regulations and practices.

In addition, we are committed to transparency and keeping our stockholders informed of our progress. Accordingly, the corporate responsibility section of our website (https://www.hosthotels.com/corporate-responsibility/strategy-and-themes) thoroughly communicates our approach and activities on environmental, social and governance matters.

The leadership demonstrated by our corporate responsibility program has been confirmed by the recognition we have received, including:

- 1st position in the Hotels sector and 1st position in the U.S. for listed companies from Global Real Estate Sustainability Benchmark (GRESB), a leading sustainability benchmark for the real estate industry; and Green Star designation recipient, which recognizes outstanding management and implementation of key sustainability issues;

Carbon Disclosure Project (CDP) Leadership level score, which is the highest level out of Management, Awareness and Disclosure and indicates implementation of a range of actions to manage climate change in operations and the setting of meaningful targets and emissions reduction activities and verified emissions data;

Top 20% of the largest and most sustainable companies of the S&P Global Broad Market Index from Dow Jones Sustainability Index North America;

75% ranking in our first year of participation in the 2018 Corporate Equality Index released by the Human Rights Campaign Foundation, which rates workplaces on LGBTQ-related policies and practices, including, among others, non-discrimination workplace protections, domestic partner benefits, and public engagement with the LGBTQ community;

Best in Industry for equity REITs and the top-ranked real estate company on the U.S. 500 list from Newsweek s 2017 Green Rankings;

2017 Leader in the Light award winner for Lodging/Resorts from the National Association of Real Estate Investment Trusts; and

Among the World s Most Sustainable Companies in RobecoSAM s 2018 Sustainability Yearbook.

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In addition, the Company was also featured in the Sustainability Accounting Standard Board s The State of Disclosure: An Analysis of the Effectiveness of Sustainability Disclosure in SEC Filings 2017 in the Overview Standout Reporting Demonstrates Leadership section.

The proposal requests that we produce a very specific form of sustainability report based on the guidelines published by the Global Reporting Initiative (GRI), which requires the assessment of nearly 100 indicators of performance in various areas of the Company s operations. The proposal does not recognize or explain the burden that this reporting would impose on the Company. We believe that preparing a report in compliance with GRI s complex and technical guidelines would require a substantial commitment of time and money without adding any meaningful benefit to our management team in the way we currently run our business. We further believe that restricting the form of sustainability reporting to these guidelines is too limiting and that such reporting would not add any measurable stockholder value.

Additionally, the proposal does not take into consideration reporting done by the Company s largest operators, all of which already publish GRI-aligned indices and reports. This includes, despite UNITE HERE s assertions to the contrary, Marriott International which has available on its website Serve 360: Doing Good in Every Direction Sustainability and Social Impact Platform as well as its 55-page GRI-aligned 2017 Marriott Sustainability and Social Impact Report. More information can be found at: http://www.marriott.com/corporate-social-responsibility/performance.mi. Having the Company prepare a full-scale GRI sustainability report that includes reporting from hotel operators would be largely duplicative of information already available through their websites and not further stockholder value.

In summary, the Board believes that the Company has in place the appropriate policies, practices and disclosure concerning environmental, social and governance matters, and its major operators have GRI-aligned sustainability reports available on their websites. As such, the Board believes that the annual preparation of a formal GRI sustainability report would not provide any meaningful additional value or information for our stockholders.

For the reasons stated above, the Board of Directors unanimously recommends a vote Against the proposal

Effect of Proposal

The affirmative vote of a majority of all the votes cast on the stockholder proposal at the annual meeting is necessary for approval of the proposal. If approved, the stockholder proposal would be a non-binding recommendation to the Board of Directors.

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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 2017, who were:

James F. Risoleo	President and Chief Executive Officer
Michael D. Bluhm	Executive Vice President, Chief Financial Officer (effective November 2017)
Gregory J. Larson	Former 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

2017 Company Performance Highlights

2017 was a year of continued growth for the Company. The Company s comparable hotel revenue per available room (or RevPAR) increased to $180, surpassing last year s record and is the highest full year RevPAR in the Company s history. Our stockholders were rewarded with 10% total stockholder return for the year. We also accomplished a number of initiatives in 2017 to better position the Company for long-term, sustainable growth. Some of the highlights for 2017 include:

- We returned $635 million to stockholders in the form of dividends. The $0.85 per share in dividends authorized to stockholders in 2017 represents an annualized dividend yield of 4.3% based on the Company s closing stock price of $19.85 as of December 29, 2017.

- The Company continued to execute on its 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. In 2017 we acquired two iconic hotels The Don CeSar and W Hollywood for $430 million (with an aggregate $240 RevPAR) and sold 4 hotels for $489 million (with an aggregate $130 RevPAR). In addition, during the first quarter of 2018 we placed a portfolio of three Hyatt hotels under contract for acquisition for $1 billion, subject to customary closing conditions. These are the Andaz Maui, Hyatt Regency Coconut Point and the Grand Hyatt San Francisco, which are exactly the type of assets we have been targeting resort and large city center properties.

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 $277 million in capital improvements at our properties and made tremendous progress on creating value in our portfolio, most notably at the Phoenician where we filed a new planned unit development 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 achieved a position on the 2017 Climate A List and Climate Disclosure Leadership Index (CDLI) by CDP. We also achieved the top position in the U.S. among public companies in the 2017 Global Real Estate Sustainability Benchmark (GRESB) survey. We were the winner of the NAREIT Leader in the Light award and were the Best in Industry in Newsweek s 2017 Green Rankings for equity real estate investment trusts and the top-ranked real estate company on the U.S. 500 list.

For more complete information about our 2017 performance, please review the Company s Annual Report on Form 10-K included in our mailing to stockholders.

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Results of 2017 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 2017, 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 2017 Annual Meeting of Stockholders. The Compensation Committee believes that the voting results, together with the 92% or better approval received since the inception of the advisory vote, conveyed our stockholders strong support of the philosophy, design and structure of our executive compensation program. The Committee considers the results of the stockholders advisory votes on executive compensation when making decisions about our executive compensation program.

Our Compensation Program

The Compensation Committee has approved the design and structure of our annual compensation programs, which provide for more 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 is:

- To foster a strong relationship between stockholder interests and executive compensation;
- To provide annual and long-term incentives that emphasize performance-based compensation; and
- To provide overall levels of compensation that attract and retain talented executives.

Elements of Program

Our compensation program has three key elements base salary, annual cash incentive, and long-term incentives. Importantly, it also:

- Seeks to maximize the alignment between stockholder results and our executive incentives.
- Emphasizes variable pay tied to performance, with the majority of the opportunity based on long-term incentive compensation, not salary and annual bonuses, and includes:

An annual cash incentive award that is based on the achievement of corporate financial measures and objective individual performance goals;

A long-term equity incentive program that is two-thirds performance-based. Multiple measures of corporate performance are incorporated in the long-term incentive program, including:

- Specific corporate strategic objectives approved by the Compensation Committee that are drivers of long term value; and

- Relative total stockholder return measures (TSR) that compare the Company to multiple indices reflecting the Company s competitors for investment capital; and

A long term equity incentive program that is one-third retention based, with restricted stock units that vest ratably over a three year period beginning one year from the date of grant.

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COMPENSATION DISCUSSION AND ANALYSIS

The mix of target total direct compensation for 2017 for our CEO and the average of our other named executives is shown in the chart below:

CHIEF EXECUTIVE OFFICER

AVERAGE OF OTHER NAMED

EXECUTIVE OFFICERS

Our 2017 program has several enhancements from prior years based on an in-depth review of our executive compensation program conducted in 2016, including how it compared with peers and best practices, and how it was supporting our talent needs. We elected to retain the design and structure of the annual incentive program. We did, however, make changes to our long-term incentive program, which are described below.

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2017 Long-Term Incentive Program

Changes:	Reasons for Changes:
Discontinued the use of stock options as part of the annual grants	Stock options previously represented only 10% of an executive s target long-term incentive opportunity Few peers used stock options to deliver long-term incentive awards
Modified the mix of incentive awards to 2/3 performance-based restricted stock units (RSUs) and 1/3 time-based RSUs	Provided for the majority of the long-term incentive awards to be tied directly to achievement of objective performance goals while providing a portion of the award in retention-based RSUs that maintain alignment with stockholder value
Removed individual measures of performance from the long-term incentive program	Focus all of the executives on the same company-wide strategic objectives and increasing stockholder value Individual measures are included in the annual incentive plan
Reweighted the corporate measures of performance to an equal mix of strategic objectives and relative TSR performance	Relative TSR performance is a commonly used and understood metric that compares our relative success at driving stockholder value compared to the S&P

	500, an index of North American Real Estate Investment Trusts (NAREIT) and publicly-traded lodging companies Our strategic objectives measure our collective success at achieving pre-determined goals that we believe drive future stockholder value and create focus on shared objectives across the Company
Utilized a forward-looking performance measurement period, replacing the mostly historical performance orientation of our 2016 program	Aligned all of the executives with future performance against strategic and financial performance goals Better reflect typical and best practice of utilizing forward-looking goals

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COMPENSATION DISCUSSION AND ANALYSIS

The following table summarizes the key elements of target direct compensation for our 2017 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 2017 Executive Compensation Program Design

	CASH COMPENSATION		EQUITY COMPENSATION	
	Base Salary	**Annual Cash Incentive Awards**	**Performance Based Long-Term Incentive Awards**	**Retention 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 retention-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 vests annually based on achievement of corporate objectives.	Equity award that vests in annual installments over three years.
			One-half of the performance-based equity award vests over three years based on relative TSR performance compared to three indices.	

Why We Pay This Element	Provide a base level of competitive cash compensation for executive talent. ***Only component of compensation that is fixed.***	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.	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. Senior executive base salaries, including those of the named executive officers, are approved by the Compensation Committee.	Payments based on corporate performance related to: Adjusted funds from operations Return on invested capital 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. Amount of the awards that ultimately vest is based on performance against corporate objectives and relative TSR measures.	

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Best Practices

Our compensation program for 2017 continues to incorporate our best practices:

What We Do	What We Don t Do
Compensation Committee comprised solely of independent directors;	No employment contracts with executive officers;
An independent compensation consultant retained exclusively by the Committee and which has no ties to the Company;	No individual change in control agreements;
Annual advisory vote on executive compensation;	No tax gross up on change in control payments or severance payments;
Stock ownership and retention requirements for senior management and directors;	No pledging, hedging or short sales of Company securities by directors, officers or employees;
Regular reviews of our compensation and relative TSR peer groups and indices;	No pension plans or supplemental executive retirement plans;
Regular briefings from the independent consultant regarding key trends in executive compensation and regulatory developments;	No dividends paid on unvested restricted stock or restricted stock unit awards unless the awards actually vest;

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

Target Compensation for 2017

The Compensation Committee annually reviews and sets total target direct compensation for senior executives. This consists of 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 retention-based restricted stock units that vest over three years. The Committee s decisions on this are informed with 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 2015 to inform compensation decisions for 2016. However, given the Company s and industry performance in 2015, management recommended, and the Committee agreed, that there would be modest increases in total target compensation for executives in 2016, which included base salary increases of 3% consistent with all employees in the Company.

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The detailed review conducted in 2016 involved:

- discussing program design elements, trends and evolving practices;
- confirming data sources for assessing pay;
- reviewing program design for alignment with compensation philosophy and business strategy;
- evaluating the competitiveness of each executive s total compensation; and
- approving any changes to each senior executive s total target compensation.

In May 2016, the Committee reviewed compensation design elements, trends and data sources for the compensation review. The Committee has historically relied on various sources of compensation information to ascertain the competitive market for the executives compensation. As in the past, data from three sources were approved by the Committee for use in generally assessing and comparing pay levels at the Company. These were (1) proxy pay data reported in recent 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 approved changes in the peer group from 2015, and removed (i) Public Storage, a self storage REIT with a different business model and market capitalization four times larger than the Company and (ii) Apartment Investment and Management Co., which had the smallest market capitalization of the Company s non-hotel related peers. The Committee added Essex Property Trust and UDR, Inc., each of which was in the S&P 500 and had a similar market capitalization to that of the Company. The proxy peer group consisted of the following 21 companies:

COMPENSATION PEER GROUP	
AvalonBay Communities, Inc.	The Macerich Company
Boston Properties, Inc.	Marriott International, Inc.
Duke Realty Corporation	Prologis, Inc.

Equity Residential	SL Green Realty Corp.
Essex Property Trust, Inc.	Starwood Hotels & Resorts Worldwide, Inc. *
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
Kimco Realty Corporation	

* acquired by Marriott International, Inc. in September 2016

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 in relation 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 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, other than Mr. Risoleo, in January 2017. Mr. Risoleo became Chief Executive Officer of the Company effective

January 1, 2017. In December 2016, the Committee recommended, and the Board approved, his total target direct compensation. Pay Governance and the Executive Vice President, Human Resources assisted the Committee in its determination. Mr. Risoleo s total target compensation for 2017 was $5,300,000, which includes a base salary of $850,000, target annual incentive of $1,062,500 and target long-term incentive of $3,387,500. The Committee established the compensation package based on market data and reflective of Mr. Risoleo s being new to the role.

September 2017 Leadership Appointments

The Company made additional organizational changes during 2017, continuing the evolution that began at the beginning of the year with the appointment of Mr. Risoleo as the new Chief Executive Officer effective as of January 1, 2017. In September 2017, the Company announced several changes, including the streamlining of asset management and investments functions to facilitate a corporate culture that is more nimble, dynamic and decisive. As part of this transition, Mr. Tyrrell was promoted to Executive Vice President, Chief Investment Officer, effective in September 2017, and oversees both the asset management and investment groups. In addition, Mr. Larson retired from his position as Executive Vice President, Chief Financial Officer, effective in November 2017, but will remain an employee of the Company until July 31, 2018. He did not receive any severance in connection with his retirement. Mr. Bluhm was announced as his successor in October 2017 and was appointed Executive Vice President, Chief Financial Officer in November 2017.

In connection with his appointment as Executive Vice President, Chief Financial Officer, Mr. Bluhm was hired with an annual base salary of $560,000, a target annual cash incentive of $560,000 and long term equity incentive with a target value of $1,880,000. Mr. Bluhm was also reimbursed for expenses associated with temporary housing and travel, up to $100,000. Mr. Bluhm did not receive an annual cash incentive for performance year 2017 (which is typically targeted at 100% of salary for executive vice presidents). However, in lieu thereof, Mr. Bluhm received a cash bonus of $450,000, which was payable 50% on his start date with the Company and 50% in April 2018 (the six-month anniversary of his start date). In addition, to compensate him for remuneration that Mr. Bluhm forfeited from his former employer, he received a long-term equity grant with a target value of $3,000,000 and vesting provisions consistent with the Company s executive compensation program. This grant is described in more detail below.

In connection with his promotion to Executive Vice President, Chief Investment Officer and assumption of oversight of both asset management and investments, Mr. Tyrrell s annual base salary was increased from $500,000 to $530,000 effective September 11, 2017. His annual target annual cash incentive remained at 100% of salary, but was based on his prorated salary after taking into account the increase in base salary. He did not receive any additional long term incentives in connection with his promotion in 2017.

The chart below shows the elements of total target direct compensation for 2017 and provides a comparison of the total to 2016. It does not include other benefits.

2017 Target Direct Compensation

	Salary	Annual Cash Incentive	Long-Term Incentives [1]	Total Target Compensation 2017	Total Target Compensation 2016
Mr. Risoleo	$ 850,000	$ 1,062,500	$ 3,387,500	$ 5,300,000	$ 1,983,600
Mr. Bluhm [2]	560,000	560,000	1,880,000	3,000,000	
Mr. Larson	590,000	590,000	1,900,000	3,080,000	2,207,900
Mr. Tyrrell [3][4]	509,205	509,205	1,000,000	2,018,410	
Ms. Abdoo	550,000	550,000	1,225,000	2,325,000	1,956,100
Ms. Hamilton[4]	400,000	400,000	650,000	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 retention based, vesting ratably over three years. The Compensation Committee determines the dollar value that should be awarded and the number of shares of restricted stock 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, 2016, which was $17.46. The Compensation Committee believes that an average price over a period of time is a better gauge of value as it mitigates volatility.

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(2) Mr. Bluhm was appointed Executive Vice President, Chief Financial Officer in November 2017. The amounts shown reflect his full year target compensation amounts. As described above, Mr. Bluhm did not receive an annual cash incentive award for 2017, but did receive a sign-on cash bonus of $450,000 payable in two installments and a long-term equity grant valued at $3,000,000 to compensate him for renumeration forfeited from his former employer.

(3) Mr. Tyrrell s salary amount reflects his prorated salary increase to $530,000 effective September 11, 2017 in connection with his promotion to Executive Vice President, Chief Investment Officer. His annual cash incentive was based on his prorated salary amount after taking into account the increase in base salary.

(4) Mr. Tyrrell and Ms. Hamilton were not named executive officers in 2016.

2017 Compensation Results

Realized Pay

The table below, which supplements the Summary Compensation Table that appears on page 54, shows the compensation that might be realized for 2017 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 on:

- objective financial measures (Adjusted FFO per diluted share and Return on Invested Capital);
- personal objectives;
- corporate objectives; and
- relative TSR.

Performance was above target against each of the measures used to assess performance noted above. However, realized compensation in 2017 was generally below total target direct compensation due to the structural change to use a forward looking performance period for our performance-based restricted stock unit grants based on relative TSR under the long-term incentive program discussed above. Under the new program, 2017 was a transition year (with performance periods of one, two and three years). This resulted in a gap in the number of restricted stock units vesting in 2017. The majority of the units will not vest until future years as compared to the prior program. The result was the same for retention based restricted stock units, given that they vest ratably over three years.

2017 Realized Pay Table (1)

Name	Salary (2)	Bonus	Equity Incentive	All Other Equity	Non-Equity	All Other	2017 Total

			Awards [3]	Awards [4]	Incentive Plan Compensation	Compensation	Compensation Realized
James F. Risoleo	$850,000	$	$2,190,713	416,635	$1,427,000	$116,163	$5,000,510
Michael D. Bluhm	107,397	225,000					332,397
Gregory J. Larson	590,000		1,228,744	233,674	789,500	137,363	2,979,281
Nathan S. Tyrrell	509,205		646,706	122,976	686,500	65,801	2,031,189
Elizabeth A. Abdoo	550,000		792,206	150,655	757,900	62,650	2,313,412
Joanne Hamilton	400,000		420,356	79,934	559,200	109,444	1,568,935

(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) Mr. Bluhm s salary amount reflects his prorated annual salary of $560,000 from his date of hire, October 23, 2017. Mr. Tyrrell s salary amount reflects his prorated salary increase to $530,000 effective September 11, 2017.

(3) Amounts shown represent the value of the restricted stock unit awards that vested for performance year 2017. It excludes shares that were forfeited. The value 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, 2018, which was $18.75.

(4) Amounts represent time-based restricted units that vested on February 13, 2018. The value is calculated by the number of shares vested by the closing price of the Company s common stock on the vesting date, which was $19.52.

The difference between this supplemental table and the Summary Compensation Table primarily relate to the treatment of the long-term equity incentive award, 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

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Table above. In general, the amount of realized pay was significantly 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 13, 2017. 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, February 8, 2018 and February 13, 2018. It therefore excludes forfeitures and units that may vest in future years. There was some price appreciation in the Company s common stock which resulted in higher values being assigned to the Realized Pay Table amounts, but not enough to offset the value of the full award included in the Summary Compensation Table values.

For a description of the grant date fair value of the stock unit awards, please see footnote 3 to the Summary Compensation Table. This table 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 2017 realized compensation amounts to executive officers.

Salary

Base salary is set at an annual rate. Salary as a percentage of the named executive officers total target compensation ranged between 14% and 28% in 2017. These increases are larger than those typically provided in prior years and reflect the significant organizational changes during 2017.

Name	Salary 2017	Salary 2016	Increase%
Mr. Risoleo [1]	$850,000	$576,800	47
Mr. Bluhm [2]	560,000		
Mr. Larson	590,000	503,950	17
Mr. Tyrrell [3]	530,000		
	550,000	488,050	13

Ms. Abdoo	
Ms. Hamilton [3]	400,000

(1) Mr. Risoleo became Chief Executive Officer January 1, 2017 and the increase reflects his transition to this position from his prior position as Executive Vice President, Managing Director, Investments-Europe & West Coast.
(2) Mr. Bluhm was hired on October 23, 2017. Amount reflects his annualized base salary.
(3) Mr. Tyrrell and Ms. Hamilton were not named executive officers in 2016.

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:

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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 85. 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 2017 the target annual cash incentive represented 14%-28% of the named executive officers total target 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 earned, and (2) the level of performance achieved on Adjusted FFO and ROIC, and (3) the level of performance achieved on individual goals. Performance levels are set at threshold , target and high 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 2017. Mr. Bluhm was hired in October 2017 and because his hire date was late in the year he was not eligible to receive an annual cash incentive bonus for 2017.

Target Annual Incentive

Name	Salary	Target as % of Salary	Target Annual Incentive
Mr. Risoleo	$ 850,000	125	$ 1,062,500
	560,000	N/A	N/A

Mr. Bluhm			
Mr. Larson	590,000	100	590,000
Mr. Tyrrell	530,000	100	530,000
Ms. Abdoo	550,000	100	550,000
Ms. Hamilton	400,000	100	400,000

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2017 Results on Financial Measures. The threshold , target and high goals for Adjusted FFO and ROIC were established in February 2017 by the Compensation Committee based on, and subject to review and approval of, the Company s 2017 business plan and budget by the Board of Directors. The chart below shows these measures and the Company s actual results for 2017, which were determined by the Compensation Committee in February 2018.

2017 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.

2017 Results on Individual Performance Goals. At the beginning of each year, senior management proposes and drafts 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 2017 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 2017 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 2018 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 2017 were to lead the implementation of the Company s strategy, both domestic and international; communicate, meet and engage with key external stakeholders; guide the Company s transition on its leadership changes and implement activities to further align the executive team; 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 25% of base salary. Actual performance for individual goals was 32.50%.

Mr. Larson s 2017 objectives were to prepare, organize and participate in investor outreach introducing a new chief executive officer; implement the creation of the new Enterprise Analytics group, which would report to the chief financial officer; and complete the senior notes offering, the recast of the Company s credit facility and the refinancing of a loan secured by one the European joint venture assets. Target for individual goals was 20% of base salary. Actual performance for individual goals was 25.50%.

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Mr. Tyrrell s 2017 objectives included the completion of franchise conversions and other management or brand changes; pursuing the extension and purchase of certain ground leases and excess land; completing the sale of the disposition targets; overseeing and negotiating key agreements with operators and enhancing the relationship and partnership with them; and implementing and leading the organizational plan for the integration of asset management and investments. Target for individual goals was 20% of base salary. Actual performance for individual goals was 26.50%.

Ms. Abdoo s objectives in 2017 were to assist in the executive and senior management transition and organizational changes; oversee and provide legal support and analyses of strategic portfolio initiatives; oversee the assessment of the legal support function to enhance efficiency and technology utilization; oversee the legal analysis and negotiation of key investment and operational matters with major operators; and resolve several claims arising from tax, acquisition and contract-related matters. Target for individual goals was 20% of base salary. Actual performance for individual goals was 29.50%.

Ms. Hamilton s 2017 objectives were to develop and implement plans to internally communicate strategy and rationale for senior management and organizational changes and set workforce expectations for cultural change; co-lead the workplace strategy project to identify and then design future office space; oversee the corporate responsibility program and continue to refine charitable contribution practices and policies; and oversee completion of the IT strategy project and develop plans for next steps in implementation of the ERP platform. Target for individual goals was 20% of base salary. Actual performance for individual goals was 31.50%.

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:

			Results 2017 Annual Incentive			
Name	**Target as % of Salary**	**Target Bonus**	**FFO Award**	**ROIC Award**	**Individual Performance**	**Total Bonus [1]**
Mr. Risoleo	125	$1,062,500	$842,917	$307,759	$276,250	$1,427,000
Mr. Bluhm	100	590,000	468,067	170,896	150,450	789,500
Mr. Larson						

Mr. Tyrrell	100	530,000	403,970	147,494	134,939	686,500
Ms. Abdoo	100	550,000	436,334	159,310	162,250	757,900
Ms. Hamilton	100	400,000	317,334	115,862	126,000	559,200

(1) Total annual incentives amounts are rounded up to the nearest $100.

Long-Term Incentives

The long-term incentives are equity-based awards, which, in 2017, were made entirely in the form of restricted stock units. These awards represent the largest component of the named executive officers total target compensation, representing between 44% and 73% in 2017. Dividends accrue on unvested awards, but are paid only when, and if, the restrictions on the awards lapse.

The majority of our long-term incentive compensation is performance-based. Performance-based restricted stock units vest upon achievement of relative TSR and corporate performance goals. These measures provide a link to stockholder value, with recognition of the other companies that Host may be competing against for capital.

Under the 2017 compensation program, awards of restricted stock units are eligible to vest based on the following:

- **Corporate strategic objectives** *(34% of the long-term incentive opportunity)* that are drivers of long-term value. These annual objectives based on the Company s budget and strategic plan are approved by the Compensation Committee at the beginning of the year;

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Relative TSR measures *(33% of the long-term incentive opportunity)* that compare the Company s performance to the performance of each of the following indices: NAREIT Equity Index; S&P 500 Index; and select hospitality companies against whom the Company competes for capital (the Lodging Index); and

Retention based *(33% of the long-term incentive opportunity)* restricted stock units that vest ratably over a three-year period.

Achievement levels for the corporate objectives and relative TSR measures are set for threshold at which 25% of shares may be earned, target , at which 50% of the shares may be earned and high performance, at which all shares are earned. No shares are earned if performance is below threshold, and results will be interpolated between the levels of threshold, target and high.

The vesting of the restricted stock units is summarized below:

2017 Restricted Stock Unit Vesting

The primary changes from the prior long-term incentive program and the reasons for the changes were noted above in Our Compensation Program. The prior program used a mostly historical look back period for assessing relative three-year TSR performance (i.e., 2016 awards vested based on relative performance for 2014 2016). In 2017 we transitioned to using a forward looking performance period to align the executives with future stockholder value creation and to better reflect best practices. An implication of the change was that it would result in a three-year gap in the vesting of any relative TSR performance units. To address this issue, 2017 was a transition year for the program and the 2017 relative TSR units granted were divided into three separate tranches with the following one, two, and three-year performance periods

Tranche 1: One year January 1, 2017 to December 31, 2017;

Tranche 2: Two years January 1, 2017 to December 31, 2018; and

Tranche 3: Three years January 1, 2017 to December 31, 2019

By providing this transition, a certain number of relative TSR units continue to be eligible to vest each year, albeit a smaller amount during transition, subject to meeting the vesting requirements. For future years, and in accordance

with the program design, solely three-year relative TSR restricted stock units are intended to be granted (i.e., the grants awarded in 2018 utilized a solely forward looking performance period of 2018 2020). Set forth in the table below is a summary of the 2017 restricted stock units that were granted and eligible to vest for each of the named executive officers. The performance-based restricted stock units are granted at high , reflecting the maximum number of restricted stock units that an executive may earn over the performance period.

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2017 Restricted Stock Units Granted

Name	3 Year Time Based	2017 Corporate Performance	TSR Units for Performance Period Jan 1, 2017 - Dec 31, 2017	Jan 1, 2017 - Dec 31, 2018	Jan 1, 2017 - Dec 31, 2019	Total Restricted Units
Mr. Risoleo	64,032	131,944	42,687	42,687	42,689	324,039
Mr. Bluhm (1)	81,032			81,030	81,030	243,092
Mr. Larson	35,914	74,005	23,943	23,943	23,943	181,748
Mr. Tyrrell	18,902	38,950	12,601	12,602	12,602	95,657
Ms. Abdoo	23,155	47,714	15,435	15,438	15,438	117,180
Ms. Hamilton	12,286	25,318	8,190	8,190	8,193	62,177

(1) Because Mr. Bluhm was hired late in 2017, his restricted stock unit grant was subject to slightly different vesting conditions, namely that no portion of his grant was eligible to vest based on total stockholder return for the one

year period of January 1, 2017 to December 31, 2017, and his award did not include a 2017 corporate performance goals component.

2017 Results on Corporate Performance Objectives. Corporate objectives represent 34% of the target stock award. These objectives are tied to the annual business plan and strategy of the Company with an emphasis on encouraging the objectives and results that the Company believes will ultimately drive long-term stockholder value creation and preservation. The objectives are reviewed and approved by the Compensation Committee in February 2017. Summarized below is an assessment of our Company s performance against the corporate level objectives established for 2017, the indicated level of achievement, plus the appropriate percentage award.

Weighting	Target	Achieved	Achievements
20%	6.8%	10.2%	The Company completed its objective to sell or refinance assets in the Asia Pacific region with the sale of the Hilton Melbourne. It achieved its acquisition target with the purchase of the Don CeSar and the W Hollywood. The evaluation of opportunistic sales of assets resulted in the sale of the Sheraton Memphis and Sheraton Indianapolis.

Weighting	Target	Achieved	Achievements
25%	8.5%	12.75%	The Company completed negotiation of targeted management contract opportunities at Costa Mesa Marriott, Westin Waltham and Westin Buckhead, which were converted to franchise and at The Ritz Carlton Buckhead, which was rebranded and franchised as The Whitley. Advanced land sales and alternative uses at The Phoenician, which received its planned unit development approval in October, and the Key Bridge Marriott which sale closed in January 2018 at a value exceeding expectation.

Weighting	Target	Achieved	Achievements

20%	6.8%	10.2%	The Company enhanced its investor relations outreach by engaging with over 200 investors and sell side analysts to more clearly communicate our strategy and promote transparency. Completed bond offering and extended and restructured credit facility.

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Weighting	Target	Achieved	Achievements
20%	6.8%	10.2%	Senior level transitions and reorganizations were implemented because of departures and retirements. A new Enterprise Analytics group was formed, which included business intelligence, revenue management, corporate finance, strategic insight, capital financial services, and feasibility. Asset management and investments were combined under a new chief investment officer to drive further partnership and alignment. Continued research, analyses and discussion with the Board on long term corporate strategy.

Weighting	Target	Achieved	Achievements
15%	5.1%	5.1%	With a cross departmental IT steering committee, selected appropriate ERP platform and developed and executed on implementation timeline.

Totals for All Corporate Objectives

Weighting	Target	Achieved	Equity as a Percentage of Target
100%	**34%**	**48.45%**	**142.50%**

The chart below shows for each named executive officer, the total number of restricted stock units that were eligible to be earned on corporate objectives, the target level of such restricted stock units, the actual number of such restricted

stock units earned and the number of such restricted stock units forfeited by each named executive officer.

	Restricted Stock Units	Corporate Performance Units		
	Granted (High)	Restricted Stock Units (Target)	Restricted Stock Units Earned	Restricted Stock Units Forfeited
Mr. Risoleo	131,944	65,972	94,010	37,934
Mr. Bluhm				
Mr. Larson	74,005	37,003	52,729	21,276
Mr. Tyrrell	38,950	19,475	27,752	11,198
Ms. Abdoo	47,714	23,857	33,996	13,718
Ms. Hamilton	25,318	12,659	18,039	7,279

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2017 Results on Relative TSR Measures. One-third of the performance-based restricted stock unit awards that were granted in 2017 were eligible to vest based on the Company s relative TSR (measured as a percentile) compared to the three market indices for the period January 1, 2017 through December 31, 2017. No restricted stock units are earned if performance is below threshold .

2017 Actual TSR Results (1)

(1) TSR is the increase in the price of the Company s common stock at year-end December 2017 over the price at year-end December 2016, plus dividends paid on the Company s common stock during each year. The stock price will be calculated, in each case, as the average of the closing price of the Company s common stock on the NYSE on the last 60 calendar days of the year.

(2) The Lodging Index is comprised of the following companies: Chesapeake Lodging Trust, Diamondrock Hospitality Co., Hyatt Hotels Corporation, LaSalle Hotel Properties, Pebblebrook Hotel Trust, Ryman Hospitality Properties, Inc., RLJ Lodging Trust, and Sunstone Hotel Investors, Inc. Felcor Lodging Trust was removed from the index because it was no longer publicly traded by the end of 2017.

The chart below shows for each named executive officer, the actual number of restricted stock units earned and forfeited by each named executive officer that were eligible to vest based on the Company s relative TSR in 2017.

	2017 TSR-Based Restricted Stock Units				
	NAREIT Index Units Earned	Lodging Index Units Earned	S&P Index Units Earned	Total Restricted Stock Units Earned	Total Restricted Stock Units Forfeited
Mr. Risoleo	10,957	5,232	6,639	22,828	19,859

Mr. Bluhm

Mr. Larson	6,146	2,934	3,724	12,804	11,139
Mr. Tyrrell	3,235	1,544	1,960	6,739	5,862
Ms. Abdoo	3,962	1,892	2,401	8,255	7,180
Ms. Hamilton	2,102	1,004	1,274	4,380	3,810

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Summary of Performance-Based Restricted Stock Units Results. The chart below summarizes the target number of performance-based restricted stock units that were eligible to vest in 2017 and the number of performance-based restricted stock units earned and forfeited by the named executive officers in 2017. The total number of performance-based restricted stock units earned was slightly above target due to the Company s results on corporate performance objectives (above target) and relative TSR measures for 2017 (overall above target). A substantial portion of the award was nevertheless forfeited because performance was not at high for either of the corporate performance objectives or relative TSR measures for 2017.

	Total Restricted Stock Units Eligible to Vest in 2017	Total Restricted Stock Units Earned in 2017	Total Restricted Stock Units Forfeited in 2017
Mr. Risoleo	174,631	116,838	57,783
Mr. Bluhm			
Mr. Larson	97,948	65,533	32,415
Mr. Tyrrell	51,551	34,491	17,060
Ms. Abdoo	63,149	42,251	20,898

Ms. Hamilton	33,508	22,419	11,089

Risk Considerations

Prior to adopting the annual compensation program in 2017 and making its determinations on results and payments under the program, the Compensation Committee considered whether the design and structure created incentives for senior management to engage in unnecessary or excessive risk taking. The executive compensation program is designed to compensate the named executive officers and other members of senior management for reaching or exceeding financial, personal and corporate goals approved by the Compensation Committee. The Committee considered the following factors:

- the pay mix is weighted toward long-term incentives that align senior management interests with stockholders;
- total pay is capped including annual cash incentives and long-term incentives;
- both annual incentives and long term incentives have a formulaic framework with pre-established targets and pre-set formulas and limits for pay-outs;
- tally sheets, prepared by Pay Governance are reviewed and address all elements of compensation for the named executive officers and potential outcomes under a range of scenarios from low to high performance;
- stock ownership and retention guidelines ensure that senior management will retain an ownership stake and prohibit sales that would allow executives to fall below the ownership requirements;
- internal policies prohibit use of margin accounts, hedging or pledges of stock;
- a recoupment policy is in effect (as described in more detail below);
- performance metrics are tied to key measures of short-term business success (such as Adjusted FFO and ROIC) and long-term success (TSR measures);
- personal performance is emphasized, allowing line-of-site with controllable results;
- financial performance is reviewed with the Audit Committee; and

the financial measures of Adjusted FFO and ROIC are tied to the annual budget and business plan which the Board reviews, discusses and approves.

The Compensation Committee has full responsibility for approving the goals and the resulting payouts and retains the discretion to reduce awards as appropriate. Based on these factors, the Company believes that the program appropriately focuses on executive performance and does not create an incentive for management to engage in unnecessary and excessive risk taking.

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COMPENSATION DISCUSSION AND ANALYSIS

Additional Policies and Benefits

While the key elements of the executive compensation program and compensation actions are described above, the named executive officers are also eligible to participate in the Company s health and welfare programs, our tax-qualified Retirement and Savings Plan (401(k)), and other programs on the same basis as all other employees. There are also additional benefits and policies that apply only to the named executive officers and other senior executives, which are described here.

Stock Ownership and Retention Policy

All members of senior management must comply with the Company s equity ownership and retention policy which ensures that senior executives have a meaningful economic stake in the Company, while allowing for appropriate portfolio diversification.

The policy, which was amended effective January 1, 2017, provides that members of senior management should own and retain stock equal to the following respective multiple of their annual salary rate:

Members of senior management are expected to satisfy the minimum stock ownership levels required by the policy and, once achieved, remain at, or above, their required ownership level as long as they remain employed by the Company.

In order to progress toward the stock ownership requirement, employees must retain 75% of Covered Shares until the equity ownership level is attained. For the purposes of the policy, Covered Shares are the net after-tax shares received upon the vesting of each stock award under any Company equity compensation plan or other written compensation arrangement.

Only certain types of equity are counted when determining compliance with the policy: (a) stock owned directly; (b) stock purchased through the Company s stock purchase or deferred stock plans; and (c) stock acquired as a result of vesting of stock under the Company s equity compensation program. Vested and unvested stock options or stock options exercised and held are not included in the calculation.

Senior management is prohibited from selling any shares (other than shares to satisfy tax obligations) if they are not in compliance with the policy or if the sale would result in holdings below the guidelines. None of senior management has a plan in place by which they sell Company stock on a periodic basis (referred to as a 10b5-1 plan). The Compensation Committee reviews compliance with the policy, and all named executive officers are in compliance.

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Recoupment Policy

The Company adopted a policy, effective January 1, 2012, that requires the reimbursement of excess incentive compensation payments in the event that the Company is required to make a material restatement of its financial statements. The policy applies to all members of senior management and ensures that any fraud, intentional misconduct or illegal behavior leading to a restatement of the Company s financial result would be properly addressed. Under the policy, the Board would review all incentive plan compensation that was paid on the basis of having met or exceeded specific performance targets for performance periods in question. If the cash incentive awards or stock compensation received under the program would have been lower had they been calculated based on such restated results, it is the general policy of our Board to seek to recoup, for the benefit of the Company, the portion of the excess compensation that was received by any individual who engaged in fraud, intentional misconduct or illegal behavior in connection with the financial results that were restated. The Board will, in its reasonable business judgment, decide whether to pursue such recoupment from an individual based on those factors that our Board believes to be reasonable. The policy will be revised under the Dodd-Frank Act once regulations implementing the recoupment policy requirements of that law are finalized.

Insider Trading Controls, Hedging, Short Sales and Pledging

Because we believe it is improper and inappropriate for any Company personnel to engage in short-term or speculative transactions involving our stock, the Company s Insider Trading Policy Statement, which was adopted in 2001, provides that directors, officers and employees, and family members sharing the same household, abide by the following policies with respect to Company securities:

- No In and out trading in Company securities; Company securities purchased in the open market must be held for a minimum of six months and ideally longer;

- No short sales; these sales, including selling against the box transactions, are prohibited;

- No buying or selling puts or calls; options or other derivatives on our stock or other securities or entering into hedging transactions on Company securities are prohibited; and

- No Margin Accounts or Stock Pledges; the Company prohibits employees and directors from purchasing Company securities on margin or holding Company securities in a margin account or otherwise pledging Company securities as collateral for loans.

Executives and directors annually certify that they have complied with the policy, and no Company securities are currently pledged nor will executives and directors be permitted to pledge them in the future.

Perquisites and Other Personal Benefits

We provide executive officers with perquisites that we believe to be fair, reasonable and primarily based on our business. They consist of (1) dining, complimentary rooms and other hotel services when on personal travel at hotels that we own or that are managed by our major operators, (2) financial planning and tax services, and (3) reimbursement for taxes associated with these benefits. We are in the lodging industry and we believe that it is appropriate to encourage our executives to continually enhance their understanding of our properties and the operations of our key managers at our properties and other hotels in the same class as our portfolio. This assists in portfolio development and improvements. In addition, we believe that offering financial planning and tax services represents a minimal cost while ensuring that executives are in compliance with tax requirements. Since we encourage our executives to use these perquisites and the Company gains benefits from their knowledge and feedback on our managers and properties, we feel that it is appropriate to reimburse them for the taxes incurred upon such benefits.

Executive Deferred Compensation Plan

Our Executive Deferred Compensation Plan allows participants to save for retirement in excess of the limits applicable under our Retirement and Savings Plan. It is not a tax qualified plan. Eligible employees, including the named executive officers, may defer up to 100% of their cash compensation (that is, salary and bonus) in excess of

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COMPENSATION DISCUSSION AND ANALYSIS

the amounts first deferred into the Retirement and Savings Plan. We provide a match of $.50 for each $1.00 deferred under the plan, up to a maximum of 6% of the participant s compensation less the amount credited to the Retirement and Savings Plan. In addition, we may make a discretionary matching contribution of up to $.50 on each $1.00 up to 6% of the participant s compensation. The maximum percentage was increased from 6% to 8% effective January 1, 2018 to mirror the increase from 6% to 8% under the Company s Retirement and Savings Plan. This is the only non-qualified retirement plan offered to senior executives. The Company does not have a pension plan and does not have a supplemental executive retirement program.

Severance Plan

The Company has a severance plan that has been in effect since 2003 and applies to employees at the level of senior vice president and above. The Compensation Committee believes that a severance plan allows the Company to provide properly designed severance benefits on a consistent basis, which promotes stability and continuity of senior management. The Committee annually reviews the terms of the severance plan. The provision of severance upon a change in control aligns the Company s interests with its stockholders by eliminating distractions that arise with the uncertainty of these transactions and avoiding the loss of key members of management during a critical period. The severance plan requires a double trigger for payment in the context of a change in control, that is, there must be both a change in control and a termination by the Company without cause or by the executive for good reason in the period beginning 30 days prior to the change in control and ending one year after the change in control. The severance plan does not provide for tax gross-ups on any payments made in connection with a termination or a change in control. The cost of any excise tax that a member of senior management might incur related to a payment under the plan would be borne by the individual. The Company believes the severance plan is appropriate, and the Compensation Committee reviews annually trends in severance practices for executives. In addition, prior to its annual compensation determinations, the Compensation Committee reviews the level of severance pay and benefits that the named executive officers would receive under the plan and under stock and option agreements. Under the restricted stock unit agreements a change in control coupled with a triggering event would result in the acceleration and vesting of all long-term incentive awards.

For additional information regarding the severance plan, including an estimate of payments the named executive officers would have been entitled to receive on December 31, 2017 upon various termination events, see Executive Officer Compensation Severance and Change in Control Payments.

Tax and Accounting

Section 162(m) of the Internal Revenue Code provides that a publicly held corporation may not claim a deduction for compensation in excess of $1 million paid to its principal executive officer, its principal financial officer and its three other highest paid officers. Effective for tax years beginning after December 31, 2017, there generally is no longer an exception from this rule for performance-based compensation. Our executives, and all other employees, are employed by Host Hotels & Resorts, L.P., the operating partnership through which we conduct all operations, and its subsidiaries, and not directly by the Company. As a result, we believe that none of our employees are subject to the $1 million compensation deduction limit under Section 162(m).

However, in the event that some portion of employee compensation is subject to Section 162(m) and is not deductible, our taxable income would increase to the extent of the disallowed deduction and we could be required to make additional dividend distributions to our stockholders or to pay tax on the undistributed income provided that we have distributed at least 90% of our adjusted taxable income. In such event, the Compensation Committee may consider the anticipated tax treatment to the Company and the executive officers in its review and establishment of compensation programs and payments. However, the deductibility of some types of compensation payments can depend upon the timing of an executive s vesting or exercise of previously granted rights. Interpretations of, and changes in, applicable tax laws and regulations as well as other factors beyond the Committee s control also may affect deductibility of compensation. Accordingly, the Committee may determine that it is appropriate to structure compensation packages in a manner that may not be deductible under Section 162(m).

All restricted stock unit awards to senior executives have been classified as equity awards for accounting purposes and the Company recognizes compensation expense based on the fair value of the award as of the grant

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date. The Committee makes its assessments on the appropriate value of the restricted stock unit awards for target compensation based on the fair market value of the common stock using a 60 day calendar average of closing stock prices of the Company s common stock on the New York Stock Exchange and also considers the closing price of the stock on the date of grant. The Committee believes that an average price over a period of time is a better gauge of value as it mitigates volatility.

The grant date fair value of the awards is calculated in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures, which is the methodology the Company uses to expense the awards for accounting purposes on its financial statements and is also the methodology used for valuing the awards on the Summary Compensation Table that follows. These values are based, in part, on the grant date stock price. Because the Compensation Committee typically uses a 60-day average in determining the fair market value of the restricted stock unit award, and did so in 2017, differences between the grant date stock price value and the 60-day average price will result in differing valuations. For that reason, the values reflected in the 2017 Target Compensation Table may be higher or lower than the grant date fair value of the award for accounting purposes and as reflected on the Summary Compensation Table.

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EXECUTIVE OFFICER COMPENSATION

EXECUTIVE OFFICER COMPENSATION

Summary Compensation Table for Fiscal Year 2017

Name	Year	Salary [1]	Bonus [2]	Stock Awards [3]	Option Awards [4]	Non-Equity Incentive Plan Compensation [5]	All Other Compensation [6]	Total
Richard E. Marriott [*]								
Chairman of the Board								
	2017	$ 396,777	$	$	$	$ 381,800	$ 93,918	$ 872,495
	2016	396,777				316,800	45,124	758,701
	2015	396,777				306,400	189,696	892,873
James F. Risoleo								
President and Chief Executive Officer								
	2017	850,000		3,831,102		1,427,000	116,163	6,224,265
	2016	576,800		485,792	70,903	637,100	92,997	1,863,591

	2015	551,580		738,408	74,863	610,100	90,553	2,065,505

Michael D. Bluhm

Executive Vice President, Chief Financial Officer

(effective November 2017)

	2017	107,397	225,000	3,635,586				3,967,983

Gregory J. Larson

Former Executive Vice President, Chief Financial Officer

	2017	590,000		2,148,806		789,500	137,363	3,665,669
	2016	503,950		702,350	102,509	556,600	110,395	1,975,804
	2015	489,250		1,297,825	119,998	518,500	86,570	2,512,143

Nathan S. Tyrrell

Executive Vice President, Chief Investment Officer

	2017	509,205		1,130,949		686,500	65,801	2,392,455

Elizabeth A. Abdoo

Executive Vice President, General Counsel

2017	550,000	1,385,413		757,900	62,650	2,755,963
2016	488,050	573,585	83,714	548,800	60,318	1,754,468
2015	473,800	1,059,865	97,998	503,300	71,918	2,206,881

Joanne Hamilton

Executive Vice President, Human Resources

2017	400,000	735,113		559,200	109,444	1,803,757

* Mr. Marriott is not a named executive officer under the SEC rules, but summary compensation information is provided in the interest of full disclosure.

Salary (1)

Salary is established at an annual rate, determined on the basis of a 52-week year, and is paid bi-weekly. The amount listed in the salary column includes amounts deferred at the election of the named executive officer under our Executive Deferred Compensation Plan in any such year. Mr. Bluhm s salary amount reflects his prorated annual salary of $560,000 from his date of hire, October 23, 2017. Mr. Tyrrell s salary amount reflects his prorated salary increase to $530,000 effective September 11, 2017 in connection with his promotion to Executive Vice President, Chief Investment Officer.

Bonus (2)

The only amount in this column is a sign-on bonus paid to Mr. Bluhm; the above amount reflects the first $225,000 installment which was paid upon hire. The remaining $225,000 installment was paid in April 2018.

Stock Awards (3)

The amounts in this column reflect the aggregate grant date fair value of restricted stock unit awards calculated in accordance with FASB ASC Topic 718, based upon the probable outcome of the performance conditions as of the grant date, excluding the effect of estimated forfeitures, which is the methodology that the Company uses to expense the awards for accounting purposes. These amounts do not reflect the number or value of the common shares that were actually earned. For a chart of 2017 realized pay for each of the named executive officers, see page 40 of the Compensation Discussion & Analysis (CD&A).

The CD&A explains the conditions for vesting of the restricted stock units, which for 2017 are: (i) the satisfaction of corporate performance objectives (Performance-based Awards), (ii) the results of the Company s total stockholder return (Market-based Awards) compared against three indices, the NAREIT Equity Index, a lodging index of seven companies (Lodging Index), and the S&P 500 Index (S&P Index), with the Company s total stockholder return compared against each of the three indices over one year, two year and three year performance periods, and (iii) time based, with restricted stock units vesting over a three-year period in substantially equal installments (Time-based Awards). Because Mr. Bluhm was hired late in 2017, his restricted stock unit grant was subject to slightly different vesting condition, namely his grant did not include vesting conditions for total stockholder return for the one year period of 2017, and his award did not include a Performance-based Award for 2017 corporate performance. For additional detail, please see 2017 Compensation Results Long-Term Incentives.

Assuming the highest level of performance is achieved and all restricted stock units vest, the fair value of the 2017 restricted stock unit awards based on the grant date stock price would be as follows: Mr. Risoleo $5,055,542; Mr. Bluhm $3,635,736; Mr. Larson $2,835,563; Mr. Tyrrell $1,492,405; Ms. Abdoo $1,828,199; and Ms. Hamilton $970,064.

For information on the assumptions and methodology used in calculating the grant date fair values based on the probability of achievement at target as reflected in the table, see Note 8 Employee Stock Plans Senior Executive Plan in the Notes to Condensed Consolidated Financial Statements in our 2017 Annual Report on Form 10-K.

Option Awards (4)

No options were granted in 2017. The amounts in this column for past years reflect the grant date fair values of stock options computed in accordance with FASB ASC Topic 718.

Non-Equity Incentive Plan Compensation (5)

These amounts reflect the annual cash incentive awards paid to each named executive officer, or deferred, under the Executive Deferred Compensation Plan.

All Other Compensation (6)

All Other Compensation consists of: Company contributions to the Retirement and Savings Plan (401(k) Plan), which is available to all employees, and the Executive Deferred Compensation Plan; perquisites and other personal benefits; and tax reimbursements. The amounts are as follows:

Matching contributions of $8,100 made under the 401(k) Plan to each of Mr. Marriott, Mr. Larson, Mr. Tyrrell, Ms. Abdoo and Ms. Hamilton. Mr. Risoleo received a matching contribution of $10,179.

Discretionary matching contributions of $8,100 made under the 401(k) Plan to each of Mr. Marriott, Mr. Larson, Mr. Tyrrell, Ms. Abdoo and Ms. Hamilton. Mr. Risoleo received a discretionary matching contribution of $10,179.

Matching contributions made under the Executive Deferred Compensation Plan as follows: Mr. Marriott, $13,307; Mr. Risoleo, $34,796; Mr. Larson, $26,248; Mr. Tyrrell, $18,337; Ms. Abdoo, $21,784; and Ms. Hamilton $13,513.

Discretionary match made under the Executive Deferred Compensation Plan as follows: Mr. Marriott, $13,307; Mr. Risoleo, $34,796; Mr. Larson, $26,248; Mr. Tyrrell, $18,337; Ms. Abdoo, $21,784; and Ms. Hamilton $13,513.

Total cost of perquisites that executive officers are eligible to receive. These perquisites consisted of financial planning and tax services, dining, complimentary rooms and other hotel services when on personal travel at hotels owned by us or managed by our major operators. The cost of each of these benefits is as follows:

	Mr. Marriott	Mr. Risoleo	Mr. Blum	Mr. Larson	Mr. Tyrrell	Ms. Abdoo	Ms. Hamilton
Financial and Tax Planning	$	$ 2,000	$	$	$	$	$
Dining, rooms & hotel services	25,092	11,880		33,717	6,347	2,882	32,513

Tax reimbursements to each of the named executive officers associated with the perquisites: Mr. Marriott, $26,012; Mr. Risoleo, $12,333; Mr. Larson, $34,950; Mr. Tyrrell, $6,580; and Ms. Hamilton $33,705. Ms. Abdoo elected not to gross up her perquisites.

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Grants of Plan-Based Awards in Fiscal Year 2017

The following table provides information about the possible payments under our annual cash incentive award in 2017 and the awards of restricted stock units in 2017.

		Estimated Possible Payments Under Non-Equity Incentive Plan Awards [1]			Estimated Future Payments Under Equity Incentive Plan Awards [2]			All Other Stock	Full Grant
Name	Grant Date	Threshold $	Target $	Maximum $	Threshold #	Target #	Maximum #	Awards [3] #	Date Fair Value [4]
Richard E. Marriott	8-Feb-17	148,791	297,583	595,166					
James F. Risoleo	8-Feb-17	531,250	1,062,500	2,125,000					
	13-Feb-17				65,002	130,004	260,007		$ 2,642,668
	13-Feb-17							64,032	$ 1,188,434
Michael D. Bluhm									
	6-Nov-17				40,515	81,030	162,060		$ 2,031,962
	6-Nov-17							81,032	$ 1,603,623
	8-Feb-17	295,000	590,000	1,180,000					

Gregory J. Larson										
	13-Feb-17				36,459	72,917	145,834		$	1,482,242
	13-Feb-17							35,914	$	666,564
Nathan S. Tyrrell	8-Feb-17	254,603	509,205	1,018,411						
	13-Feb-17				19,189	38,378	76,755		$	780,128
	13-Feb-17							18,902	$	350,821
Elizabeth A. Abdoo	8-Feb-17	275,000	550,000	1,100,000						
	13-Feb-17				23,506	47,013	94,025		$	955,656
	13-Feb-17							23,155	$	429,757
Joanne Hamilton	8-Feb-17	200,000	400,000	800,000						
	13-Feb-17				12,473	24,946	49,891		$	507,085
	13-Feb-17							12,286	$	228,028

(1) As described under Annual Cash Incentive in the CD&A, these are amounts that may be earned based on the financial performance of the Company, which is measured by Adjusted FFO and ROIC, and on the personal performance by each executive on objectives approved by the Compensation Policy Committee. The Chief Executive Officer has an incentive target of 150% of base salary earned in the calendar year and the other named executive officers have an incentive target of 100% of base salary earned in the calendar year. The actual amounts earned by the named executive officers in 2017 are reflected in the Summary Compensation Table under the

column Non-Equity Incentive Plan Compensation and are described in the CD&A under 2017 Compensation Results Annual Cash Incentive.

(2) Under our 2017 compensation program, senior management received a restricted stock unit award on February 13, 2017, which was eligible to vest subject to performance conditions. The performance conditions are the satisfaction of annual corporate performance objectives and the results of the Company s annual total stockholder return compared against three indices, the NAREIT Equity Index, the Lodging Index, and the S&P Index over one year, two year, and three year performance periods. Dividends accrue on the restricted stock units, but are not paid unless the restricted stock units vest.

(3) Under our 2017 compensation program, senior management received a time-based stock unit award on February 13, 2017, with restricted stock units vesting annually over a three-year period in substantially equal installments provided the executive remains employed by the Company at the time of vesting. The full three-year number of restricted stock units are shown, even though the executive will not fully vest in these units until the third anniversary of the grant date.

(4) The amounts reflect the grant date fair value of restricted stock unit awards calculated in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. See Note 8 Employee Stock Plans & Senior Executive Plan in the Notes to Condensed Consolidated Financial Statements in our 2017 Annual Report on Form 10-K for information on the assumptions and methodology used in calculating the grant date fair values.

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Outstanding Equity Awards at Fiscal Year 2017

The following table summarizes all the equity awards made to the named executive officers that were outstanding as of December 31, 2017.

		Option Awards [1]				Stock Awards			
								Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have not Vested [3]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested [4]
Name	Grant Date	Number of Shares Underlying Unexercised Options Exercisable #	Number of Shares Underlying Unexercised Options Unexercisable #	Option Exercise Price $	Option Expiration Date	Number of Shares or Units of Stock that have not Vested [2] #	Market Value of Shares or Units of Stock that have not Vested [2] $		
James F. Risoleo	20-Jan-12	7,110		$16.23	20-Jan-22				
	5-Feb-13	12,467		16.55	05-Feb-23				
	22-Jan-14	11,668		19.57	22-Jan-24				
	15-Jan-15	10,543		23.76	15-Jan-25				

	15-Apr-15	4,128	19.93	15-Apr-25				
	4-Feb-16	28,136	14.20	4-Feb-26				
	13-Feb-17				64,032 $	1,271,035	260,007	$5,161,139
Michael D. Bluhm	6-Nov-17				81,032	1,608,485	162,060	3,216,891
Gregory J. Larson	15-Jan-15	23,121	23.76	15-Jan-25				
	13-Feb-17				35,914	712,893	145,834	2,894,805
Nathan S. Tyrrell	22-Jan-14	5,480	19.57	22-Jan-24				
	15-Jan-15	6,069	23.76	15-Jan-25				
	15-Apr-15	817	19.93	15-Apr-25				
	13-Feb-17				18,902	375,205	76,755	1,523,587
Elizabeth A. Abdoo	22-Jan-14	20,896	19.57	22-Jan-24				
	15-Jan-15	18,882	23.76	15-Jan-25				
	4-Feb-16	33,220	14.20	4-Feb-26				

	13-Feb-17				23,155	459,627	94,025	1,866,396
Joanne Hamilton	22-Jan-14	7,249	19.57	22-Jan-24				
	15-Jan-15	6,551	23.76	15-Jan-25				
	13-Feb-17				12,286	243,877	49,891	990,336

(1) All option awards vest based on continued service with the Company and have a 10-year life from the date of grant. Options vest on December 31 in the year in which they are granted. For example, options granted in 2016 vested on December 31, 2016.

(2) These columns reflect the number and value of time-based restricted stock units awarded under our 2017 compensation program. The restricted stock units vest annually over a three-year period in substantially equal installments provided the executive remains employed by the Company at the time of vesting. The full three-year number of restricted stock units are shown, even though the executive will not fully vest in these restricted stock units until the third anniversary of the grant date. The value is based on the closing price of our stock on December 29, 2017 of $19.85 multiplied by the number of restricted stock units.

(3) The number of shares under this column includes restricted stock units awarded under our 2017 compensation program which are eligible to vest subject to performance conditions. The performance conditions are the satisfaction of annual corporate performance objectives and the results of the Company s total stockholder return compared against three indices, the NAREIT Equity Index, the Lodging Index, and the S&P Index over one year, two year, and three year performance periods. The determination of whether and to what extent those measures were satisfied was made by the Compensation Policy Committee in February 2018. The number of shares shown assumes maximum performance and includes shares that were later forfeited under the program.

(4) The value is calculated based on the closing price of our stock on December 29, 2017 of $19.85 multiplied by all Performance-based Awards and Market-based Awards assuming maximum performance. Because a significant number of shares were later forfeited, the amount does not reflect what was actually earned. For a chart of 2017 realized pay for each of the named executive officers, see page 40.

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Option Exercises and Stock Vested in Fiscal Year 2017

The chart below shows options awards that were exercised in 2017 and stock awards that vested in 2017. The stock awards shown are from performance year 2016, which vested when the Compensation Committee made its determinations in February 2017. Restricted stock units that were awarded in 2017 did not vest until February 2018 when the Compensation Policy Committee met and made its determinations on performance measures.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise #	Value Realized on Exercise (1)	Number of Shares Acquired on Vesting (2) #	Value Realized on Vesting (3)
James F. Risoleo		$	26,971	$ 494,378
Michael D. Bluhm				
Gregory J. Larson	66,264	180,202	38,995	714,778
Nathan S. Tyrrell	17,288	65,522	16,336	299,439
Elizabeth A. Abdoo			32,756	600,417

Joanne Hamilton	25,667	99,974	12,279	225,074

(1) Represents the amounts realized based on the difference between the market price of our stock on the date of exercise and the exercise price.

(2) These are shares that vested on February 8, 2017, the date that the Compensation Policy Committee determined the results on performance measures for 2016.

(3) The value realized on vesting is determined by multiplying the shares vested by $18.33, the closing price of the Company s common stock on the date of release, which was February 8, 2017.

Nonqualified Deferred Compensation

The Company has an Executive Deferred Compensation Plan in which the named officers participate. This is the only non-qualified retirement plan offered to senior executives. The Company does not have a pension plan and does not have a supplemental executive retirement program.

The following table summarizes the named executive officers compensation under the Executive Deferred Compensation Plan as of December 31, 2017. The aggregate balance shown includes amounts earned prior to 2017 and voluntarily deferred.

Name	Executive Contributions in Last Fiscal Year	Company Contributions in Last Fiscal Year	Company Discretionary Contributions in Last Fiscal Year [1]	Aggregate Earnings in Last Fiscal Year	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last Fiscal Year-End [1]
James F. Risoleo	$ 88,911	$ 34,796	$ 34,796	$ 487,385	$	$ 4,702,396
Michael D. Bluhm	80,464	26,248	26,248	169,699		1,173,524
Gregory J. Larson						

Nathan S. Tyrrell	52,874	18,337	18,337	73,846	447,949
Elizabeth A. Abdoo	65,857	21,784	21,784	237,648	1,512,472
Joanne Hamilton	43,226	13,513	13,513	98,414	503,963

(1) Amounts reflect vested values as of December 31, 2017.
Under the Executive Deferred Compensation Plan, participants may defer any portion of their base salary or any amounts awarded under the annual cash incentive award program. Participants direct their deferrals into investment funds, which are substantially the same funds available for investment under the 401(k) Plan. Participants accounts may or may not appreciate, and may depreciate, depending on the performance of their investment choices. The Company does not guarantee any returns and none of the investment choices provide

interest at above-market rates. The Company matches $.50 of each $1.00 deferred, up to a maximum of 6% of the participant s compensation less the amount credited to the 401(k) Plan. The Company may provide an annual discretionary matching contribution of up to $.50 on each $1.00 deferred up to 6% of the participant s compensation. The maximum percentage was increased from 6% to 8% effective January 1, 2018 to mirror the increase from 6% to 8% under the Company s 401(k) Plan.

Participants fully vest in Company contributions after four years of continued employment. The vesting schedule is 25% vesting after one year; 50% vesting after two years; 75% vesting after three years and 100% vesting after four years or more. All named executive officers who have contributed to the plan are fully vested. Company contributions are fully vested (100%) for distributions related to normal retirement, death, disability and change of control.

The Executive Deferred Compensation Plan offers automatic lump sum distributions upon death or disability. The participant may elect to receive lump sum or installment distributions upon separation from service, or with respect to his or her deferrals only (no Company contributions) on such other dates certain that a participant may elect. Such elections are made at the time the participant elects to defer compensation for a year. However, key employee distributions payable upon separation from service will be delayed for six months. Participants may also elect to receive a lump sum distribution of their account in the event of change in control. Plan assets are held in a rabbi trust.

Severance and Change in Control Payments

Severance

The Company has a severance plan that applies to all senior executives in the United States, which was adopted in 2003 and amended and restated effective as of December 31, 2015. The plan provides for benefits in the event of a senior executive s death or disability, or where a senior executive leaves the Company under the following circumstances:

As a result of a termination without cause . Cause is defined broadly to include failure to perform assigned duties in a reasonable manner, or as a result of incompetence or neglect; violating a material policy of the Company; engaging in any act of dishonesty or bad faith with respect to the Company or its affairs; committing any act that reflects unfavorably on the executive or the Company; or engaging in any other conduct that in the reasonable judgment of the Board justifies termination.

As a result of a voluntary termination by the executive for good reason . Good reason means that there has been a material diminution in such executive s authority, duties or responsibilities; a material diminution in an executive s overall compensation opportunity; or a material change in the geographic location at which an executive is required to perform his or her duties for the Company. Good reason does not include a change that is solely a diminution in title or a change in reporting relationships.

An executive or member of senior management who is terminated for cause or who voluntarily leaves without good reason is not entitled to any benefits under the Severance Plan.

The key benefits under the Severance Plan for a termination without cause or a voluntary departure for good reason , which are contingent on the execution of a release and a one-year non-competition agreement with the Company, are:

An executive would receive a payment equal to a multiple of his or her current annual base salary and the average cash incentive bonus that was paid over the prior three-years. For example:

The president and chief executive officer would be entitled to receive a payment equal to 2x his or her current base salary and 2x his or her average annual cash incentive award over the prior three years.

All other executives would be entitled to receive a payment equal to 1x his or her current base salary and 1x his or her average annual cash incentive award over the prior three years.

We would pay for the continuation of the executive s health and welfare benefits for up to 18 months or until the executive is re-employed, whichever period is shorter.

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EXECUTIVE OFFICER COMPENSATION

The Company does not gross up or pay any excise tax associated with these payments. In addition, under the terms of the restricted stock agreements, the executives restricted stock unit award would accelerate and vest as follows:

- The executive would vest in (i) the unvested portion of the time-based award that would have otherwise vested during the twelve months following the date of termination and (ii) the unvested portion of the corporate performance objective award based on the target level of performance; and

- The executive would remain eligible to vest in the portion of the relative total stockholder return award which had been scheduled to vest in the year in which the termination date occurs based on the Company s actual performance during the applicable period as determined by the Compensation Policy Committee.

The table below quantifies the compensation that would become payable to a senior executive assuming employment ended on December 31, 2017. The compensation and benefits are in addition to benefits available generally to all employees, such as distributions under the Company s Retirement and Savings Plan (401(k) Plan) and accrued vacation pay.

Potential Severance Payments

	Mr. Risoleo	Mr. Bluhm	Mr. Larson	Mr. Tyrrell	Ms. Abdoo	Ms. Hamilton
Termination payment (1)	$ 3,482,800	$ 560,000	$ 1,211,533	$ 979,100	$ 1,153,333	$ 814,733
Restricted Stock (2)	2,186,358	536,149	1,226,293	645,383	790,626	419,510
Options (3)						
	37,407	37,407	25,197	37,407	37,407	37,407
Cost of benefit continuation (4)						

Deferred compensation balance (5)	$ 4,702,396		1,173,524	447,949	1,512,472	503,963
Total	**$ 10,408,962**	**$ 1,133,556**	**$ 3,636,548**	**$ 2,109,839**	**$ 3,493,837**	**$ 1,775,613**

(1) Amounts reflected are a multiple of base salary and average annual incentive award. The president and chief executive officer would receive two times his or her base salary and two times the average of his or her annual incentive award for 2015, 2016 and 2017. All other executives would receive one times his or her base salary and one times the average of his or her annual incentive award for 2015, 2016 and 2017.

(2) Amounts are based on the closing price of our stock on December 29, 2017 of $19.85 and vesting as described above.

(3) Under the stock option agreements granted in past years, all options would vest in the event of a termination of employment without cause or termination by the executive for good reason. However, no options were unvested as of December 31, 2017.

(4) Amounts reflect the costs associated with continuation of coverage for group medical, vision and dental benefits for 18 months based on current COBRA rates.

(5) The named executive officers are fully vested in their deferred compensation accounts.

Change-In-Control

The Severance Plan also provides for certain payments in the event that there is a double trigger , that is a change in control of the Company *and* the occurrence of any of the following events during the period beginning 30 days prior to the change in control and ending one year after a change in control:

A termination of the executive without cause , as previously explained above;

A voluntary termination by the executive for good reason , as previously explained above.

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If a double trigger occurs, the key benefits under the Severance Plan, which are contingent on the execution of a release and a one-year noncompetition agreement with the Company, are:

- An executive would receive a payment equal to a multiple of his or her current annual base salary and the average cash incentive bonus that was paid over the prior three-years. For example:
  - The president and chief executive officer would be entitled to receive a payment equal to 3x his or her current base salary and 3x his or her average annual cash incentive award over the prior three years.
  - All other executives would be entitled to receive a payment equal to 2x his or her current base salary and 2x his or her average annual cash incentive award over the prior three years.
- An executive would be entitled to receive a pro-rata portion of his or her annual cash incentive award for the year based on a target level of performance on all measures.
- We would pay for the continuation of the executive s health and welfare benefits for up to 18 months or until the executive is re-employed, whichever period is shorter.

The Company does not provide any consideration for excise taxes that the named executive officers might incur as a result of these payments. The cost of any tax would be borne by the executive. In addition, under the terms of the restricted stock agreements, the executives restricted stock unit award would accelerate and all then unvested restricted stock units would vest.

The table below quantifies the compensation that would become payable to a senior executive under these circumstances assuming that both triggering events occurred on December 31, 2017. The compensation and benefits are in addition to benefits available generally to all employees, such as distributions under the Company s 401(k) Plan and accrued vacation pay.

Potential Change in Control Payments

	Mr. Risoleo	Mr. Bluhm	Mr. Larson	Mr. Tyrrell	Ms. Abdoo	Ms. Hamilton
Termination payment (1)	$ 5,224,200	$ 1,120,000	$ 2,423,067	$ 1,958,200	$ 2,306,667	$1,629,467

Target Annual Cash Incentive (2)	1,062,500	560,000	590,000	530,000	550,000	400,000
Restricted Stock (3)	6,432,174	4,825,376	3,607,698	1,898,791	2,326,023	1,234,213
Options (4)						
Cost of benefit continuation (5)	37,407	37,407	25,197	37,407	37,407	37,407
Deferred compensation balance (6)	4,702,396		1,173,524	447,949	1,512,472	503,963
Total	**$ 17,458,678**	**$ 6,542,783**	**$ 7,819,485**	**$ 4,872,348**	**$ 6,732,568**	**$3,805,050**

(1) The termination payment is a multiple of base salary and average annual cash incentive award. The president and chief executive officer would receive three times his or her base salary and three times the average of his or her annual cash incentive award for 2015, 2016 and 2017. All other executives would receive two times his or her base salary and two times the average of his or her annual incentive award for 2015, 2016 and 2017.

(2) Under the severance plan, the named executive officers would receive a pro-rata portion of the annual incentive award at the target level of performance. The amount reflected here is for a full-year since the table is done as of December 31, 2017. This annual cash incentive would not otherwise be earned until the Compensation Policy Committee met and determined the results on the performance measures, which generally occurs in the February following the year of performance.

(3) Under the restricted stock unit agreements, all unvested restricted stock units would accelerate and vest in the event of a change in control and termination of employment without cause or termination by the executive for

good reason. The value is determined by multiplying the shares by $19.85, the closing price of our stock on December 29, 2017.

(4) Under the stock option agreements granted prior to 2017, all options would vest upon a change in control and termination of employment without cause or termination by the executive for good reason. However, no options were unvested as of December 31, 2017.

(5) Amounts reflect costs associated with the continuation of coverage for group medical, vision and dental benefits for 18 months based on current COBRA rates.

(6) The named executive officers are fully vested in their deferred compensation accounts.

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EXECUTIVE OFFICER COMPENSATION

Securities Authorized for Issuance Under Equity Compensation Plans

The following table summarizes information as of December 31, 2017 relating to equity compensation plans of the Company pursuant to which grants of restricted stock, options, restricted stock units or other rights to acquire shares may be granted from time to time.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the 1st column)
Equity compensation plans approved by stockholders [1]	2,196,217	$ 18.98	14,036,202
Equity compensation plans not approved by stockholders			
TOTAL	2,196,217	$ 18.98	14,036,202

(1) Shares indicated are the aggregate of those issuable under the Company s 1997 and 2009 Comprehensive Stock and Cash Incentive Plans, whereby we may award to officers and key employees: (i) options to purchase our common stock, (ii) deferred shares of our common stock, and (iii) restricted shares of our common stock. No shares remain available for future grants under the Company s 1997 Comprehensive Stock and Cash Incentive Plan.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are providing the following information regarding the relationship between the annual total compensation of our employees and the annual total compensation of Mr. Risoleo, our Chief Executive Officer. We consider the pay ratio specified herein to be a reasonable estimate, calculated in a manner intended to be consistent with Item 402(u) of Regulation S-K. We believe executive pay must be internally consistent and equitable to motivate our employees to create stockholder value. We are committed to internal pay equity, and the Compensation Policy Committee monitors the relationship between the pay our executive officers receive and the pay our non-managerial employees receive.

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CEO PAY RATIO

Mr. Risoleo had 2017 annual total compensation of $6,224,265 as reflected in the Summary Compensation Table included in this Proxy Statement. Our median employee s annual total compensation for 2017 was $179,574, as determined in the same manner as the total compensation for Mr. Risoleo. Based on this information, for 2017, the estimated ratio of the median of the annual total compensation of all of our employees (other than our CEO) to the annual compensation of our CEO was 1 to 35.

To identify the median employee from our employee population, we determined the annual total compensation of each of our employees as of December 31, 2017 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K. We considered all Company employees, including international employees and those working less than 40 hours per week, and included base salary, annual incentive bonus, and stock compensation for purposes of determining the median employee.

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REPORT OF THE COMPENSATION POLICY COMMITTEE

ON EXECUTIVE COMPENSATION

To Our Stockholders:

The Compensation Policy Committee has reviewed and discussed with management the Compensation Discussion and Analysis of the Company. Based on its review and discussions, the Committee recommended to the Board of Directors of the Company that the Compensation Discussion and Analysis be included in the Company s Annual Report on Form 10-K for 2017 and this proxy statement.

The Compensation Policy Committee

Mary L. Baglivo, Chair

Ann McLaughlin Korologos

Sandeep L. Mathrani

Gordon H. Smith

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DIRECTOR COMPENSATION

DIRECTOR COMPENSATION

2017 Director Fees

Directors who are employees receive no fees for their service as a director. Mr. Marriott, Chairman of the Board, and Mr. Risoleo, President and CEO, were employees of the Company during 2017 and received no director fees. In 2017, we provided the following annual compensation to the Company s independent directors. Directors are compensated in cash and stock to align their interests with those of our stockholders.

Name	Fees Earned or Paid in Cash [1]	Stock Awards [2]	All Other Compensation [3]	Total
Mary L. Baglivo	$ 98,000	$125,000	$54,047	$277,047
Sheila C. Bair	83,000	125,000	37,746	245,746
Mary Hogan Preusse	45,750	114,582		160,332
Ann McLaughlin Korologos	91,000	125,000	17,450	233,450
Sandeep L. Mathrani	89,000	125,000	2,807	216,807
John B. Morse, Jr.	110,000	125,000	39,505	274,505

Walter C. Rakowich	135,000	125,000	37,160	297,160
Gordon H. Smith	83,000	125,000	45,378	253,378
A. William Stein	42,500	104,166	10,060	156,726

(1) Amount reflects an annual retainer for Board service, committee membership fees and retainers for committee chairs and Lead Director, as described below.

(2) Amount reflects annual stock awards made pursuant to the Non-Employee Directors Deferred Stock Compensation Plan in value equal to $125,000. The annual stock awards are fully vested upon grant. Mr. Stein s and Ms. Hogan Preusse s awards were prorated based on their time of service.

(3) Amount reflects:

Complimentary rooms, food and beverage and other hotel services for directors when they stay at properties owned by us or managed by our major operators as follows: Ms. Baglivo, $24,080; Ms. Bair, $18,533; Ms. Korologos, $8,568; Mr. Mathrani, $1,629; Mr. Morse, $22,933; Mr. Rakowich $19,851; Mr. Smith $22,281; and Mr. Stein $5,176.

Reimbursement for taxes associated with the value of the above benefit as follows: Ms. Baglivo, $29,967; Ms. Bair, $19,213; Ms. Korologos, $8,882; Mr. Mathrani, $1,177; Mr. Morse, $16,572; Mr. Rakowich $17,309; Mr. Smith $23,097; and Mr. Stein $4,884.

2017 Director Compensation Program

The Nominating and Corporate Governance Committee reviews and makes recommendations to the Board of Directors on compensation and benefits for the independent directors. The Committee generally reviews the compensatory arrangements of the independent directors biennially. The compensatory arrangements for both 2016 and 2017 were based on a review in the Fall of 2015 with the assistance of Willis Towers Watson, who conducted an assessment of the competitiveness of the non-employee directors total compensation using market data sources and the same peer group used for executive compensation for competitive benchmarking. Upon the recommendation of the Committee, the Board approved the compensatory arrangements for the non-employee directors, which were effective for 2016. There were no changes to these compensatory arrangements in 2017 and set forth below are the complete components of director compensation for 2017. The results of the Committee s review for 2018 are included after the discussion of 2017 compensation.

Cash Compensation

Non-employee directors receive the following cash compensation in addition to reimbursement of customary and usual travel expenses:

- retainer of $75,000 per year;
- $8,000 per year for membership on the Compensation Policy Committee or Nominating and Corporate Governance Committee;

$12,000 per year for membership on the Audit Committee;

$10,000 per year to the committee chair of the Nominating and Corporate Governance Committee (Mr. Rakowich);

$15,000 per year to the committee chair of the Compensation Policy Committee (Ms. Baglivo);

$15,000 per year to the committee chair of the Audit Committee (Mr. Morse); and

$30,000 per year to the Lead Director (Mr. Rakowich).

There are no fees paid for attendance at 5 regular Board meetings, however, non-employee directors receive $1,500 for attendance at any special meeting, of which there were none in 2017. Similarly, there are no fees paid for attendance at up to five meetings of the Nominating and Corporate Governance Committee and Compensation Policy Committee and up to seven meetings of the Audit Committee; however, non-employee directors receive $1,500 for attendance at any special committee meetings in excess of those amounts, of which there was one in 2017.

Stock Compensation Annual Stock Award

Non-employee directors receive an annual director stock award under the Non-Employee Directors Deferred Stock Compensation Plan effective after election at the annual meeting. In 2017, the award equaled $125,000, with the number of shares determined based on the fair market value of the Company s common stock on that date.

Under the Non-Employee Directors Deferred Stock Compensation Plan, directors will receive the annual stock award in fully-vested restricted stock, unless a director makes an election prior to the end of the year preceding the award to defer the award into stock units. Directors also elect at that time the date when the stock units would be payable, which is either upon termination of service from the Board in a lump sum or in annual installments up to 10 years, or in a lump sum payable the earlier of (i) termination of service or (ii) 3 or 5 years from the date of grant. All directors except Ms. Baglivo and Mr. Rakowich elected to defer the 2017 award into stock units. The closing price of our common stock on the annual meeting date of May 11, 2017 was $17.68, so each director received either 7,070 shares or, if they deferred, they were credited with 7,070 stock units. Directors are also credited with dividend equivalents that are equal in value to the dividends paid on our common stock.

Stock Ownership Policy

Non-employee directors must own common stock of the Company (which includes stock units held under the Non-Employee Directors Deferred Compensation Plan) equal in value to five times the annual cash retainer paid to directors. Compliance with these guidelines will be measured on the first trading day of each calendar year, using the

annual cash retainer then in effect and the closing price of our common stock on that day. Any subsequent change in the value of the common stock will not affect the amount of stock that directors are required to hold during that year. In the event that the annual cash retainer increases, a non-employee director will have five years from the time of such increase to acquire any additional shares needed to meet these guidelines. There will be a transition period of five years for non-employee directors to achieve the ownership requirement. Mr. Marriott and Mr. Risoleo, as employees, are subject to separate stock ownership guidelines applicable to corporate officers. Because the policy provides for 5 years to attain the guideline, all directors are in compliance with the policy.

Perquisites

To encourage our directors to visit and personally evaluate and provide feedback on our properties and the managers of our properties, directors receive complimentary rooms, food and beverage and other hotel services when they stay at properties owned by us or managed by our major operators, subject to an annual limit of $30,000 measured over a rolling three year period (i.e., $90,000 over three years). In addition, directors are reimbursed for taxes associated with the value of this benefit.

Non-Employee Directors Deferred Stock Compensation Plan

In addition to the annual stock award, the Non-Employee Directors Deferred Stock Compensation Plan allows directors to defer receipt of all or part of their annual cash retainer, committee fees, and committee chair fees until

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DIRECTOR COMPENSATION

after their service on the Board has ended. Under this plan, the Company has established a stock unit account for each non-employee director and all deferred fees are credited to this account as of the date the fee would have been paid. Deferred fees are converted into stock units based on the fair market value of the Company s common stock on the date the fee otherwise would have been paid. Dividends are reinvested in additional stock units and credited to the account in stock units based on the market price of the stock on the date dividends are paid.

Upon termination of service from the Board, a director s stock unit account is settled by delivering an amount of our shares of common stock equal to the number of stock units, and, with respect to any deferred cash fees, directors had the option to receive such shares as a lump sum or in substantially equal annual installments over a period not to exceed 10 years. With respect to annual stock awards, directors may also elect to defer payment of the award as set forth above.

2018 Director Compensation Program

In February 2018, upon the recommendation of the Nominating and Corporate Governance Committee, the Board approved new compensatory arrangements for the non-employee directors, which are effective as of January 1, 2018 and which are expected to be in place for 2018 and 2019. Under its charter, the Committee is authorized to engage consultants or advisors in connection with its review and analysis, and the Committee retained Pay Governance LLC in 2017 to assist in its review. At the request of the Committee, Pay Governance conducted an assessment of the competitiveness of the non-employee directors total compensation using market data from 2016, including director compensation practices for companies comprising the S&P 500 index (of which we are a constituent) as well as the same peer group companies used for executive compensation for competitive benchmarking. The companies comprising this peer group are shown in Compensation Discussion & Analysis. Upon review and consideration, the Committee recommended, and the Board approved, the following changes to non-employee director compensation:

Cash compensation the annual cash retainer was increased from $75,000 to $80,000 annually.

Stock compensation the annual stock retainer was increased from $125,000 to $140,000. As in previous years, the award is to be made after the annual meeting of stockholders, with the number of shares to be determined based on the fair market value of the Company s stock on that date.

Committee chair retainers the annual retainer for the chair of the Audit Committee was increased from $15,000 to $25,000; the annual retainer for the chair of the Compensation and Policy Committee was increased from $15,000 to $25,000; and the annual retainer for the chair of the Nominating and Corporate Governance Committee was increased from $10,000 to $15,000.

All other compensation for service on committees remains unchanged, and there were no changes to director prerequisites or Lead Director compensation.

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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, 2017, 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, 2017. The Annual Report on Form 10-K was filed with the Securities and Exchange Commission on February 27, 2018.

The Audit Committee

John B. Morse, Jr., Chair

Sandeep L. Mathrani

Walter C. Rakowich

A. William Stein

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AUDITOR FEES

AUDITOR FEES

Principal Accountant Fees and Services

The Company was billed the following amounts for professional services by KPMG LLP, its independent registered public accountants, for 2017 and 2016:

	2017	2016
Audit fees [1]	$ 2,631,000	$ 2,546,000
Audit-related fees [2]	22,000	22,000
Audit and audit-related fees	2,653,000	2,568,000
Tax fees [3]	30,000	20,000
All other fees		
Total Fees	$ 2,683,000	$ 2,588,000

(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 2017 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 accept employment with the Company. Under the policy, the Company may not hire into a financial 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.

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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.

Re-assessment of the Audit Firm Relationship

KPMG LLP has been retained and served as the Company s independent registered public accountants since 2002. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accountant. In determining whether to reappoint the independent accountant, the Audit Committee considers the length of time the firm has been engaged as well as various other qualitative factors. The Audit Committee is strongly considering the selection of a new independent registered public accounting firm as a means of refreshing the auditor relationship and instructed management in early 2018 to solicit proposals from several independent public accounting firms, including KPMG LLP. For these reasons, the Company is not seeking stockholder ratification of the independent registered public accounting firm this year. The Company expects to re-include an independent auditor ratification proposal next year. 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.

The Committee s evaluation of whether to change its independent auditor is not a result of any disagreement or dispute with KPMG LLP regarding the Company s financial statements or accounting practices.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the number of shares of our common stock and of the partnership units of Host Hotels & Resorts, L.P. (our operating partnership) that were beneficially owned as of February 28, 2018 by:

- each director and director nominee;
- each executive officer named in the Summary Compensation Table;
- all of our directors and executive officers as a group; and
- beneficial owners of 5% or more of our common stock.

Information about the ownership of operating partnership units is included because the operating partnership units are redeemable by holders for cash or, at our election, for shares of the Company s common stock. As of February 28, 2018, the Company owns approximately 99% of the operating partnership units.

Name	Number of Shares of Common Stock	% of Shares of Common Stock [1]	Number of Operating Partnership Units	% of Common Stock and Operating Partnership Units [2]
Directors:				
Mary L. Baglivo [3]	32,600	*		*

Sheila C. Bair [3]	38,908	*		*
Mary Hogan Preusse [3]	6,628	*		*
Ann McLaughlin Korologos [3]	129,409	*		*
Richard E. Marriott [4]	9,289,352	1.3%	140,296	1.3%
Sandeep L. Mathrani [3]	14,474	*		
John B. Morse, Jr. [3]	85,674	*		*
Walter C. Rakowich [3]	36,134	*		*
James F. Risoleo [5]	419,309	*		*
Gordon H. Smith [3]	58,992	*		*
A. William Stein [3]	5,721	*		*

Non-Director Named Executive Officers:				
Elizabeth A. Abdoo [5]	287,507	*		*
Michael D. Bluhm	112,615	*		*
Joanne Hamilton [5]	78,856	*		*
Gregory J. Larson [5]	75,730	*		*
Nathan S. Tyrrell [5]	110,594	*		*
All Directors and Executive Officers as a group:				
(17 persons, including the foregoing) [3][4][5]	10,900,510	1.4%	140,296	1.5%
Certain Beneficial Owners:				
BlackRock, Inc. [6]	79,168,800	10.7%		10.7%

Cohen & Steers, Inc. (7)	41,074,749	5.6%	5.6%
State Street Corporation (8)	46,018,156	6.2%	6.2%
The Vanguard Group, Inc. (9)	131,157,589	17.8%	17.8%

* Reflects ownership of less than 1/10th of 1%.

(1) Any descriptions of ownership or aggregations of ownership of the Company s common stock within this proxy statement are based upon the disclosure requirements of federal securities laws. They do not indicate ownership of common stock under the Internal Revenue Code of 1986, as amended, or for purposes of the ownership limitations set forth in our Charter.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(2) This column assumes that all operating partnership units held by the named person or group of persons are redeemed for shares of common stock, but that none of the operating partnership units held by others are redeemed for shares of common stock.

(3) The number of shares of common stock listed here includes common stock equivalents: (1) awarded annually to non-employee directors under our Non-Employee Directors Deferred Stock Compensation Plan; (2) resulting from non-employee directors election to receive part of their annual retainer, committee chair fees and attendance fees in stock pursuant to the Non-Employee Directors Deferred Stock Compensation Plan; (3) for Ann McLaughlin Korologos, 11,957 common stock equivalents from a one-time special stock award made in 1997 to all non-employee directors; and (4) common stock equivalents for dividends relating to common stock equivalents held by each director.

(4) The number of shares of our common stock listed here for Richard E. Marriott includes:

- 1,062,380 shares held in trust for which Richard E. Marriott is a co-trustee;
- 76,957 shares held by the wife of Richard E. Marriott;
- 270,427 shares held in trust for which the wife of Richard E. Marriott is a co-trustee;
- 560,569 shares held by the J. Willard and Alice S. Marriott Foundation of which Richard E. Marriott is a co-trustee;
- 623,165 shares held by the Richard E. and Nancy P. Marriott Foundation of which Richard E. Marriott is a co-trustee; and
- 1,330,610 shares held by a limited partnership, the sole general partner of which is a corporation for which Richard E. Marriott is the controlling stockholder of the voting shares.

It does not include shares held by the adult children of Richard E. Marriott, as to which Mr. Marriott disclaims beneficial ownership.

(5) The number of shares of our common stock listed here includes restricted stock units granted under the 2009 Comprehensive Stock and Cash Incentive Plan which are subject to forfeiture if the vesting criteria are not satisfied. Also included are shares of common stock that may be acquired within 60 days of March 1, 2017 pursuant to the exercise of stock options granted under our 1997 and 2009 Comprehensive Stock and Cash Incentive Plans. Such shares, however, are not deemed outstanding for the purpose of computing the ownership percentage of any other person. The following are the amounts of vested exercisable options for each named executive officer:

Elizabeth A. Abdoo	72,998 vested options
Joanne Hamilton	13,800 vested options
Gregory J. Larson	23,121 vested options
James F. Risoleo	74,052 vested options
Nathan S. Tyrrell	12,366 vested options

(6) BlackRock, Inc. filed an amended Schedule 13G with the SEC on January 19, 2018 to report beneficial ownership of 79,168,800 shares of our common stock. BlackRock reports that it has the sole power to dispose of all such shares and has sole voting power with respect to 71,447,823 shares. BlackRock s business address is 55 East 52nd Street, New York, New York 10055.

(7) Cohen & Steers, Inc., filed a Schedule 13G with the SEC on February 14, 2018 to report beneficial ownership of 41,074,749 shares of our common stock. Cohen & Steers reports that it has the sole power to dispose of all such shares and has the sole power to vote 20,603,191 shares. Cohen & Steers s business address is 280 Park Avenue, 10th Floor, New York, New York 10017.

(8) State Street Corporation filed a Schedule 13G with the SEC on February 14, 2018 to report beneficial ownership of 46,018,156 shares of our common stock. State Street Corporation reports that it has the sole power to dispose of and to vote 11,936 shares and the shared power to dispose of and to vote 46,006,220 shares. State Street Corporation s business address is State Street Financial Center, One Lincoln Street, Boston Massachusetts 02111.

(9) The Vanguard Group, Inc. filed an amended Schedule 13G with the SEC on February 9, 2018 to report beneficial ownership of 131,157,589 shares of our common stock. Vanguard reports that it has the sole power to dispose of 129,134,740 shares, has shared power to dispose of 2,022,849 shares, has the sole power to vote with respect to 1,901,346 shares and has shared power to vote with respect to 1,029,232 shares. The single largest fund by holding percentage, Vanguard REIT Index Fund, held approximately 6.75% of the Company s issued and outstanding

stock. There are no beneficial owners greater than 9%. Vanguard s business address is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

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CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

CERTAIN RELATIONSHIPS AND

RELATED PERSON TRANSACTIONS

Policy on Transactions and Arrangements with Related Persons

In 2007 the Nominating and Corporate Governance Committee recommended, and the Board of Directors adopted, a written policy with respect to related person transactions which has been updated from time to time. The policy applies to any transaction, or series of transactions in which the Company, its subsidiaries or affiliates is or will be a participant, the amount involved exceeds $120,000, and in which any related person has or will have a direct or indirect material interest. A related person for purposes of the policy includes:

- any Company officer, senior manager, or director;
- an owner of 5% or more of Company stock;
- any immediate family member of any person listed above; or
- any firm in which any of the foregoing persons is employed or is a principal in which such person has a 5% or greater interest.

Under the policy, the legal department will determine whether a transaction meets the requirements of a related person transaction. If so, the transaction will be reviewed by the Board of Directors, if it is part of a transaction which itself would require Board approval, or in all other circumstances the Audit Committee will review the transaction at its next meeting. In those instances in which the legal department, in consultation with the Chief Executive Officer, determines that it is not practicable or desirable for the Company to wait until the next Audit Committee meeting, then the transaction will be reviewed by the Chair of the Audit Committee. Based on its consideration of all the relevant facts and circumstances, each of the Board, Audit Committee or Chair will decide whether to approve the transaction.

As adopted, the policy has standing pre-approvals for transactions that meet specific criteria or are not considered related person transactions by the SEC. Pre-approved transactions include:

- any transaction with another company at which a related person s only relationship is as an employee (other than an executive officer), director or beneficial owner of less than 10% of that company s shares, if the aggregate amount involved does not exceed the greater of $1,000,000, or 2% of that company s total annual revenues;

any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university at which a related person s only relationship is as an employee (other than an executive officer) or a director, which has been approved pursuant to the Company s Charitable Contribution Policy if the aggregate amount involved does not exceed the greater of $1,000,000, or 2% of that charitable organization s total annual receipts;

any transaction involving a related person where the rates or charges involved are determined by competitive bids involving third parties who are not related persons;

indemnification and advancement of expenses to any related person made pursuant to the Company s Charter of Bylaws or pursuant to any agreement; and

management, operating, licensing and franchise agreements entered into with Marriott International, Inc. and certain of its subsidiaries to manage hotels owned or leased by the Company or its subsidiaries, including modifications and amendments to existing agreements, if such agreements, amendments or modifications are on terms and conditions substantially consistent with the Company s then current agreements with Marriott International or other third-party operators.

Related Person Transactions

Prior to October 8, 1993, we and Marriott International, Inc. were operated as a single consolidated company. On October 8, 1993, in connection with the issuance of a special dividend, the consolidated company s businesses were split between Host Marriott Corporation (renamed Host Hotels & Resorts, Inc. in 2006) and Marriott International.

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CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Thereafter, we retained the lodging real estate business and the airport/toll road concessions business, while Marriott International took the lodging and service management businesses. On December 29, 1995, we distributed the airport/toll road concessions business to our stockholders.

Our ongoing relationships with Marriott International can be divided into two general categories:

- distribution agreement and the related agreements stemming from our separation into two companies; and
- lodging management and franchise agreements relating to our properties.

As of January 31, 2018, Richard E. Marriott, the Chairman of our Board, beneficially owned approximately 8% of the outstanding shares of common stock of Marriott International. Mr. Marriott s brother, J.W. Marriott, Jr., serves as Executive Chairman and Chairman of the Board of Marriott International and formerly served as Chief Executive Officer. By reason of Richard E. Marriott s ownership of such shares, and his brother s position at Marriott International, transactions between Marriott International and our Company are considered related person transactions within the meaning of our policy described above. A summary of our ongoing relationships with Marriott International is provided below.

Distribution Agreement and Related Agreements

In connection with the separation of our business from that of Marriott International, we entered into a distribution agreement with Marriott International that allocated the assumption of liabilities and cross-indemnities so that each company shouldered the financial and legal responsibility for its respective businesses. This distribution agreement has been amended from time to time. We also entered into other agreements with Marriott International in connection with the business separation which govern aspects of our ongoing relationships. These other agreements include:

Tax Sharing Agreement

We entered into a tax sharing agreement with Marriott International that allocates the parties rights and obligations with respect to: (1) deficiencies and refunds of federal, state and other income or franchise taxes relating to our businesses for tax years prior to the separation; and (2) certain of our tax attributes after the separation. We have agreed to cooperate with each other and to share information in preparing tax returns and in dealing with other tax matters.

Leases

We currently sublease approximately 2,381 square feet of office space from Marriott International. The sublease was provided on market terms and conditions. In 2017, we paid Marriott International approximately $116,667 in rental fees for this office space. In addition, in 2017 we paid Marriott International $2,419 in ground rent under a lease in connection with property at the JW Marriott Desert Springs Resort & Spa.

Lodging Management and Franchise Agreements

Marriott International and certain of its subsidiaries have entered into management and license agreements with us and certain of our subsidiaries to manage branded full-service hotels owned or leased by us and our subsidiaries. Marriott International has also entered into franchise agreements with us and our subsidiaries that allow us to use Marriott brands, associated trademarks, reservation systems and other related items for Marriott hotels for which we have entered into operating agreements with hotel management companies other than Marriott International. In 2017, we and our subsidiaries paid $209 million in the aggregate in management and franchise fees to Marriott International. The initial term of our management agreements with Marriott International is generally 15 to 25 years with one or more renewal terms at the option of the manager. The majority of these management agreements condition the manager s right to exercise renewal options upon the satisfaction of specified economic performance criteria. Under each management agreement, Marriott International provides comprehensive management services for the hotels. These agreements typically include the terms described below.

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CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Fees for operational services. Marriott International has sole responsibility and exclusive authority for all activities necessary for the day-to-day operation of the hotels it manages, including establishing room rates, securing and processing reservations, procuring inventories, supplies and services, providing periodic inspection and consultation visits to the hotels by its technical and operational experts and promoting and publicizing the hotels. Marriott International provides all managerial and other employees for the hotels, reviews the operation and maintenance of the hotels, prepares reports, budgets and projections, and provides other administrative and accounting support services to the hotels. These support services include planning and policy services, divisional financial services, product planning and development, employee staffing and training, corporate executive management and certain in-house legal services. Marriott International typically receives compensation in the form of a base management fee, which is calculated as a percentage (generally 3%) of annual gross revenues, and an incentive management fee, which typically is calculated as a percentage (generally 20%) of operating profit after we have received a priority return on our investment in the hotel. In the case of our hotels operating under the W®, Westin®, Sheraton®, Luxury Collection® and St. Regis® brands and managed by Marriott following its acquisition of Starwood Hotels & Resorts Worldwide, Inc. on September 23, 2016 (collectively, the Starwood-Branded Hotels), the base management fee is only 1% of annual gross revenues, but that amount is supplemented by license fees payable to Marriott under a separate license agreement (as described below).

License services. In the case of the Starwood-Branded Hotels, operations are governed by separate license agreements addressing matters pertaining to the designated brand, including rights to use trademarks, service marks and logos, matters relating to compliance with certain brand standards and policies, and the provision of certain system programs and centralized services. Although the term of these license agreements with Marriott generally is coterminous with the corresponding operating agreements, the license agreements contemplate the potential for continued brand affiliation even in the event of a termination of the operating agreement (for instance, in the event the hotel is operated by an independent operator). The Marriott licensors receive compensation in the form of license fees (generally 5% of gross revenues attributable to room sales and 2% of gross revenues attributable to food and beverage sales), which amounts supplement the lower base management fee of 1% of gross revenues received by Marriott under the operating agreements, as noted above.

Chain or system programs and services. Marriott International provides chain or system programs and services generally that are furnished on a centralized basis. Such services include the development and operation of certain computer systems and reservation services, regional or other centralized management and administrative services, marketing and sales programs and services, training and other personnel services, and other centralized or regional services as may be determined to be more efficiently performed on a centralized, regional or group basis rather than on an individual hotel basis. Costs and expenses incurred in providing these chain or system programs and services generally are allocated on a cost reimbursement basis among all hotels managed by Marriott International or its affiliates or that otherwise benefit from these services.

Working capital and fixed asset supplies. We are required to maintain working capital for each hotel and to fund the cost of certain fixed asset supplies (for example, linen, china, glassware, silver and uniforms). We also are responsible for providing funds to meet the cash needs for hotel operations if at any time the funds available from working capital are insufficient to meet the financial requirements of the hotels.

Furniture, fixtures and equipment replacements. We are required to provide Marriott with all furniture, fixtures and equipment (FF&E) necessary for the operation of the hotels (including funding any required FF&E replacements). On an annual basis, Marriott prepares budgets for FF&E to be acquired and certain routine repairs and maintenance to be performed in the next year and an estimate of the necessary funds, which budgets are subject to our review and approval. For purposes of funding such expenditures, a specified percentage (typically 5%) of the gross revenues of each hotel is deposited by the manager into an escrow or reserve account in our name, to which the manager has access. For certain hotels, we have negotiated flexibility with Marriott that reduces the funding commitment required as follows:

For certain hotels managed by Marriott, we have entered into an agreement with Marriott to allow for such expenditures to be funded from one pooled reserve account, rather than funds being deposited

into separate reserve accounts at each hotel, with the minimum required balance maintained on an ongoing basis in that pooled reserve account being significantly lower than the amount that would have been maintained otherwise in such separate hotel reserve accounts.

For certain of the Starwood-Branded Hotels, the periodic reserve fund contributions, which otherwise would be deposited into reserve accounts maintained by managers for each hotel, are distributed to us and we are responsible for providing funding of expenditures which otherwise would be funded from reserve accounts for each of the subject hotels.

Building alterations, improvements and renewals. Marriott is required to prepare an annual estimate of the expenditures necessary for major repairs, alterations, improvements, renewals and replacements to the structural, mechanical, electrical, heating, ventilating, air conditioning, plumbing and elevators of each hotel, along with alterations and improvements to the hotel as are required, in Marriott s reasonable judgment, to keep the hotel in a competitive, efficient and economical operating condition that is consistent with brand standards. We generally have approval rights as to such budgets and expenditures, which we review and approve based on Marriott s recommendations and on our judgment. Expenditures for these major repairs and improvements affecting the hotel building typically are funded directly by us, although our agreements with Marriott in respect of the Starwood-Branded Hotels contemplate that certain such expenditures may be funded from the FF&E reserve account.

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STOCKHOLDER PROPOSALS FOR OUR NEXT ANNUAL MEETING

Proxy Statement Proposals

If you wish to submit a proposal to be included in the proxy statement for our 2019 annual meeting, we must receive it no later than December 7, 2018. The proposal must comply with the SEC s proxy rules and should be sent to the attention of the Secretary at Host Hotels & Resorts, Inc., 6903 Rockledge Drive, Suite 1500, Bethesda, MD 20817.

Director Nominations for Inclusion in Proxy Materials

(Proxy Access)

Our proxy access bylaw permits a stockholder (or group of up to 20 stockholders) owning 3% or more of the Company s outstanding common stock continuously for at least 3 years to nominate and include in the Company s proxy materials director candidates constituting the greater of two individuals or 20% of the Board, if the nominating stockholder(s) and the nominee(s) satisfy the eligibility, procedural and disclosure requirements in the Bylaws. Stockholders who do not meet the requirements may always provide written suggestions for director nominees directly to the Nominating and Corporate Governance Committee. The Committee will evaluate director candidates suggested by stockholders in the same manner as those suggested by other sources. For the 2019 annual meeting, notice of a proxy access nomination must be delivered to our Secretary at the address provided above no earlier than November 7, 2018 and no later than December 7, 2018.

Other Proposals and Nominations

Our Bylaws govern the submission of nominations for director or other business proposals that a stockholder wishes to have considered at the 2019 annual meeting of stockholders, but which is not intended to be included in the Company s proxy statement for that meeting. Under our Bylaws, nominations for directors or other business proposals to be addressed at the next annual meeting may be made by a stockholder entitled to vote who has delivered written notice to the Secretary (at the above address), no earlier than November 7, 2018 and no later than December 7, 2018. Also, in the event that the number of directors to be elected is increased and public announcement occurs after November 27, 2018, then stockholders will have an additional 10 days from the date of the announcement to nominate candidates for director, but only with respect to any new positions created by the increase. All notices must contain all of the information required under our Bylaws, a copy of which is available, at no charge, from the Secretary, and is also available on our website (*http://www.hosthotels.com*).

Important Dates for 2019 Annual Meeting

Earliest Date to Submit Director Nominations for Inclusion in Our Proxy Statement (Proxy Access)	**November 7, 2018**

Last Date to Submit Director Nominations for Inclusion in Our Proxy Statement (Proxy Access)	**December 7, 2018**
Last Date to Submit Stockholder Proposals for Inclusion in Our Proxy Statement	**December 7, 2018**
Earliest Date to Submit Director Nominations or Other Business to Be Presented at Our Annual Meeting	**November 7, 2018**
Last Date to Submit Director Nominations or Other Business to Be Presented at Our Annual Meeting	**December 7, 2018**

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OTHER MATTERS

Other Business at the Annual Meeting

Our Board is not aware of any other business that will be presented at the annual meeting. If any other business is properly brought before the annual meeting or any adjournment or postponement thereof, proxies received will be voted in accordance with the recommendation of our Board. Discretionary authority with respect to such other matters is granted by execution of the enclosed proxy.

Section 16(a) Beneficial Ownership Reporting Compliance

Federal securities laws require directors, executive officers, and owners of more than ten percent of our common stock to file reports with the SEC and with the New York Stock Exchange. These reports relate to the number of shares of our common stock that each of those persons beneficially owns, and any changes in their ownership. Based solely upon a review of copies of the forms furnished to the Company, we believe all persons required to file such forms have done so during 2017.

Hotel Information

A special stockholder annual meeting rate is offered at the Ritz-Carlton Hotel, Tysons Corner where the annual meeting is being held for Wednesday, May 16, 2018. A limited number of rooms are available at this special rate of $289, plus taxes and gratuities, single or double occupancy. To receive this special rate use group code HHBHHBA when booking online at www.ritzcarlton.com or phone 1-800-241-3333. All reservations should be received by the hotel no later than May 4, 2018. This discount may not be used in conjunction with any other discount, coupon or group rate.

Online Annual Report to Stockholders

We have filed an Annual Report on Form 10-K for the year ended December 31, 2017 with the Securities and Exchange Commission. You may obtain, free of charge, a copy of the 2017 Annual Report on Form 10-K (excluding exhibits) by writing to the Secretary, Host Hotels & Resorts, Inc., 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817-1109. We will charge an amount equal to the reproduction cost if the exhibits are requested. Our Annual Report on Form 10-K may also be accessed electronically on our website (*http://www.hosthotels.com*).

By Order Of the Board of Directors

Elizabeth A. Abdoo

Secretary

Dated: April 6, 2018

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Annual Meeting Admission Ticket
Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 11:59 p.m., New York Time, on May 16, 2018.

Vote by Internet

Go to **www.investorvote.com/HST**
Or scan the QR code with your smartphone
Follow the steps outlined on the secure website

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone

Follow the instructions provided by the recorded message

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

X

Annual Meeting Proxy Card

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proposals **The Board of Directors recommends a vote FOR all the nominees listed, FOR Proposal 2 and AGAINST Proposal 3.**

1. Election of Directors: **For Against Abstain** **For Against Abstain**

01 - Mary L. Baglivo	02 - Sheila C. Bair	03 - Ann M. Korologos
04 - Richard E. Marriott	05 - Sandeep L. Mathrani	06 - John B. Morse, Jr.
07 - Mary Hogan Preusse	08 - Walter C. Rakowich	09 - James F. Risoleo
10 - Gordon H. Smith	11 - A. William Stein	

	For Against Abstain		**For Against Abstain**
2. Advisory resolution to approve executive compensation.		3. Stockholder proposal for an annual sustainability report.	

Authorized Signatures **This section must be completed for your vote to be counted.** **Date and Sign Below**

NOTE: Please sign exactly as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee, guardian, officer of a corporation or in another representative capacity, please give full title as such.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

/ /

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.

02SJMA

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ADMISSION TICKET

HOST HOTELS & RESORTS, INC.

ANNUAL MEETING OF STOCKHOLDERS

THURSDAY, MAY 17, 2018, 11:00 A.M.

The Ritz-Carlton, Tysons Corner

1700 Tysons Blvd.

McLean, VA 22102

AGENDA

1. ELECTION OF DIRECTORS

2. AN ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION

3. STOCKOLDER PROPOSAL FOR AN ANNUAL SUSTAINABILITY REPORT.

TRANSACTION OF OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING

It is important that your shares be represented at this meeting, whether or not you attend the meeting in person. To make sure your shares are represented, we urge you to submit your proxy instructions by telephone, via the Internet, or by completing and mailing the proxy card below. If you plan on attending the Annual Meeting, please mark the appropriate box on the proxy card below. Present this Admission Ticket to the Host Hotels & Resorts representative at the entrance.

Receive Future Proxy Materials Electronically

Help us make a difference by eliminating paper proxy mailings to your home or business. With your consent, we will send future proxy voting materials to you by email. To register for electronic delivery of future proxy materials, go to www.computershare.com/investor and sign up for electronic delivery.

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proxy HOST HOTELS & RESORTS, INC.

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS

FOR THE ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD THURSDAY, MAY 17, 2018, 11:00 A.M.

The undersigned appoints Elizabeth A. Abdoo and Michael D. Bluhm, or either of them, as proxies. Each shall have the power to appoint his or her substitute. They are authorized to vote, as designated on the reverse side, all shares of Host Hotels & Resorts, Inc. common stock held of record by the undersigned on March 19, 2018 at the Annual Meeting of Stockholders to be held on May 17, 2018, or any adjournment or postponement thereof, and to otherwise represent the undersigned at the meeting with all powers possessed by the undersigned if personally present at the meeting.

This proxy when properly executed will be voted in the manner directed herein. If this proxy is executed but no instruction is made, this proxy will be voted FOR the election of each director, FOR proposal 2 and AGAINST proposal 3. In their discretion, the proxies are authorized to vote and otherwise represent the undersigned on any other matter that may properly come before the Annual Meeting or any adjournment or postponement thereof.

Your vote is important. Please vote immediately.

If you vote by telephone or the Internet, please DO NOT mail back this proxy card.

C Non-Voting Items

Change of Address Please print your new address below.

Comments Please print your comments below.

Meeting Attendance

Mark the box to the right if you plan to attend the Annual Meeting.

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.